



# IDEAS TO SPARK IDEAS

Spanish Small & Micro Caps

An in-depth, independent analysis of the 35 companies in Lighthouse's coverage universe

May 27th, 2024



“...a road goes through Cornwall, Brittany and Galicia with  
crosses and gold nuggets sprinkled about that leads to the  
heaven of seafarers who perished at sea.”

(Last sentence in Boxwood (“Madera de boj”), by Camilo José Cela, 1999)

#### **Cover photograph: Hormigas Islands lighthouse**

The lighthouse stands on Isla de la Hormiga, one of the islands within an archipelago that lies 2.5 miles east of Cape Palos in the Cartagena area of the Murcia region. Built in 1870, it replaced the original lighthouse, inaugurated in 1862 and destroyed by a storm that raged on the night of Halloween in 1869. A small circular structure only 12 m high, the facility is equipped with a fifth-order lens and operates as a support beacon for the main lighthouse at Palos. After the original lighthouse was destroyed, the structure remained uninhabited. This was the first lighthouse to be automated in Spain, in 1920.

The purpose of the beacon is to alert shipping to the danger posed by the islets and rocks in the shallows of the area, the seaward extension of Cape Palos. The Hormigas Islands are one of the most hazardous points on the Mediterranean coast. Historically there were a large number of shipwrecks and casualties.

On 4 August 1906, the Italian steam liner ‘Sirio’ was sailing off Cape Palos in fair weather. In broad daylight at 4 p.m., the vessel collided with the Bajo de Fuera, an underwater mountain, and ran aground on the rocks. The ship then began to sink slowly. The ‘Sirio’ had a capacity of over 1,300 passengers. The exact number of victims remains unknown. British insurance company Lloyd's estimated that 292 people perished, but the actual death toll was likely much higher. The wreckage of the ‘Sirio’ lies scattered in the shallows off Cape Palos.

The incident was one of the most tragic ever recorded in the Mediterranean. The small lighthouse on Hormigas Island, given the daylight hour of the shipwreck, was powerless to prevent it. However, its mere presence should have served as sufficient warning of the hidden peril.



## INSTITUTO ESPAÑOL DE ANALISTAS

Instituto Español de Analistas was founded in 1965 to bring together research analysts and represent their interests. With over 1,400 member analysts and 25 sponsors, this professional association strives to bolster the reputation of its member professionals and partner firms.

To carry out its mission it works along four lines of initiative: i) providing, facilitating and aggregating support services for analysts; ii) certifying the professional qualifications of those who have taken and passed training programmes of interest to the analyst community; iii) raising the profile of the role played by research analysts in society and defending their contribution to the general interest; and iv) participating in the public debate, contributing reflections and findings of interest and value in the economic and financial spheres.

With regional offices in Catalonia, Andalusia, the Basque region, Galicia, Valencia, the Canary Islands, the Balearic Islands, Aragon, Navarra and La Rioja. Instituto Español de Analistas is made up of three entities that work to deliver its objectives: Fundación de Estudios Financieros (FEF), Escuela FEF (a financial training academy for sector professionals and students) and Lighthouse.

Instituto Español de Analistas plays an active role on the CNMV's Advisory Board and is a partner in BME's Pre-Market Environment. It is accredited by the Bank of Spain and CNMV.

## LIGHTHOUSE

Lighthouse was set up in June 2018 as the independent research service arm of Instituto Español de Analistas, covering the secondary equities market in Spain, with the support of BME (Bolsas y Mercados Españoles).

Lighthouse provides fundamental analysis and limits its coverage to stocks listed on the Spanish market (continuous market and BME Growth) that are not already covered by the sell side. In other words, by only analysing companies that are not covered by the sell side, Lighthouse focuses on very small cap and/or illiquid stocks. Almost all of the companies it covers are micro-cap stocks (market cap: EUR 50 Mn – EUR 300 Mn). Since setting out, Lighthouse has initiated coverage of 37 listed Spanish stocks. That coverage has reduced by half the incidence of orphan stocks in Spain, bringing it to under c. 20% (vs >40% in 2018).

The fundamental analysis published by Lighthouse is available free of charge can be found on the Instituto Español de Analistas website:

<https://institutodeanalistas.com/lighthouse/>

In 2021, Lighthouse started up a second business line: ESG certification. Lighthouse's certification service is endorsed by Instituto Español de Analistas and has been designed specifically to meet the sustainability certification needs of the small and mid-cap population (listed and unlisted).

In 2020, Lighthouse received the European Small & Mid-Cap Awards granted by the European Commission, EuropeanIssuers and FESE (Federation of European Securities Exchanges). During that edition, the Awards assigned Lighthouse a 'Special Mention', which recognises companies/projects that have helped the visibility and had supported small and mid-cap issuers accessing capital markets. At its core, this is Lighthouse's raison d'être. Helping small and mid-cap stocks become more well known, more highly valued and, ultimately, more liquid.



# LIGHTHOUSE

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All Lighthouse research documents are available simultaneously on the Lighthouse website ([institodeanalistas.com/lighthouse](https://institodeanalistas.com/lighthouse)) and via third-party aggregators such as Bloomberg, Factset, Capital IQ and Refinitiv. Lighthouse research is also available on the Bolsas y Mercados (BME) website (<https://www.bolsasymercados.es/bme-exchange/es/Mercados-y-Cotizaciones/Acciones/Analisis-y-Herramientas/Analisis-de-empresas/Lighthouse>)



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## A few clarifications

- 1) All of the prices used in the report (individual securities and indices) relate to the close of trading on May 17th 2024.
- 2) Unless otherwise indicated, all the data used in this report were sourced from either Factset, Lighthouse or the companies themselves.
- 3) EBITDA (actual and projected) for all of the companies covered by Lighthouse and included in this report does not include any items (whether positive or negative) without an impact on cash flow. For example, EBITDA does not include income from the capitalisation of costs.
- 4) All of the research published by Lighthouse can be found on the Instituto Español de Analistas' website:

<https://institutodeanalistas.com/lighthouse/>

- 5) At the date of publication of this report, Innovative Solutions Ecosystem (covered by Lighthouse) was suspended from trading. Therefore, the note on this company does not include any financial projections or multiples. It was also excluded from the tables with comparative data at the end of the report. A brief explanation of the company's current situation can be found on page 19.
- 6) The following companies within Lighthouse's universe of coverage are listed on BME Growth:
  - Agile Content
  - Alquiber
  - Clerhp Estructuras
  - Cuatrochenta
  - Endurance Motive
  - Energy Solar Tech
  - Enerside
  - Facephi
  - Iflex
  - Kompuestos
  - LLYC
  - Natac
  - Netex
  - Pangaea Oncology
  - Seresco
  - Substrate Artificial Intelligence
  - Vanadi Coffee
  - Vitruvio

BME Growth is the segment of BME MTF Equity aimed at small and medium sized companies, directed and managed by the Spanish stock market and is subject to the CNMV supervision. BME MTF Equity is not a Regulated Market but instead falls within the classification of a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive (MiFID). In July 2020, BME Growth obtained the status of SME Growth Market, a new category of EU regulations, which in Spain is called Mercado de Pymes en Expansión.

BME Growth is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c.140 companies listed on it (of which c.75 are SOCIMIs). Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).





## Purpose of this report: what the report is and what it is not

### A) What it is: objectives of the report

- 1) **DEEPENING FAMILIARITY WITH THE STOCKS COVERED:** Providing information about a universe of companies (Spanish micro-cap stocks), which, on account of their size and liquidity, could fall below the radar.
- 2) **IN-DEPTH FINANCIAL AND STRATEGIC ANALYSIS:** Analysing each of these businesses in detail and providing updated and detailed financial projections (2023 - 2026e) for all of them, underpinned by traditional “fundamental” analysis: strategy, capacity to generate EBITDA and FCF, growth prospects and risks.
- 3) **MOMENTUM:** We emphasise what lies in store for each company in 2024 as a result of the catalysts and drivers identified for each business. The idea is that this factor (EBITDA 2024e) is key to understanding each company’s potential as an investment idea today.
- 4) **VALUATION AND DECISION-MAKING TOOLS:** This report provides information of use in valuing any business. Essentially: comprehensive financial projections, cost of capital estimates (specifically WACC; refer to the “Valuation inputs” in each company file), trading multiples, detailed information (consensus forecasts and multiples) for each company’s closest comparables and sensitivity analysis around their EBITDA and FCF generation capacity in more and less favourable scenarios. In other words, the report contains all of the information needed to value a company. And to take an investment decision (momentum, risks, growth prospects, sector metrics, positive/negative catalysts).
- 5) **SPANISH MICROCAP UNIVERSE.** Providing a big picture of the entire Spanish Microcap Universe (which includes companies traded on the continuous market and on BME Growth). Lighthouse currently covers 30+ companies within this universe (which is ultimately broader: c.80 companies; c.45% of the stocks listed on the Spanish market): They present specific sector exposure and performance attributes which we believe make them of great interest for any investor interested in investing in small and micro-caps in southern Europe.

### B) What it isn’t: what this report does not and does not purport to do

- 1) **IT DOES NOT ACTUALLY VALUE THE COMPANIES COVERED. WE DO NOT SET A TARGET PRICE.** Lighthouse does not value stocks and does not estimate target prices. This report simply provides the tools to enable each investor to draw their own conclusions.
- 2) **IT IS NOT A RECOMMENDATION TO BUY OR SELL THE STOCKS ANALYSED.** This report does not make any investment recommendations. Neither explicitly nor implicitly.

In sum: this report aims to provide investors with all of the tools needed to decide for themselves which investment ideas of the many contained in this report are of greatest interest in light of their specific preferences/constraints.

That essentially sums up what Lighthouse is about: providing utility to companies, investors and the market in general. A wholly fundamental research service devoted to educating interested parties about the Spanish midcap segment, one in which the incidence of orphan stocks or lack of research coverage are higher. A segment in which there are many good potential investment ideas that deserve to be seen.



## Map of Micro Caps on the Spanish market and the Lighthouse Research Universe

| Communication Services   | Consumption  | Financials   | Healthcare   |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>Media</li> <li>✓ LLYC</li> <li>✓ Secuoya Grupo</li> <li>Squirrel Media</li> <li>Vocento</li> <li>Telecom Services</li> <li>✓ Parlem Telecom</li> </ul>  | <ul style="list-style-type: none"> <li>Consumer Discretionary</li> <li>Hotels, Restaurants &amp; Leisure</li> <li>✓ Vanadi Coffee</li> <li>Textiles, Apparel &amp; Luxury Goods</li> <li>Adolfo Domínguez</li> <li>Nueva Expresion Textil</li> <li>Consumer Staples</li> <li>Food Products</li> <li>Borges - BAIN</li> <li>Deoleo</li> <li>Ecolumber</li> <li>✓ Natac</li> <li>Personal Products</li> <li>Naturhouse Health</li> </ul> | <ul style="list-style-type: none"> <li>Capital Markets</li> <li>Alantra Partners</li> <li>✓ Indexa Capital Group</li> <li>Real Estate</li> <li>Mangement &amp; Development</li> <li>Cevasa</li> <li>✓ Clerhp Estructuras</li> <li>Inmobiliaria del Sur</li> <li>Libertas 7</li> <li>Montebalito</li> <li>REITs</li> <li>✓ Silicius</li> <li>✓ Adriano Care</li> <li>✓ All Iron</li> <li>✓ Arienda</li> <li>Arima Real Estate</li> <li>✓ GOP</li> <li>✓ Hispanotels</li> <li>✓ Ibervalles</li> <li>✓ IBI Lion</li> <li>✓ Inversa Prime</li> <li>✓ Millenium Hospitality</li> <li>✓ ORES</li> <li>✓ Serrano 61</li> <li>✓ Trajano</li> <li>✓ Vitruvio</li> </ul> | <ul style="list-style-type: none"> <li>Biotechnology</li> <li>Atrys Health</li> <li>Oryzon Genomics</li> <li>✓ Pangaea Oncology</li> <li>Healthcare Equipment &amp; Supplies</li> <li>Prim</li> <li>Pharmaceuticals</li> <li>Laboratorio Reig Jofre</li> </ul>               |
| Industrials  | Materials  | Technology   | Utilities  |
| <ul style="list-style-type: none"> <li>Auto Components</li> <li>Lingotes Especiales</li> <li>Commercial Services &amp; Supplies</li> <li>✓ Axon Partners Group</li> <li>✓ Grino Ecologic</li> <li>Construction</li> <li>Grupo Empresarial San Jose</li> <li>OHLA</li> <li>Urbas Grupo Financiero</li> <li>Electrical Equipment</li> <li>✓ Artech</li> <li>✓ Endurance Motive</li> <li>✓ Umbrella Solar Investment</li> <li>Engineering</li> <li>Artificial Intelligence</li> <li>✓ NBI Bearings Europe</li> <li>Soltec Power</li> <li>Duro Felguera</li> <li>Machinery</li> <li>Desa</li> <li>Nicolás Correa</li> <li>Trading Companies &amp; Distributors</li> <li>GAM</li> <li>Transportation - Road &amp; Rail</li> <li>✓ Alquiber</li> <li>Other Industrials</li> <li>Azkoyen</li> </ul> | <ul style="list-style-type: none"> <li>Chemicals</li> <li>Ercros</li> <li>✓ Kompuestos</li> <li>Containers &amp; Packaging</li> <li>✓ Iflex</li> <li>Metals &amp; Mining</li> <li>Berkeley Energia</li> <li>Tubos Reunidos</li> <li>Paper &amp; Forest Products</li> <li>Iberpapel Gestion</li> </ul>  | <ul style="list-style-type: none"> <li>Communications Equipment</li> <li>Amper</li> <li>Grupo Ezentis</li> <li>IT Services</li> <li>✓ Aeternal Mentis</li> <li>✓ Gigas Hosting</li> <li>Innovative Solutions Ecosystem<sup>(1)</sup></li> <li>Software</li> <li>✓ Agile Content</li> <li>✓ Altia Consultores</li> <li>✓ Cuatroochenta</li> <li>✓ Facephi</li> <li>✓ Izertis</li> <li>✓ Knowmad Mood</li> <li>✓ Making Science Group</li> <li>✓ Netex</li> <li>✓ Seresco</li> <li>✓ Substrate Artificial Intelligence</li> </ul>  | <ul style="list-style-type: none"> <li>Electric Utilities</li> <li>Audax Renovables<sup>(2)</sup></li> <li>Energy Solar Tech</li> <li>Independent Power Producers (IPP)</li> <li>✓ Cox Energy</li> <li>Ecoener</li> <li>✓ Enerside</li> <li>✓ Grupo Greening 2022</li> </ul> |

➤ Companies covered by Lighthouse are shaded.

✓ Companies listed on BME Growth.

(1) Listing suspended since 11/25/2022

(2) Covered by Lighthouse and excluded from the Micro Cap Universe by Mkt Cap (EUR 889 Mn).



## Overview of Lighthouse's Spanish Microcap Universe

Lighthouse's Spanish Microcap Universe comprises all the companies populating the Spanish stock market's microcap segment.

The majority of Lighthouse's research coverage is concentrated in this segment. The following criteria were used to define this universe of companies:

- The Spanish Microcap Universe created by Lighthouse includes companies traded on the continuous market (including stocks traded using the outcry method) and on BME Growth.
- What is a micro-cap stock? The strict market filter is companies with a market capitalisation of between EUR 50Mn and EUR 300Mn, irrespective of the sector they hail from. Companies with higher market values classify as small caps (EUR 300Mn - EUR 1Bn) and those with higher market caps again as mid-cap stocks (EUR 1Bn - EUR 3Bn). Those with lower market caps are known as nanocaps.

However, to ensure that market volatility does not have a significant impact on our Spanish Microcap Universe, for the purposes of this report we contemplated all companies with a market cap of between EUR 40Mn and EUR 360Mn (essentially extending the range commonly used to define microcaps by +/-20%).

- The sector structure of the Microcap Universe is based on the Global Industry Classification Standard (GICS) classification of 11 sectors. Within each sector the various companies are organised by industry (likewise using GICS criteria).

Note that in the consumer goods sector there are two sectors: i) consumer staples; and ii) consumer discretionary.

- At the time of writing, there were 80 REITs (SOCIMIs for their acronym in Spanish) trading on BME Growth, of which we only include (within the real estate sector) those: i) with a market cap of EUR 40Mn - EUR 360Mn; and ii) those with a free float of over 50% (eight companies in total).
- The Spanish Midcap Universe is made up of, in addition to the companies meeting the market cap filter of EUR 40Mn - EUR 360Mn, all of the companies covered by Lighthouse. Some of their market caps bellow the defined range: Cuatroochenta, Desa, Ecolumber, Endurance Motive, Iflex, Innovative Solutions Ecosystem, Kompuestos, Libertas 7, Netex, Substrate Artificial Intelligence and Vanadi.

Audax Renovables, the only company in Lighthouse coverage with Mkt Cap in excess of EUR 360 Mn, is not included in the Microcap Universe.

The aggregate market cap of the Spanish Microcap Universe is c. EUR 10.9Bn and it is made up of 84 companies (with a mix of c.50% continuous market / c.50% BME Growth).

In total, the continuous market and BME Growth (excluding REITs with a free float of under 50%) encompass 180 companies with an aggregate market cap of EUR c.802Bn. The Spanish Microcap Universe therefore represents c.45% of the stocks listed on the Spanish market. And c. 1.4% of their total market cap. It is a universe of companies with an abundance of investment opportunities and constitutes a "must-see" for any investor specialised in small- and mid-caps with an interest in the southern European markets.



Sector-wise, it is interesting to compare the structure of the Spanish Midcap Universe with two basic benchmarks: i) the Spanish market as a whole; and ii) the Eurostoxx 600 (the closest European market equivalent). That comparison yields the following conclusions:

### Sector structure of the Lighthouse Spanish Micro Cap Universe<sup>(1)</sup>

| Sector                 | Co. #     | Spanish Micro Cap Universe |            | % of total                |                  |
|------------------------|-----------|----------------------------|------------|---------------------------|------------------|
|                        |           | Market cap (mn EUR)        | % of total | Continuous Market (Spain) | Stoxx Europe 600 |
| Communication Services | 5         | 547                        | 5.0%       | 6.2%                      | 2.3%             |
| Consumer Discretionary | 3         | 173                        | 1.6%       | 19.4%                     | 14.7%            |
| Consumer Staples       | 5         | 603                        | 5.5%       | 0.9%                      | 11.0%            |
| Energy                 | 0         | 0                          | 0.0%       | 2.8%                      | 5.7%             |
| Financials             | 2         | 499                        | 4.6%       | 26.8%                     | 17.4%            |
| Healthcare             | 5         | 895                        | 8.2%       | 2.8%                      | 14.1%            |
| Industrials            | 18        | 2,264                      | 20.8%      | 17.2%                     | 14.9%            |
| Materials              | 6         | 772                        | 7.1%       | 3.7%                      | 7.3%             |
| Real Estate            | 20        | 2,683                      | 24.6%      | 1.7%                      | 1.3%             |
| Technology             | 15        | 1,567                      | 14.4%      | 0.5%                      | 7.6%             |
| Utilities              | 5         | 881                        | 8.1%       | 18.1%                     | 3.9%             |
| <b>Totals</b>          | <b>84</b> | <b>10,885</b>              |            |                           |                  |

(1) This structure excludes Audax Renovables (Mkt Cap of EUR 889Mn; covered by Lighthouse), which is clearly too big to be considered a micro-cap and would distort the mix.

- Three sectors (Industrial, Technology and Real Estate) represent c.60% of the number of companies and Mkt Cap in the sample. It should be noted that in the Spanish market there is no Microcap listed in the Energy sector, and practically none in the Financial (2) and Consumer Cyclical (3) sectors. All of these sectors have a large weight in the sector mix of the total Spanish market but are not represented in the Microcap segment.
- The Spanish Microcap Universe is significantly more cyclical than the Spanish or European stock markets, judging by a simple analysis which defines the information technology, materials, industrials and consumer staples sectors as cyclical (and the rest as non-cyclical).

### Exposure of the Lighthouse Spanish Microcap Universe to cyclical sectors

| Sector type  | Spanish Micro Cap Universe | Continuous Market (Spain) | Stoxx Europe 600 |
|--------------|----------------------------|---------------------------|------------------|
| Cyclical     | 43.9%                      | 40.8%                     | 44.5%            |
| Non-cyclical | 56.1%                      | 59.2%                     | 55.5%            |

- Finally, and by comparison with the sector mix of the entire Spanish market, there are two sectors in which the Microcap segment is significantly more interesting and offers an abundance of ideas that we do not find in the rest of the market: Technology and Real Estate.

The conclusion is simple. The Spanish market is clearly overexposed to the Microcap segment which, in terms of number of companies, represents almost half of the securities listed in Spain. This type of securities has a completely different sector structure to that of the market. It therefore provides a very significant number of companies in two sectors (Technology and Real Estate) that are very poorly represented in the Spanish stock market. This is a good example of the fact that, on many occasions, it is easier to “play” a certain market driver or sector through the Microcap segment than in Large Caps. Even in Small & Mid-Caps.



## The Lighthouse Spanish Micro Cap Universe (basic data) (I)

| RIC      | Company                    | Market Cap.<br>(Mn EUR) | Sector                 | Industry                         | Market <sup>(1)</sup> | Stock Performance (%) |        |        |        | Volume -12m<br>(Mn EUR) | Rotation <sup>(2)</sup><br>(%) |
|----------|----------------------------|-------------------------|------------------------|----------------------------------|-----------------------|-----------------------|--------|--------|--------|-------------------------|--------------------------------|
|          |                            |                         |                        |                                  |                       | -3M                   | -12M   | YTD    | -5Y    |                         |                                |
| SQRL-ES  | Squirrel Media             | 145.1                   | Communication Services | Media                            | MC                    | 8.8%                  | -35.0% | 7.4%   | -59.9% | 5.33                    | 3.7                            |
| VOC-ES   | Vocento                    | 115.6                   | Communication Services | Media                            | MC                    | 80.8%                 | 48.5%  | 75.6%  | -24.6% | 4.51                    | 3.9                            |
| LLYC-ES  | LLYC                       | 111.7                   | Communication Services | Media                            | G                     | 1.1%                  | -11.6% | 15.0%  | n.a.   | 2.19                    | 2.0                            |
| SEC-ES   | Secuoya Grupo              | 109.0                   | Communication Services | Media                            | G                     | -4.7%                 | 204.5% | 63.0%  | 52.5%  | 8.38                    | 7.7                            |
| PAR-ES   | Parlem Telecom             | 65.3                    | Communication Services | Telecom Services                 | G                     | 22.4%                 | 24.5%  | 20.2%  | n.a.   | 0.14                    | 0.2                            |
| VANA-ES  | Vanadi Coffee              | 1.2                     | Consumer Discretionary | Hotels, Restaurants & Leisure    | G                     | -30.5%                | n.a.   | -49.3% | n.a.   | 7.08                    | 589.4                          |
| NXT-ES   | Nueva Expresion Textil     | 121.3                   | Consumer Discretionary | Textiles, Apparel & Luxury Goods | MC                    | -2.8%                 | -29.6% | -7.4%  | -48.3% | 0.95                    | 0.8                            |
| ADZ-ES   | Adolfo Domínguez           | 50.8                    | Consumer Discretionary | Textiles, Apparel & Luxury Goods | MC                    | 21.2%                 | 1.5%   | 9.6%   | -31.5% | 17.45                   | 34.3                           |
| NAT-ES   | Natac                      | 287.0                   | Consumer Staples       | Food Products                    | G                     | -5.0%                 | -35.9% | -9.6%  | -64.5% | 4.21                    | 1.5                            |
| OLE-ES   | Deoleo                     | 120.0                   | Consumer Staples       | Food Products                    | MC                    | 18.8%                 | -3.8%  | 5.3%   | 300.0% | 48.74                   | 40.6                           |
| BAIN-ES  | Borges - BAIN              | 63.9                    | Consumer Staples       | Food Products                    | MC                    | 10.4%                 | -8.0%  | 7.0%   | -25.0% | 6.56                    | 10.3                           |
| ECO-ES   | Ecolumber                  | 32.4                    | Consumer Staples       | Food Products                    | MC                    | 0.0%                  | 0.0%   | 0.0%   | -6.5%  | 0.52                    | 1.6                            |
| NTH-ES   | Naturhouse Health          | 99.9                    | Consumer Staples       | Personal Products                | MC                    | 9.4%                  | 4.4%   | 7.8%   | 4.3%   | 5.94                    | 5.9                            |
| ALNT-ES  | Alantra Partners           | 354.6                   | Financials             | Capital Markets                  | MC                    | 7.3%                  | -11.9% | 9.5%   | -28.4% | 0.22                    | 0.1                            |
| INDXA-ES | Indexa Capital Group       | 144.0                   | Financials             | Capital Markets                  | G                     | 1.0%                  | n.a.   | -0.5%  | n.a.   | 17.11                   | 11.9                           |
| ATRY-ES  | Atrys Health               | 320.0                   | Healthcare             | Biotechnology                    | MC                    | 37.1%                 | -15.8% | 14.7%  | 17.3%  | 8.69                    | 2.7                            |
| ORY-ES   | Oryzon Genomics            | 127.8                   | Healthcare             | Biotechnology                    | MC                    | 8.2%                  | -1.5%  | 7.5%   | -52.1% | 7.46                    | 5.8                            |
| PANG-ES  | Pangaea Oncology           | 56.1                    | Healthcare             | Biotechnology                    | G                     | 1.1%                  | -10.7% | 0.0%   | -1.9%  | 97.02                   | 172.9                          |
| PRM-ES   | Prim                       | 173.8                   | Healthcare             | Healthcare Equipment & Supplies  | MC                    | 1.4%                  | -4.6%  | -1.5%  | 8.0%   | 6.68                    | 3.8                            |
| RJF-ES   | Laboratorio Reig Jofre     | 217.4                   | Healthcare             | Pharmaceuticals                  | MC                    | 19.6%                 | 7.5%   | 22.8%  | 15.8%  | 300.19                  | 138.1                          |
| LGT-ES   | Lingotes Especiales        | 68.8                    | Industrials            | Auto Components                  | MC                    | -1.7%                 | -0.7%  | 12.4%  | -54.5% | 20.70                   | 30.1                           |
| APG-ES   | Axon Partners Group        | 77.5                    | Industrials            | Commercial Services & Supplies   | G                     | -9.9%                 | -21.0% | -16.6% | n.a.   | 7.53                    | 9.7                            |
| GRI-ES   | Grino Ecologic             | 43.5                    | Industrials            | Commercial Services & Supplies   | G                     | -3.4%                 | -16.5% | -6.0%  | 2.9%   | 17.74                   | 40.8                           |
| GSJ-ES   | Grupo Empresarial San Jose | 302.4                   | Industrials            | Construction                     | MC                    | 24.0%                 | 22.7%  | 34.4%  | -29.6% | 5.33                    | 1.8                            |
| OHLA-ES  | OHLA                       | 253.6                   | Industrials            | Construction                     | MC                    | 12.9%                 | -14.0% | -4.6%  | -57.6% | 87.40                   | 34.5                           |
| UBS-ES   | Urbas Grupo Financiero     | 60.1                    | Industrials            | Construction                     | MC                    | -14.6%                | -31.7% | -4.7%  | -55.4% | 2.08                    | 3.5                            |
| ART-ES   | Arteche                    | 277.5                   | Industrials            | Electrical Equipment             | G                     | 33.0%                 | 27.9%  | 23.7%  | n.a.   | 0.70                    | 0.3                            |
| USI-ES   | Umbrella Solar Investment  | 113.2                   | Industrials            | Electrical Equipment             | G                     | -10.3%                | -18.6% | -18.0% | n.a.   | 88.60                   | 78.3                           |
| END-ES   | Endurance Motive           | 14.1                    | Industrials            | Electrical Equipment             | G                     | 7.3%                  | -26.8% | -2.1%  | n.a.   | 7.13                    | 50.6                           |
| SOL-ES   | Soltec Power               | 237.6                   | Industrials            | Engineering                      | MC                    | -14.6%                | -42.9% | -24.5% | n.a.   | 6.81                    | 2.9                            |
| AI-ES    | Airtificial Intelligence   | 180.8                   | Industrials            | Engineering                      | MC                    | -3.8%                 | 74.3%  | 5.1%   | -14.9% | 72.01                   | 39.8                           |
| NBI-ES   | NBI Bearings Europe        | 56.2                    | Industrials            | Engineering                      | G                     | 1.8%                  | -8.4%  | -8.4%  | 11.8%  | 1.73                    | 3.1                            |
| MDF-ES   | Duro Felguera              | 130.0                   | Industrials            | Engineering                      | MC                    | -6.4%                 | -16.1% | -7.4%  | 1.5%   | 6.55                    | 5.0                            |
| NEA-ES   | Nicolás Correa             | 82.5                    | Industrials            | Machinery                        | MC                    | 9.7%                  | 23.5%  | 6.4%   | 84.5%  | 0.14                    | 0.2                            |
| Desa-ES  | Desa                       | 24.0                    | Industrials            | Machinery                        | MC                    | 9.2%                  | -2.5%  | 13.7%  | 109.9% | 3.93                    | 16.4                           |
| AZK-ES   | Azkoyen                    | 158.9                   | Industrials            | Other Industrials                | MC                    | 9.4%                  | 3.0%   | 2.2%   | 8.2%   | 0.05                    | 0.0                            |
| GAM-ES   | GAM                        | 133.9                   | Industrials            | Trading Companies & Distributors | MC                    | 12.3%                 | -1.7%  | 19.9%  | 37.0%  | 5.27                    | 3.9                            |
| ALQ-ES   | Alquiber                   | 50.0                    | Industrials            | Transportation - Road & Rail     | G                     | 3.9%                  | 23.7%  | -10.2% | 68.0%  | 94.38                   | 188.9                          |
| ECR-ES   | Ercros                     | 320.0                   | Materials              | Chemicals                        | MC                    | 52.8%                 | 4.7%   | 32.6%  | 54.2%  | 141.43                  | 44.2                           |
| KOM-ES   | Kompuestos                 | 9.7                     | Materials              | Chemicals                        | G                     | 8.8%                  | 2.6%   | 2.6%   | n.a.   | 220.18                  | 2,264.1                        |
| IFLEX-ES | Iflex                      | 9.0                     | Materials              | Containers & Packaging           | G                     | -12.4%                | n.a.   | -9.8%  | n.a.   | 22.79                   | 253.3                          |
| TRG-ES   | Tubos Reunidos             | 124.0                   | Materials              | Metals & Mining                  | MC                    | 1.4%                  | -6.6%  | 10.1%  | 245.5% | 256.60                  | 206.9                          |
| BKY-ES   | Berkeley Energia           | 102.8                   | Materials              | Metals & Mining                  | MC                    | 17.9%                 | -14.3% | 23.6%  | 17.4%  | 1.60                    | 1.6                            |
| IBG-ES   | Iberpapel Gestion          | 206.4                   | Materials              | Paper & Forest Products          | MC                    | 12.3%                 | 22.8%  | 6.7%   | -30.6% | 5.18                    | 2.5                            |
| ISUR-ES  | Inmobiliaria del Sur       | 149.4                   | Real Estate            | Management & Development         | MC                    | 11.1%                 | 16.7%  | 16.1%  | -9.9%  | 43.80                   | 29.3                           |
| CEV-ES   | Cevasa                     | 139.5                   | Real Estate            | Management & Development         | MC                    | 0.0%                  | -8.3%  | 0.0%   | -23.6% | 2.19                    | 1.6                            |
| CLR-ES   | Clerhp Estructuras         | 57.9                    | Real Estate            | Management & Development         | G                     | -1.4%                 | 36.0%  | -1.9%  | 214.5% | 0.67                    | 1.2                            |
| MTB-ES   | Montebalito                | 44.5                    | Real Estate            | Management & Development         | MC                    | 2.2%                  | 8.6%   | -4.8%  | 4.9%   | 1.49                    | 3.4                            |
| LIB-ES   | Libertas 7                 | 38.6                    | Real Estate            | Management & Development         | MC                    | 63.0%                 | 101.3% | 72.5%  | 26.2%  | 13.00                   | 33.7                           |
| YSIL-ES  | Silicium                   | 342.2                   | Real Estate            | REITs                            | GS                    | 0.0%                  | -20.1% | 0.0%   | n.a.   | 0.68                    | 0.2                            |
| YMHRE-ES | Millenium Hospitality      | 315.6                   | Real Estate            | REITs                            | GS                    | 8.8%                  | -16.6% | 3.8%   | n.a.   | 9.37                    | 3.0                            |
| YIBV-ES  | Ibervalles                 | 242.4                   | Real Estate            | REITs                            | GS                    | 0.0%                  | 13.5%  | 5.0%   | n.a.   | 10.43                   | 4.3                            |
| ARM-ES   | Arima Real Estate          | 236.0                   | Real Estate            | REITs                            | MC                    | 35.0%                 | 3.8%   | 30.7%  | -17.0% | 0.11                    | 0.0                            |
| YORE-ES  | ORES                       | 196.7                   | Real Estate            | REITs                            | GS                    | -2.9%                 | -2.0%  | -1.0%  | 42.1%  | 0.92                    | 0.5                            |
| YAI1-ES  | All Iron                   | 131.5                   | Real Estate            | REITs                            | GS                    | 8.7%                  | -0.3%  | 1.5%   | n.a.   | 6.77                    | 5.1                            |
| YVIT-ES  | Vitruvio                   | 127.0                   | Real Estate            | REITs                            | GS                    | 2.1%                  | 5.7%   | 2.8%   | 7.0%   | 10.05                   | 7.9                            |
| YADR-ES  | Adriano Care               | 119.4                   | Real Estate            | REITs                            | GS                    | -2.5%                 | -4.7%  | -2.5%  | n.a.   | 0.57                    | 0.5                            |
| YSRR-ES  | Serrano 61                 | 107.0                   | Real Estate            | REITs                            | GS                    | 0.0%                  | 0.0%   | 0.0%   | 1.7%   | 13.02                   | 12.2                           |
| YIPS-ES  | Inversa Prime              | 101.1                   | Real Estate            | REITs                            | GS                    | 4.0%                  | 4.2%   | 4.9%   | 19.7%  | 14.70                   | 14.5                           |
| YGOP-ES  | GOP                        | 93.4                    | Real Estate            | REITs                            | GS                    | 0.8%                  | 4.2%   | 2.3%   | 14.0%  | 1.40                    | 1.5                            |
| YHSP-ES  | Hispanotels                | 65.9                    | Real Estate            | REITs                            | GS                    | 3.5%                  | 7.0%   | 5.4%   | 21.1%  | 0.84                    | 1.3                            |
| YARP-ES  | Arienda                    | 60.2                    | Real Estate            | REITs                            | GS                    | 0.0%                  | 4.7%   | 0.7%   | 11.9%  | 57.99                   | 96.3                           |
| YTRA-ES  | Trajano                    | 59.7                    | Real Estate            | REITs                            | GS                    | -9.5%                 | -9.9%  | -6.7%  | -1.7%  | 16.70                   | 28.0                           |
| YIBI-ES  | IBI Lion                   | 54.7                    | Real Estate            | REITs                            | GS                    | 0.0%                  | 0.5%   | -0.1%  | n.a.   | 10.98                   | 20.1                           |

(1) Market: MC = Continuous Market, G = BME Growth, GS = BME Growth REITs

(2) Rotation is the % of the capitalisation traded - 12m.



## The Lighthouse Spanish Micro Cap Universe (basic data) (II)

| RIC     | Company                           | Market Cap.<br>(Mn EUR) | Sector     | Industry                          | Market <sup>(1)</sup> | Stock Performance (%) |        |        |        | Volume -12m<br>(Mn EUR) | Rotation <sup>(2)</sup><br>(%) |
|---------|-----------------------------------|-------------------------|------------|-----------------------------------|-----------------------|-----------------------|--------|--------|--------|-------------------------|--------------------------------|
|         |                                   |                         |            |                                   |                       | -3M                   | -12M   | YTD    | -5Y    |                         |                                |
| AMP-ES  | Amper                             | 170.3                   | Technology | Communications Equipment          | MC                    | 41.2%                 | -3.8%  | 36.1%  | -52.8% | 4.77                    | 2.8                            |
| EZE-ES  | Grupo Ezentis                     | 92.7                    | Technology | Communications Equipment          | MC                    | 13.9%                 | 123.7% | 123.7% | -61.2% | 0.66                    | 0.7                            |
| AMEN-ES | Aeternal Mentis                   | 119.1                   | Technology | IT Services                       | G                     | 0.0%                  | -2.7%  | -3.2%  | n.a.   | 2.19                    | 1.8                            |
| GIGA-ES | Gigas Hosting                     | 83.8                    | Technology | IT Services                       | G                     | 11.1%                 | -5.3%  | 4.0%   | 13.8%  | 1.34                    | 1.6                            |
| ALC-ES  | Altia Consultores                 | 323.3                   | Technology | Software                          | G                     | -3.7%                 | 53.0%  | 10.3%  | 148.8% | 46.53                   | 14.4                           |
| IZER-ES | Izertis                           | 237.7                   | Technology | Software                          | G                     | 2.0%                  | 16.0%  | -2.0%  | n.a.   | 154.15                  | 64.9                           |
| ATSI-ES | Knowmad Mood                      | 200.0                   | Technology | Software                          | G                     | 25.0%                 | 11.6%  | 22.7%  | n.a.   | 27.10                   | 13.5                           |
| AGIL-ES | Agile Content                     | 102.1                   | Technology | Software                          | G                     | 35.8%                 | 22.6%  | 33.3%  | 123.2% | 21.59                   | 21.1                           |
| MAKS-ES | Making Science Group              | 75.3                    | Technology | Software                          | G                     | -3.8%                 | -17.9% | -10.5% | n.a.   | 33.83                   | 44.9                           |
| SCO-ES  | Seresco                           | 45.1                    | Technology | Software                          | G                     | 0.0%                  | 31.1%  | 4.4%   | n.a.   | 10.52                   | 23.3                           |
| FACE-ES | Facephi                           | 44.4                    | Technology | Software                          | G                     | 4.4%                  | -21.9% | 1.5%   | -0.5%  | 13.24                   | 29.8                           |
| NTX-ES  | Netex                             | 34.4                    | Technology | Software                          | G                     | 4.9%                  | 44.8%  | -2.0%  | 220.7% | 13.24                   | 38.5                           |
| 480S-ES | Cuatroochenta                     | 27.3                    | Technology | Software                          | G                     | 40.8%                 | 7.5%   | 42.9%  | n.a.   | 13.24                   | 48.5                           |
| SAI-ES  | Substrate Artificial Intelligence | 11.5                    | Technology | Software                          | G                     | -20.2%                | -53.9% | -29.7% | n.a.   | 13.24                   | 115.1                          |
| ADX-ES  | Audax Renovables                  | 888.7                   | Utilities  | Electric Utilities                | MC                    | 53.1%                 | 51.5%  | 50.8%  | -9.6%  | 13.24                   | 1.5                            |
| ETC-ES  | Energy Solar Tech                 | 80.5                    | Utilities  | Electric Utilities                | G                     | -28.4%                | -55.8% | -35.3% | n.a.   | 13.24                   | 16.5                           |
| COX-ES  | Cox Energy                        | 300.0                   | Utilities  | Independent Power Producers (IPP) | G                     | -12.3%                | n.a.   | -1.1%  | n.a.   | 13.24                   | 4.4                            |
| ENER-ES | Ecoener                           | 216.4                   | Utilities  | Independent Power Producers (IPP) | MC                    | -1.3%                 | -17.0% | -10.4% | n.a.   | 13.24                   | 6.1                            |
| GGR-ES  | Grupo Greening 2022               | 171.1                   | Utilities  | Independent Power Producers (IPP) | G                     | 8.7%                  | 10.9%  | 16.0%  | n.a.   | 13.24                   | 7.7                            |
| ENRS-ES | Enerside                          | 113.5                   | Utilities  | Independent Power Producers (IPP) | G                     | 32.2%                 | -38.7% | -7.0%  | n.a.   | 13.24                   | 11.7                           |

- (1) Market: MC = Continuous Market (Spain), G = BME Growth, GS = BME Growth REITs
- (2) Rotation is the % of the capitalisation traded - 12m.
- (3) Performance for Innovative Solutions Ecosystem, which was suspended from trading on 25 November 2022. The company has been excluded from the Table.
- (4) Audax Renovables (under analysis coverage by Lighthouse) does not technically belong to Lighthouse's Micro Cap Universe Spain as it has a Mkt Cap (EUR 889 Mn) well above the upper limit of the Micro Cap segment (EUR 360 Mn).

## Performance by the Lighthouse Spanish Micro Cap Universe

| Stock performance             | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|-------------------------------|------|------|-------|------|-------|-------|
| Absolute <sup>(1)</sup>       | 5.5  | 8.0  | 5.1   | 7.8  | -7.5  | 20.8  |
| <b>vs Market</b>              |      |      |       |      |       |       |
| vs Ibex 35                    | -1.0 | -5.7 | -14.6 | -3.9 | -25.2 | -1.0  |
| vs Euro STOXX 50              | 2.4  | 1.6  | -10.3 | -3.8 | -26.8 | -18.3 |
| <b>vs Small Cap Reference</b> |      |      |       |      |       |       |
| vs Ibex Small Cap Index       | -3.4 | -5.5 | -8.2  | -3.2 | -9.5  | -7.3  |
| vs MSCI Europe Micro Cap      | -0.6 | 0.6  | 2.1   | 2.0  | 13.5  | 0.8   |

- (1) Average Return of the Lighthouse Spanish Micro Cap Universe. Return obtained on a similar investment in each company in the Lighthouse Spanish Micro Cap Universe.



## Just for the sake of it: 6 potential (good) investment ideas from Lighthouse's research universe

Lighthouse aims to provide insight into the fundamentals of Spain's "orphan" stocks through its recurring research. Our work is nearly 100% focused on taking a deep-dive into the business models of the companies we cover and making financial projections so that investors can understand what each company does, how it makes money and what it can be expected to do over the next three years. Therefore, our work is predicated on performing in-depth analyses of each business' EBITDA and free cash flow generation potential. As is widely known, Lighthouse does not provide any valuations or target prices and does not issue any investment recommendations on the companies analysed.

However, our research naturally spawns factors/data that we find to be particularly interesting and that could be considered potential indicators of value of the stocks under coverage. Just for the sake of it, we provide these indicators for six companies we cover. They are inputs that investors could find especially interesting when first selecting which companies to analyse and track.

This is the best way to explain Lighthouse's *raison d'être* and value. Providing the market with information that has gone unnoticed until now. And doing so in a way that meets the requirements of (mostly institutional) investors. All our efforts are geared towards providing key information (e.g., financial strategic) for understanding companies and taking investment decisions. Below we offer three examples of stocks listed on the continuous market and three on BME Growth. All are from different sectors. And have different equity stories, from the classic "growth" companies to "value" plays.

As explained above, we are not making valuations or issuing any investment recommendations. These picks should be considered simply as examples of the stocks included in Lighthouse's research universe (30 companies) that show particularly positive, and reasonably sound and objective, indicators. We think they are worth looking at. But they are only a few examples. There are many more...

In the first edition of this annual report (June 2023) we presented our first portfolio of ideas (Alquiber, Cuatroochenta, Gam, Libertas 7, LLYC and Nicolás Correa). The performance of the portfolio so far has been excellent (+24%) and is a strong incentive to continue "calling for attention" on the Spanish Microcap segment. And especially on those stocks in which indicators of potential undervaluation are particularly clear.

| Company             | Ticker | Mkt Cap (EUR Mn) | Free Float (%) | Performance -12m (% Absolute) |
|---------------------|--------|------------------|----------------|-------------------------------|
| Alquiber            | ALQ    | 50.0             | 25.4           | 23.7                          |
| Cuatroochenta       | 480S   | 27.3             | 36.0           | 7.5                           |
| GAM                 | GAM    | 133.9            | 20.7           | -1.7                          |
| LLYC                | LLYC   | 111.7            | 13.5           | -11.6                         |
| Libertas 7          | LIB 7  | 38.6             | 15.7           | 101.3                         |
| Nicolás Correa      | NEA    | 82.5             | 49.6           | 23.5                          |
| <b>LH portfolio</b> |        |                  |                | <b>23.8</b>                   |

Note - Portfolio return calculated assuming we had invested the same amount in each security one year ago.

We retained two of last year's stocks in our portfolio (Alquiber and Nicolás Correa) and added four new ones (Adolfo Domínguez, Clerhp, Inmobiliaria del Sur and Seresco). The stocks chosen should not be seen as part of a "macro" or market strategy or sector preference. The reason for choosing them is always and exclusively "micro". The only reason is their individual growth potential and potential undervaluation indicators.

**Sector: Textiles, Apparel & Luxury Goods**

|                           |                   |      |
|---------------------------|-------------------|------|
| Market Cap (Mn EUR y USD) | 50.8              | 55.3 |
| EV (Mn EUR y USD)         | 91.2              | 99.2 |
| Free Float                | 22.6              |      |
| Factset / Bloomberg       | ADZ-ES / ADZ SM   |      |
| Market                    | Continuous Market |      |

**Sector: Industrials / Transportation - Road & Rail**

|                           |                 |       |
|---------------------------|-----------------|-------|
| Market Cap (Mn EUR y USD) | 50.0            | 54.3  |
| EV (Mn EUR y USD)         | 252.2           | 274.3 |
| Free Float                | 25.4            |       |
| Factset / Bloomberg       | ALQ-ES / ALQ SM |       |
| Market                    | BME Growth      |       |

**Sector: Mangement & Development**

|                           |                 |      |
|---------------------------|-----------------|------|
| Market Cap (Mn EUR y USD) | 57.9            | 63.0 |
| EV (Mn EUR y USD)         | 67.8            | 73.7 |
| Free Float                | 44.3            |      |
| Factset / Bloomberg       | CLR-ES / CLR SM |      |
| Market                    | BME Growth      |      |

**Sector: Mangement & Development**

|                           |                   |       |
|---------------------------|-------------------|-------|
| Market Cap (Mn EUR y USD) | 149.4             | 162.4 |
| EV (Mn EUR y USD)         | 389.2             | 423.2 |
| Free Float                | 31.1              |       |
| Factset / Bloomberg       | ISUR-ES / ISUR SM |       |
| Market                    | Continuous Market |       |

**B) Adolfo Domínguez**

- ✓ ADZ is back on its profitable growth path (EBITDA 2023: +58.5%) after restructuring its establishments (+21 new openings -1y; 360 stores in 2023 vs 695 in 2012) and improvement in online (12.5% of revenue 2023), with further room grow.
- ✓ Double-digit revenue growth to 2026e (CAGR 2023-26e: 10%), driven primarily by the brand's international expansion, which should also be the case for EBITDA (CAGR 2023-26e: 16%).
- ✓ ADZ seems to have its "mojo" back. Even in the wake of the stock's recent rally (+22.6% -1m), our estimates indicate that, on paper, there is still plenty of upside: EV/revenue and EV/EBITDA 2024 of 0.6x and 4.3x, respectively (far below the sector averages).

**C) Alquiber**

- ✓ The flexible renting model remains unstoppable and will drive earnings again in 2024e (EBITDA: +17.1%), underpinned by momentum in fleet growth (CAGR 2023-26e: 10.2%).
- ✓ Expectations are still for double-digit growth (EBIT 2023-2026e: 19.5%), leaving it on track to achieve positive FCF (for the first time thanks to second-hand car sales) as of 2025e.
- ✓ Trading on a P/E of 2024e of 5.1x (vs 8.1x by its main comp, Northgate) is still a calling card (even with the pressure of interest rates on the bottom line).

**D) Clerhp Estructuras**

- ✓ In the "lift-off" stage for revenue, to EUR 145.9Mn in 2026e (CAGR 2023-26e: 103%) propelled by the Larimar project (real estate development in the Dominican Republic). Nearly complete shift in the business mix (the company is "changing" sector to become a developer). With further growth in 2024e in the traditional construction of structures business. 2024e revenue: EUR 29.3Mn (+68% vs 2023).
- ✓ In 2024e, we should see a sharp improvement in recurring EBITDA to EUR 12.0Mn (vs. EUR 4.4Mn in 2023), with room to soar to EUR 33.9Mn in 2026e (driven by the development business).
- ✓ Strong earnings momentum and trading at low multiples. Our numbers for 2024e (with no impact from the Larimar City & Resort project) have it trading at an EV/recurring EBITDA multiple of 5.4x (5.1x 2025e; 2.0x 2026e, and so on).

**E) Inmobiliaria del Sur**

- ✓ The pre-sales portfolio and (all-time high) units under construction point to a "leap in size" of the development business. Meanwhile, the property management portfolio continues to enjoy high occupancy (88.7%) and provide recurrence (thereby mitigating the risk of the development business).
- ✓ Our baseline scenario points to a company poised to take off, with revenue reaching EUR 244.1Mn in 2025e (CAGR 2023-25e: 42.85%) and EBITDA of EUR 46.5Mn (2x EBITDA 2023) by 2025e. Dividend yield 2025e: 8.6%.
- ✓ With a NAV (1Q24) of EUR 358.5Mn. ISUR is still trading at a discount to NAV of c.60% (vs 40% for developers and Spanish REITs). It is currently trading at a P/E 2024e of 12.9x (vs the sector average of 19x).





## Sector: Industrials / Machinery

|                           |                   |      |
|---------------------------|-------------------|------|
| Market Cap (Mn EUR y USD) | 82.5              | 89.8 |
| EV (Mn EUR y USD)         | 71.2              | 77.4 |
| Free Float                | 49.6              |      |
| Factset / Bloomberg       | NEA-ES / NEA SM   |      |
| Market                    | Continuous Market |      |

## Sector: Software

|                           |                 |      |
|---------------------------|-----------------|------|
| Market Cap (Mn EUR y USD) | 45.1            | 49.1 |
| EV (Mn EUR y USD)         | 52.6            | 57.2 |
| Free Float                | 19.3            |      |
| Factset / Bloomberg       | SCO-ES / SCO SM |      |
| Market                    | BME Growth      |      |

### F) Nicolás Correa

- ✓ The order book is at a new all-time high (EUR 107Mn; 97% of 2023 revenue) and bodes for a record 2024e (above 2008). Growth should speed up from 2026e on the back of increased capacity/efficiency following construction of the new factory (CAGR 2023-26e for recurring EBITDA: 12.3%).
- ✓ With a large net cash position (net cash 2023: EUR 11.4M; 15% of mkt. cap) and strong cash generation capacity (FCF yield 2026e: 10.6%). This should enable the company to undertake some sizeable investments and opens the door to M&A.
- ✓ Low multiples: EV/EBITDA 24e 4.7x and P/E 24e 7.9x (vs 6.6x and 12.6x for its comps) for a company with clear-cut ability to generate value ROCE 2024e: 14.9%) and some of the highest margins in its sector (EBITDA margin of c.13%).

### G) Seresco

- ✓ Excellent momentum (recurring EBITDA 2024e of EUR 7Mn; 2x recurring EBITDA 2023) thanks to consolidation of acquisitions completed. And capacity to continue growing (CAGR 2024e-26e for EBITDA: +15%).
- ✓ Sound balance sheet (net debt of EUR 7.6Mn; 2.2x ND/recurring EBITDA 2023) for a company in the ramp-up stage and positive recurring cash generation, enabling it to growth either organically or via M&A.
- ✓ Low multiples: EV/EBITDA 2024e of 7.6x and FCF Yield 2024e of 8.3% (vs 12x and 4.8%, respectively, for its main comps).



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## Company notes

Attached are updated company notes for Lighthouse's entire research universe as at the date of this report:

- The notes all have the same structure and essentially include:
  - Descriptive information (activity and business model, historical financial statements, shareholder structure, liquidity)
  - Complete financial projections (2023-2026e) and FCF analysis
  - Performance
  - Peer data
  - Valuation inputs
  - Corporate Governance KPIs
  - Analyst view on the company: 2024 momentum, equity story highlights, risks and valuation indicators
- All notes have been updated with closing prices as of May 17, 2024.
- The time of distribution of the report is 12:00 noon on May 27, 2024.
- In the case of Squirrel Media (SQRL) the company has announced (May 21, 2024) a very significant acquisition without having yet detailed its terms and impact. Therefore, no financial projections or multiples are provided in the company's file included in this report.
- Innovative Solutions Ecosystem (ISE) has been suspended from trading since November 25, 2022 for failing to submit audited financial statements (ISE closes its financial year on June 30 of each year). As of the date of publication of this report, ISE is still suspended from trading.

At the end of 2023 (company source; unaudited annual accounts), ISE had revenues of EUR 9.5Mn (vs EUR 6.2Mn in 2022; excluding capitalized expenses). And an EBIT of EUR -4.7Mn (vs EUR -5.2Mn in 2022). With negative equity of EUR -10.4Mn (vs EUR -8.3Mn in 2022). Additionally, on March 27, 2024, Scytl (a subsidiary of ISE) filed for voluntary insolvency proceedings, given the company's inability to meet its current needs and provide continuity to its business. This will have a negative impact (due to the corresponding impairment) on P/L and Balance Sheet.

Lighthouse initiated coverage of ISE in December 2020. ISE is therefore part of Lighthouse's coverage universe as of the date of publication of this report. However, the long period of suspension of the stock and the absence of audited annual accounts prevents us from presenting financial projections for ISE or updating the company's equity story, so we do not include an ISE fact sheet in this report. Once the company resumes trading Lighthouse will resume its coverage.

**Adolfo Domínguez (ADZ)** is a small designer fashion textile group, based in Ourense (Spain), specialising (c. 40 years) in the design and sale (both retail and wholesale) of fashion items. With international presence (>35% o/revenues), it is managed by the founding family (31% of the capital), which prevails in the Board.

**Any reference to the results of a certain year refers to the period between 28-Feb and 28-Feb (of the following year).**

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**Better-than-expected 2023...** ADZ ended up delivering double-digit growth in revenue (+12.4% vs 2022) to EUR 129.6Mn, and an even sharper increase in recurring EBITDA (+58.5% vs 2022) to EUR 17.3Mn. Gross margin (+2.6p.p.) was the main driver of the improvement in EBITDA margin in 2023 (13.4% vs 9.5% in 2022).

**...vindicating the company's restructuring and the success of commercial strategy.** After spending over a decade restructuring its establishments (360 in 2023 vs 695 in 2012), ADZ has seen average sales per store rise by 70% since 2012, while the trend in online sales (+12.5% 2023 vs +2.6% in 2012) has put the company back on its profitable growth path.

**We think the company can keep it up in 2024.** We expect to see fewer sales periods again in 2024, lifting the EBITDA margin in 2024e to c.15% (vs 13.4% in 2022). Meanwhile, we are estimating total revenue of EUR 143.8Mn, factoring in new openings/store relocations (net) of c.20 stores a year. We could see still pressure on the bottom line, essentially for higher rents from expansion of the store network (EBIT margin 2024e of 3.5%).

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**The Adolfo Domínguez brand.** The commitment to niche designer fashion, the strategy of having shorter collections (more exclusivity), the focus on sustainability and new (international) store openings should lock in stable growth in revenue (>9% YoY) and strengthen brand positioning.

**Greater emphasis on the omnichannel approach.** ADZ's medium- and long-term strategy is predicated on brand rejuvenation, and here the online channel plays a crucial role. We see targeted market drives (ADN ecosystem) and alliances with strategic partners as the key growth drivers of the online channel, which on our estimates will see its share of revenue mix rise to c.15% by 2026e (vs 9.5% in 2019; industry average of 20%).

**Ability to sustain profitability...** Our assumptions include a ramp-up period with 2-3 new openings a year (and better performance per store). This, coupled with supply chain reorganisation and increased operating efficiency, could raise the EBITDA margin to 16% in 2026e.

**...and obtain positive cash flow. FCF yield 2026e of 4.6%?** We estimate double-digit growth in 2023-2026e for both revenue (CAGR 23-26e: 10.3%) and EBITDA (CAGR 23-26e: 16.7%). Without any extraordinary CAPEX needs on the horizon (c.3% of revenue), we estimate recurring FCF 2026e of EUR 2.3Mn.

## RISKS: WHAT TO KEEP AN EYE ON?

**Inflation risk.** Inflation has eased gradually over the past two years, but price rises could still affect ADZ's earnings, especially down the P&L in terms of inflation-indexed rents and cost of debt. High prices could also hurt private consumption and disposable income, both of which are key for ADZ.

**Currency risk.** Both in respect of revenue, where it is mainly exposed to the Mexican peso and the yen (19% and 4% of 2023 revenue, respectively), and costs (c. 80% of the products sold are acquired in USD). The company does not enter into hedges to mitigate the impact of exchange rates on its P&L.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Getting ready for "take-off".** ADZ has reported a positive net profit for the second year in a row and margin expansion for the third year running (to above pre-Covid levels). The good share price performance (+21.2% -3m) does not (yet) show the market pricing in ADZ's strategic turnaround. The shares are trading at an FY24e EV/revenue multiple of 0.6x (vs 1.3x for its comps). Looking ahead to 2025e, our numbers show it on a P/E of 15x. Momentum growing at ADZ.

### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 50.8               | 55.3 |
| EV (Mn EUR and USD)            | 91.2               | 99.2 |
| Shares Outstanding (Mn)        | 9.3                |      |
| -12m (Max/Med/Min EUR)         | 6.80 / 5.24 / 4.38 |      |
| Daily Avg volume (-12m Mn EUR) | 0.01               |      |
| Rotation <sup>(1)</sup>        | 7.5                |      |
| Factset / Bloomberg            | ADZ-ES / ADZ SM    |      |
| Close fiscal year              | 28-Feb             |      |

### Shareholders Structure (%)<sup>(3)</sup>

|                  |      |
|------------------|------|
| Adolfo Domínguez | 31.5 |
| Puig, S.A.       | 14.8 |
| Libertas 7       | 10.3 |
| Indumenta Pueri  | 9.1  |
| Free Float       | 22.6 |

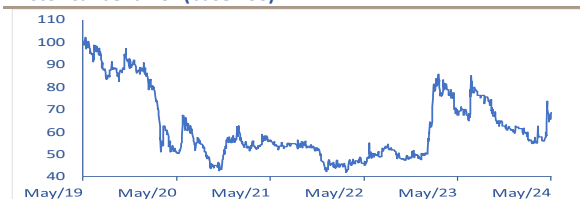
### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 9.3   | 9.3   | 9.3   | 9.3   |
| Total Revenues                      | 129.6 | 143.8 | 158.4 | 173.7 |
| Rec. EBITDA                         | 17.3  | 21.5  | 25.0  | 27.6  |
| % growth                            | 58.5  | 23.7  | 16.6  | 10.3  |
| % Rec. EBITDA/Rev.                  | 13.4  | 14.9  | 15.8  | 15.9  |
| % Inc. EBITDA sector <sup>(2)</sup> | 0.4   | 1.7   | 14.6  | 8.6   |
| Net Profit                          | 0.7   | 2.2   | 3.5   | 4.3   |
| EPS (EUR)                           | 0.08  | 0.24  | 0.37  | 0.47  |
| % growth                            | 357.4 | 203.9 | 55.9  | 25.6  |
| Ord. EPS (EUR)                      | 0.08  | 0.24  | 0.37  | 0.47  |
| % growth                            | 160.0 | 217.7 | 55.9  | 25.6  |
| Rec. Free Cash Flow                 | -1.4  | 0.6   | 1.9   | 2.3   |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 9.8   | 10.3  | 9.1   | 7.5   |
| ND/Rec. EBITDA (x)                  | 0.6   | 0.5   | 0.4   | 0.3   |
| ROE (%)                             | 4.1   | 11.2  | 15.3  | 16.4  |
| ROCE (%)                            | 9.9   | 11.5  | 13.2  | 14.1  |

### Ratios & Multiples (x)

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | 69.6 | 22.9  | 14.7  | 11.7  |
| Ord. P/E           | 72.8 | 22.9  | 14.7  | 11.7  |
| P/BV               | 2.7  | 2.4   | 2.1   | 1.8   |
| Dividend Yield (%) | 0.0  | 0.0   | 0.0   | 0.0   |
| EV/Sales           | 0.70 | 0.63  | 0.58  | 0.53  |
| EV/Rec. EBITDA     | 5.3  | 4.3   | 3.6   | 3.3   |
| EV/EBIT            | 26.4 | 18.1  | 14.7  | 12.8  |
| FCF Yield (%)      | n.a. | 1.1   | 3.8   | 4.6   |

### Historical behavior (base 100)



| (%)      | -1m  | -3m  | -12m | -5Y   |
|----------|------|------|------|-------|
| Absolute | 22.6 | 21.2 | 1.5  | -31.5 |

(2) Rotation is the % of the capitalisation traded - 12m.

(3) Sector: Europe Apparel & Footwear.

(3) Others: La Previsión Mallorquina de Seguros 6.7%, Solventis 4.5%, Treasury shares 0.5%



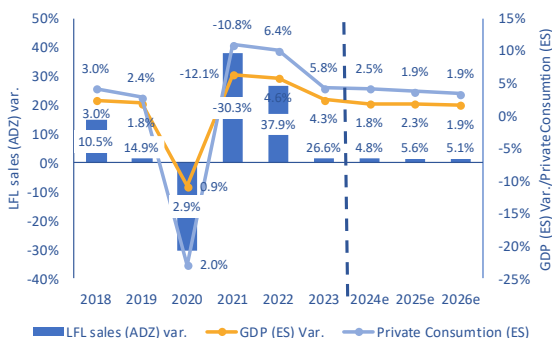
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020          | 2021          | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
|--|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets                            | 34.9         | 28.3          | 27.8          | 33.5         | 41.1         | 39.6         | 38.0         | 36.3         |              |              |
| Fixed assets                                 | 10.2         | 9.7           | 7.5           | 9.3          | 9.0          | 12.3         | 15.5         | 19.0         |              |              |
| Other Non Current Assets                     | 0.7          | 1.2           | 2.4           | 2.7          | 12.7         | 12.7         | 12.7         | 12.7         |              |              |
| Financial Investments                        | 5.9          | 4.7           | 5.7           | 5.6          | 7.0          | 7.0          | 7.0          | 7.0          |              |              |
| Goodwill & Other Intangibles                 | -            | -             | -             | -            | -            | -            | -            | -            |              |              |
| Current assets                               | 38.0         | 30.6          | 26.5          | 35.6         | 37.3         | 40.8         | 44.3         | 48.0         |              |              |
| <b>Total assets</b>                          | <b>89.6</b>  | <b>74.5</b>   | <b>69.8</b>   | <b>86.7</b>  | <b>107.1</b> | <b>112.5</b> | <b>117.5</b> | <b>123.1</b> |              |              |
| Equity                                       | 44.2         | 24.0          | 15.5          | 17.2         | 18.7         | 20.9         | 24.4         | 28.7         |              |              |
| Minority Interests                           | 0.9          | 1.0           | -             | -            | -            | -            | -            | -            |              |              |
| Provisions & Other L/T Liabilities           | 1.5          | 1.4           | 1.5           | 1.4          | 10.0         | 10.0         | 10.0         | 10.0         |              |              |
| Other Non Current Liabilities                | 34.2         | 28.2          | 29.0          | 32.7         | 40.2         | 40.2         | 40.2         | 40.2         |              |              |
| Net financial debt                           | (9.9)        | (0.8)         | 1.7           | 8.1          | 9.8          | 10.3         | 9.1          | 7.5          |              |              |
| Current Liabilities                          | 18.8         | 20.7          | 22.1          | 27.4         | 28.4         | 31.1         | 33.8         | 36.7         |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>89.6</b>  | <b>74.5</b>   | <b>69.8</b>   | <b>86.7</b>  | <b>107.1</b> | <b>112.5</b> | <b>117.5</b> | <b>123.1</b> |              |              |
| P&L (EUR Mn)                                 | 2019         | 2020          | 2021          | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Total Revenues</b>                        | <b>116.2</b> | <b>66.8</b>   | <b>93.2</b>   | <b>115.3</b> | <b>129.6</b> | <b>143.8</b> | <b>158.4</b> | <b>173.7</b> | <b>2.8%</b>  | <b>10.3%</b> |
| Total Revenues growth                        | 2.5%         | -42.5%        | 39.5%         | 23.7%        | 12.4%        | 10.9%        | 10.1%        | 9.7%         |              |              |
| COGS   | (50.6)       | (35.3)        | (40.5)        | (49.3)       | (52.0)       | (57.2)       | (62.4)       | (68.4)       |              |              |
| <b>Gross Margin</b>                          | <b>65.6</b>  | <b>31.5</b>   | <b>52.7</b>   | <b>66.0</b>  | <b>77.6</b>  | <b>86.6</b>  | <b>96.0</b>  | <b>105.2</b> | <b>4.3%</b>  | <b>10.7%</b> |
| Gross Margin/Revenues                        | 56.5%        | 47.2%         | 56.6%         | 57.3%        | 59.9%        | 60.2%        | 60.6%        | 60.6%        |              |              |
| Personnel Expenses                           | (36.7)       | (22.7)        | (28.7)        | (33.0)       | (34.7)       | (37.0)       | (40.1)       | (43.3)       |              |              |
| Other Operating Expenses                     | (18.7)       | (18.8)        | (19.5)        | (22.1)       | (25.6)       | (28.1)       | (30.9)       | (34.4)       |              |              |
| <b>Recurrent EBITDA</b>                      | <b>10.3</b>  | <b>(10.0)</b> | <b>4.5</b>    | <b>10.9</b>  | <b>17.3</b>  | <b>21.5</b>  | <b>25.0</b>  | <b>27.6</b>  | <b>14.0%</b> | <b>16.7%</b> |
| Recurrent EBITDA growth                      | n.a.         | -197.0%       | 145.2%        | 142.9%       | 58.5%        | 23.7%        | 16.6%        | 10.3%        |              |              |
| Rec. EBITDA/Revenues                         | 8.8%         | n.a.          | 4.8%          | 9.5%         | 13.4%        | 14.9%        | 15.8%        | 15.9%        |              |              |
| Restructuring Expense & Other non-rec.       | 1.1          | 3.1           | (4.1)         | 2.4          | 0.0          | -            | -            | -            |              |              |
| <b>EBITDA</b>                                | <b>11.3</b>  | <b>(6.8)</b>  | <b>0.4</b>    | <b>13.4</b>  | <b>17.4</b>  | <b>21.5</b>  | <b>25.0</b>  | <b>27.6</b>  | <b>11.3%</b> | <b>16.6%</b> |
| Depreciation & Provisions                    | (1.5)        | (2.1)         | (1.2)         | (1.3)        | (2.8)        | (3.1)        | (3.2)        | (3.3)        |              |              |
| Capitalized Expense                          | -            | -             | -             | -            | -            | -            | -            | -            |              |              |
| Rentals (IFRS 16 impact)                     | (8.9)        | (8.7)         | (7.8)         | (9.1)        | (11.1)       | (13.3)       | (15.6)       | (17.2)       |              |              |
| <b>EBIT</b>                                  | <b>1.0</b>   | <b>(17.6)</b> | <b>(8.6)</b>  | <b>3.0</b>   | <b>3.5</b>   | <b>5.0</b>   | <b>6.2</b>   | <b>7.1</b>   | <b>38.0%</b> | <b>27.3%</b> |
| EBIT growth                                  | 259.0%       | n.a.          | 50.9%         | 134.3%       | 16.8%        | 45.6%        | 23.6%        | 14.5%        |              |              |
| EBIT/Revenues                                | 0.8%         | n.a.          | n.a.          | 2.6%         | 2.7%         | 3.5%         | 3.9%         | 4.1%         |              |              |
| Impact of Goodwill & Others                  | -            | -             | -             | -            | -            | -            | -            | -            |              |              |
| Net Financial Result                         | (0.9)        | (1.7)         | (1.4)         | (1.7)        | (2.5)        | (2.1)        | (1.6)        | (1.3)        |              |              |
| Income by the Equity Method                  | -            | -             | -             | -            | -            | -            | -            | -            |              |              |
| <b>Ordinary Profit</b>                       | <b>0.0</b>   | <b>(19.3)</b> | <b>(10.0)</b> | <b>1.3</b>   | <b>1.0</b>   | <b>3.0</b>   | <b>4.6</b>   | <b>5.8</b>   | <b>n.a.</b>  | <b>81.5%</b> |
| Ordinary Profit Growth                       | 105.5%       | n.a.          | 47.9%         | 112.6%       | -23.6%       | 205.2%       | 55.9%        | 25.6%        |              |              |
| Extraordinary Results                        | -            | -             | -             | -            | -            | -            | -            | -            |              |              |
| <b>Profit Before Tax</b>                     | <b>0.0</b>   | <b>(19.3)</b> | <b>(10.0)</b> | <b>1.3</b>   | <b>1.0</b>   | <b>3.0</b>   | <b>4.6</b>   | <b>5.8</b>   | <b>n.a.</b>  | <b>81.5%</b> |
| Tax Expense                                  | (8.2)        | (0.0)         | 0.8           | (1.1)        | (0.2)        | (0.7)        | (1.2)        | (1.4)        |              |              |
| Effective Tax Rate                           | n.a.         | n.a.          | n.a.          | 87.5%        | 24.7%        | 25.0%        | 25.0%        | 25.0%        |              |              |
| Minority Interests                           | (0.1)        | (0.1)         | -             | -            | -            | -            | -            | -            |              |              |
| Discontinued Activities                      | -            | -             | -             | -            | -            | -            | -            | -            |              |              |
| <b>Net Profit</b>                            | <b>(8.3)</b> | <b>(19.3)</b> | <b>(9.3)</b>  | <b>0.2</b>   | <b>0.7</b>   | <b>2.2</b>   | <b>3.5</b>   | <b>4.3</b>   | <b>20.2%</b> | <b>81.2%</b> |
| Net Profit growth                            | n.a.         | -132.5%       | 52.1%         | 101.7%       | 360.2%       | 203.9%       | 55.9%        | 25.6%        |              |              |
| <b>Ordinary Net Profit</b>                   | <b>(1.2)</b> | <b>(22.5)</b> | <b>(5.9)</b>  | <b>(1.2)</b> | <b>0.7</b>   | <b>2.2</b>   | <b>3.5</b>   | <b>4.3</b>   | <b>26.9%</b> | <b>83.9%</b> |
| Ordinary Net Profit growth                   | -106.4%      | n.a.          | 73.7%         | 80.4%        | 160.4%       | 217.7%       | 55.9%        | 25.6%        |              |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020          | 2021          | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |               |               |              |              | <b>21.5</b>  | <b>25.0</b>  | <b>27.6</b>  | <b>14.0%</b> | <b>16.7%</b> |
| Rentals (IFRS 16 impact)                     |              |               |               |              |              | (13.3)       | (15.6)       | (17.2)       |              |              |
| Working Capital Increase                     |              |               |               |              |              | (0.9)        | (0.8)        | (0.8)        |              |              |
| <b>Recurrent Operating Cash Flow</b>         |              |               |               |              |              | <b>7.2</b>   | <b>8.6</b>   | <b>9.7</b>   | <b>91.1%</b> | <b>20.4%</b> |
| CAPEX  |              |               |               |              |              | (4.9)        | (4.8)        | (5.2)        |              |              |
| Net Financial Result affecting the Cash Flow |              |               |               |              |              | (1.0)        | (0.8)        | (0.7)        |              |              |
| Tax Expense                                  |              |               |               |              |              | (0.7)        | (1.2)        | (1.4)        |              |              |
| <b>Recurrent Free Cash Flow</b>              |              |               |               |              |              | <b>0.6</b>   | <b>1.9</b>   | <b>2.3</b>   | <b>21.2%</b> | <b>53.8%</b> |
| Restructuring Expense & Other non-rec.       |              |               |               |              |              | -            | -            | -            |              |              |
| - Acquisitions / + Divestures of assets      |              |               |               |              |              | -            | -            | -            |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |               |               |              |              | -            | -            | -            |              |              |
| <b>Free Cash Flow</b>                        |              |               |               |              |              | <b>0.6</b>   | <b>1.9</b>   | <b>2.3</b>   | <b>14.9%</b> | <b>54.4%</b> |
| Capital Increase                             |              |               |               |              |              | -            | -            | -            |              |              |
| Dividends                                    |              |               |               |              |              | -            | -            | -            |              |              |
| <b>Net Debt Variation</b>                    |              |               |               |              |              | <b>(0.6)</b> | <b>(1.9)</b> | <b>(2.3)</b> |              |              |

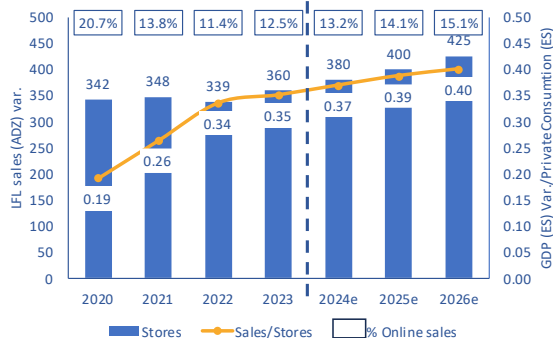


**The company in 8 charts**

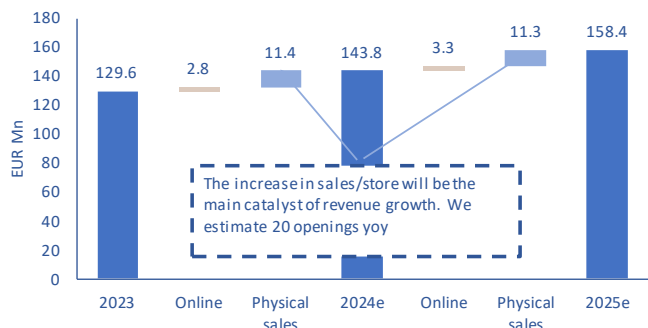
**The sector in which ADZ operates is highly cyclical**



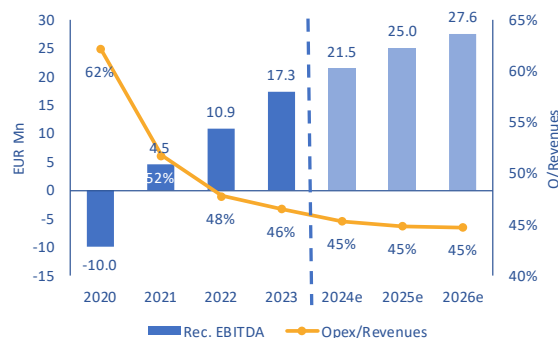
**The re-sizing of the retail surface area has increased profitability per store (driven by the online business: 12.5% of 23 revenue)...**



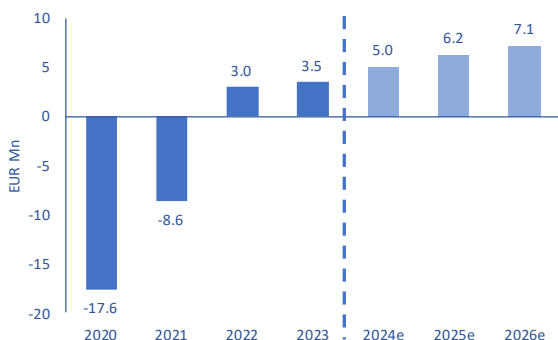
**...the main driver on which we base our forecast for revenue growth in 2024e and 2025e (20 openings yoy)**



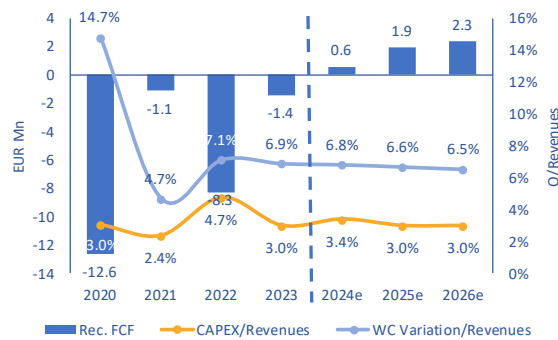
**The focus on cost reduction will allow ADZ to lever on its structure**



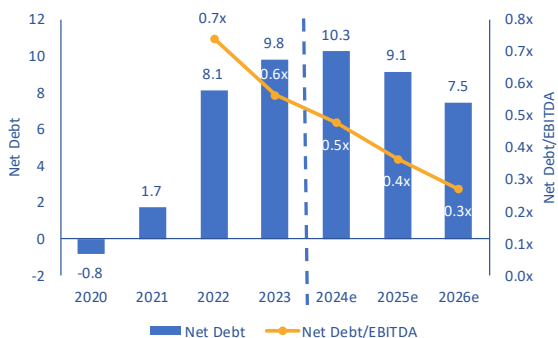
**Revenue growth (+10.3% 23-26e CAGR) and cost control will drive 2026e EBIT to EUR 7.1Mn (vs EUR -17.6Mn in 2020)**



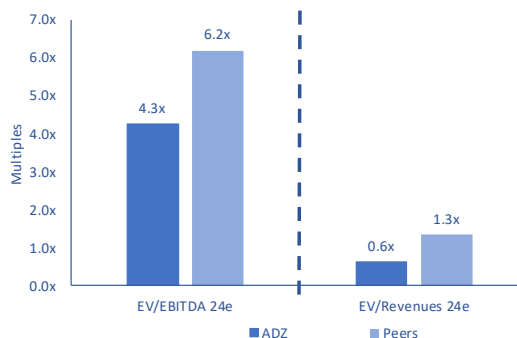
**That will make it possible to achieve break-even in FCF 2024e, despite of CAPEX and working capital**



**Debt will remain under control (ND 2024: EUR 10.3Mn; ND/EBITDA 2025e 0.5x)**



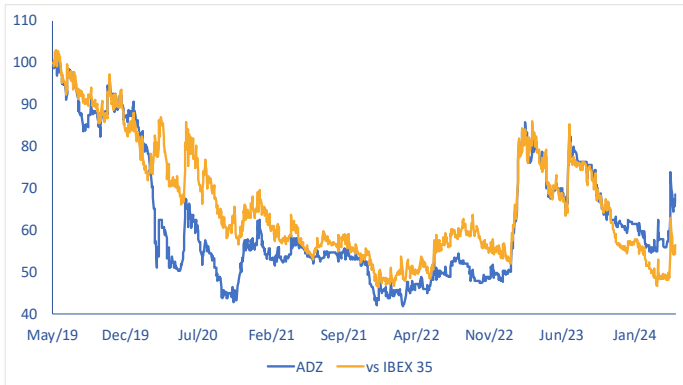
**Trading at: EV/EBITDA 24e 4.3x and EV/Revenues 24e 0.6x (vs EV/EBITDA 24e 6.2x y EV/Revenues 24e 1.3x from sector)**



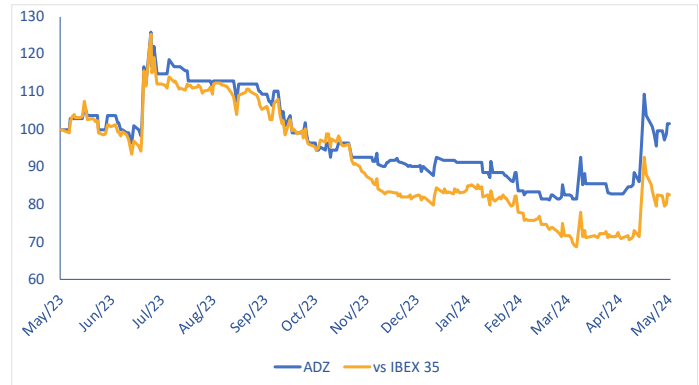


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



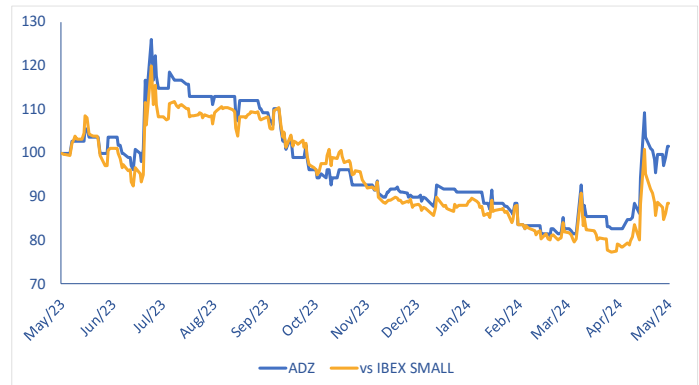
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Europe Apparel & Footwear

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y  | -5Y   |
|---|------|------|-------|------|------|-------|
| <b>Absolute</b>                           | 22.6 | 21.2 | 1.5   | 9.6  | 21.8 | -31.5 |
| <b>vs Market</b>                          |      |      |       |      |      |       |
| vs Ibex 35                                | 15.1 | 5.8  | -17.5 | -2.3 | -1.6 | -43.9 |
| vs Euro STOXX 50                          | 19.0 | 14.1 | -13.4 | -2.1 | -3.6 | -53.7 |
| <b>vs Small Cap References</b>            |      |      |       |      |      |       |
| vs Ibex Small Cap Index                   | 12.2 | 6.1  | -11.4 | -1.5 | 19.1 | -47.4 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 16.2 | 12.3 | -3.4  | 1.7  | 31.7 | -43.3 |
| vs MSCI Europe Micro Cap                  | 15.5 | 13.0 | -1.4  | 3.7  | 49.4 | -42.9 |
| <b>vs Sector</b>                          |      |      |       |      |      |       |
| vs Europe Apparel & Footwear              | 22.0 | 19.8 | 0.7   | 0.1  | 6.3  | -63.8 |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

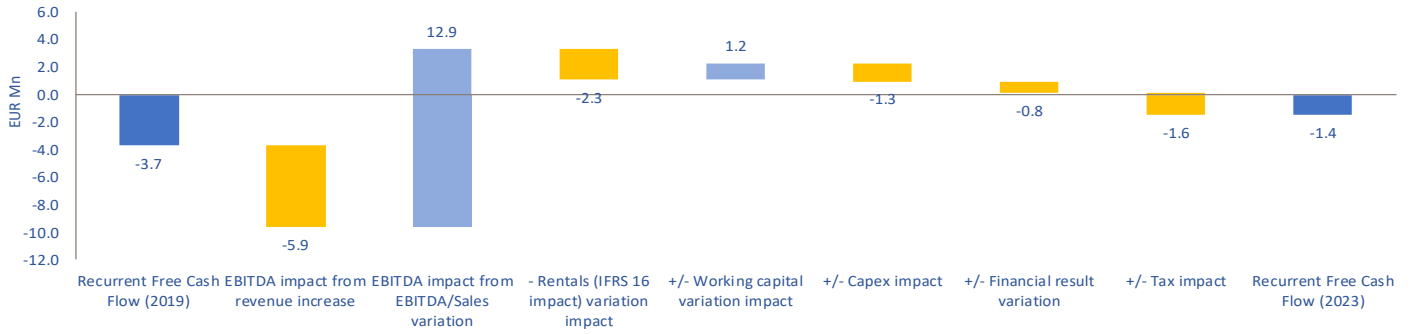
| A) Cash Flow Analysis (EUR Mn)  | 2020          | 2021          | 2022         | 2023         | 2024e        | 2025e       | 2026e       | CAGR         |              |
|---|---------------|---------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|
|   |               |               |              |              |              |             |             | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>(10.0)</b> | <b>4.5</b>    | <b>10.9</b>  | <b>17.3</b>  | <b>21.5</b>  | <b>25.0</b> | <b>27.6</b> | <b>55.2%</b> | <b>16.7%</b> |
| <i>Recurrent EBITDA growth</i>  | -197.0%       | 145.2%        | 142.9%       | 58.5%        | 23.7%        | 16.6%       | 10.3%       |              |              |
| <i>Rec. EBITDA/Revenues</i>   | <i>n.a.</i>   | 4.8%          | 9.5%         | 13.4%        | 14.9%        | 15.8%       | 15.9%       |              |              |
| - Rentals (IFRS 16 impact)  | (8.7)         | (7.8)         | (9.1)        | (11.1)       | (13.3)       | (15.6)      | (17.2)      |              |              |
| +/- Working Capital increase  | 9.4           | 5.5           | (3.8)        | (0.7)        | (0.9)        | (0.8)       | (0.8)       |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(9.2)</b>  | <b>2.3</b>    | <b>(2.0)</b> | <b>5.5</b>   | <b>7.2</b>   | <b>8.6</b>  | <b>9.7</b>  | <b>37.5%</b> | <b>20.4%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | <i>n.a.</i>   | 124.4%        | -188.9%      | 375.8%       | 31.0%        | 19.3%       | 11.7%       |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | <i>n.a.</i>   | 2.4%          | <i>n.a.</i>  | 4.3%         | 5.0%         | 5.5%        | 5.6%        |              |              |
| - CAPEX   | (2.0)         | (2.2)         | (5.5)        | (3.9)        | (4.9)        | (4.8)       | (5.2)       |              |              |
| - Net Financial Result affecting Cash Flow  | (1.3)         | (0.7)         | (0.5)        | (0.9)        | (1.0)        | (0.8)       | (0.7)       |              |              |
| - Taxes   | (0.0)         | (0.4)         | (0.2)        | (2.1)        | (0.7)        | (1.2)       | (1.4)       |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(12.6)</b> | <b>(1.1)</b>  | <b>(8.3)</b> | <b>(1.4)</b> | <b>0.6</b>   | <b>1.9</b>  | <b>2.3</b>  | <b>51.6%</b> | <b>53.8%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -239.5%       | 91.0%         | -628.3%      | 82.7%        | 140.8%       | 232.7%      | 20.5%       |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>  | <i>n.a.</i>  | 0.4%         | 1.2%        | 1.3%        |              |              |
| - Restructuring expenses & others   | 3.1           | (4.1)         | 2.4          | 0.0          | -            | -           | -           |              |              |
| - Acquisitions / + Divestments  | -             | -             | -            | -            | -            | -           | -           |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -            | -            | -            | -           | -           |              |              |
| <b>= Free Cash Flow</b>   | <b>(9.4)</b>  | <b>(5.3)</b>  | <b>(5.8)</b> | <b>(1.4)</b> | <b>0.6</b>   | <b>1.9</b>  | <b>2.3</b>  | <b>47.3%</b> | <b>54.4%</b> |
| <i>Free Cash Flow growth</i>  | -258.3%       | 44.3%         | -10.8%       | 76.3%        | 142.0%       | 232.7%      | 20.5%       |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>  | <i>n.a.</i>  | 1.1%         | 3.8%        | 4.6%        |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>  | <i>n.a.</i>  | 1.1%         | 3.8%        | 4.6%        |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |               |              |              |              |             |             |              |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(3.7)</b>  | <b>(12.6)</b> | <b>(1.1)</b> | <b>(8.3)</b> | <b>(1.4)</b> | <b>0.6</b>  | <b>1.9</b>  |              |              |
| EBITDA impact from revenue increase   | (4.4)         | (3.9)         | 1.1          | 1.4          | 1.9          | 2.2         | 2.4         |              |              |
| EBITDA impact from EBITDA/Sales variation   | (15.9)        | 18.4          | 5.4          | 5.0          | 2.2          | 1.4         | 0.2         |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(20.2)</b> | <b>14.5</b>   | <b>6.4</b>   | <b>6.4</b>   | <b>4.1</b>   | <b>3.6</b>  | <b>2.6</b>  |              |              |
| - Rentals (IFRS 16 impact) variation impact   | 0.2           | 0.9           | (1.4)        | (2.0)        | (2.2)        | (2.3)       | (1.6)       |              |              |
| +/- Working capital variation impact  | 11.3          | (3.9)         | (9.3)        | 3.1          | (0.2)        | 0.1         | 0.0         |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(8.8)</b>  | <b>11.5</b>   | <b>(4.3)</b> | <b>7.5</b>   | <b>1.7</b>   | <b>1.4</b>  | <b>1.0</b>  |              |              |
| +/- CAPEX impact  | 0.5           | (0.2)         | (3.2)        | 1.6          | (1.0)        | 0.1         | (0.5)       |              |              |
| +/- Financial result variation  | (1.2)         | 0.6           | 0.2          | (0.4)        | (0.1)        | 0.2         | 0.1         |              |              |
| +/- Tax impact  | 0.5           | (0.4)         | 0.2          | (1.9)        | 1.4          | (0.4)       | (0.3)       |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(8.9)</b>  | <b>11.5</b>   | <b>(7.1)</b> | <b>6.8</b>   | <b>2.0</b>   | <b>1.4</b>  | <b>0.4</b>  |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(12.6)</b> | <b>(1.1)</b>  | <b>(8.3)</b> | <b>(1.4)</b> | <b>0.6</b>   | <b>1.9</b>  | <b>2.3</b>  |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |               |              |              |              |             |             |              |              |
| <b>EBIT</b>   | <b>(17.6)</b> | <b>(8.6)</b>  | <b>3.0</b>   | <b>3.5</b>   | <b>5.0</b>   | <b>6.2</b>  | <b>7.1</b>  | <b>30.0%</b> | <b>27.3%</b> |
| <i>* Theoretical Tax rate</i>   | 0.0%          | 0.0%          | 0.0%         | 24.7%        | 25.0%        | 25.0%       | 25.0%       |              |              |
| = Taxes (pre- Net Financial Result)   | -             | -             | -            | (0.9)        | (1.3)        | (1.6)       | (1.8)       |              |              |
| <b>Recurrent EBITDA</b>   | <b>(10.0)</b> | <b>4.5</b>    | <b>10.9</b>  | <b>17.3</b>  | <b>21.5</b>  | <b>25.0</b> | <b>27.6</b> | <b>55.2%</b> | <b>16.7%</b> |
| - Rentals (IFRS 16 impact)  | (8.7)         | (7.8)         | (9.1)        | (11.1)       | (13.3)       | (15.6)      | (17.2)      |              |              |
| +/- Working Capital increase  | 9.4           | 5.5           | (3.8)        | (0.7)        | (0.9)        | (0.8)       | (0.8)       |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(9.2)</b>  | <b>2.3</b>    | <b>(2.0)</b> | <b>5.5</b>   | <b>7.2</b>   | <b>8.6</b>  | <b>9.7</b>  | <b>37.5%</b> | <b>20.4%</b> |
| - CAPEX   | (2.0)         | (2.2)         | (5.5)        | (3.9)        | (4.9)        | (4.8)       | (5.2)       |              |              |
| - Taxes (pre- Financial Result)   | -             | -             | -            | (0.9)        | (1.3)        | (1.6)       | (1.8)       |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(11.3)</b> | <b>0.0</b>    | <b>(7.5)</b> | <b>0.8</b>   | <b>1.1</b>   | <b>2.3</b>  | <b>2.7</b>  | <b>27.4%</b> | <b>50.3%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -270.2%       | 100.2%        | <i>n.a.</i>  | 110.5%       | 40.1%        | 112.4%      | 14.0%       |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | <i>n.a.</i>   | 0.0%          | <i>n.a.</i>  | 0.6%         | 0.8%         | 1.5%        | 1.5%        |              |              |
| - Acquisitions / + Divestments  | -             | -             | -            | -            | -            | -           | -           |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -            | -            | -            | -           | -           |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(11.3)</b> | <b>0.0</b>    | <b>(7.5)</b> | <b>0.8</b>   | <b>1.1</b>   | <b>2.3</b>  | <b>2.7</b>  | <b>27.4%</b> | <b>50.3%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -270.2%       | 100.2%        | <i>n.a.</i>  | 110.5%       | 40.1%        | 112.4%      | 14.0%       |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | <i>n.a.</i>   | 0.0%          | <i>n.a.</i>  | 0.9%         | 1.2%         | 2.6%        | 2.9%        |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | <i>n.a.</i>   | 0.0%          | <i>n.a.</i>  | 0.9%         | 1.2%         | 2.6%        | 2.9%        |              |              |



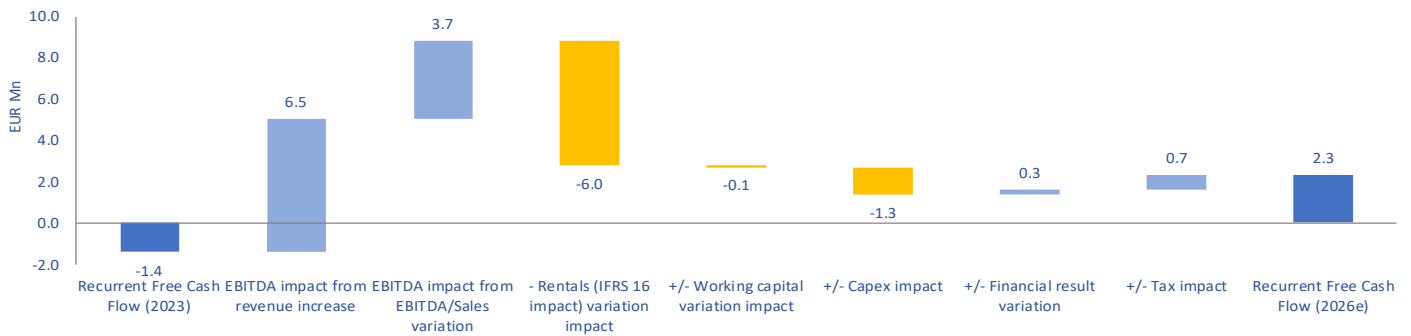


## Free Cash Flow (II)

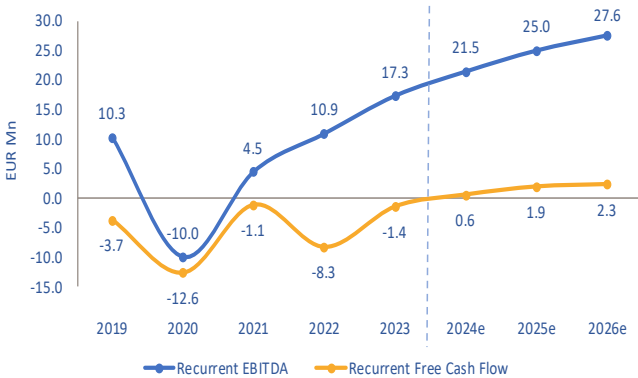
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | 1.1   | 2.3                                 | 2.7   | n.a.                          |           |            |  |
| Market Cap                     | 50.8  | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 9.8   | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 5.5%  | Net debt cost                       |       |                               | 5.3%      | 5.8%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.4%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 4.2%      | 4.6%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.1   | B (own estimate)                    |       |                               | 1.0       | 1.2        |  |
| Cost of Equity                 | 9.9%  | Ke = Rf + (R * B)                   |       |                               | 8.8%      | 11.1%      |  |
| Equity / (Equity + Net Debt)   | 83.8% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 16.2% | D                                   |       |                               | =         | =          |  |
| WACC                           | 9.0%  | WACC = Kd * D + Ke * E              |       |                               | 8.0%      | 10.0%      |  |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.5%      | 1.5%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 50.8        |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 37.7        | 12m Results 2023 |
| + Net financial debt                 | 9.8         | 12m Results 2023 |
| - Financial Investments              | 7.0         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>91.2</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020  | 2021 | 2022  | 2023 |
|----------------------|------|-------|------|-------|------|
| ROCE (evolution -5y) | 2.8% | n.a.  | n.a. | 17.3% | 9.9% |
|                      | 2023 | 2026e |      |       |      |
| ROCE - WACC          | 0.9% | 5.2%  |      |       |      |
| FCF Yield - WACC     | n.a. | -4.4% |      |       |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 17.4%            | 27.5       | 3.3x          |
| Central  | 15.8%            | 25.0       | 3.6x          |
| Min      | 14.2%            | 22.5       | 4.1x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|-------|-------|----------|--------------------|------|------|
| EBITDA 25e      | 2.7%            | 3.0%  | 3.3%  |          | Max                | 9.7% | 8.8% |
| 27.5            | 4.9             | 4.5   | 4.0   | Central  | 4.7%               | 3.8% | 2.9% |
| 25.0            | 2.4             | 1.9   | 1.5   | Min      | n.a.               | n.a. | n.a. |
| 22.5            | (0.1)           | (0.6) | (1.1) |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 57.1% | 42.9% | 42.9% |
| % of proprietary directors           | 28.6% | 28.6% | 28.6% |
| % of executive directors             | 14.3% | 28.6% | 28.6% |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 57.1% | 42.9% | 42.9% |
| % of women out of total workforce    | 79.1% | 78.8% | 80.2% |
| Board remuneration/staff cost        | 3.2%  | 3.6%  | 3.4%  |



**Agile Content (AGIL)**, is a technology group with operations in the audio and video streaming industry offering video creation, processing, distribution and management related hardware and software for the provision of pay-TV services. AGIL has traded on BME Growth since 2015.

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**Transition to IFRS.** In 2023 (with application also to 2022), AGIL transitioned from Spanish GAAP to International Financial Reporting Standards (IFRSs). It has excluded leases from EBITDA (IFRS 16; c.EUR 1.8Mn p.a.) and amortisation of goodwill (c.EUR 2.7Mn p.a.) from EBIT.

**Slowdown in revenue growth in 2023, but improved profitability.** AGIL reported EUR 102.6Mn of revenue in 2023 (vs EUR 101.5Mn in 2022), short of the company's guidance. However, recurring EBITDA (under IFRS) improved to EUR 6.5Mn (vs EUR 4.3Mn in 2022 under IFRS), as the company extracted synergies across its business lines.

**2024e: low single-digit revenue and EBITDA growth.** For FY24e, we estimate low single-digit growth in revenue (+1.9% vs 2023; EUR 104.5Mn) and EBITDA (+5.0%; EUR 7.3Mn). We expected a better performance in 2H24 than 1H24 (likely fall in revenue).

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Recurring revenue base.** AGIL's business model (development of technology associated with pay TV services) spans from content generation to end consumption. It is active in its customers' entire value chain. This generates predictable and relatively stable revenue. Recurring revenue in 2023 amounted to EUR 77Mn (75% of the total vs 74% in 2022).

**Higher weight of SaaS.** The company is shifting towards a business model with a higher weight of software subscription solutions (and lower weight of hardware), which over the medium term will undermine revenue (from TV Technologies), but long term should raise margins and recurrence.

**Sector dynamics.** AGIL enjoys sector tailwinds thanks to growth in streamed video content and online advertising (both fuelled by the digital transformation thrust). However, competition remains fierce.

**2024e-2026e: all eyes should be on the ability to deliver margin expansion in a scenario of low revenue growth.** After the company's strong historical M&A-led revenue growth, in 2024e-2026e we expect low single-digit organic growth (CAGR 2024e-2026e: 3.5%; with momentum increasing in 2026e). So the next few years are crucial to gauge whether AGIL can achieve sustained improvement in profitability. Especially now that there is limited scope to generate synergies and optimise overhead. This indicates that growth will be probably hard to come by in a fiercely competitive industry trending towards concentration (to achieve economies of scale).

## RISKS: WHAT TO KEEP AN EYE ON?

**Highly competitive market.** Competition is very intense as consumers can switch provider easily and can only subscribe for so many services. This was evident in FY23 earnings and our 2024e-2026e estimates.

**Lower-than-expected operational gearing.** Margin expansion is the key driver of the forecast growth in EBITDA. A worse-than-forecast cost performance (lower-than-expected operational gearing) would have a significant impact on our estimates. All the more so in a low-growth scenario.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Strong rally -3m (+36%) and higher multiples than the sector average.** In the wake of the good share price performance in recent months (YTD: +33.3%, +18.9% vs Ibxex 35, +17.6% vs sector) our 2024e estimates put the shares trading at an EV/revenue multiple of 1.2x, above the sector average.

### Market Data

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 102.1              | 111.1 |
| EV (Mn EUR and USD)            | 126.1              | 137.2 |
| Shares Outstanding (Mn)        | 23.2               |       |
| -12m (Max/Med/Min EUR)         | 4.45 / 3.73 / 3.10 |       |
| Daily Avg volume (-12m Mn EUR) | 0.04               |       |
| Rotation <sup>(1)</sup>        | 9.2                |       |
| Factset / Bloomberg            | AGIL-ES / AGIL SM  |       |
| Close fiscal year              | 31-Dec             |       |

### Shareholders Structure (%)<sup>(3)</sup>

|                        |      |
|------------------------|------|
| Hernan Scapusio Vinent | 9.8  |
| Inveready              | 9.7  |
| Onchena S.L            | 6.9  |
| TV Azteca SAB de CV    | 6.9  |
| Free Float             | 54.3 |

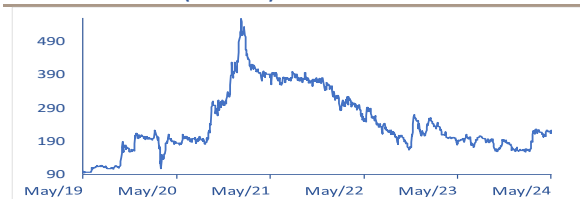
### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e  | 2026e  |
|-------------------------------------|-------|-------|--------|--------|
| Adj. nº shares (Mn)                 | 23.2  | 23.2  | 23.2   | 23.2   |
| Total Revenues                      | 102.6 | 104.5 | 106.4  | 111.8  |
| Rec. EBITDA                         | 6.5   | 7.3   | 7.9    | 8.8    |
| % growth                            | 52.8  | 12.0  | 8.0    | 12.1   |
| % Rec. EBITDA/Rev.                  | 6.4   | 7.0   | 7.4    | 7.9    |
| % Inc. EBITDA sector <sup>(2)</sup> | 17.8  | 9.4   | 21.0   | 12.5   |
| Net Profit                          | 0.0   | 0.5   | -0.2   | -0.5   |
| EPS (EUR)                           | 0.00  | 0.02  | -0.01  | -0.02  |
| % growth                            | 101.1 | n.a.  | -138.5 | -127.2 |
| Ord. EPS (EUR)                      | -0.02 | 0.02  | -0.01  | -0.02  |
| % growth                            | 84.6  | 243.6 | -138.5 | -127.2 |
| Rec. Free Cash Flow                 | 0.0   | 1.2   | 2.5    | 3.6    |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0    | 0.0    |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00   | 0.00   |
| Net financial debt                  | 19.9  | 18.7  | 16.3   | 12.7   |
| ND/Rec. EBITDA (x)                  | 3.1   | 2.6   | 2.1    | 1.4    |
| ROE (%)                             | 0.1   | 1.2   | n.a.   | n.a.   |
| ROCE (%)                            | 4.2   | 5.1   | 3.9    | 3.4    |

### Ratios & Multiples (x)

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | n.a. | n.a.  | n.a.  | n.a.  |
| Ord. P/E           | n.a. | n.a.  | n.a.  | n.a.  |
| P/BV               | 2.4  | 2.3   | 2.4   | 2.4   |
| Dividend Yield (%) | 0.0  | 0.0   | 0.0   | 0.0   |
| EV/Sales           | 1.23 | 1.21  | 1.18  | 1.13  |
| EV/Rec. EBITDA     | 19.4 | 17.3  | 16.0  | 14.3  |
| EV/EBIT            | 40.4 | 29.3  | 38.6  | 45.9  |
| FCF Yield (%)      | 0.0  | 1.1   | 2.4   | 3.5   |

### Historical behavior (base 100)



| (%)      | -1m | -3m  | -12m | -5Y   |
|----------|-----|------|------|-------|
| Absolute | 7.3 | 35.8 | 22.6 | 123.2 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Technology.

(3) Others: Mónica Rayo Moragón 6.3%, José Eulalio Poza Sanz 5.2%, Autocartera 0.9%



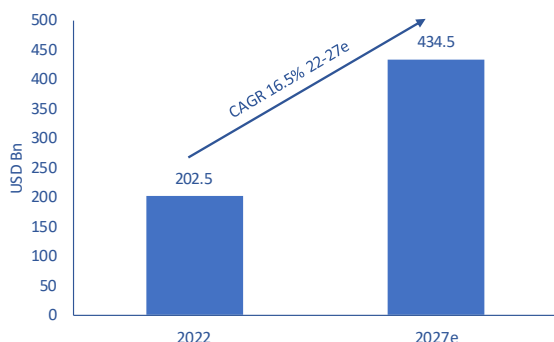
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |               |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Intangible assets                            | 10.5        | 19.4         | 37.2         | 39.0         | 35.8         | 34.7         | 32.3         | 28.6         |               |               |
| Fixed assets                                 | 0.1         | 0.8          | 0.6          | 0.6          | 0.7          | 1.8          | 2.8          | 3.7          |               |               |
| Other Non Current Assets                     | 0.0         | 0.0          | 0.6          | 0.6          | 0.5          | 0.5          | 0.5          | 0.5          |               |               |
| Financial Investments                        | 1.4         | 6.3          | 1.0          | 3.5          | 3.7          | 3.7          | 3.7          | 3.7          |               |               |
| Goodwill & Other Intangibles                 | 1.2         | 9.9          | 39.9         | 39.9         | 39.9         | 39.9         | 39.9         | 39.9         |               |               |
| Current assets                               | 7.6         | 15.4         | 27.5         | 27.4         | 34.1         | 35.5         | 36.6         | 38.1         |               |               |
| <b>Total assets</b>                          | <b>20.8</b> | <b>51.9</b>  | <b>106.8</b> | <b>111.0</b> | <b>114.7</b> | <b>116.1</b> | <b>115.7</b> | <b>114.5</b> |               |               |
| Equity                                       | 13.4        | 27.7         | 44.4         | 44.3         | 43.1         | 43.7         | 43.4         | 43.0         |               |               |
| Minority Interests                           | -           | -            | 2.1          | 6.4          | 7.5          | 8.6          | 9.7          | 10.9         |               |               |
| Provisions & Other L/T Liabilities           | 0.1         | 0.1          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          |               |               |
| Other Non Current Liabilities                | -           | -            | -            | 3.3          | 3.1          | 3.1          | 3.1          | 3.1          |               |               |
| Net financial debt                           | 0.6         | 6.2          | 28.7         | 20.3         | 19.9         | 18.7         | 16.3         | 12.7         |               |               |
| Current Liabilities                          | 6.6         | 18.0         | 31.4         | 36.5         | 40.8         | 41.7         | 42.8         | 44.5         |               |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>20.8</b> | <b>51.9</b>  | <b>106.8</b> | <b>111.0</b> | <b>114.7</b> | <b>116.1</b> | <b>115.7</b> | <b>114.5</b> |               |               |
| P&L (EUR Mn)                                 | 2019        | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e        |
| <b>Total Revenues</b>                        | <b>11.0</b> | <b>20.4</b>  | <b>55.2</b>  | <b>101.5</b> | <b>102.6</b> | <b>104.5</b> | <b>106.4</b> | <b>111.8</b> | <b>74.8%</b>  | <b>2.9%</b>   |
| <i>Total Revenues growth</i>                 | 24.5%       | 86.0%        | 170.3%       | 83.9%        | 1.0%         | 1.9%         | 1.9%         | 5.1%         |               |               |
| COGS   | (3.0)       | (9.1)        | (25.4)       | (58.8)       | (61.8)       | (62.5)       | (63.4)       | (66.5)       |               |               |
| <b>Gross Margin</b>                          | <b>8.0</b>  | <b>11.3</b>  | <b>29.9</b>  | <b>42.8</b>  | <b>40.8</b>  | <b>42.0</b>  | <b>43.0</b>  | <b>45.3</b>  | <b>50.5%</b>  | <b>3.5%</b>   |
| <i>Gross Margin/Revenues</i>                 | 72.5%       | 55.5%        | 54.1%        | 42.1%        | 39.8%        | 40.2%        | 40.4%        | 40.5%        |               |               |
| Personnel Expenses                           | (5.6)       | (7.5)        | (17.1)       | (18.9)       | (18.5)       | (18.7)       | (19.0)       | (19.7)       |               |               |
| Other Operating Expenses                     | (2.4)       | (4.3)        | (11.6)       | (19.6)       | (15.8)       | (16.0)       | (16.1)       | (16.7)       |               |               |
| <b>Recurrent EBITDA</b>                      | <b>0.0</b>  | <b>(0.6)</b> | <b>1.2</b>   | <b>4.3</b>   | <b>6.5</b>   | <b>7.3</b>   | <b>7.9</b>   | <b>8.8</b>   | <i>n.a.</i>   | <b>10.7%</b>  |
| <i>Recurrent EBITDA growth</i>               | 100.7%      | n.a.         | 318.5%       | 251.9%       | 52.8%        | 12.0%        | 8.0%         | 12.1%        |               |               |
| <i>Rec. EBITDA/Revenues</i>                  | 0.1%        | n.a.         | 2.2%         | 4.2%         | 6.4%         | 7.0%         | 7.4%         | 7.9%         |               |               |
| Restructuring Expense & Other non-rec.       | 0.0         | (1.2)        | (2.4)        | 0.6          | 0.4          | -            | -            | -            |               |               |
| <b>EBITDA</b>                                | <b>0.0</b>  | <b>(1.8)</b> | <b>(1.2)</b> | <b>4.8</b>   | <b>6.9</b>   | <b>7.3</b>   | <b>7.9</b>   | <b>8.8</b>   | <i>n.a.</i>   | <b>8.3%</b>   |
| Depreciation & Provisions                    | (2.4)       | (3.2)        | (8.7)        | (9.5)        | (9.3)        | (9.0)        | (10.7)       | (12.6)       |               |               |
| Capitalized Expense                          | 2.5         | 3.8          | 6.2          | 6.7          | 7.1          | 7.6          | 7.8          | 8.2          |               |               |
| Rentals (IFRS 16 impact)                     | -           | -            | -            | (1.2)        | (1.6)        | (1.6)        | (1.6)        | (1.6)        |               |               |
| <b>EBIT</b>                                  | <b>0.1</b>  | <b>(1.2)</b> | <b>(3.6)</b> | <b>0.9</b>   | <b>3.1</b>   | <b>4.3</b>   | <b>3.3</b>   | <b>2.7</b>   | <i>n.a.</i>   | <b>-4.1%</b>  |
| <i>EBIT growth</i>                           | 115.5%      | -993.9%      | -202.2%      | 123.9%       | 259.3%       | 38.2%        | -24.1%       | -16.0%       |               |               |
| <i>EBIT/Revenues</i>                         | 1.2%        | n.a.         | n.a.         | 0.9%         | 3.0%         | 4.1%         | 3.1%         | 2.5%         |               |               |
| Impact of Goodwill & Others                  | -           | -            | -            | -            | -            | -            | -            | -            |               |               |
| Net Financial Result                         | 0.4         | (1.4)        | (2.1)        | (1.4)        | (1.8)        | (2.2)        | (2.1)        | (1.9)        |               |               |
| Income by the Equity Method                  | -           | -            | -            | -            | -            | -            | -            | -            |               |               |
| <b>Ordinary Profit</b>                       | <b>0.5</b>  | <b>(2.6)</b> | <b>(5.7)</b> | <b>(0.5)</b> | <b>1.3</b>   | <b>2.1</b>   | <b>1.2</b>   | <b>0.8</b>   | <b>23.4%</b>  | <b>-13.4%</b> |
| <i>Ordinary Profit Growth</i>                | 137.7%      | -576.1%      | -120.0%      | 91.0%        | 346.1%       | 62.9%        | -44.4%       | -28.2%       |               |               |
| Extraordinary Results                        | -           | -            | -            | -            | -            | -            | -            | -            |               |               |
| <b>Profit Before Tax</b>                     | <b>0.5</b>  | <b>(2.6)</b> | <b>(5.7)</b> | <b>(0.5)</b> | <b>1.3</b>   | <b>2.1</b>   | <b>1.2</b>   | <b>0.8</b>   | <b>23.4%</b>  | <b>-13.4%</b> |
| Tax Expense                                  | (0.4)       | (0.2)        | (0.0)        | (0.2)        | (0.1)        | (0.4)        | (0.2)        | (0.2)        |               |               |
| <i>Effective Tax Rate</i>                    | 77.5%       | n.a.         | n.a.         | n.a.         | 9.7%         | 20.0%        | 20.0%        | 20.0%        |               |               |
| Minority Interests                           | -           | -            | -            | (1.3)        | (1.1)        | (1.1)        | (1.1)        | (1.1)        |               |               |
| Discontinued Activities                      | -           | -            | -            | -            | -            | -            | -            | -            |               |               |
| <b>Net Profit</b>                            | <b>0.1</b>  | <b>(2.8)</b> | <b>(5.8)</b> | <b>(2.0)</b> | <b>0.0</b>   | <b>0.5</b>   | <b>(0.2)</b> | <b>(0.5)</b> | <b>-34.8%</b> | <i>n.a.</i>   |
| <i>Net Profit growth</i>                     | 109.3%      | n.a.         | -102.5%      | 64.9%        | 101.1%       | n.a.         | -138.5%      | -127.2%      |               |               |
| <b>Ordinary Net Profit</b>                   | <b>0.4</b>  | <b>(1.4)</b> | <b>(3.3)</b> | <b>(2.4)</b> | <b>(0.4)</b> | <b>0.5</b>   | <b>(0.2)</b> | <b>(0.5)</b> | <b>-31.5%</b> | <b>-7.9%</b>  |
| <i>Ordinary Net Profit growth</i>            | 124.7%      | -480.3%      | -136.8%      | 28.7%        | 84.5%        | 243.6%       | -138.5%      | -127.2%      |               |               |
| Cash Flow (EUR Mn)                           | 2019        | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e        |
| <b>Recurrent EBITDA</b>                      |             |              |              |              |              | <b>7.3</b>   | <b>7.9</b>   | <b>8.8</b>   | <i>n.a.</i>   | <b>10.7%</b>  |
| Rentals (IFRS 16 impact)                     |             |              |              |              |              | (1.6)        | (1.6)        | (1.6)        |               |               |
| Working Capital Increase                     |             |              |              |              |              | (0.5)        | 0.1          | 0.2          |               |               |
| <b>Recurrent Operating Cash Flow</b>         |             |              |              |              |              | <b>5.2</b>   | <b>6.3</b>   | <b>7.4</b>   | <b>45.5%</b>  | <b>43.5%</b>  |
| CAPEX  |             |              |              |              |              | (1.4)        | (1.5)        | (1.7)        |               |               |
| Net Financial Result affecting the Cash Flow |             |              |              |              |              | (2.2)        | (2.1)        | (1.9)        |               |               |
| Tax Expense                                  |             |              |              |              |              | (0.4)        | (0.2)        | (0.2)        |               |               |
| <b>Recurrent Free Cash Flow</b>              |             |              |              |              |              | <b>1.2</b>   | <b>2.5</b>   | <b>3.6</b>   | <b>19.0%</b>  | <i>n.a.</i>   |
| Restructuring Expense & Other non-rec.       |             |              |              |              |              | -            | -            | -            |               |               |
| - Acquisitions / + Divestures of assets      |             |              |              |              |              | -            | -            | -            |               |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |              |              |              |              | -            | -            | -            |               |               |
| <b>Free Cash Flow</b>                        |             |              |              |              |              | <b>1.2</b>   | <b>2.5</b>   | <b>3.6</b>   | <b>20.5%</b>  | <b>97.3%</b>  |
| Capital Increase                             |             |              |              |              |              | -            | -            | -            |               |               |
| Dividends                                    |             |              |              |              |              | -            | -            | -            |               |               |
| <b>Net Debt Variation</b>                    |             |              |              |              |              | <b>(1.2)</b> | <b>(2.5)</b> | <b>(3.6)</b> |               |               |

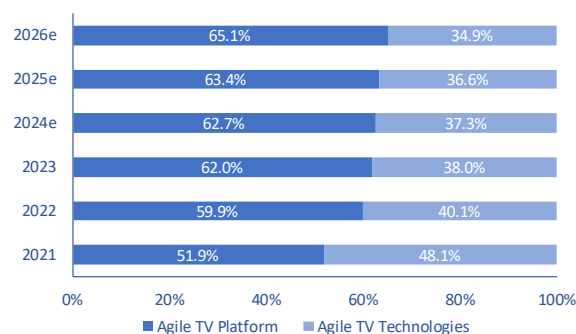


## The company in 8 charts

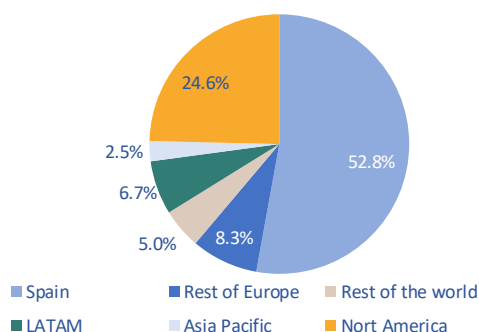
**The global over-the-top video market is forecast to grow at a CAGR of 16.5% in 22-27e**



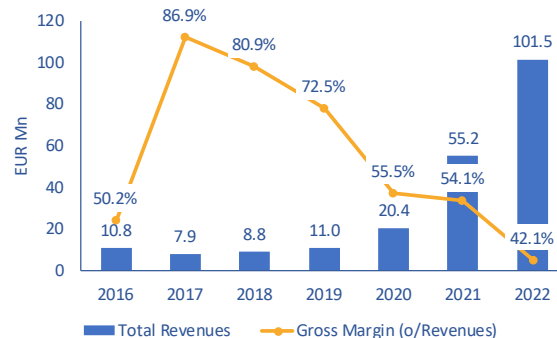
**AGIL: a business positioned all along its users' value chain with high recurring revenue (through its two business lines) ...**



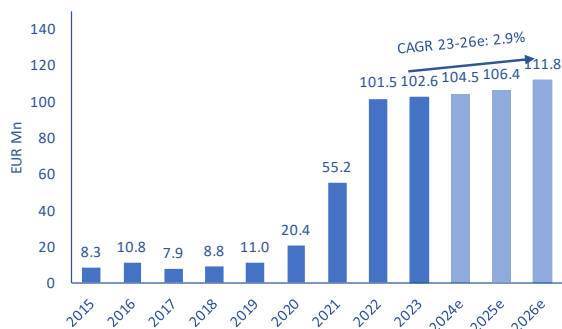
**...with good geographic diversification. In 2023, net sales outside Spain accounted for 47%**



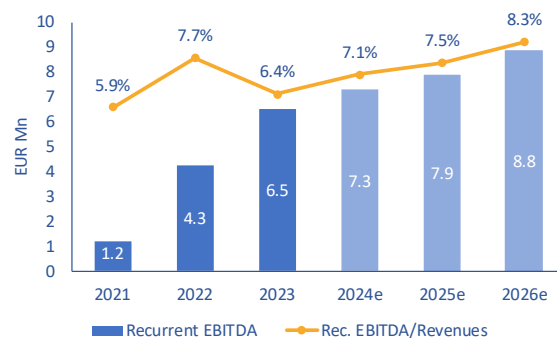
**M&A activity was very intense in 2020-2021, delivering a very significant jump in scale ...**



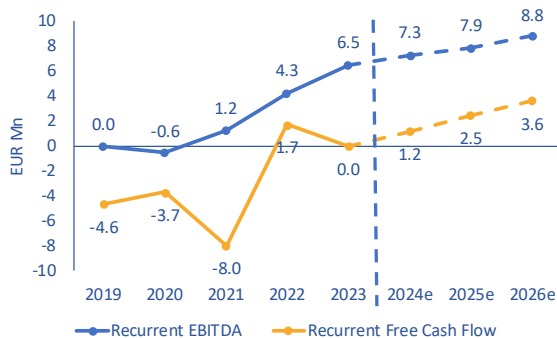
**... laying the foundations for organic growth in the coming years (CAGR 23-26e: 2.9%)**



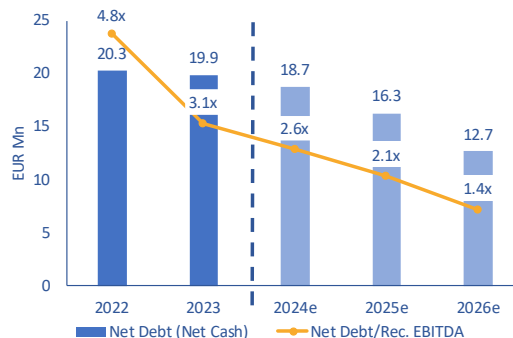
**Theoretically paving the way for gradual operational gearing during the projection horizon ...**



**... lifting recurring free cash flow generation to EUR 3.6Mn in 2026e (vs EUR 1.2Mn in 2024e)**



**Which would leave AGIL prudently leveraged in 2026e (ND: EUR 12.7Mn; ND/rec. EBITDA: 1.4x)**



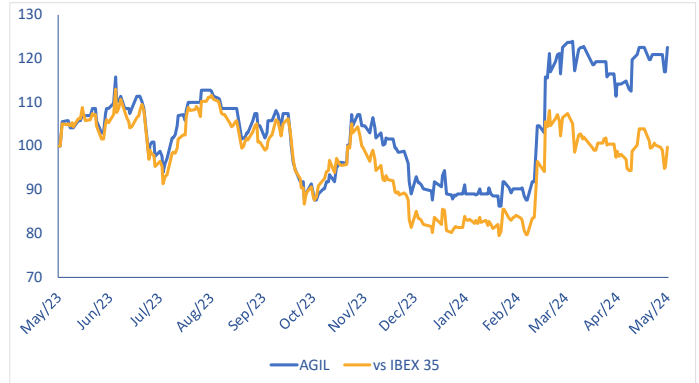


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Technology

| Stock performance (%)                     | -1m  | -3m  | -12m | YTD  | -3Y   | -5Y   |
|---|------|------|------|------|-------|-------|
| <b>Absolute</b>                           | 7.3  | 35.8 | 22.6 | 33.3 | -41.3 | 123.2 |
| <b>vs Market</b>                          |      |      |      |      |       |       |
| vs Ibex 35                                | 0.7  | 18.5 | -0.3 | 18.9 | -52.6 | 82.9  |
| vs Euro STOXX 50                          | 4.1  | 27.8 | 4.6  | 19.0 | -53.6 | 51.0  |
| <b>vs Small Cap References</b>            |      |      |      |      |       |       |
| vs Ibex Small Cap Index                   | -1.7 | 18.8 | 7.0  | 19.8 | -42.6 | 71.3  |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 1.7  | 25.7 | 16.6 | 23.7 | -36.6 | 84.7  |
| vs MSCI Europe Micro Cap                  | 1.1  | 26.5 | 19.1 | 26.1 | -28.0 | 86.2  |
| <b>vs Sector</b>                          |      |      |      |      |       |       |
| vs Stoxx Europe 600 Technology            | 1.8  | 34.3 | -2.9 | 17.6 | -54.7 | 24.6  |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

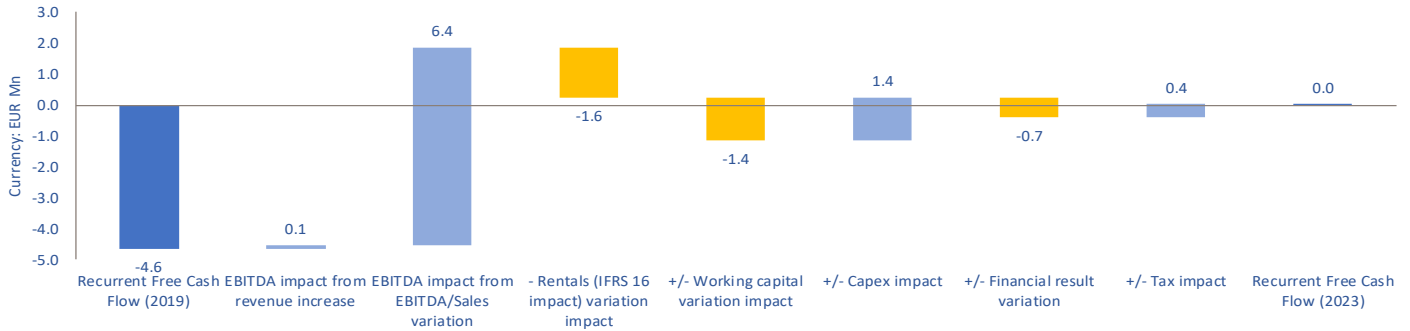
| A) Cash Flow Analysis (EUR Mn)  | 2020           | 2021           | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR         |              |
|---|----------------|----------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
|   |                |                |               |               |               |               |              | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>(0.6)</b>   | <b>1.2</b>     | <b>4.3</b>    | <b>6.5</b>    | <b>7.3</b>    | <b>7.9</b>    | <b>8.8</b>   | <i>n.a.</i>  | <b>10.7%</b> |
| <i>Recurrent EBITDA growth</i>  | <i>n.a.</i>    | <i>318.5%</i>  | <i>251.9%</i> | <i>52.8%</i>  | <i>12.0%</i>  | <i>8.0%</i>   | <i>12.1%</i> |              |              |
| <i>Rec. EBITDA/Revenues</i>   | <i>n.a.</i>    | <i>2.2%</i>    | <i>4.2%</i>   | <i>6.4%</i>   | <i>7.0%</i>   | <i>7.4%</i>   | <i>7.9%</i>  |              |              |
| - Rentals (IFRS 16 impact)  | -              | -              | (1.2)         | (1.6)         | (1.6)         | (1.6)         | (1.6)        |              |              |
| +/- Working Capital increase  | 3.5            | 1.3            | 5.2           | (2.4)         | (0.5)         | 0.1           | 0.2          |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>2.9</b>     | <b>2.6</b>     | <b>8.3</b>    | <b>2.5</b>    | <b>5.2</b>    | <b>6.3</b>    | <b>7.4</b>   | <b>-4.9%</b> | <b>43.5%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | <i>388.1%</i>  | <i>-11.9%</i>  | <i>225.6%</i> | <i>-70.0%</i> | <i>107.6%</i> | <i>22.0%</i>  | <i>16.7%</i> |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | <i>14.2%</i>   | <i>4.6%</i>    | <i>8.2%</i>   | <i>2.4%</i>   | <i>4.9%</i>   | <i>5.9%</i>   | <i>6.6%</i>  |              |              |
| - CAPEX   | (5.1)          | (8.7)          | (5.0)         | (1.3)         | (1.4)         | (1.5)         | (1.7)        |              |              |
| - Net Financial Result affecting Cash Flow  | (1.2)          | (1.8)          | (1.4)         | (1.2)         | (2.2)         | (2.1)         | (1.9)        |              |              |
| - Taxes   | (0.2)          | (0.0)          | (0.2)         | -             | (0.4)         | (0.2)         | (0.2)        |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(3.7)</b>   | <b>(8.0)</b>   | <b>1.7</b>    | <b>0.0</b>    | <b>1.2</b>    | <b>2.5</b>    | <b>3.6</b>   | <b>26.1%</b> | <i>n.a.</i>  |
| <i>Rec. Free Cash Flow growth</i>   | <i>20.7%</i>   | <i>-116.5%</i> | <i>121.5%</i> | <i>-99.0%</i> | <i>n.a.</i>   | <i>112.9%</i> | <i>45.7%</i> |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | <i>n.a.</i>    | <i>n.a.</i>    | <i>1.7%</i>   | <i>0.0%</i>   | <i>1.1%</i>   | <i>2.3%</i>   | <i>3.2%</i>  |              |              |
| - Restructuring expenses & others   | (1.2)          | (1.0)          | 0.6           | -             | -             | -             | -            |              |              |
| - Acquisitions / + Divestments  | (28.0)         | (33.7)         | 0.3           | 0.5           | -             | -             | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -              | -              | 2.4           | -             | -             | -             | -            |              |              |
| <b>= Free Cash Flow</b>   | <b>(32.9)</b>  | <b>(42.7)</b>  | <b>5.0</b>    | <b>0.5</b>    | <b>1.2</b>    | <b>2.5</b>    | <b>3.6</b>   | <b>26.3%</b> | <b>97.3%</b> |
| <i>Free Cash Flow growth</i>  | <i>-666.5%</i> | <i>-29.9%</i>  | <i>111.7%</i> | <i>-90.6%</i> | <i>147.4%</i> | <i>112.9%</i> | <i>45.7%</i> |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | <i>n.a.</i>    | <i>n.a.</i>    | <i>1.7%</i>   | <i>0.0%</i>   | <i>1.1%</i>   | <i>2.4%</i>   | <i>3.5%</i>  |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | <i>n.a.</i>    | <i>n.a.</i>    | <i>4.9%</i>   | <i>0.5%</i>   | <i>1.1%</i>   | <i>2.4%</i>   | <i>3.5%</i>  |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |                |                |               |               |               |               |              |              |              |
|   | 2020           | 2021           | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR         |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(4.6)</b>   | <b>(3.7)</b>   | <b>(8.0)</b>  | <b>1.7</b>    | <b>0.0</b>    | <b>1.2</b>    | <b>2.5</b>   |              |              |
| EBITDA impact from revenue increase   | 0.0            | (0.9)          | 1.0           | 0.0           | 0.1           | 0.1           | 0.4          |              |              |
| EBITDA impact from EBITDA/Sales variation   | (0.6)          | 2.7            | 2.0           | 2.2           | 0.7           | 0.4           | 0.6          |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.6)</b>   | <b>1.8</b>     | <b>3.1</b>    | <b>2.3</b>    | <b>0.8</b>    | <b>0.6</b>    | <b>1.0</b>   |              |              |
| - Rentals (IFRS 16 impact) variation impact   | -              | -              | (1.2)         | (0.5)         | -             | -             | -            |              |              |
| +/- Working capital variation impact  | 4.5            | (2.1)          | 3.9           | (7.6)         | 1.9           | 0.5           | 0.1          |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>3.9</b>     | <b>(0.3)</b>   | <b>5.8</b>    | <b>(5.8)</b>  | <b>2.7</b>    | <b>1.1</b>    | <b>1.1</b>   |              |              |
| +/- CAPEX impact  | (2.5)          | (3.6)          | 3.7           | 3.7           | (0.1)         | (0.1)         | (0.2)        |              |              |
| +/- Financial result variation  | (0.6)          | (0.6)          | 0.4           | 0.2           | (1.0)         | 0.1           | 0.2          |              |              |
| +/- Tax impact  | 0.2            | 0.2            | (0.2)         | 0.2           | (0.4)         | 0.2           | 0.1          |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>1.0</b>     | <b>(4.3)</b>   | <b>9.7</b>    | <b>(1.7)</b>  | <b>1.1</b>    | <b>1.3</b>    | <b>1.1</b>   |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(3.7)</b>   | <b>(8.0)</b>   | <b>1.7</b>    | <b>0.0</b>    | <b>1.2</b>    | <b>2.5</b>    | <b>3.6</b>   |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |                |                |               |               |               |               |              |              |              |
|   | 2020           | 2021           | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR         |              |
| <b>EBIT</b>   | <b>(1.2)</b>   | <b>(3.6)</b>   | <b>0.9</b>    | <b>3.1</b>    | <b>4.3</b>    | <b>3.3</b>    | <b>2.7</b>   | <b>66.3%</b> | <b>-4.1%</b> |
| * <i>Theoretical Tax rate</i>   | <i>0.0%</i>    | <i>0.0%</i>    | <i>0.0%</i>   | <i>9.7%</i>   | <i>20.0%</i>  | <i>20.0%</i>  | <i>20.0%</i> |              |              |
| = Taxes (pre- Net Financial Result)   | -              | -              | -             | (0.3)         | (0.9)         | (0.7)         | (0.5)        |              |              |
| <b>Recurrent EBITDA</b>   | <b>(0.6)</b>   | <b>1.2</b>     | <b>4.3</b>    | <b>6.5</b>    | <b>7.3</b>    | <b>7.9</b>    | <b>8.8</b>   | <i>n.a.</i>  | <b>10.7%</b> |
| - Rentals (IFRS 16 impact)  | -              | -              | (1.2)         | (1.6)         | (1.6)         | (1.6)         | (1.6)        |              |              |
| +/- Working Capital increase  | 3.5            | 1.3            | 5.2           | (2.4)         | (0.5)         | 0.1           | 0.2          |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>2.9</b>     | <b>2.6</b>     | <b>8.3</b>    | <b>2.5</b>    | <b>5.2</b>    | <b>6.3</b>    | <b>7.4</b>   | <b>-4.9%</b> | <b>43.5%</b> |
| - CAPEX   | (5.1)          | (8.7)          | (5.0)         | (1.3)         | (1.4)         | (1.5)         | (1.7)        |              |              |
| - Taxes (pre- Financial Result)   | -              | -              | -             | (0.3)         | (0.9)         | (0.7)         | (0.5)        |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(2.2)</b>   | <b>(6.2)</b>   | <b>3.3</b>    | <b>0.9</b>    | <b>2.9</b>    | <b>4.2</b>    | <b>5.1</b>   | <b>34.1%</b> | <b>77.1%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | <i>39.3%</i>   | <i>-174.3%</i> | <i>153.6%</i> | <i>-72.0%</i> | <i>219.5%</i> | <i>41.1%</i>  | <i>23.3%</i> |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | <i>n.a.</i>    | <i>n.a.</i>    | <i>3.3%</i>   | <i>0.9%</i>   | <i>2.8%</i>   | <i>3.9%</i>   | <i>4.6%</i>  |              |              |
| - Acquisitions / + Divestments  | (28.0)         | (33.7)         | 0.3           | 0.5           | -             | -             | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -              | -              | 2.4           | -             | -             | -             | -            |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(30.2)</b>  | <b>(39.9)</b>  | <b>6.0</b>    | <b>1.4</b>    | <b>2.9</b>    | <b>4.2</b>    | <b>5.1</b>   | <b>26.9%</b> | <b>55.1%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | <i>-798.1%</i> | <i>-32.0%</i>  | <i>115.0%</i> | <i>-77.1%</i> | <i>114.6%</i> | <i>41.1%</i>  | <i>23.3%</i> |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | <i>n.a.</i>    | <i>n.a.</i>    | <i>2.6%</i>   | <i>0.7%</i>   | <i>2.3%</i>   | <i>3.3%</i>   | <i>4.1%</i>  |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | <i>n.a.</i>    | <i>n.a.</i>    | <i>4.8%</i>   | <i>1.1%</i>   | <i>2.3%</i>   | <i>3.3%</i>   | <i>4.1%</i>  |              |              |



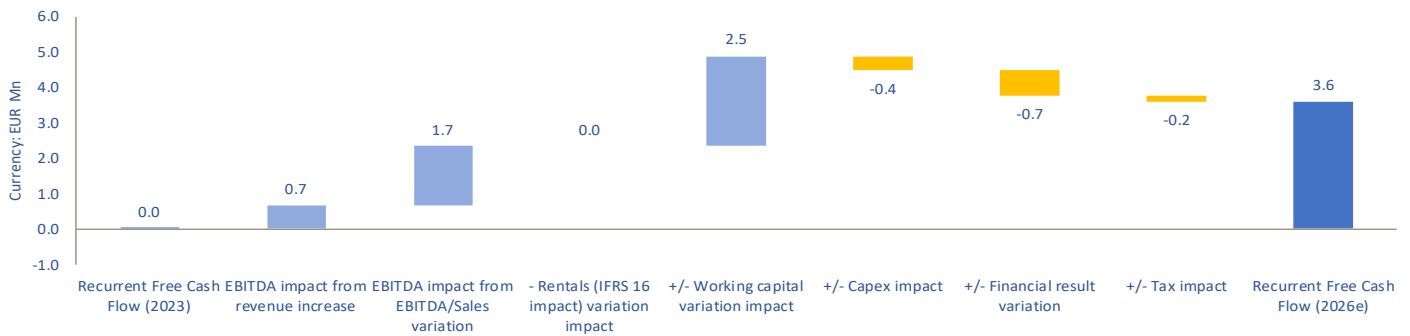


## Free Cash Flow (II)

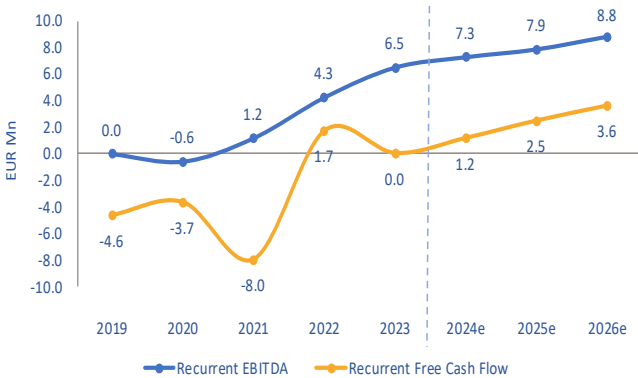
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                  | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|--|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 2.9   | 4.2                                    | 5.1   | 64.4                          |           |            |
| Market Cap                     | 102.1 | At the date of this report             |       |                               |           |            |
| Net financial debt             | 19.9  | Debt net of Cash (12m Results 2023)    |       |                               |           |            |
|                                |       |  |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 6.6%  | Net debt cost                          |       |                               | 6.4%      | 6.9%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                |       |                               | =         | =          |
| Net debt cost                  | 5.3%  | $Kd = \text{Cost of Net Debt} * (1-T)$ |       |                               | 5.1%      | 5.5%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)            |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                       |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.3   | B (own estimate)                       |       |                               | 1.2       | 1.4        |
| Cost of Equity                 | 11.1% | $Ke = Rf + (R * B)$                    |       |                               | 9.9%      | 12.4%      |
| Equity / (Equity + Net Debt)   | 83.7% | E (Market Cap as equity value)         |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 16.3% | D                                      |       |                               | =         | =          |
| WACC                           | 10.1% | $WACC = Kd * D + Ke * E$               |       |                               | 9.1%      | 11.2%      |
| G "Fair"                       | 2.0%  |  |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 102.1        |                  |
| + Minority Interests                 | 7.5          | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0.3          | 12m Results 2023 |
| + Net financial debt                 | 19.9         | 12m Results 2023 |
| - Financial Investments              | 3.7          | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>126.1</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019   | 2020  | 2021 | 2022 | 2023 |
|----------------------|--------|-------|------|------|------|
| ROCE (evolution -5y) | 0.8%   | n.a.  | n.a. | 1.2% | 4.2% |
|                      | 2023   | 2026e |      |      |      |
| ROCE - WACC          | -5.9%  | -6.7% |      |      |      |
| FCF Yield - WACC     | -10.1% | -6.6% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 8.1%             | 8.6        | 14.6x         |
| Central  | 7.4%             | 7.9        | 16.0x         |
| Min      | 6.7%             | 7.1        | 17.7x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|------|------|----------|--------------------|------|------|
| EBITDA 25e      | 1.3%            | 1.4% | 1.5% |          | Max                | 3.2% | 3.1% |
| 8.6             | 3.3             | 3.2  | 3.1  | Central  | 2.5%               | 2.4% | 2.3% |
| 7.9             | 2.6             | 2.5  | 2.4  | Min      | 1.8%               | 1.7% | 1.6% |
| 7.1             | 1.8             | 1.7  | 1.6  |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 33.3% | 30.0% | 30.0% |
| % of proprietary directors           | 66.7% | 70.0% | 70.0% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 11.1% | 20.0% | 20.0% |
| % of women out of total workforce    | 22.0% | 21.0% | 20.0% |
| Board remuneration/staff cost        | 0.7%  | 0.9%  | 1.1%  |



## Main peers 2024e

|                             |                         | TV Technologies |             |         | TV Platform |         |         |         |
|-----------------------------|-------------------------|-----------------|-------------|---------|-------------|---------|---------|---------|
| EUR Mn                      |                         | Brightcove      | Kudelski    | Average | Netgem      | Kaltura | Average | AGIL    |
| Market data                 | Ticker (Factset)        | BCOV-US         | KUD-CH      |         | ALNTG-FR    | KLTR-US |         | AGIL-ES |
|                             | Country                 | USA             | Switzerland |         | France      | USA     |         | Spain   |
|                             | Market cap              | 89.4            | 79.2        |         | 32.7        | 160.7   |         | 102.1   |
|                             | Enterprise value (EV)   | 87.6            | 340.3       |         | 27.1        | 143.2   |         | 126.1   |
| Basic financial information | Total Revenues          | 180.9           | 640.8       |         | 35.7        | 161.5   |         | 104.5   |
|                             | Total Revenues growth   | -2.2%           | -6.3%       | -4.2%   | 0.2%        | 0.2%    | 0.2%    | 1.9%    |
|                             | 2y CAGR (2024e - 2026e) | n.a.            | 6.1%        | 6.1%    | n.a.        | 3.3%    | 3.3%    | 3.5%    |
|                             | EBITDA                  | 13.8            | 32.7        |         | 8.7         | 0.7     |         | 7.3     |
|                             | EBITDA growth           | 412.6%          | 99.1%       | 255.9%  | -5.3%       | 102.4%  | 48.6%   | 5.0%    |
|                             | 2y CAGR (2024e - 2026e) | n.a.            | 33.3%       | 33.3%   | n.a.        | n.a.    | n.a.    | 10.1%   |
|                             | EBITDA/Revenues         | 7.6%            | 5.1%        | 6.4%    | 24.4%       | 0.4%    | 12.4%   | 7.0%    |
|                             | EBIT                    | (2.0)           | 6.6         |         | 3.1         | (2.8)   |         | 4.3     |
|                             | EBIT growth             | 89.7%           | 157.5%      | 123.6%  | 167.9%      | 91.3%   | 129.6%  | 38.2%   |
|                             | 2y CAGR (2024e - 2026e) | n.a.            | n.a.        | n.a.    | n.a.        | 67.4%   | 67.4%   | -20.2%  |
|                             | EBIT/Revenues           | n.a.            | 1.0%        | 1.0%    | 8.7%        | n.a.    | 8.7%    | 4.1%    |
|                             | Net Profit              | (3.2)           | (5.4)       |         | 2.8         | (37.9)  |         | 0.5     |
|                             | Net Profit growth       | 84.6%           | 79.9%       | 82.2%   | 410.2%      | 11.1%   | 210.6%  | n.a.    |
|                             | 2y CAGR (2024e - 2026e) | n.a.            | n.a.        | n.a.    | n.a.        | 5.2%    | 5.2%    | -69.6%  |
|                             | CAPEX/Sales %           | n.a.            | 1.1%        | 1.1%    | 11.1%       | 1.3%    | 6.2%    | 1.3%    |
| Free Cash Flow              | n.a.                    | 18.5            |             | 3.2     | (1.2)       |         | 1.2     |         |
| Net financial debt          | n.a.                    | 231.2           |             | (5.0)   | (26.4)      |         | 18.7    |         |
| ND/EBITDA (x)               | n.a.                    | 7.1             | 7.1         | n.a.    | n.a.        | n.a.    | 2.6     |         |
| Pay-out                     | n.a.                    | 0.0%            | 0.0%        | 60.6%   | 0.0%        | 30.3%   | 0.0%    |         |
| Multiples and Ratios        | P/E (x)                 | n.a.            | n.a.        | n.a.    | 11.7        | n.a.    | 11.7    | n.a.    |
|                             | P/BV (x)                | n.a.            | 0.3         | 0.3     | 1.2         | 11.6    | 6.4     | 2.3     |
|                             | EV/Revenues (x)         | 0.5             | 0.5         | 0.5     | 0.8         | 0.9     | 0.8     | 1.2     |
|                             | EV/EBITDA (x)           | 6.4             | 10.4        | 8.4     | 3.1         | n.a.    | 3.1     | 17.3    |
|                             | EV/EBIT (x)             | n.a.            | n.a.        | n.a.    | 8.7         | n.a.    | 8.7     | 29.3    |
|                             | ROE                     | n.a.            | n.a.        | n.a.    | 10.2        | n.a.    | 10.2    | 1.2     |
|                             | FCF Yield (%)           | n.a.            | 23.3        | 23.3    | 9.8         | n.a.    | 9.8     | 1.1     |
|                             | DPS                     | n.a.            | 0.00        | 0.00    | 0.05        | 0.00    | 0.03    | 0.00    |
|                             | Dvd Yield               | n.a.            | 0.0%        | 0.0%    | 5.3%        | 0.0%    | 2.7%    | 0.0%    |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015 | 2016  | 2017   | 2018   | 2019   | 2020   | 2021    | 2022   | 2023   | 2024e | 2025e   | 2026e   | 13-23 | 23-26e | CAGR |
|---------------------------------|------|------|------|-------|--------|--------|--------|--------|---------|--------|--------|-------|---------|---------|-------|--------|------|
| Total Revenues                  |      |      |      | 10.8  | 7.9    | 8.8    | 11.0   | 20.4   | 55.2    | 101.5  | 102.6  | 104.5 | 106.4   | 111.8   | n.a.  | 2.9%   |      |
| Total Revenues growth           |      |      |      | n.a.  | -27.4% | 12.1%  | 24.5%  | 86.0%  | 170.3%  | 83.9%  | 1.0%   | 1.9%  | 1.9%    | 5.1%    | n.a.  | 8.3%   |      |
| EBITDA                          |      |      |      | (1.2) | (0.7)  | (1.3)  | 0.0    | (1.8)  | (1.2)   | 4.8    | 6.9    | 7.3   | 7.9     | 8.8     | n.a.  | 8.3%   |      |
| EBITDA growth                   |      |      |      | n.a.  | 39.9%  | -69.5% | 102.1% | n.a.   | 32.2%   | 506.3% | 43.8%  | 5.0%  | 8.0%    | 12.1%   | n.a.  | 8.3%   |      |
| EBITDA/Sales                    |      |      |      | n.a.  | n.a.   | n.a.   | 0.2%   | n.a.   | n.a.    | 4.8%   | 6.8%   | 7.0%  | 7.4%    | 7.9%    | n.a.  | 8.3%   |      |
| Net Profit                      |      |      |      | (5.2) | 0.0    | (1.3)  | 0.1    | (2.8)  | (5.8)   | (2.0)  | 0.0    | 0.5   | (0.2)   | (0.5)   | n.a.  | n.a.   |      |
| Net Profit growth               |      |      |      | n.a.  | 101.0% | n.a.   | 109.3% | n.a.   | -102.5% | 64.9%  | 101.1% | n.a.  | -138.5% | -127.2% | n.a.  | n.a.   |      |
| Adjusted number shares (Mn)     |      |      |      | -     | -      | 12.2   | 13.5   | 18.0   | 20.9    | 23.1   | 23.2   | 23.2  | 23.2    | 23.2    | n.a.  | n.a.   |      |
| EPS (EUR)                       |      |      |      | n.a.  | n.a.   | -0.11  | 0.01   | -0.16  | -0.28   | -0.09  | 0.00   | 0.02  | -0.01   | -0.02   | n.a.  | n.a.   |      |
| EPS growth                      |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | n.a.   | -74.7%  | 68.3%  | n.a.   | n.a.  | n.a.    | n.a.    | n.a.  | n.a.   |      |
| Ord. EPS (EUR)                  |      |      |      | n.a.  | n.a.   | -0.11  | 0.03   | -0.08  | -0.16   | -0.10  | -0.02  | 0.02  | -0.01   | -0.02   | n.a.  | -7.9%  |      |
| Ord. EPS growth                 |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | n.a.   | n.a.    | 35.5%  | 84.6%  | n.a.  | n.a.    | n.a.    | n.a.  | n.a.   |      |
| CAPEX                           |      |      |      | (2.1) | (1.9)  | (2.2)  | (2.7)  | (5.1)  | (8.7)   | (5.0)  | (1.3)  | (1.4) | (1.5)   | (1.7)   | n.a.  | n.a.   |      |
| CAPEX/Sales %                   |      |      |      | 19.7% | 24.3%  | 25.2%  | 24.2%  | 25.2%  | 15.8%   | 4.9%   | 1.2%   | 1.3%  | 1.4%    | 1.5%    | n.a.  | n.a.   |      |
| Free Cash Flow                  |      |      |      | (3.9) | (2.7)  | (3.1)  | (4.3)  | (32.9) | (42.7)  | 5.0    | 0.5    | 1.2   | 2.5     | 3.6     | n.a.  | 97.3%  |      |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      |      | n.a.  | n.a.   | n.a.   | 21.9x  | n.a.   | n.a.    | 4.2x   | 2.9x   | 2.6x  | 2.1x    | 1.4x    | n.a.  | n.a.   |      |
| P/E (x)                         |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | n.a.   | n.a.    | n.a.   | n.a.   | n.a.  | n.a.    | n.a.    | n.a.  | n.a.   |      |
| EV/Sales (x)                    |      |      |      | n.a.  | n.a.   | 2.42x  | 1.72x  | 0.82x  | 0.86x   | 0.89x  | 1.71x  | 1.21x | 1.18x   | 1.13x   | n.a.  | n.a.   |      |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | n.a.   | n.a.    | 18.8x  | 25.2x  | 17.3x | 16.0x   | 14.3x   | n.a.  | n.a.   |      |
| Absolute performance            |      |      |      | -5.3% | -14.7% | 3.4%   | 189.3% | 95.8%  | -11.8%  | -38.6% | -24.3% | 33.3% |         |         |       |        |      |
| Relative performance vs Ibx 35  |      |      |      | -3.4% | -20.6% | 21.7%  | 158.7% | 131.6% | -18.3%  | -35.0% | -38.3% | 18.9% |         |         |       |        |      |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Alquiber (ALQ)**, specialises in the renting of vehicles for commercial and industrial use under the flexible renting model in Spain (where it generates 100% of its activity). With a fleet of c. 18,200 vehicles at the 2023 close, ALQ has an important position in the sector (with 24 offices in Spain and a market share of c. 13%). The company is controlled by the Acebes family, that is fully involved in the management of the company

**Market Data**

|                                |                     |       |
|--------------------------------|---------------------|-------|
| Market Cap (Mn EUR and USD)    | 50.0                | 54.3  |
| EV (Mn EUR and USD)            | 252.2               | 274.3 |
| Shares Outstanding (Mn)        | 5.4                 |       |
| -12m (Max/Med/Min EUR)         | 10.50 / 9.27 / 7.48 |       |
| Daily Avg volume (-12m Mn EUR) | n.m.                |       |
| Rotation <sup>(1)</sup>        | 4.9                 |       |
| Factset / Bloomberg            | ALQ-ES / ALQ SM     |       |
| Close fiscal year              | 31-Dec              |       |

**Shareholders Structure (%)**

|                            |      |
|----------------------------|------|
| Miguel Ángel Acebes Acebes | 39.7 |
| Marianela Acebes Moreno    | 17.5 |
| Miguel Acebes Moreno       | 17.4 |
| Free Float                 | 25.4 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 5.4   | 5.4   | 5.4   | 5.4   |
| Total Revenues                      | 126.1 | 145.7 | 176.6 | 197.3 |
| Rec. EBITDA                         | 72.8  | 85.2  | 103.5 | 117.1 |
| % growth                            | 28.0  | 17.1  | 21.5  | 13.1  |
| % Rec. EBITDA/Rev.                  | 57.7  | 58.5  | 58.6  | 59.3  |
| % Inc. EBITDA sector <sup>(2)</sup> | 9.2   | 12.6  | 9.7   | 8.4   |
| Net Profit                          | 7.8   | 9.7   | 14.4  | 18.4  |
| EPS (EUR)                           | 1.44  | 1.80  | 2.66  | 3.41  |
| % growth                            | -6.5  | 24.9  | 47.9  | 28.2  |
| Ord. EPS (EUR)                      | 1.60  | 1.80  | 2.66  | 3.41  |
| % growth                            | 0.0   | 12.4  | 47.9  | 28.2  |
| Rec. Free Cash Flow                 | -25.6 | -17.4 | 3.2   | 13.1  |
| Pay-out (%)                         | 20.1  | 20.0  | 20.0  | 20.0  |
| DPS (EUR)                           | 0.29  | 0.36  | 0.53  | 0.68  |
| Net financial debt                  | 191.3 | 210.2 | 209.0 | 198.7 |
| ND/Rec. EBITDA (x)                  | 2.6   | 2.5   | 2.0   | 1.7   |
| ROE (%)                             | 19.5  | 21.0  | 25.4  | 26.1  |
| ROCE (%)                            | 6.5   | 6.8   | 7.9   | 8.7   |

**Ratios & Multiples (x)**

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | 6.4  | 5.1   | 3.5   | 2.7   |
| Ord. P/E           | 5.8  | 5.1   | 3.5   | 2.7   |
| P/BV               | 1.2  | 1.0   | 0.8   | 0.6   |
| Dividend Yield (%) | 3.1  | 3.9   | 5.8   | 7.4   |
| EV/Sales           | 2.00 | 1.73  | 1.43  | 1.28  |
| EV/Rec. EBITDA     | 3.5  | 3.0   | 2.4   | 2.2   |
| EV/EBIT            | 13.1 | 10.8  | 8.7   | 7.7   |
| FCF Yield (%)      | n.a. | n.a.  | 6.4   | 26.3  |

**Historical behavior (base 100)**


| (%)      | -1m | -3m | -12m | -5Y  |
|----------|-----|-----|------|------|
| Absolute | 3.9 | 3.9 | 23.7 | 68.0 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Industrial Goods & Services.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**The flexible renting model remained unstoppable in 2023** as evident in year-on-year growth of 28.3%. That core business accounts for c.85% of the company's total revenue. Moreover, it is the most profitable line, so that the topline growth (+25.7%) translated into growth in recurring EBITDA (+28%; EBITDA margin 2023: 57.7%). However, the bottom line was squeezed by finance costs (EUR 7.8Mn; -8.6% vs 2022).

**Despite supply chain issues impeding vehicle deliveries, we do not see the growth petering out (net fleet growth in 2023: +2,150 units).** The momentum created by fleet growth in recent years left ALQ with a fleet of c.18,200 vehicles at year-end (vs c.16,000 at YE 2022). Occupancy was 90% (vs 91% in 2022). We think the fleet could top 20,000 vehicles in 2024e.

**We expect more of the same from 2024 (in the best sense).** The new branch opened in Alicante in March 2024 highlights the need to continue to add capacity to meet growing demand. Our estimates for 2024e are articulated around two drivers: i) double-digit revenue growth (+15.6%); and ii) margin expansion (EBITDA margin: 58.5% vs 57.7% in 2023).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Niche market in a growing industry.** ALQ's fleet (+13.5%) grew faster than the sector fleet (+5.8%) in 2023. Spain's stock of rental vehicles accounts for 2.9% of the total (vs 2.5% in 2022 and vs 4%-5% in the UK and France).

**"Established" network of establishments in Spain.** ALQ has a broad network of 24 establishments in Spain (vs 29 for Northgate, its main competitor). That reach keeps it close to its customers, gives it flexibility and allows it to anticipate new business growth opportunities.

**Strong growth rates should allow net profit to double as soon as 2025e.** By 2026e we should be looking at a company with revenue of c.EUR 200Mn (CAGR: 2023-2026e: +16.1%) with scope for margin expansion (CAGR: 2023-2026e in recurring EBITDA: +17.2%). We expect the company to be able to double its net profit as soon as 2025e (EUR 14.4Mn vs. EUR 7.8Mn in 2023).

**The key to positive cash generation lies with the sale of used cars.** We assume that c.70% of the vehicles purchased will be sold within 4 years (depreciated but with residual value). In 2021, ALQ bought c.4,500 vehicles (+64% vs 2020), so that by 2025e we expect to see a significant cash inflow to leave FCF at close to breakeven for the first time.

**RISKS: WHAT TO KEEP AN EYE ON?**

**Capital intensive business.** The growth in revenue is being driven by ongoing fleet expansion. We are forecasting annual CAPEX of c.EUR 110Mn +3y, which will continue to put pressure on cash generation until at least 2024e. As well as increasing debt (net debt 2024e: EUR 210Mn; >80% of EV).

**High leverage and high rates.** The logical consequence of a capital intensive business (annual CAPEX of c.EUR 110Mn) is, naturally, a high level of debt (ND/EBITDA 2024e: 2.5x). In the current interest rate environment, that puts extra pressure on the bottom line.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Attractive multiples.** The recent share price performance (-10,2% YTD) has ALQ trading at a P/E 24e of 5.1x (vs 8.1x for Northgate). More compelling still, on our 2026e forecasts, it is trading at a P/E 26e multiple of 2.7x and an EV/EBIT 26e multiple of 7.7x. These multiples are objectively very low and fail to reflect ALQ's strong growth or the impact of a possible rate cut on its net profit.



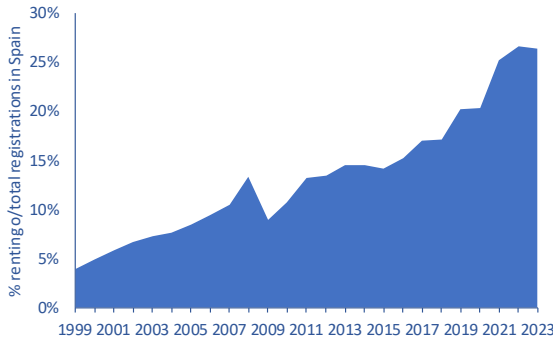
## Financial Projections

| <b>Balance Sheet (EUR Mn)</b>                | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b>  | <b>CAGR</b>  |              |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|--------------|
| Intangible assets                            | 0.1          | 0.3          | 0.4          | 0.4          | 0.3          | 0.3           | 0.3          | 0.3           |              |              |
| Fixed assets                                 | 93.0         | 107.2        | 142.4        | 187.8        | 227.9        | 253.0         | 261.0        | 264.1         |              |              |
| Other Non Current Assets                     | 1.5          | 2.1          | 1.9          | 1.9          | 2.2          | 2.2           | 2.2          | 2.2           |              |              |
| Financial Investments                        | 0.3          | 0.5          | 0.7          | 0.6          | 0.7          | 0.7           | 0.7          | 0.7           |              |              |
| Goodwill & Other Intangibles                 | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| Current assets                               | 14.5         | 14.0         | 17.6         | 17.6         | 23.9         | 27.3          | 32.5         | 36.1          |              |              |
| <b>Total assets</b>                          | <b>109.4</b> | <b>124.1</b> | <b>163.0</b> | <b>208.4</b> | <b>255.0</b> | <b>283.4</b>  | <b>296.7</b> | <b>303.4</b>  |              |              |
| Equity                                       | 23.0         | 25.3         | 29.3         | 37.5         | 42.3         | 50.5          | 62.9         | 78.5          |              |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| Provisions & Other L/T Liabilities           | 4.9          | 6.3          | 7.4          | 9.1          | 11.7         | 11.7          | 11.7         | 11.7          |              |              |
| Other Non Current Liabilities                | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| Net financial debt                           | 78.0         | 89.4         | 121.1        | 155.5        | 191.3        | 210.2         | 209.0        | 198.7         |              |              |
| Current Liabilities                          | 3.5          | 3.1          | 5.3          | 6.4          | 9.8          | 11.1          | 13.1         | 14.5          |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>109.4</b> | <b>124.1</b> | <b>163.0</b> | <b>208.4</b> | <b>255.0</b> | <b>283.4</b>  | <b>296.7</b> | <b>303.4</b>  |              |              |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b>  | <b>CAGR</b>  |              |
| <b>Total Revenues</b>                        | <b>50.9</b>  | <b>58.9</b>  | <b>76.1</b>  | <b>100.4</b> | <b>126.1</b> | <b>145.7</b>  | <b>176.6</b> | <b>197.3</b>  | <b>25.5%</b> | <b>16.1%</b> |
| <i>Total Revenues growth</i>                 | 22.9%        | 15.8%        | 29.1%        | 31.9%        | 25.7%        | 15.6%         | 21.2%        | 11.7%         |              |              |
| COGS   | (4.8)        | (5.2)        | (6.6)        | (8.7)        | (9.6)        | (10.2)        | (15.7)       | (16.2)        |              |              |
| <b>Gross Margin</b>                          | <b>46.0</b>  | <b>53.7</b>  | <b>69.5</b>  | <b>91.7</b>  | <b>116.6</b> | <b>135.5</b>  | <b>160.8</b> | <b>181.1</b>  | <b>26.1%</b> | <b>15.8%</b> |
| <i>Gross Margin/Revenues</i>                 | 90.5%        | 91.1%        | 91.4%        | 91.4%        | 92.4%        | 93.0%         | 91.1%        | 91.8%         |              |              |
| Personnel Expenses                           | (4.1)        | (4.7)        | (5.5)        | (6.8)        | (8.3)        | (9.5)         | (10.8)       | (12.0)        |              |              |
| Other Operating Expenses                     | (14.5)       | (17.0)       | (23.3)       | (28.0)       | (35.5)       | (40.8)        | (46.5)       | (52.0)        |              |              |
| <b>Recurrent EBITDA</b>                      | <b>27.4</b>  | <b>32.0</b>  | <b>40.7</b>  | <b>56.9</b>  | <b>72.8</b>  | <b>85.2</b>   | <b>103.5</b> | <b>117.1</b>  | <b>27.6%</b> | <b>17.2%</b> |
| <i>Recurrent EBITDA growth</i>               | 23.8%        | 16.7%        | 27.2%        | 39.7%        | 28.0%        | 17.1%         | 21.5%        | 13.1%         |              |              |
| <i>Rec. EBITDA/Revenues</i>                  | 53.9%        | 54.3%        | 53.5%        | 56.7%        | 57.7%        | 58.5%         | 58.6%        | 59.3%         |              |              |
| Restructuring Expense & Other non-rec.       | (0.0)        | 0.0          | (0.2)        | (0.4)        | (1.2)        | -             | -            | -             |              |              |
| <b>EBITDA</b>                                | <b>27.4</b>  | <b>32.0</b>  | <b>40.6</b>  | <b>56.4</b>  | <b>71.6</b>  | <b>85.2</b>   | <b>103.5</b> | <b>117.1</b>  | <b>27.1%</b> | <b>17.8%</b> |
| Depreciation & Provisions                    | (21.4)       | (26.1)       | (31.3)       | (40.7)       | (52.3)       | (62.0)        | (74.5)       | (84.1)        |              |              |
| Capitalized Expense                          | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| Rentals (IFRS 16 impact)                     | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| <b>EBIT</b>                                  | <b>6.1</b>   | <b>5.9</b>   | <b>9.2</b>   | <b>15.7</b>  | <b>19.3</b>  | <b>23.3</b>   | <b>29.1</b>  | <b>33.0</b>   | <b>33.5%</b> | <b>19.5%</b> |
| <i>EBIT growth</i>                           | 12.2%        | -3.0%        | 56.6%        | 70.5%        | 22.7%        | 20.6%         | 24.9%        | 13.4%         |              |              |
| <i>EBIT/Revenues</i>                         | 11.9%        | 10.0%        | 12.1%        | 15.7%        | 15.3%        | 16.0%         | 16.5%        | 16.7%         |              |              |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| Net Financial Result                         | (2.4)        | (2.6)        | (3.1)        | (4.5)        | (8.9)        | (10.3)        | (9.9)        | (8.4)         |              |              |
| Income by the Equity Method                  | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| <b>Ordinary Profit</b>                       | <b>3.7</b>   | <b>3.3</b>   | <b>6.1</b>   | <b>11.2</b>  | <b>10.4</b>  | <b>13.0</b>   | <b>19.2</b>  | <b>24.6</b>   | <b>29.8%</b> | <b>33.1%</b> |
| <i>Ordinary Profit Growth</i>                | 10.6%        | -11.2%       | 87.2%        | 83.3%        | -6.9%        | 24.4%         | 47.9%        | 28.2%         |              |              |
| Extraordinary Results                        | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| <b>Profit Before Tax</b>                     | <b>3.7</b>   | <b>3.3</b>   | <b>6.1</b>   | <b>11.2</b>  | <b>10.4</b>  | <b>13.0</b>   | <b>19.2</b>  | <b>24.6</b>   | <b>29.8%</b> | <b>33.1%</b> |
| Tax Expense                                  | (0.9)        | (0.8)        | (1.4)        | (2.7)        | (2.6)        | (3.2)         | (4.8)        | (6.1)         |              |              |
| <i>Effective Tax Rate</i>                    | 25.1%        | 25.0%        | 23.5%        | 23.9%        | 25.3%        | 25.0%         | 25.0%        | 25.0%         |              |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -             | -            | -             |              |              |
| <b>Net Profit</b>                            | <b>2.7</b>   | <b>2.4</b>   | <b>4.7</b>   | <b>8.5</b>   | <b>7.8</b>   | <b>9.7</b>    | <b>14.4</b>  | <b>18.4</b>   | <b>29.7%</b> | <b>33.3%</b> |
| <i>Net Profit growth</i>                     | 10.6%        | -11.0%       | 91.0%        | 82.3%        | -8.6%        | 24.9%         | 47.9%        | 28.2%         |              |              |
| <b>Ordinary Net Profit</b>                   | <b>2.8</b>   | <b>2.4</b>   | <b>4.8</b>   | <b>8.9</b>   | <b>8.7</b>   | <b>9.7</b>    | <b>14.4</b>  | <b>18.4</b>   | <b>33.2%</b> | <b>28.7%</b> |
| <i>Ordinary Net Profit growth</i>            | 10.2%        | -11.5%       | 97.0%        | 84.5%        | -2.3%        | 12.4%         | 47.9%        | 28.2%         |              |              |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b>  | <b>CAGR</b>  |              |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>85.2</b>   | <b>103.5</b> | <b>117.1</b>  | <b>27.6%</b> | <b>17.2%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | -             | -            | -             |              |              |
| Working Capital Increase                     |              |              |              |              |              | (2.0)         | (3.2)        | (2.2)         |              |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>83.2</b>   | <b>100.3</b> | <b>114.9</b>  | <b>28.5%</b> | <b>18.0%</b> |
| CAPEX  |              |              |              |              |              | (104.6)       | (111.0)      | (117.7)       |              |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (10.3)        | (9.9)        | (8.4)         |              |              |
| Tax Expense                                  |              |              |              |              |              | (3.2)         | (4.8)        | (6.1)         |              |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | 17.6          | 28.5         | 30.4          |              |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>(17.4)</b> | <b>3.2</b>   | <b>13.1</b>   | <b>-8.4%</b> | <b>36.0%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | -             | -            | -             |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -             | -            | -             |              |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>(17.4)</b> | <b>3.2</b>   | <b>13.1</b>   | <b>-9.6%</b> | <b>35.6%</b> |
| Capital Increase                             |              |              |              |              |              | -             | -            | -             |              |              |
| Dividends                                    |              |              |              |              |              | (1.6)         | (1.9)        | (2.9)         |              |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>18.9</b>   | <b>(1.2)</b> | <b>(10.3)</b> |              |              |



**The company in 8 charts**

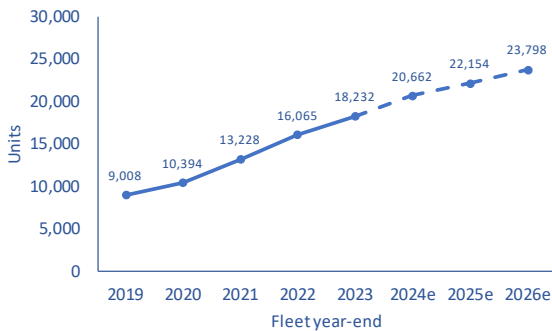
**Vehicle renting: A growing sector in Spain...**



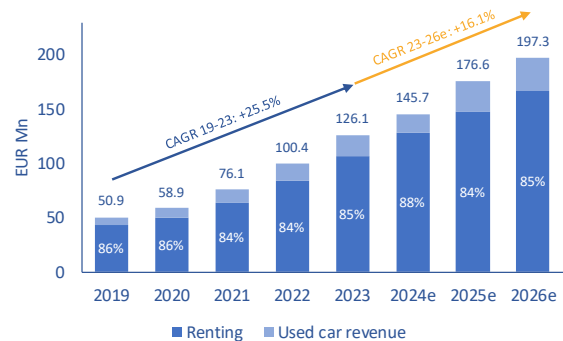
**...in which ALQ has a significant presence (24 sales offices)**



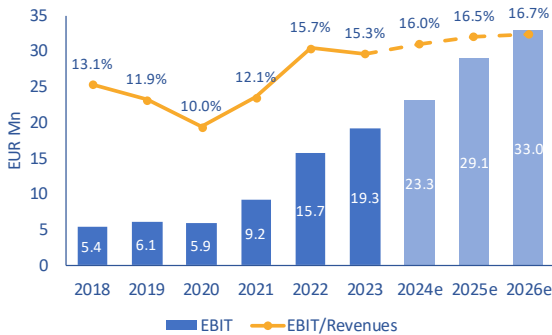
**With a continuously growing fleet of vehicles (CAGR 23-26e: +9.3%)...**



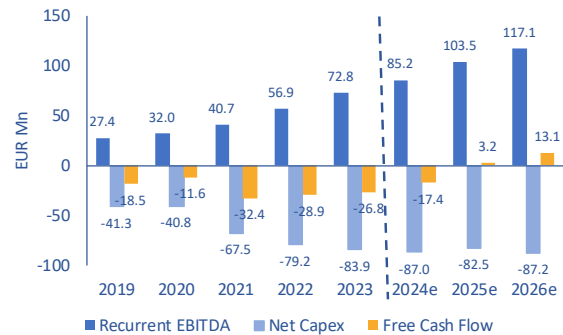
**... that will allow revenue growth to continue (CAGR 23-26e: +16.1%)**



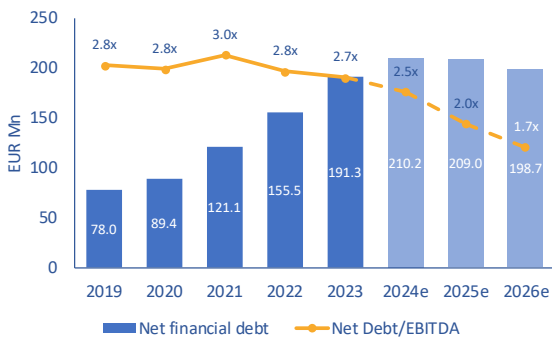
**Maintaining an EBIT margin of c. 17%**



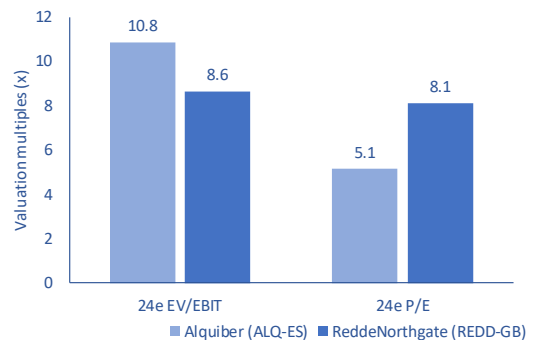
**FCF: A business that is still demanding in terms of CAPEX**



**Despite the investment effort, with debt under control (ND/EBITDA <3x)**



**Trading at 24e P/E of 5.1x (vs 8.1x for its main peer)**



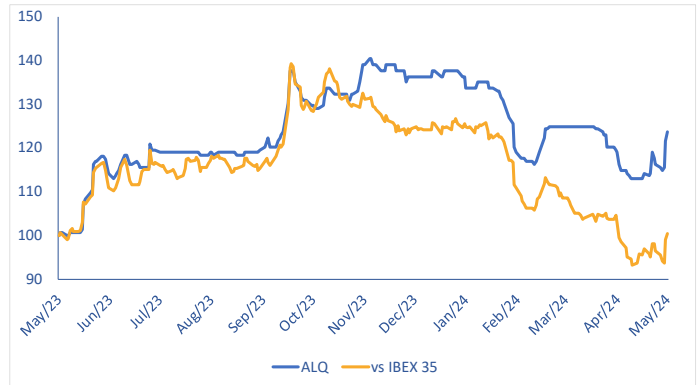


## Evolution of the share price

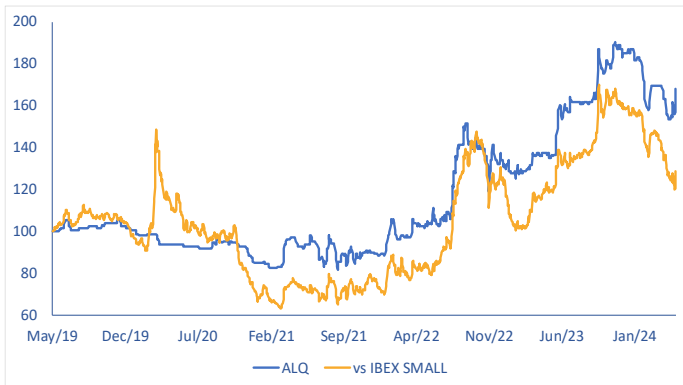
**Historical behavior vs Ibex 35 (base 100)**



**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Industrial Goods & Services

| Stock performance (%)                           | -1m  | -3m  | -12m | YTD   | -3Y   | -5Y  |
|---|------|------|------|-------|-------|------|
| Absolute  | 3.9  | 3.9  | 23.7 | -10.2 | 81.2  | 68.0 |
| <b>vs Market</b>                                |      |      |      |       |       |      |
| vs Ibex 35                                      | -2.4 | -9.3 | 0.6  | -19.9 | 46.4  | 37.6 |
| vs Euro STOXX 50                                | 0.9  | -2.2 | 5.6  | -19.8 | 43.3  | 13.6 |
| <b>vs Small Cap References</b>                  |      |      |      |       |       |      |
| vs Ibex Small Cap Index                         | -4.8 | -9.1 | 8.0  | -19.3 | 77.2  | 28.9 |
| vs Micro Cap Spain Segment <sup>(1)</sup>       | -1.5 | -3.8 | 17.7 | -16.7 | 95.9  | 39.0 |
| vs MSCI Europe Micro Cap                        | -2.0 | -3.2 | 20.1 | -15.0 | 122.3 | 40.1 |
| <b>vs Sector</b>                                |      |      |      |       |       |      |
| vs Stoxx Europe 600 Industrial Goods & Services | 0.1  | -2.5 | 3.3  | -19.7 | 47.3  | 3.4  |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

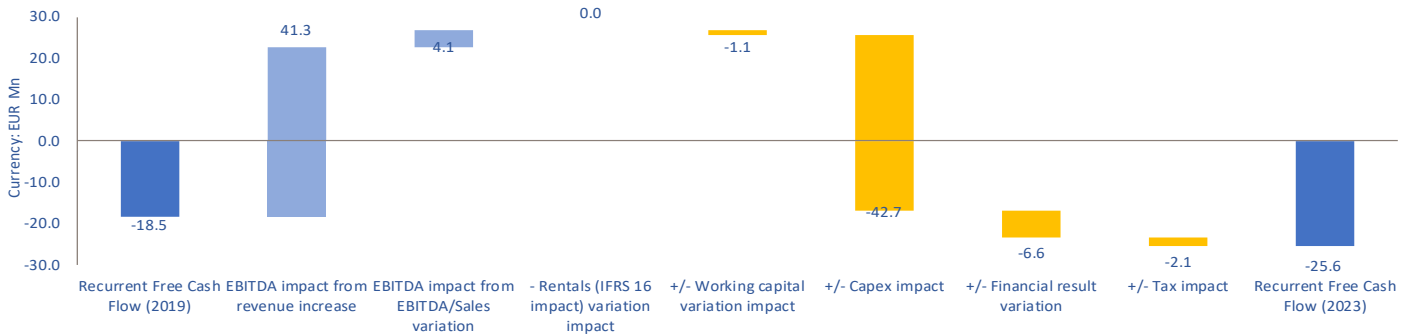
| A) Cash Flow Analysis (EUR Mn)  | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR          |              |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|
|   |               |               |               |               |               |               |              | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>32.0</b>   | <b>40.7</b>   | <b>56.9</b>   | <b>72.8</b>   | <b>85.2</b>   | <b>103.5</b>  | <b>117.1</b> | <b>31.5%</b>  | <b>17.2%</b> |
| <i>Recurrent EBITDA growth</i>  | 16.7%         | 27.2%         | 39.7%         | 28.0%         | 17.1%         | 21.5%         | 13.1%        |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 54.3%         | 53.5%         | 56.7%         | 57.7%         | 58.5%         | 58.6%         | 59.3%        |               |              |
| - Rentals (IFRS 16 impact)  | -             | -             | -             | -             | -             | -             | -            |               |              |
| +/- Working Capital increase  | 0.1           | (1.4)         | 1.1           | (2.9)         | (2.0)         | (3.2)         | (2.2)        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>32.1</b>   | <b>39.3</b>   | <b>57.9</b>   | <b>69.9</b>   | <b>83.2</b>   | <b>100.3</b>  | <b>114.9</b> | <b>29.6%</b>  | <b>18.0%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | 25.1%         | 22.4%         | 47.5%         | 20.6%         | 19.0%         | 20.6%         | 14.5%        |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 54.5%         | 51.6%         | 57.7%         | 55.4%         | 57.1%         | 56.8%         | 58.2%        |               |              |
| - CAPEX   | (46.5)        | (74.6)        | (95.7)        | (102.9)       | (104.6)       | (111.0)       | (117.7)      |               |              |
| - Net Financial Result affecting Cash Flow  | (2.6)         | (3.1)         | (4.5)         | (9.0)         | (10.3)        | (9.9)         | (8.4)        |               |              |
| - Taxes   | (0.4)         | (1.0)         | (2.7)         | (2.6)         | (3.2)         | (4.8)         | (6.1)        |               |              |
| - Acquisitions / + Divestments  | 5.7           | 7.2           | 16.5          | 19.0          | 17.6          | 28.5          | 30.4         |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(11.6)</b> | <b>(32.3)</b> | <b>(28.4)</b> | <b>(25.6)</b> | <b>(17.4)</b> | <b>3.2</b>    | <b>13.1</b>  | <b>-30.0%</b> | <b>36.0%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 37.1%         | -177.1%       | 11.9%         | 9.9%          | 32.2%         | 118.3%        | 313.6%       |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 1.8%          | 6.7%         |               |              |
| - Restructuring expenses & others   | 0.0           | (0.2)         | (0.4)         | (1.2)         | -             | -             | -            |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -             | -             | -             | -             | -            |               |              |
| <b>= Free Cash Flow</b>   | <b>(11.6)</b> | <b>(32.4)</b> | <b>(28.9)</b> | <b>(26.8)</b> | <b>(17.4)</b> | <b>3.2</b>    | <b>13.1</b>  | <b>-32.0%</b> | <b>35.6%</b> |
| <i>Free Cash Flow growth</i>  | 37.2%         | -178.8%       | 11.0%         | 7.3%          | 35.1%         | 118.3%        | 313.6%       |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 6.4%          | 26.3%        |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 6.4%          | 26.3%        |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |               |               |               |               |               |              |               |              |
|   | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e        |               |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(18.5)</b> | <b>(11.6)</b> | <b>(32.3)</b> | <b>(28.4)</b> | <b>(25.6)</b> | <b>(17.4)</b> | <b>3.2</b>   |               |              |
| EBITDA impact from revenue increase   | 4.3           | 9.3           | 13.0          | 14.6          | 11.3          | 18.0          | 12.2         |               |              |
| EBITDA impact from EBITDA/Sales variation   | 0.2           | (0.6)         | 3.2           | 1.3           | 1.1           | 0.3           | 1.4          |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>4.6</b>    | <b>8.7</b>    | <b>16.2</b>   | <b>15.9</b>   | <b>12.4</b>   | <b>18.3</b>   | <b>13.5</b>  |               |              |
| - Rentals (IFRS 16 impact) variation impact   | -             | -             | -             | -             | -             | -             | -            |               |              |
| +/- Working capital variation impact  | 1.8           | (1.5)         | 2.5           | (4.0)         | 0.8           | (1.2)         | 1.1          |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>6.4</b>    | <b>7.2</b>    | <b>18.7</b>   | <b>12.0</b>   | <b>13.3</b>   | <b>17.1</b>   | <b>14.6</b>  |               |              |
| +/- CAPEX impact  | 0.5           | (26.7)        | (11.7)        | (4.7)         | (3.1)         | 4.5           | (4.8)        |               |              |
| +/- Financial result variation  | (0.2)         | (0.5)         | (1.4)         | (4.4)         | (1.4)         | 0.4           | 1.5          |               |              |
| +/- Tax impact  | 0.2           | (0.6)         | (1.7)         | 0.0           | (0.6)         | (1.6)         | (1.4)        |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>6.9</b>    | <b>(20.6)</b> | <b>3.8</b>    | <b>2.8</b>    | <b>8.2</b>    | <b>20.5</b>   | <b>10.0</b>  |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(11.6)</b> | <b>(32.3)</b> | <b>(28.4)</b> | <b>(25.6)</b> | <b>(17.4)</b> | <b>3.2</b>    | <b>13.1</b>  |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |               |               |               |               |               |              |               |              |
|   | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR          |              |
| <b>EBIT</b>   | <b>5.9</b>    | <b>9.2</b>    | <b>15.7</b>   | <b>19.3</b>   | <b>23.3</b>   | <b>29.1</b>   | <b>33.0</b>  | <b>48.5%</b>  | <b>19.5%</b> |
| * <i>Theoretical Tax rate</i>   | 25.0%         | 23.5%         | 23.9%         | 25.3%         | 25.0%         | 25.0%         | 25.0%        |               |              |
| = Taxes (pre- Net Financial Result)   | (1.5)         | (2.2)         | (3.8)         | (4.9)         | (5.8)         | (7.3)         | (8.2)        |               |              |
| <b>Recurrent EBITDA</b>   | <b>32.0</b>   | <b>40.7</b>   | <b>56.9</b>   | <b>72.8</b>   | <b>85.2</b>   | <b>103.5</b>  | <b>117.1</b> | <b>31.5%</b>  | <b>17.2%</b> |
| - Rentals (IFRS 16 impact)  | -             | -             | -             | -             | -             | -             | -            |               |              |
| +/- Working Capital increase  | 0.1           | (1.4)         | 1.1           | (2.9)         | (2.0)         | (3.2)         | (2.2)        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>32.1</b>   | <b>39.3</b>   | <b>57.9</b>   | <b>69.9</b>   | <b>83.2</b>   | <b>100.3</b>  | <b>114.9</b> | <b>29.6%</b>  | <b>18.0%</b> |
| - CAPEX   | (46.5)        | (74.6)        | (95.7)        | (102.9)       | (104.6)       | (111.0)       | (117.7)      |               |              |
| - Taxes (pre- Financial Result)   | (1.5)         | (2.2)         | (3.8)         | (4.9)         | (5.8)         | (7.3)         | (8.2)        |               |              |
| - Acquisitions / + Divestments  | 5.7           | 7.2           | 16.5          | 19.0          | 17.6          | 28.5          | 30.4         |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(10.1)</b> | <b>(30.4)</b> | <b>(25.0)</b> | <b>(18.9)</b> | <b>(9.6)</b>  | <b>10.6</b>   | <b>19.4</b>  | <b>-23.0%</b> | <b>44.7%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 40.7%         | -199.2%       | 17.7%         | 24.4%         | 49.0%         | 209.9%        | 83.2%        |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 6.0%          | 9.8%         |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -             | -             | -             | -             | -            |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(10.1)</b> | <b>(30.4)</b> | <b>(25.0)</b> | <b>(18.9)</b> | <b>(9.6)</b>  | <b>10.6</b>   | <b>19.4</b>  | <b>-23.0%</b> | <b>44.7%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | 40.7%         | -199.2%       | 17.7%         | 24.4%         | 49.0%         | 209.9%        | 83.2%        |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 4.2%          | 7.7%         |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 4.2%          | 7.7%         |               |              |



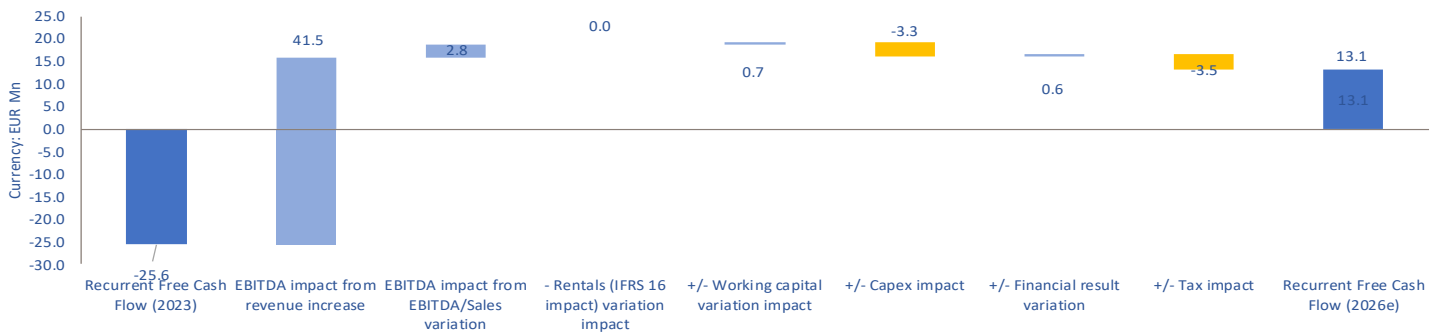


## Free Cash Flow (II)

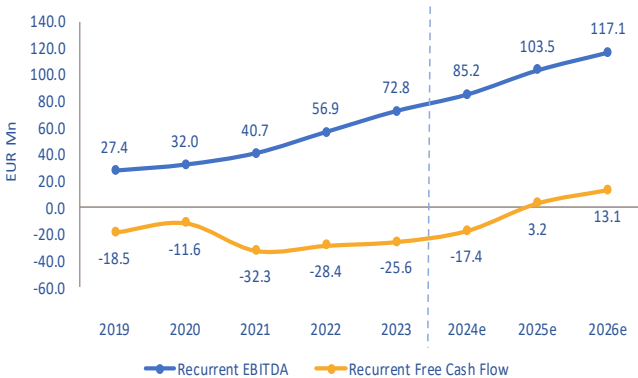
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | (9.6) | 10.6                                | 19.4  | 623.6                         |           |            |  |
| Market Cap                     | 50.0  | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 191.3 | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 5.3%  | Net debt cost                       |       |                               | 4.8%      | 5.8%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.2%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 3.8%      | 4.6%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.2   | B (own estimate)                    |       |                               | 1.1       | 1.3        |  |
| Cost of Equity                 | 10.5% | Ke = Rf + (R * B)                   |       |                               | 9.3%      | 11.7%      |  |
| Equity / (Equity + Net Debt)   | 20.7% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 79.3% | D                                   |       |                               | =         | =          |  |
| WACC                           | 5.5%  | WACC = Kd * D + Ke * E              |       |                               | 5.0%      | 6.1%       |  |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.5%      | 1.5%       |  |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 50.0         |                  |
| + Minority Interests                 | -            | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 11.7         | 12m Results 2023 |
| + Net financial debt                 | 191.3        | 12m Results 2023 |
| - Financial Investments              | 0.7          | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>252.2</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020  | 2021 | 2022 | 2023 |
|----------------------|------|-------|------|------|------|
| ROCE (evolution -5y) | 4.8% | 3.9%  | 5.1% | 6.7% | 6.5% |
|                      | 2023 | 2026e |      |      |      |
| ROCE - WACC          | 0.9% | 3.1%  |      |      |      |
| FCF Yield - WACC     | n.a. | 20.7% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 61.5%            | 108.7      | 2.3x          |
| Central  | 58.6%            | 103.5      | 2.4x          |
| Min      | 55.7%            | 98.4       | 2.6x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |        | Scenario | Rec. FCF/Yield 25e |       |       |
|-----------------|-----------------|-------|--------|----------|--------------------|-------|-------|
| EBITDA 25e      | 56.6%           | 62.9% | 69.2%  |          | Max                | 38.9% | 16.6% |
| 108.7           | 19.4            | 8.3   | (2.8)  | Central  | 28.6%              | 6.4%  | n.a.  |
| 103.5           | 14.3            | 3.2   | (7.9)  | Min      | 18.4%              | n.a.  | n.a.  |
| 98.4            | 9.2             | (1.9) | (13.1) |          |                    |       |       |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 28.6% | 33.3% | 33.3% |
| % of proprietary directors           | 42.9% | 33.3% | 33.3% |
| % of executive directors             | 28.6% | 33.3% | 33.3% |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 14.3% | 16.7% | 16.7% |
| % of women out of total workforce    | 35.1% | 33.5% | 36.1% |
| Board remuneration/staff cost        | 2.7%  | 1.8%  | 1.3%  |



## Main peers 2024e

### Renting

| Market data                 | EUR Mn                  | Avis Budget | Hertz   | Sixt     | ALD Automotive Ltd. | Redde Northgate PLC | Average | ALQ    |
|-----------------------------|-------------------------|-------------|---------|----------|---------------------|---------------------|---------|--------|
|                             | Ticker (Factset)        | CAR-US      | HTZ-US  | SIX2-DE  | ALD-FR              | REDD-GB             |         | ALQ-ES |
| Country                     | USA                     | USA         | USA     | Germany  | France              | UK                  |         | Spain  |
| Market cap                  | 3,877.7                 | 1,554.9     | 3,414.3 | 5,861.7  | 1,140.8             |                     |         | 50.0   |
| Enterprise value (EV)       | 28,611.1                | 17,091.8    | 6,946.9 | 51,278.3 | 2,008.2             |                     |         | 252.2  |
| Basic financial information | Total Revenues          | 11,186.6    | 8,869.7 | 3,929.0  | 24,380.4            | 2,045.6             |         | 145.7  |
|                             | Total Revenues growth   | 1.3%        | 2.9%    | 8.5%     | 30.8%               | 2.8%                | 9.3%    | 15.6%  |
|                             | 2y CAGR (2024e - 2026e) | 2.7%        | 1.7%    | 8.2%     | 2.2%                | n.a.                | 3.7%    | 16.4%  |
|                             | EBITDA                  | 1,049.2     | (234.7) | 1,367.3  | 1,318.6             | 507.2               |         | 85.2   |
|                             | EBITDA growth           | -80.3%      | -107.6% | 112.6%   | -84.2%              | 1.5%                | -31.6%  | 19.0%  |
|                             | 2y CAGR (2024e - 2026e) | 21.5%       | n.a.    | 9.1%     | 18.1%               | n.a.                | 16.2%   | 17.2%  |
|                             | EBITDA/Revenues         | 9.4%        | n.a.    | 34.8%    | 5.4%                | 24.8%               | 18.6%   | 58.5%  |
|                             | EBIT                    | 996.5       | 102.7   | 546.9    | 1,158.5             | 232.6               |         | 23.3   |
|                             | EBIT growth             | -53.9%      | -85.6%  | 18.8%    | -46.1%              | -3.9%               | -34.1%  | 20.6%  |
|                             | 2y CAGR (2024e - 2026e) | 11.4%       | n.a.    | 14.4%    | 21.6%               | n.a.                | 15.8%   | 19.0%  |
|                             | EBIT/Revenues           | 8.9%        | 1.2%    | 13.9%    | 4.8%                | 11.4%               | 8.0%    | 16.0%  |
|                             | Net Profit              | 378.2       | (417.7) | 293.4    | 781.7               | 130.6               |         | 9.7    |
|                             | Net Profit growth       | -74.8%      | -173.8% | -12.4%   | -12.5%              | -12.6%              | -57.2%  | 24.9%  |
|                             | 2y CAGR (2024e - 2026e) | 2.5%        | 46.5%   | 16.8%    | 24.7%               | n.a.                | 22.6%   | 37.7%  |
|                             | CAPEX/Sales %           | 3.0%        | -4.1%   | 1.8%     | 1.1%                | 7.4%                | 1.8%    | 71.8%  |
| Free Cash Flow              | 1,639.4                 | 1,050.6     | 37.7    | (640.2)  | (2.0)               |                     | (17.4)  |        |
| Net financial debt          | 4,143.1                 | 9,413.1     | 3,438.3 | 42,056.4 | 893.5               |                     | 210.2   |        |
| ND/EBITDA (x)               | 3.9                     | n.a.        | 2.5     | 31.9     | 1.8                 | 10.0                | 2.5     |        |
| Pay-out                     | 0.0%                    | 0.0%        | 58.3%   | 42.0%    | 51.3%               | 30.3%               | 20.0%   |        |
| Multiples and Ratios        | P/E (x)                 | 10.0        | n.a.    | 12.7     | 7.2                 | 8.1                 | 9.5     | 5.1    |
|                             | P/BV (x)                | n.a.        | 0.6     | 1.8      | 0.5                 | 0.9                 | 1.0     | 1.0    |
|                             | EV/Revenues (x)         | 2.6         | 1.9     | 1.8      | 2.1                 | 1.0                 | 1.9     | 1.7    |
|                             | EV/EBITDA (x)           | 27.3        | n.a.    | 5.1      | 38.9                | 4.0                 | 18.8    | 3.0    |
|                             | EV/EBIT (x)             | 28.7        | n.a.    | 12.7     | 44.3                | 8.6                 | 23.6    | 10.8   |
|                             | ROE                     | n.a.        | n.a.    | 14.1     | 7.2                 | 10.8                | 10.7    | 21.0   |
|                             | FCF Yield (%)           | 42.3        | 67.6    | 1.1      | n.a.                | n.a.                | 37.0    | n.a.   |
|                             | DPS                     | 0.00        | 0.00    | 3.64     | 0.46                | 0.30                | 0.88    | 0.36   |
|                             | Dvd Yield               | 0.0%        | 0.0%    | 4.6%     | 6.4%                | 5.9%                | 3.4%    | 3.9%   |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015  | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023    | 2024e   | 2025e   | 2026e   | 17-23  | 23-26e |
|---------------------------------|------|------|-------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|--------|--------|
| Total Revenues                  |      |      | 13.6  | 18.8   | 23.6   | 31.8   | 50.9   | 58.9   | 76.1   | 100.4  | 126.1   | 145.7   | 176.6   | 197.3   | 32.2%  | 16.1%  |
| Total Revenues growth           |      |      | n.a.  | 38.3%  | 25.3%  | 34.9%  | 59.8%  | 15.8%  | 29.1%  | 31.9%  | 25.7%   | 15.6%   | 21.2%   | 11.7%   |        |        |
| EBITDA                          |      |      | 7.5   | 10.4   | 13.2   | 17.1   | 27.4   | 32.0   | 40.6   | 56.4   | 71.6    | 85.2    | 103.5   | 117.1   | 32.5%  | 17.8%  |
| EBITDA growth                   |      |      | n.a.  | 39.8%  | 26.6%  | 29.8%  | 60.0%  | 16.8%  | 26.6%  | 39.1%  | 26.9%   | 19.0%   | 21.5%   | 13.1%   |        |        |
| EBITDA/Sales                    |      |      | 54.9% | 55.4%  | 56.0%  | 53.9%  | 53.9%  | 54.4%  | 53.3%  | 56.2%  | 56.8%   | 58.5%   | 58.6%   | 59.3%   |        |        |
| Net Profit                      |      |      | 0.8   | 1.5    | 2.3    | 2.4    | 2.7    | 2.4    | 4.7    | 8.5    | 7.8     | 9.7     | 14.4    | 18.4    | 22.4%  | 33.3%  |
| Net Profit growth               |      |      | n.a.  | 91.6%  | 49.6%  | 3.0%   | 15.5%  | -11.0% | 91.0%  | 82.3%  | -8.6%   | 24.9%   | 47.9%   | 28.2%   |        |        |
| Adjusted number shares (Mn)     |      |      | -     | 5.6    | 5.6    | 5.6    | 5.6    | 5.5    | 5.5    | 5.4    | 5.4     | 5.4     | 5.4     | 5.4     |        |        |
| EPS (EUR)                       |      |      | n.a.  | 0.28   | 0.42   | 0.43   | 0.49   | 0.44   | 0.84   | 1.54   | 1.44    | 1.80    | 2.66    | 3.41    | 23.0%  | 33.3%  |
| EPS growth                      |      |      | n.a.  | n.a.   | 49.6%  | 3.0%   | 15.6%  | -11.0% | 91.7%  | 82.6%  | -6.5%   | 24.9%   | 47.9%   | 28.2%   |        |        |
| Ord. EPS (EUR)                  |      |      | n.a.  | 0.39   | 0.42   | 0.43   | 0.50   | 0.44   | 0.87   | 1.60   | 1.60    | 1.80    | 2.66    | 3.41    | 25.2%  | 28.7%  |
| Ord. EPS growth                 |      |      | n.a.  | n.a.   | 6.7%   | 3.4%   | 15.0%  | -11.5% | 97.7%  | 84.8%  | 0.0%    | 12.4%   | 47.9%   | 28.2%   |        |        |
| CAPEX                           |      |      | -     | (18.4) | (20.5) | (31.6) | (46.4) | (46.5) | (74.6) | (95.7) | (102.9) | (104.6) | (111.0) | (117.7) |        |        |
| CAPEX/Sales %                   |      |      | 0.0%  | 97.5%  | 86.9%  | 99.2%  | 91.2%  | 78.9%  | 98.1%  | 95.3%  | 81.6%   | 71.8%   | 62.9%   | 59.7%   |        |        |
| Free Cash Flow                  |      |      | -     | (10.2) | (11.0) | (13.9) | (18.5) | (11.6) | (32.4) | (28.9) | (26.8)  | (17.4)  | 3.2     | 13.1    | -15.9% | 35.6%  |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      | 2.6x  | 2.7x   | 2.9x   | 3.0x   | 2.8x   | 2.8x   | 3.0x   | 2.8x   | 2.7x    | 2.5x    | 2.0x    | 1.7x    |        |        |
| P/E (x)                         |      |      | n.a.  | n.a.   | n.a.   | 12.6x  | 11.3x  | 10.6x  | 5.8x   | 4.7x   | 7.1x    | 5.1x    | 3.5x    | 2.7x    |        |        |
| EV/Sales (x)                    |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 1.87x  | 1.96x  | 1.61x  | 1.55x  | 1.63x   | 1.73x   | 1.43x   | 1.28x   |        |        |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 3.5x   | 3.6x   | 3.0x   | 2.8x   | 2.9x    | 3.0x    | 2.4x    | 2.2x    |        |        |
| Absolute performance            |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 3.1%   | -16.2% | 3.9%   | 50.0%  | 41.4%   | -10.2%  |         |         |        |        |
| Relative performance vs Ibx 35  |      |      | n.a.  | n.a.   | n.a.   | n.a.   | -7.8%  | -0.9%  | -3.8%  | 58.8%  | 15.2%   | -19.9%  |         |         |        |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Amper (AMP)** is a Spanish group that operates through three business lines: (i) energy and sustainability (offshore wind platform engineering, EPC for PV, and energy control; 78% o/revenue 2023), (ii) defense and security (16% o/revenue 2023) and (iii) telecom (roll-out of telecom networks and critical communications; 6% o/revenue 2023). Spain is its principal market (c. 77% o/revenue).

**Market Data**

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 170.3              | 185.2 |
| EV (Mn EUR and USD)            | 284.6              | 309.5 |
| Shares Outstanding (Mn)        | 1,496.7            |       |
| -12m (Max/Med/Min EUR)         | 0.12 / 0.10 / 0.07 |       |
| Daily Avg volume (-12m Mn EUR) | 0.33               |       |
| Rotation <sup>(1)</sup>        | 49.6               |       |
| Factset / Bloomberg            | AMP-ES / AMP SM    |       |
| Close fiscal year              | 31-Dec             |       |

**Shareholders Structure (%)**

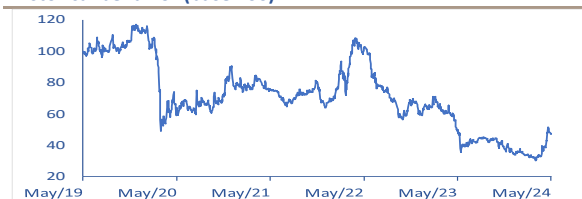
|                       |      |
|-----------------------|------|
| Zelena                | 9.2  |
| Martinavarro Dealbert | 5.3  |
| Free Float            | 85.5 |

**Financials (Mn EUR)**

|                                     | 2023    | 2024e   | 2025e   | 2026e   |
|-------------------------------------|---------|---------|---------|---------|
| Adj. nº shares (Mn)                 | 1,136.3 | 1,496.7 | 1,496.7 | 1,496.7 |
| Total Revenues                      | 369.4   | 418.9   | 473.7   | 529.7   |
| Rec. EBITDA                         | 10.7    | 16.9    | 25.1    | 32.7    |
| % growth                            | 256.9   | 57.2    | 48.7    | 30.4    |
| % Rec. EBITDA/Rev.                  | 2.9     | 4.0     | 5.3     | 6.2     |
| % Inc. EBITDA sector <sup>(2)</sup> | 17.8    | 9.4     | 21.0    | 12.5    |
| Net Profit                          | -1.5    | 2.3     | 6.2     | 9.8     |
| EPS (EUR)                           | 0.00    | 0.00    | 0.00    | 0.01    |
| % growth                            | n.a.    | 218.7   | 167.6   | 56.5    |
| Ord. EPS (EUR)                      | 0.00    | 0.00    | 0.00    | 0.01    |
| % growth                            | n.a.    | 183.8   | 167.6   | 56.5    |
| Rec. Free Cash Flow                 | -25.6   | -10.0   | -5.8    | 1.1     |
| Pay-out (%)                         | 0.0     | 0.0     | 0.0     | 0.0     |
| DPS (EUR)                           | 0.00    | 0.00    | 0.00    | 0.00    |
| Net financial debt                  | 106.0   | 116.0   | 121.8   | 120.6   |
| ND/Rec. EBITDA (x)                  | 9.9     | 6.9     | 4.8     | 3.7     |
| ROE (%)                             | n.a.    | 3.1     | 7.8     | 11.0    |
| ROCE (%)                            | 5.8     | 5.1     | 6.7     | 7.9     |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | 73.0 | 27.3 | 17.4 |
| Ord. P/E           | n.a. | 73.0 | 27.3 | 17.4 |
| P/BV               | 2.3  | 2.2  | 2.0  | 1.8  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 0.77 | 0.68 | 0.60 | 0.54 |
| EV/Rec. EBITDA     | 26.5 | 16.8 | 11.3 | 8.7  |
| EV/EBIT            | 27.4 | 22.1 | 15.6 | 12.6 |
| FCF Yield (%)      | n.a. | n.a. | n.a. | 0.7  |

**Historical behavior (base 100)**


| (%)      | -1m  | -3m  | -12m | -5Y   |
|----------|------|------|------|-------|
| Absolute | 23.7 | 41.2 | -3.8 | -52.8 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Technology.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**2023: the order book ended the year at EUR 386Mn (+26% vs 2022). Double-digit growth in revenue**, to EUR 369.4Mn (+14.2% vs 2022). The energy and sustainability line represented 78% of the business mix. Recurring EBITDA remained under pressure, amounting to EUR 10.7Mn (2.9% of revenue ex-capitalised costs of EUR 14.3Mn).

**We expect sustained revenue growth in 2024e**, to EUR 418.9Mn (+13.4% vs 2022). The Energy and sustainability line should remain the key growth driver thanks to AMP's positioning in offshore wind and electric battery storage. The key lies in profitability/margins, not volume.

**Recurring EBITDA of EUR 16.9Mn (4% of revenue; +1p.p. vs 2023)**, buoyed by cost-control measures (already implemented in 2023) and thus leveraging its structure. However, cash generation is still under a great deal of pressure.

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Exposure to strategic sectors.** AMP's entire exposure is to strategic sectors: (i) defence (where international tension is pushing up government spending considerably) and (ii) energy and sustainability (with a leading position in the construction and engineering of offshore wind platforms). This bodes well for further growth in the order book and revenue.

**M&A-led growth (as shown in its strategic plan).** Judging by the company's profile and sectors of operation, it would be no surprise to see the company involved in more M&A deals in the short/medium term. This is not reflected in our numbers.

**All eyes should be on margins.** A smaller impact of cost inflation (high to date because of AMP's industrial nature and inability to pass cost increases onto selling prices), double-digit revenue growth and optimisation of overhead should lift recurring EBITDA to EUR 25.1Mn in 2025e (5.3% of revenue; excluding capitalised costs).

**RISKS: WHAT TO KEEP AN EYE ON?**

**Leverage level.** AMP ended 2023 with EUR 106Mn of net debt, implying a ND/equity ratio of 1.4x (vs 2.2x in 2022; reduction due to the capital increase) and a ND/recurring EBITDA multiple of 9.9x. This level of debt and the company's scant cash generative ability appear to be the main drawbacks to investment and, accordingly, AMP's growth.

**Lower-than-estimated operational gearing.** The ability to leverage its structure (and keep gross margin from contracting; -5p.p. from 2019) is what "drives" EBITDA. A worse-than-forecast cost performance (lower-than-expected operational gearing) would have a significant impact on our estimates (recurring EBITDA, FCF and ND).

**High dependence on the Spanish market.** Sales in Spain accounted for 77% of the total in 2023 (vs 80% in 2022). Therefore, an economic downturn in Spain could have a significant impact on AMP.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Its multiples are stretched.** In the wake of the recent rally by the share price (AMP YTD: +36.1%, +21.4% vs Ibx 35, +20.0% vs sector), our 2024 estimates put the stock trading at an EV/recurring EBITDA multiple of 16.8x (vs 10.3x for its main comps).



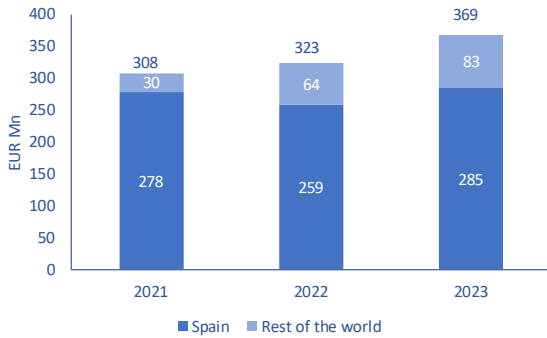
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | CAGR          |              |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 44.8         | 61.8         | 70.7         | 74.0         | 79.5         | 81.7          | 81.7         | 79.1         |               |              |
| Fixed assets                                 | 9.9          | 15.6         | 19.5         | 34.2         | 44.0         | 54.8          | 64.5         | 73.5         |               |              |
| Other Non Current Assets                     | 2.9          | 6.7          | 11.6         | 15.7         | 18.7         | 18.7          | 18.7         | 18.7         |               |              |
| Financial Investments                        | 10.0         | 6.3          | 6.5          | 18.9         | 16.3         | 16.3          | 16.3         | 16.3         |               |              |
| Goodwill & Other Intangibles                 | 25.0         | 26.8         | 27.0         | 27.1         | 26.9         | 26.9          | 26.9         | 26.9         |               |              |
| Current assets                               | 87.3         | 92.4         | 146.7        | 153.7        | 163.7        | 183.6         | 206.4        | 229.6        |               |              |
| <b>Total assets</b>                          | <b>179.9</b> | <b>209.6</b> | <b>282.1</b> | <b>323.5</b> | <b>349.1</b> | <b>382.0</b>  | <b>414.4</b> | <b>444.1</b> |               |              |
| Equity                                       | 57.8         | 55.0         | 63.8         | 50.0         | 75.1         | 77.4          | 83.6         | 93.4         |               |              |
| Minority Interests                           | 2.2          | 2.7          | 3.7          | 3.2          | 2.0          | 2.2           | 2.6          | 3.2          |               |              |
| Provisions & Other L/T Liabilities           | 31.0         | 29.6         | 28.5         | 27.1         | 17.6         | 17.6          | 17.6         | 17.6         |               |              |
| Other Non Current Liabilities                | 4.3          | 8.6          | 9.5          | 10.3         | 13.7         | 13.7          | 13.7         | 13.7         |               |              |
| Net financial debt                           | 0.2          | 36.9         | 64.2         | 110.2        | 106.0        | 116.0         | 121.8        | 120.6        |               |              |
| Current Liabilities                          | 84.3         | 76.7         | 112.3        | 122.7        | 134.7        | 155.0         | 175.1        | 195.5        |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>179.9</b> | <b>209.6</b> | <b>282.1</b> | <b>323.5</b> | <b>349.1</b> | <b>382.0</b>  | <b>414.4</b> | <b>444.1</b> |               |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Total Revenues</b>                        | <b>173.3</b> | <b>194.8</b> | <b>307.7</b> | <b>323.4</b> | <b>369.4</b> | <b>418.9</b>  | <b>473.7</b> | <b>529.7</b> | <b>20.8%</b>  | <b>12.8%</b> |
| <i>Total Revenues growth</i>                 | 26.6%        | 12.4%        | 58.0%        | 5.1%         | 14.2%        | 13.4%         | 13.1%        | 11.8%        |               |              |
| COGS   | (69.5)       | (82.8)       | (133.1)      | (145.7)      | (167.3)      | (189.5)       | (214.3)      | (236.9)      |               |              |
| <b>Gross Margin</b>                          | <b>103.8</b> | <b>111.9</b> | <b>174.6</b> | <b>177.7</b> | <b>202.1</b> | <b>229.4</b>  | <b>259.5</b> | <b>292.8</b> | <b>18.1%</b>  | <b>13.2%</b> |
| <i>Gross Margin/Revenues</i>                 | 59.9%        | 57.5%        | 56.7%        | 55.0%        | 54.7%        | 54.8%         | 54.8%        | 55.3%        |               |              |
| Personnel Expenses                           | (72.9)       | (94.3)       | (137.6)      | (147.1)      | (154.4)      | (171.4)       | (189.4)      | (211.0)      |               |              |
| Other Operating Expenses                     | (15.0)       | (19.1)       | (27.0)       | (37.4)       | (36.9)       | (41.2)        | (44.9)       | (49.0)       |               |              |
| <b>Recurrent EBITDA</b>                      | <b>15.9</b>  | <b>(1.5)</b> | <b>9.9</b>   | <b>(6.8)</b> | <b>10.7</b>  | <b>16.9</b>   | <b>25.1</b>  | <b>32.7</b>  | <b>-9.3%</b>  | <b>45.0%</b> |
| <i>Recurrent EBITDA growth</i>               | 71.1%        | -109.4%      | 768.4%       | -168.9%      | 256.9%       | 57.2%         | 48.7%        | 30.4%        |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | 9.2%         | n.a.         | 3.2%         | n.a.         | 2.9%         | 4.0%          | 5.3%         | 6.2%         |               |              |
| Restructuring Expense & Other non-rec.       | -            | 1.6          | 1.7          | 2.1          | 0.3          | -             | -            | -            |               |              |
| <b>EBITDA</b>                                | <b>15.9</b>  | <b>0.1</b>   | <b>11.6</b>  | <b>(4.7)</b> | <b>11.1</b>  | <b>16.9</b>   | <b>25.1</b>  | <b>32.7</b>  | <b>-8.6%</b>  | <b>43.6%</b> |
| Depreciation & Provisions                    | (7.1)        | (9.2)        | (10.0)       | (12.8)       | (12.9)       | (16.6)        | (19.7)       | (22.9)       |               |              |
| Capitalized Expense                          | 12.4         | 9.2          | 12.4         | 16.0         | 14.3         | 14.7          | 14.9         | 14.8         |               |              |
| Rentals (IFRS 16 impact)                     | (1.0)        | (1.4)        | (1.5)        | (1.4)        | (2.0)        | (2.0)         | (2.0)        | (2.0)        |               |              |
| <b>EBIT</b>                                  | <b>20.2</b>  | <b>(1.2)</b> | <b>12.5</b>  | <b>(3.0)</b> | <b>10.4</b>  | <b>12.9</b>   | <b>18.3</b>  | <b>22.7</b>  | <b>-15.3%</b> | <b>29.7%</b> |
| <i>EBIT growth</i>                           | 56.9%        | -106.2%      | n.a.         | -123.6%      | 451.3%       | 23.8%         | 41.8%        | 24.2%        |               |              |
| <i>EBIT/Revenues</i>                         | 11.7%        | n.a.         | 4.1%         | n.a.         | 2.8%         | 3.1%          | 3.9%         | 4.3%         |               |              |
| Impact of Goodwill & Others                  | -            | 3.7          | -            | -            | -            | -             | -            | -            |               |              |
| Net Financial Result                         | (1.0)        | (1.1)        | (5.5)        | (3.7)        | (10.3)       | (9.6)         | (9.4)        | (8.8)        |               |              |
| Income by the Equity Method                  | 0.4          | (0.0)        | (0.1)        | -            | -            | -             | -            | -            |               |              |
| <b>Ordinary Profit</b>                       | <b>19.6</b>  | <b>1.3</b>   | <b>7.0</b>   | <b>(6.7)</b> | <b>0.1</b>   | <b>3.3</b>    | <b>8.9</b>   | <b>13.9</b>  | <b>-71.7%</b> | <b>n.a.</b>  |
| <i>Ordinary Profit Growth</i>                | 50.7%        | -93.2%       | 419.7%       | -196.3%      | 101.9%       | n.a.          | 167.6%       | 56.5%        |               |              |
| Extraordinary Results                        | 2.4          | -            | -            | -            | -            | -             | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>22.0</b>  | <b>1.3</b>   | <b>7.0</b>   | <b>(6.7)</b> | <b>0.1</b>   | <b>3.3</b>    | <b>8.9</b>   | <b>13.9</b>  | <b>-72.5%</b> | <b>n.a.</b>  |
| Tax Expense                                  | (1.5)        | (0.1)        | 1.9          | 2.2          | 2.0          | (0.8)         | (2.2)        | (3.5)        |               |              |
| <i>Effective Tax Rate</i>                    | 6.7%         | 5.7%         | n.a.         | n.a.         | n.a.         | 25.0%         | 25.0%        | 25.0%        |               |              |
| Minority Interests                           | (1.1)        | 0.8          | (0.7)        | 1.0          | (1.9)        | (0.1)         | (0.4)        | (0.6)        |               |              |
| Discontinued Activities                      | -            | (0.8)        | (1.1)        | (1.2)        | (1.7)        | -             | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>19.4</b>  | <b>1.2</b>   | <b>7.1</b>   | <b>(4.7)</b> | <b>(1.5)</b> | <b>2.3</b>    | <b>6.2</b>   | <b>9.8</b>   | <b>-20.0%</b> | <b>n.a.</b>  |
| <i>Net Profit growth</i>                     | -52.2%       | -93.6%       | 470.8%       | -166.9%      | 68.4%        | 256.3%        | 167.6%       | 56.5%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>17.2</b>  | <b>0.5</b>   | <b>4.6</b>   | <b>(7.8)</b> | <b>(2.1)</b> | <b>2.3</b>    | <b>6.2</b>   | <b>9.8</b>   | <b>-20.7%</b> | <b>87.8%</b> |
| <i>Ordinary Net Profit growth</i>            | 275.8%       | -97.0%       | 786.4%       | -271.9%      | 73.0%        | 210.3%        | 167.6%       | 56.5%        |               |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>16.9</b>   | <b>25.1</b>  | <b>32.7</b>  | <b>-9.3%</b>  | <b>45.0%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | (2.0)         | (2.0)        | (2.0)        |               |              |
| Working Capital Increase                     |              |              |              |              |              | 0.5           | (2.7)        | (2.8)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>15.4</b>   | <b>20.3</b>  | <b>27.9</b>  | <b>50.4%</b>  | <b>37.9%</b> |
| CAPEX  |              |              |              |              |              | (15.0)        | (14.5)       | (14.5)       |               |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (9.6)         | (9.4)        | (8.8)        |               |              |
| Tax Expense                                  |              |              |              |              |              | (0.8)         | (2.2)        | (3.5)        |               |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>(10.0)</b> | <b>(5.8)</b> | <b>1.1</b>   | <b>-62.3%</b> | <b>26.9%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | -             | -            | -            |               |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | -             | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -             | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>(10.0)</b> | <b>(5.8)</b> | <b>1.1</b>   | <b>-40.0%</b> | <b>26.9%</b> |
| Capital Increase                             |              |              |              |              |              | -             | -            | -            |               |              |
| Dividends                                    |              |              |              |              |              | -             | -            | -            |               |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>10.0</b>   | <b>5.8</b>   | <b>(1.1)</b> |               |              |

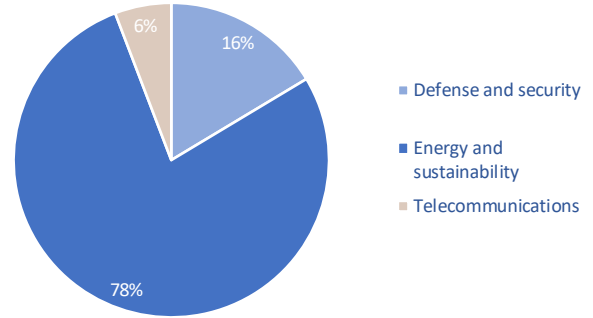


## The company in 8 charts

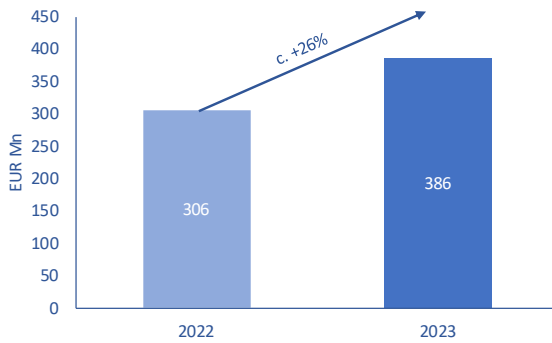
**An essentially domestic business (c.77% of revenue in 2023), although international exposure is increasing...**



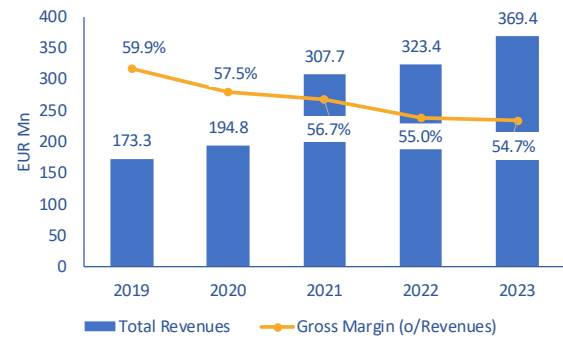
**... Diversification across 3 businesses: the energy and sustainability division (dominant) with a significant industrial component**



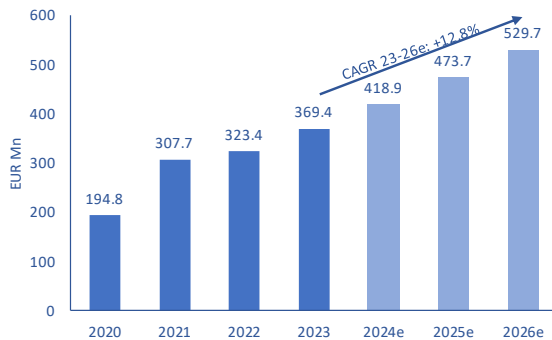
**Year-end 2023 order book EUR 386Mn (c. +26% vs. 2022). Injecting visibility into revenue growth**



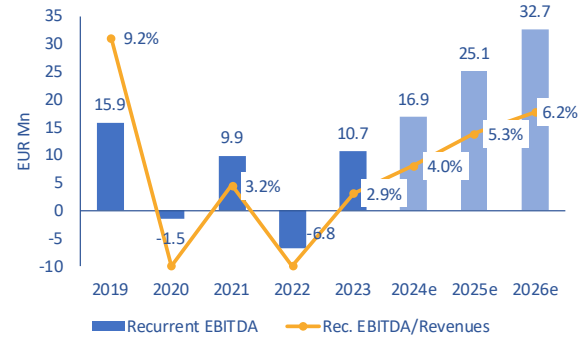
**The intense M&A activity carried out has enabled the company to leap in size significantly**



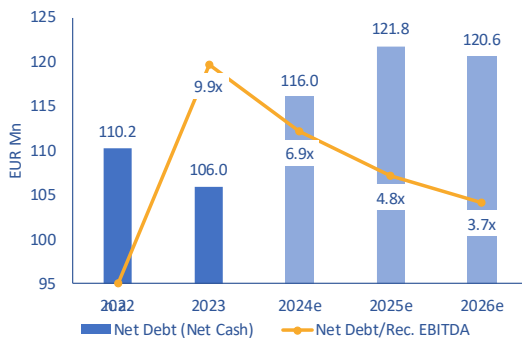
**... laying the foundations for organic growth in the coming years (revenue: CAGR 23-26e: +12.8%)**



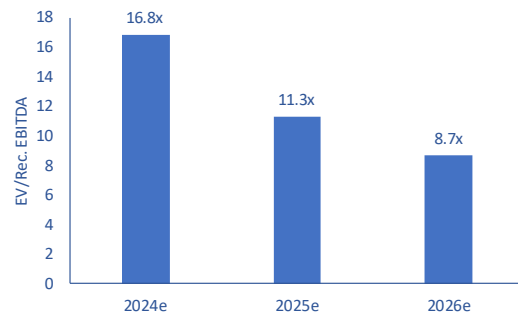
**From current levels, we project a progressive improvement in Recurring EBITDA to 6.2% by 2026e**



**Indebtedness is the main impediment to investment (CAPEX, working capital, M&A, etc.)**



**On our estimates, the stock is trading at an EV/ Rec. EBITDA 26e multiple of 8.7x**



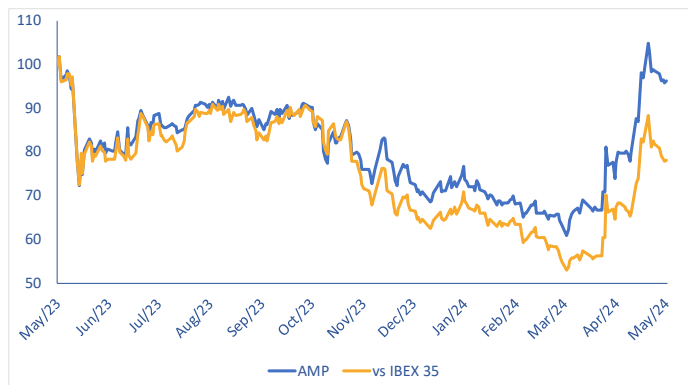


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



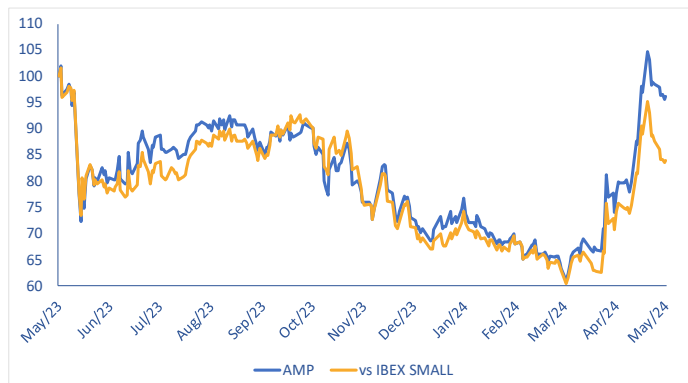
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Technology

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|---|------|------|-------|------|-------|-------|
| <b>Absolute</b>                           | 23.7 | 41.2 | -3.8  | 36.1 | -37.3 | -52.8 |
| <b>vs Market</b>                          |      |      |       |      |       |       |
| vs Ibex 35                                | 16.1 | 23.2 | -21.8 | 21.4 | -49.4 | -61.3 |
| vs Euro STOXX 50                          | 20.0 | 32.9 | -17.9 | 21.5 | -50.4 | -68.1 |
| <b>vs Small Cap References</b>            |      |      |       |      |       |       |
| vs Ibex Small Cap Index                   | 13.2 | 23.5 | -16.0 | 22.3 | -38.7 | -63.8 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 17.2 | 30.7 | -8.4  | 26.3 | -32.3 | -60.9 |
| vs MSCI Europe Micro Cap                  | 16.6 | 31.5 | -6.5  | 28.8 | -23.1 | -60.6 |
| <b>vs Sector</b>                          |      |      |       |      |       |       |
| vs Stoxx Europe 600 Technology            | 17.4 | 39.7 | -23.8 | 20.0 | -51.6 | -73.6 |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

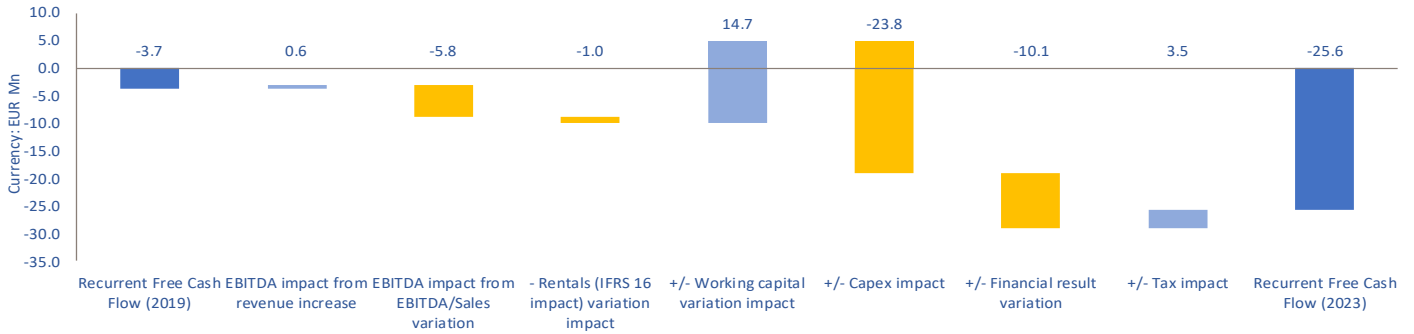
| A) Cash Flow Analysis (EUR Mn)  | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR         |              |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
|   |               |               |               |               |               |               |              | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | (1.5)         | 9.9           | (6.8)         | 10.7          | 16.9          | 25.1          | 32.7         | n.a.         | 45.0%        |
| <i>Recurrent EBITDA growth</i>  | -109.4%       | 768.4%        | -168.9%       | 256.9%        | 57.2%         | 48.7%         | 30.4%        |              |              |
| <i>Rec. EBITDA/Revenues</i>   | n.a.          | 3.2%          | n.a.          | 2.9%          | 4.0%          | 5.3%          | 6.2%         |              |              |
| - Rentals (IFRS 16 impact)  | (1.4)         | (1.5)         | (1.4)         | (2.0)         | (2.0)         | (2.0)         | (2.0)        |              |              |
| +/- Working Capital increase  | (12.7)        | (18.8)        | 3.4           | 2.0           | 0.5           | (2.7)         | (2.8)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(15.6)</b> | <b>(10.4)</b> | <b>(4.9)</b>  | <b>10.7</b>   | <b>15.4</b>   | <b>20.3</b>   | <b>27.9</b>  | <b>39.0%</b> | <b>37.9%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | -847.7%       | 33.5%         | 52.8%         | 317.8%        | 44.1%         | 32.5%         | 37.2%        |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | n.a.          | n.a.          | n.a.          | 2.9%          | 3.7%          | 4.3%          | 5.3%         |              |              |
| - CAPEX   | (12.5)        | (9.3)         | (13.0)        | (27.2)        | (15.0)        | (14.5)        | (14.5)       |              |              |
| - Net Financial Result affecting Cash Flow  | (1.1)         | (5.5)         | (3.7)         | (11.1)        | (9.6)         | (9.4)         | (8.8)        |              |              |
| - Taxes   | (0.1)         | 1.9           | 2.2           | 2.0           | (0.8)         | (2.2)         | (3.5)        |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(29.2)</b> | <b>(23.3)</b> | <b>(19.5)</b> | <b>(25.6)</b> | <b>(10.0)</b> | <b>(5.8)</b>  | <b>1.1</b>   | <b>4.3%</b>  | <b>26.9%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -692.7%       | 20.3%         | 16.3%         | -31.4%        | 60.8%         | 42.6%         | 119.9%       |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 0.2%         |              |              |
| - Restructuring expenses & others   | 1.6           | 1.7           | 2.1           | -             | -             | -             | -            |              |              |
| - Acquisitions / + Divestments  | (10.3)        | (1.1)         | (1.7)         | 0.9           | -             | -             | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 1.1           | (4.6)         | (27.0)        | (0.5)         | -             | -             | -            |              |              |
| <b>= Free Cash Flow</b>   | <b>(36.7)</b> | <b>(27.3)</b> | <b>(46.0)</b> | <b>(25.2)</b> | <b>(10.0)</b> | <b>(5.8)</b>  | <b>1.1</b>   | <b>11.8%</b> | <b>26.9%</b> |
| <i>Free Cash Flow growth</i>  | -369.5%       | 25.6%         | -68.4%        | 45.3%         | 60.1%         | 42.6%         | 119.9%       |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 0.7%         |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 0.7%         |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |               |               |               |               |               |              |              |              |
|   | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e        |              |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(3.7)</b>  | <b>(29.2)</b> | <b>(23.3)</b> | <b>(19.5)</b> | <b>(25.6)</b> | <b>(10.0)</b> | <b>(5.8)</b> |              |              |
| EBITDA impact from revenue increase   | 2.0           | (0.9)         | 0.5           | (1.0)         | 1.4           | 2.2           | 3.0          |              |              |
| EBITDA impact from EBITDA/Sales variation   | (19.3)        | 12.3          | (17.3)        | 18.6          | 4.7           | 6.0           | 4.7          |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(17.4)</b> | <b>11.4)</b>  | <b>(16.8)</b> | <b>17.6)</b>  | <b>6.1)</b>   | <b>8.2)</b>   | <b>7.6)</b>  |              |              |
| - Rentals (IFRS 16 impact) variation impact   | (0.4)         | (0.1)         | 0.1           | (0.6)         | -             | -             | -            |              |              |
| +/- Working capital variation impact  | 0.1           | (6.1)         | 22.2          | (1.4)         | (1.5)         | (3.2)         | (0.1)        |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(17.7)</b> | <b>5.2)</b>   | <b>5.5)</b>   | <b>15.5)</b>  | <b>4.7)</b>   | <b>5.0)</b>   | <b>7.6)</b>  |              |              |
| +/- CAPEX impact  | (9.2)         | 3.2           | (3.7)         | (14.1)        | 12.2          | 0.5           | -            |              |              |
| +/- Financial result variation  | (0.1)         | (4.4)         | 1.7           | (7.3)         | 1.5           | 0.2           | 0.6          |              |              |
| +/- Tax impact  | 1.4           | 2.0           | 0.3           | (0.2)         | (2.8)         | (1.4)         | (1.3)        |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(25.5)</b> | <b>5.9)</b>   | <b>3.8)</b>   | <b>(6.1)</b>  | <b>15.6)</b>  | <b>4.3)</b>   | <b>6.9)</b>  |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(29.2)</b> | <b>(23.3)</b> | <b>(19.5)</b> | <b>(25.6)</b> | <b>(10.0)</b> | <b>(5.8)</b>  | <b>1.1)</b>  |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |               |               |               |               |               |              |              |              |
|   | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR         |              |
| <b>EBIT</b>   | <b>(1.2)</b>  | <b>12.5)</b>  | <b>(3.0)</b>  | <b>10.4)</b>  | <b>12.9)</b>  | <b>18.3)</b>  | <b>22.7)</b> | <b>n.a.</b>  | <b>29.7%</b> |
| * Theoretical Tax rate  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 25.0%         | 25.0%         | 25.0%        |              |              |
| = Taxes (pre- Net Financial Result)   | -             | -             | -             | -             | (3.2)         | (4.6)         | (5.7)        |              |              |
| <b>Recurrent EBITDA</b>   | <b>(1.5)</b>  | <b>9.9)</b>   | <b>(6.8)</b>  | <b>10.7)</b>  | <b>16.9)</b>  | <b>25.1)</b>  | <b>32.7)</b> | <b>n.a.</b>  | <b>45.0%</b> |
| - Rentals (IFRS 16 impact)  | (1.4)         | (1.5)         | (1.4)         | (2.0)         | (2.0)         | (2.0)         | (2.0)        |              |              |
| +/- Working Capital increase  | (12.7)        | (18.8)        | 3.4           | 2.0           | 0.5           | (2.7)         | (2.8)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(15.6)</b> | <b>(10.4)</b> | <b>(4.9)</b>  | <b>10.7)</b>  | <b>15.4)</b>  | <b>20.3)</b>  | <b>27.9)</b> | <b>39.0%</b> | <b>37.9%</b> |
| - CAPEX   | (12.5)        | (9.3)         | (13.0)        | (27.2)        | (15.0)        | (14.5)        | (14.5)       |              |              |
| - Taxes (pre- Financial Result)   | -             | -             | -             | -             | (3.2)         | (4.6)         | (5.7)        |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(28.1)</b> | <b>(19.7)</b> | <b>(17.9)</b> | <b>(16.5)</b> | <b>(2.9)</b>  | <b>1.3)</b>   | <b>7.8)</b>  | <b>16.2%</b> | <b>35.2%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -985.4%       | 29.8%         | 9.0%          | 7.9%          | 82.6%         | 144.6%        | 505.7%       |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 0.3%          | 1.5%         |              |              |
| - Acquisitions / + Divestments  | (10.3)        | (1.1)         | (1.7)         | 0.9           | -             | -             | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 1.1           | (4.6)         | (27.0)        | (0.5)         | -             | -             | -            |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(37.2)</b> | <b>(25.4)</b> | <b>(46.6)</b> | <b>(16.1)</b> | <b>(2.9)</b>  | <b>1.3)</b>   | <b>7.8)</b>  | <b>24.4%</b> | <b>35.4%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -352.7%       | 31.7%         | -83.3%        | 65.5%         | 82.2%         | 144.6%        | 505.7%       |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 0.4%          | 2.7%         |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | 0.4%          | 2.7%         |              |              |



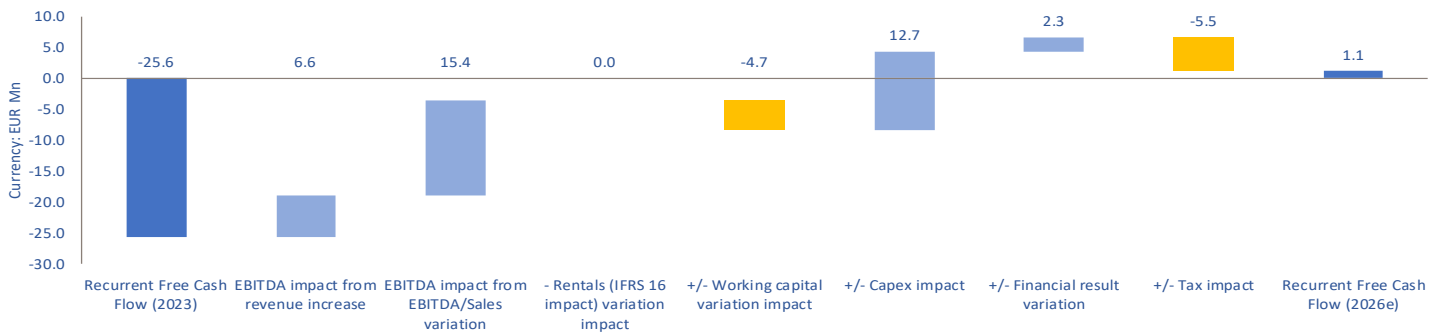


## Free Cash Flow (II)

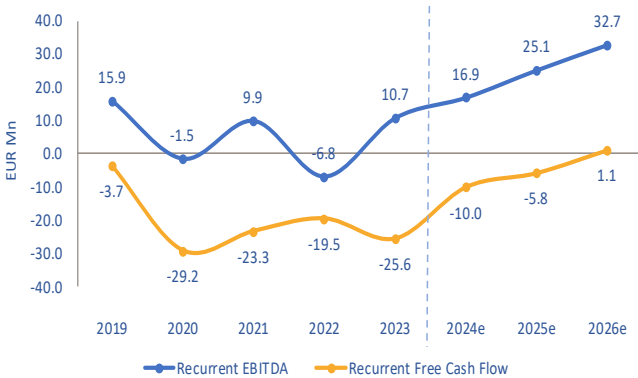
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                   | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (2.9) | 1.3                                     | 7.8   | 146.8                         |           |            |
| Market Cap                     | 170.3 | At the date of this report              |       |                               |           |            |
| Net financial debt             | 106.0 | Debt net of Cash (12m Results 2023)     |       |                               |           |            |
|                                |       |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 5.6%  | Net debt cost                           |       |                               | 5.4%      | 5.9%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 4.5%  | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 4.3%      | 4.7%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                        |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                        |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5% | $K_e = R_f + (R * B)$                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 61.6% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 38.4% | D                                       |       |                               | =         | =          |
| WACC                           | 8.2%  | $WACC = K_d * D + K_e * E$              |       |                               | 7.4%      | 9.0%       |
| G "Fair"                       | 2.0%  |   |       |                               | 2.5%      | 1.0%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 170.3        |                  |
| + Minority Interests                 | 2.0          | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 17.6         | 12m Results 2023 |
| + Net financial debt                 | 106.0        | 12m Results 2023 |
| - Financial Investments              | 11.4         | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>284.6</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 36.8% | n.a.  | 9.2% | n.a. | 5.8% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -2.3% | -0.2% |      |      |      |
| FCF Yield - WACC     | n.a.  | -7.5% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 5.8%             | 27.5       | 10.4x         |
| Central  | 5.3%             | 25.1       | 11.3x         |
| Min      | 4.8%             | 22.7       | 12.5x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       |
|-----------------|-----------------|-------|-------|
| EBITDA 25e      | 2.8%            | 3.1%  | 3.4%  |
| 27.5            | (2.0)           | (3.4) | (4.8) |
| 25.1            | (4.3)           | (5.8) | (7.2) |
| 22.7            | (6.7)           | (8.1) | (9.6) |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 50.0% | 40.0% | 25.0% |
| % of proprietary directors           | 37.5% | 40.0% | 50.0% |
| % of executive directors             | 12.5% | 10.0% | 12.5% |
| % of other directors                 | 0.0%  | 10.0% | 12.5% |
| % of women on the board of directors | 37.5% | 30.0% | 12.5% |
| % of women out of total workforce    | 9.0%  | 9.5%  | 10.2% |
| Board remuneration/staff cost        | 0.4%  | 0.4%  | 0.4%  |



## Main peers 2024e

|                                    | Technology and communications |                    |          |              |         | Industrial |         | AMP    |
|------------------------------------|-------------------------------|--------------------|----------|--------------|---------|------------|---------|--------|
|                                    | EUR Mn                        | Global<br>Dominion | Allegion | ADVA Optical | Average | Bravida    | Average |        |
| <b>Market data</b>                 | Ticker (Factset)              | DOM-ES             | ALLE-US  | ADV-DE       |         | BRAV-SE    |         | AMP-ES |
|                                    | Country                       | Spain              | Ireland  | Germany      |         | Sweden     |         | Spain  |
|                                    | Market cap                    | 507.9              | 10,003.9 | 1,033.6      |         | 1,444.1    |         | 170.3  |
|                                    | Enterprise value (EV)         | 648.7              | 11,634.0 | 1,006.0      |         | 1,750.7    |         | 284.6  |
| <b>Basic financial information</b> | Total Revenues                | 1,255.7            | 3,439.0  | 570.0        |         | 2,519.6    |         | 418.9  |
|                                    | Total Revenues growth         | 5.3%               | 2.4%     | -7.1%        | 0.2%    | -0.3%      | -0.3%   | 13.4%  |
|                                    | 2y CAGR (2024e - 2026e)       | 4.9%               | 4.2%     | n.a.         | 4.5%    | 3.4%       | 3.4%    | 12.4%  |
|                                    | EBITDA                        | 155.5              | 832.1    | 72.0         |         | 194.5      |         | 16.9   |
|                                    | EBITDA growth                 | 2.2%               | 7.0%     | -12.0%       | -0.9%   | -2.5%      | -2.5%   | 52.6%  |
|                                    | 2y CAGR (2024e - 2026e)       | 5.1%               | 6.4%     | n.a.         | 5.8%    | 8.4%       | 8.4%    | 39.2%  |
|                                    | EBITDA/Revenues               | 12.4%              | 24.2%    | 12.6%        | 16.4%   | 7.7%       | 7.7%    | 4.0%   |
|                                    | EBIT                          | 90.4               | 782.5    | 2.1          |         | 140.0      |         | 12.9   |
|                                    | EBIT growth                   | 5.2%               | 15.5%    | -88.0%       | -22.5%  | -5.5%      | -5.5%   | 23.8%  |
|                                    | 2y CAGR (2024e - 2026e)       | 7.5%               | 7.6%     | n.a.         | 7.5%    | 11.9%      | 11.9%   | 32.7%  |
|                                    | EBIT/Revenues                 | 7.2%               | 22.8%    | 0.4%         | 10.1%   | 5.6%       | 5.6%    | 3.1%   |
|                                    | Net Profit                    | 46.4               | 554.2    | (0.3)        |         | 99.9       |         | 2.3    |
|                                    | Net Profit growth             | 2.2%               | 11.5%    | 97.9%        | 37.2%   | -5.2%      | -5.2%   | 256.3% |
|                                    | 2y CAGR (2024e - 2026e)       | 15.9%              | 9.2%     | n.a.         | 12.6%   | 15.2%      | 15.2%   | n.a.   |
|                                    | CAPEX/Sales %                 | 9.2%               | 2.3%     | 10.0%        | 7.2%    | 0.4%       | 0.4%    | 3.6%   |
| Free Cash Flow                     | 26.7                          | 536.6              | 34.6     |              | 131.9   |            | (10.0)  |        |
| Net financial debt                 | 99.7                          | 1,257.8            | (57.8)   |              | 156.3   |            | 116.0   |        |
| ND/EBITDA (x)                      | 0.6                           | 1.5                | (0.8)    | 0.4          | 0.8     | 0.8        | 6.9     |        |
| Pay-out                            | 33.9%                         | 28.0%              | 0.0%     | 20.6%        | 63.0%   | 63.0%      | 0.0%    |        |
| <b>Multiples and Ratios</b>        | P/E (x)                       | 11.2               | 17.5     | n.a.         | 14.3    | 14.5       | 14.5    | 73.0   |
|                                    | P/BV (x)                      | 1.6                | n.a.     | 2.8          | 2.2     | 1.9        | 1.9     | 2.2    |
|                                    | EV/Revenues (x)               | 0.5                | 3.4      | 1.8          | 1.9     | 0.7        | 0.7     | 0.7    |
|                                    | EV/EBITDA (x)                 | 4.2                | 14.0     | 14.0         | 10.7    | 9.0        | 9.0     | 16.8   |
|                                    | EV/EBIT (x)                   | 7.2                | 14.9     | n.a.         | 11.0    | 12.5       | 12.5    | 22.1   |
|                                    | ROE                           | 14.0               | n.a.     | n.a.         | 14.0    | 13.4       | 13.4    | 3.1    |
|                                    | FCF Yield (%)                 | 5.3                | 5.4      | 3.3          | 4.7     | 9.1        | 9.1     | n.a.   |
|                                    | DPS                           | 0.10               | 1.76     | 0.00         | 0.62    | 0.31       | 0.31    | 0.00   |
| Dvd Yield                          | 3.0%                          | 1.5%               | 0.0%     | 1.5%         | 4.4%    | 4.4%       | 0.0%    |        |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance<br>(EUR Mn) | 2013    | 2014    | 2015   | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024e   | 2025e   | 2026e   | CAGR   |        |
|------------------------------------|---------|---------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|
|                                    |         |         |        |         |         |         |         |         |         |         |         |         |         |         | 13-23  | 23-26e |
| Total Revenues                     | 263.6   | 149.5   | 129.6  | 28.3    | 70.2    | 136.9   | 173.3   | 194.8   | 307.7   | 323.4   | 369.4   | 418.9   | 473.7   | 529.7   | 3.4%   | 12.8%  |
| Total Revenues growth              | -25.2%  | -43.3%  | -13.3% | -78.2%  | 148.2%  | 94.9%   | 26.6%   | 12.4%   | 58.0%   | 5.1%    | 14.2%   | 13.4%   | 13.1%   | 11.8%   |        |        |
| EBITDA                             | 8.0     | (5.5)   | 18.7   | 1.3     | 4.1     | 9.3     | 15.9    | 0.1     | 11.6    | (4.7)   | 11.1    | 16.9    | 25.1    | 32.7    | 3.3%   | 43.6%  |
| EBITDA growth                      | -14.5%  | -169.3% | 437.4% | -93.1%  | 216.0%  | 127.7%  | 71.1%   | -99.1%  | n.a.    | -140.5% | 335.5%  | 52.6%   | 48.7%   | 30.4%   |        |        |
| EBITDA/Sales                       | 3.0%    | n.a.    | 14.4%  | 4.6%    | 5.8%    | 6.8%    | 9.2%    | 0.1%    | 3.8%    | n.a.    | 3.0%    | 4.0%    | 5.3%    | 6.2%    |        |        |
| Net Profit                         | (75.0)  | (75.1)  | 90.0   | (2.7)   | 1.1     | 40.7    | 19.4    | 1.2     | 7.1     | (4.7)   | (1.5)   | 2.3     | 6.2     | 9.8     | 32.4%  | n.a.   |
| Net Profit growth                  | -205.2% | -0.1%   | 219.9% | -103.0% | 141.4%  | n.a.    | -52.2%  | -93.6%  | 470.8%  | -166.9% | 68.4%   | 256.3%  | 167.6%  | 56.5%   |        |        |
| Adjusted number shares (Mn)        | 334.1   | 354.3   | 734.4  | 900.6   | 1,097.0 | 1,137.9 | 1,140.0 | 1,149.2 | 1,165.9 | -       | 1,136.3 | 1,496.7 | 1,496.7 | 1,496.7 |        |        |
| EPS (EUR)                          | -0.22   | -0.21   | 0.12   | 0.00    | 0.00    | 0.04    | 0.02    | 0.00    | 0.01    | n.a.    | 0.00    | 0.00    | 0.00    | 0.01    | 40.2%  | 91.0%  |
| EPS growth                         | n.a.    | 5.6%    | n.a.   | n.a.    | n.a.    | n.a.    | -52.3%  | -93.7%  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | 56.5%   |        |        |
| Ord. EPS (EUR)                     | -0.20   | -0.20   | 0.00   | 0.00    | -0.01   | 0.00    | 0.02    | 0.00    | 0.00    | n.a.    | 0.00    | 0.00    | 0.00    | 0.01    | 37.3%  | 76.6%  |
| Ord. EPS growth                    | n.a.    | -2.3%   | 98.6%  | -18.0%  | -54.5%  | n.a.    | n.a.    | -97.0%  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | 56.5%   |        |        |
| CAPEX                              | (9.9)   | (2.6)   | (0.4)  | 38.7    | (3.7)   | (3.4)   | (3.3)   | (12.5)  | (9.3)   | (13.0)  | (27.2)  | (15.0)  | (14.5)  | (14.5)  |        |        |
| CAPEX/Sales %                      | 3.8%    | 1.7%    | 0.3%   | n.a.    | 5.2%    | 2.5%    | 1.9%    | 6.4%    | 3.0%    | 4.0%    | 7.4%    | 3.6%    | 3.1%    | 2.7%    |        |        |
| Free Cash Flow                     | (3.1)   | (30.1)  | 96.7   | 51.7    | (11.8)  | 2.0     | 13.6    | (36.7)  | (27.3)  | (46.0)  | (25.2)  | (10.0)  | (5.8)   | 1.1     | -23.5% | 26.9%  |
| ND/EBITDA (x) <sup>(2)</sup>       | 15.3x   | n.a.    | 3.0x   | 3.1x    | 3.9x    | 1.5x    | 0.0x    | n.a.    | 5.5x    | n.a.    | 9.6x    | 6.9x    | 4.8x    | 3.7x    |        |        |
| P/E (x)                            | n.a.    | n.a.    | n.a.   | n.a.    | n.a.    | 6.4x    | 15.7x   | n.a.    | 26.8x   | n.a.    | n.a.    | 73.0x   | 27.3x   | 17.4x   |        |        |
| EV/Sales (x)                       | 0.76x   | 1.26x   | 1.28x  | 6.14x   | 2.95x   | 1.73x   | 1.88x   | 1.38x   | 0.91x   | 0.89x   | 0.63x   | 0.68x   | 0.60x   | 0.54x   |        |        |
| EV/EBITDA (x) <sup>(2)</sup>       | 25.0x   | n.a.    | 8.8x   | n.a.    | n.a.    | 25.5x   | 20.6x   | n.a.    | 24.1x   | n.a.    | 21.2x   | 16.8x   | 11.3x   | 8.7x    |        |        |
| Absolute performance               | -33.7%  | -67.0%  | 154.5% | 76.8%   | -13.1%  | 27.5%   | 18.0%   | -32.2%  | -10.6%  | -12.7%  | -41.1%  | 36.1%   |         |         |        |        |
| Relative performance vs Ibx 35     | -45.4%  | -68.1%  | 174.1% | 80.5%   | -19.1%  | 50.0%   | 5.5%    | -19.8%  | -17.1%  | -7.6%   | -52.0%  | 21.4%   |         |         |        |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Audax Renovables (ADX)** is an independent energy group whose core business is the supply of electricity and gas, focused on the Industrial and SME segment (c. 71% y 29%, respectively of the TWh sold) with an international presence (68% o/sales 2023, excl. Portugal). It has 263MW of installed capacity, 66MW under construction and 626MW of PV at various stages of development.

### Market Data

|                                |                    |         |
|--------------------------------|--------------------|---------|
| Market Cap (Mn EUR and USD)    | 888.7              | 966.6   |
| EV (Mn EUR and USD)            | 1,218.6            | 1,325.4 |
| Shares Outstanding (Mn)        | 453.4              |         |
| -12m (Max/Med/Min EUR)         | 1.96 / 1.33 / 1.07 |         |
| Daily Avg volume (-12m Mn EUR) | 0.40               |         |
| Rotation <sup>(1)</sup>        | 11.4               |         |
| Factset / Bloomberg            | ADX-ES / ADX SM    |         |
| Close fiscal year              | 31-Dec             |         |

### Shareholders Structure (%)

|                    |      |
|--------------------|------|
| José Elías Navarro | 74.9 |
| BNP Paribas        | 6.3  |
| Indumenta Pueri    | 5.9  |
| Treasury Stocks    | 1.2  |
| Free Float         | 11.6 |

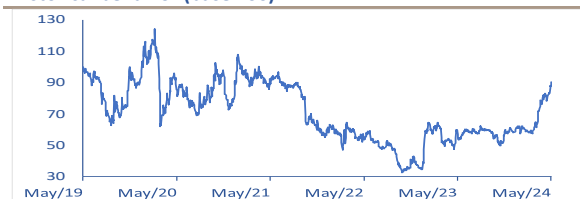
### Financials (Mn EUR)

|                                     | 2023    | 2024e   | 2025e   | 2026e   |
|-------------------------------------|---------|---------|---------|---------|
| Adj. nº shares (Mn)                 | 439.6   | 452.9   | 453.4   | 453.4   |
| Total Revenues                      | 2,293.2 | 1,979.8 | 2,021.5 | 2,053.8 |
| Rec. EBITDA                         | 99.3    | 110.9   | 119.1   | 126.4   |
| % growth                            | 92.2    | 11.6    | 7.5     | 6.1     |
| % Rec. EBITDA/Rev.                  | 4.3     | 5.6     | 5.9     | 6.2     |
| % Inc. EBITDA sector <sup>(2)</sup> | 18.4    | 8.9     | 5.0     | 2.6     |
| Net Profit                          | 29.0    | 53.1    | 60.1    | 66.1    |
| EPS (EUR)                           | 0.07    | 0.12    | 0.13    | 0.15    |
| % growth                            | 721.6   | 77.6    | 13.0    | 10.1    |
| Ord. EPS (EUR)                      | 0.07    | 0.12    | 0.13    | 0.15    |
| % growth                            | n.a.    | 64.3    | 13.0    | 10.1    |
| Rec. Free Cash Flow                 | 89.9    | 42.0    | 40.2    | 47.6    |
| Pay-out (%)                         | 0.0     | 0.0     | 0.0     | 0.0     |
| DPS (EUR)                           | 0.00    | 0.00    | 0.00    | 0.00    |
| Net financial debt                  | 277.5   | 208.6   | 168.4   | 120.8   |
| ND/Rec. EBITDA (x)                  | 2.8     | 1.9     | 1.4     | 1.0     |
| ROE (%)                             | 20.5    | 26.4    | 22.1    | 19.8    |
| ROCE (%)                            | 11.4    | 16.1    | 16.7    | 17.0    |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 29.7 | 16.7 | 14.8 | 13.4 |
| Ord. P/E           | 27.4 | 16.7 | 14.8 | 13.4 |
| P/BV               | 5.5  | 3.7  | 2.9  | 2.4  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 0.53 | 0.62 | 0.60 | 0.59 |
| EV/Rec. EBITDA     | 12.3 | 11.0 | 10.2 | 9.6  |
| EV/EBIT            | 16.2 | 13.7 | 12.8 | 12.0 |
| FCF Yield (%)      | 10.1 | 4.7  | 4.5  | 5.4  |

### Historical behavior (base 100)



| (%)      | -1m  | -3m  | -12m | -5Y  |
|----------|------|------|------|------|
| Absolute | 11.7 | 53.1 | 51.5 | -9.6 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Utilities.

### MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**1Q24 results set ADX apart from its peers.** Despite the drop in revenue to EUR 482.1Mn (-31% vs 1Q23), EBITDA registered sharp growth of 36.5% vs 1Q23 to EUR 31.5Mn, thanks to the energy supply business. Net profit came in at EUR 16Mn (vs EUR 2Mn in 1Q23).

**We expect more of the same throughout 2024e.** Although lower energy prices are inevitably putting pressure on the company's topline (we are estimating a contraction of 14% in 2024e), the sharp improvement in profitability (in 2023 and 1Q24) puts our EBITDA estimate at EUR 110.9Mn (vs EUR 96.1Mn in 2023). That would be a new record for the company. We are forecasting net profit of EUR 53.1Mn (vs EUR 29.0Mn in 2023). And net debt of EUR 208.6Mn.

### EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Presence in 7 European markets.** ADX's footprint extends to Spain, Portugal, Italy, Germany, Poland, the Netherlands and Hungary. Geographic diversification that mitigates risks. In 1Q24, 32% of revenue came from Spain and Portugal. We think the Netherlands will be the main growth engine in 2024e (a growing customer portfolio).

**Strong focus on industrial sector customers.** The portfolio mix in 1Q24 was 55% industrial clients (vs 56% in 1Q21) and 40% SMEs (vs 34% 1Q21), with business clients generating a higher unit volume of energy per supply point, higher profitability and lower risk vis-à-vis domestic clients (whose weight in the mix decreased to 5% in 1Q24 from 10% in 1Q21). The ultimate goal is to boost profitability (a strategy endorsed by the results in 2023 and 1Q24).

**Vertical integration strategy,** with 201 MW in operation (267 MW including the 66 MW wind farm in Panama in which ADX has a 30% interest). Another 62 MW, under construction in Spain, is expected to come online in 2025e. Spain accounts for 77% (71% PV | 29% wind) of the operating assets, followed by 17% in Poland (100% wind) and 6% in France (100% wind). The rest of the portfolio comprises: 62 MW under construction and a 450 MW pipeline, 6 MW with environmental declarations and 170 MW with grid connection rights. Total portfolio of 955 MW.

**Room for further EBITDA growth.** Despite a challenging market backdrop shaped by sharp energy price correction. We think the key drivers of the recovery in margins have yet to run their course: i) focus on more profitable customers; and ii) vertical integration. We are forecasting an EBITDA margin of 5.9% in 2025e vs 4.2% in 2023. In short, earning momentum looks set to remain favourable in the coming quarters.

### RISKS: WHAT TO KEEP AN EYE ON?

**FX risk.** In 2023, ADX recognised EUR 4.1Mn of FX losses. Shaped by a negative impact of EUR 4.7Mn due mainly to business transactions in Hungarian forints. ADX is also exposed to the US dollar and Polish zloty.

**The supply business is articulated around a commodity product** in a deregulated market with low entry barriers and strong competition. That spells structural pressure on margins.

### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Sharp rally (against the sector average).** YTD the share price is up 50.8%, outperforming the Ibex 35 and sector by 34.5% and 48.7%, respectively. The market has taken note of ADX's healthy earnings momentum. Our estimates for 2024e imply a FCF yield of 4.7% (vs 3.5% for its main peers) and put its multiples above its comps on EV/EBITDA.



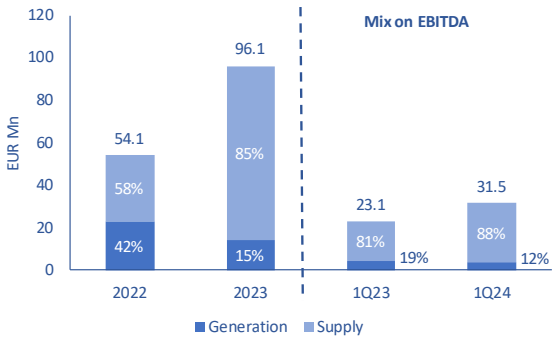
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019           | 2020         | 2021           | 2022           | 2023           | 2024e          | 2025e          | 2026e          |              |               |
|--|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|---------------|
| Intangible assets                            | 106.3          | 159.5        | 200.0          | 202.0          | 198.0          | 198.0          | 198.0          | 198.0          |              |               |
| Fixed assets                                 | 75.3           | 87.4         | 117.2          | 140.0          | 156.3          | 184.1          | 205.4          | 225.4          |              |               |
| Other Non Current Assets                     | 14.3           | 14.8         | 24.9           | 27.6           | 29.2           | 29.2           | 29.2           | 29.2           |              |               |
| Financial Investments                        | 76.3           | 25.6         | 105.7          | 107.2          | 89.3           | 90.1           | 90.9           | 91.7           |              |               |
| Goodwill & Other Intangibles                 | 137.9          | 137.9        | 137.9          | 137.8          | 138.0          | 138.0          | 138.0          | 138.0          |              |               |
| Current assets                               | 177.1          | 266.0        | 399.0          | 384.6          | 336.5          | 287.7          | 292.3          | 295.8          |              |               |
| <b>Total assets</b>                          | <b>587.2</b>   | <b>691.3</b> | <b>984.8</b>   | <b>999.4</b>   | <b>947.2</b>   | <b>927.0</b>   | <b>953.7</b>   | <b>978.1</b>   |              |               |
| Equity                                       | 122.2          | 135.2        | 132.4          | 122.4          | 161.2          | 241.3          | 301.3          | 367.5          |              |               |
| Minority Interests                           | 33.5           | 7.8          | 12.0           | 13.3           | 12.0           | 14.4           | 16.7           | 19.1           |              |               |
| Provisions & Other L/T Liabilities           | 59.3           | 69.9         | 88.9           | 64.1           | 72.4           | 72.4           | 72.4           | 72.4           |              |               |
| Other Non Current Liabilities                | 9.6            | 8.9          | 16.5           | 20.7           | 21.0           | 21.0           | 21.0           | 21.0           |              |               |
| Net financial debt                           | 169.2          | 247.7        | 476.6          | 395.0          | 277.5          | 208.6          | 168.4          | 120.8          |              |               |
| Current Liabilities                          | 193.5          | 221.8        | 258.4          | 383.8          | 403.0          | 369.3          | 373.8          | 377.3          |              |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>587.2</b>   | <b>691.3</b> | <b>984.8</b>   | <b>999.4</b>   | <b>947.2</b>   | <b>927.0</b>   | <b>953.7</b>   | <b>978.1</b>   |              |               |
|  |                |              |                |                |                |                |                |                | <b>CAGR</b>  |               |
| P&L (EUR Mn)                                 | 2019           | 2020         | 2021           | 2022           | 2023           | 2024e          | 2025e          | 2026e          | 20-23        | 23-26e        |
| <b>Total Revenues</b>                        | <b>1,043.8</b> | <b>969.3</b> | <b>1,683.9</b> | <b>2,633.0</b> | <b>2,293.2</b> | <b>1,979.8</b> | <b>2,021.5</b> | <b>2,053.8</b> | <b>33.2%</b> | <b>-3.6%</b>  |
| Total Revenues growth                        | 5.8%           | -7.1%        | 73.7%          | 56.4%          | -12.9%         | -13.7%         | 2.1%           | 1.6%           |              |               |
| COGS   | (917.2)        | (854.4)      | (1,561.2)      | (2,489.2)      | (2,056.9)      | (1,729.6)      | (1,760.2)      | (1,782.4)      |              |               |
| <b>Gross Margin</b>                          | <b>126.6</b>   | <b>114.9</b> | <b>122.7</b>   | <b>143.8</b>   | <b>236.3</b>   | <b>250.2</b>   | <b>261.3</b>   | <b>271.4</b>   | <b>27.2%</b> | <b>4.7%</b>   |
| Gross Margin/Revenues                        | 12.1%          | 11.9%        | 7.3%           | 5.5%           | 10.3%          | 12.6%          | 12.9%          | 13.2%          |              |               |
| Personnel Expenses                           | (21.0)         | (22.5)       | (27.7)         | (30.1)         | (37.9)         | (39.1)         | (39.9)         | (40.6)         |              |               |
| Other Operating Expenses                     | (37.3)         | (42.3)       | (47.9)         | (62.1)         | (99.1)         | (100.3)        | (102.3)        | (104.4)        |              |               |
| <b>Recurrent EBITDA</b>                      | <b>68.3</b>    | <b>50.1</b>  | <b>47.0</b>    | <b>51.7</b>    | <b>99.3</b>    | <b>110.9</b>   | <b>119.1</b>   | <b>126.4</b>   | <b>25.6%</b> | <b>8.4%</b>   |
| Recurrent EBITDA growth                      | 52.4%          | -26.7%       | -6.2%          | 9.9%           | 92.2%          | 11.6%          | 7.5%           | 6.1%           |              |               |
| Rec. EBITDA/Revenues                         | 6.5%           | 5.2%         | 2.8%           | 2.0%           | 4.3%           | 5.6%           | 5.9%           | 6.2%           |              |               |
| Restructuring Expense & Other non-rec.       | -              | -            | (0.2)          | 2.5            | (3.2)          | -              | -              | -              |              |               |
| <b>EBITDA</b>                                | <b>68.3</b>    | <b>50.1</b>  | <b>46.9</b>    | <b>54.1</b>    | <b>96.1</b>    | <b>110.9</b>   | <b>119.1</b>   | <b>126.4</b>   | <b>24.3%</b> | <b>9.6%</b>   |
| Depreciation & Provisions                    | (25.1)         | (19.7)       | (22.0)         | (21.8)         | (21.0)         | (22.2)         | (23.7)         | (24.9)         |              |               |
| Capitalized Expense                          | -              | -            | -              | -              | -              | -              | -              | -              |              |               |
| Rentals (IFRS 16 impact)                     | (1.1)          | -            | -              | -              | -              | -              | -              | -              |              |               |
| <b>EBIT</b>                                  | <b>42.1</b>    | <b>30.4</b>  | <b>24.9</b>    | <b>32.3</b>    | <b>75.1</b>    | <b>88.7</b>    | <b>95.5</b>    | <b>101.5</b>   | <b>35.1%</b> | <b>10.5%</b>  |
| EBIT growth                                  | 113.1%         | -27.7%       | -18.2%         | 29.7%          | 132.6%         | 18.0%          | 7.7%           | 6.3%           |              |               |
| EBIT/Revenues                                | 4.0%           | 3.1%         | 1.5%           | 1.2%           | 3.3%           | 4.5%           | 4.7%           | 4.9%           |              |               |
| Impact of Goodwill & Others                  | -              | -            | -              | -              | -              | -              | -              | -              |              |               |
| Net Financial Result                         | (13.9)         | (12.7)       | (26.5)         | (22.7)         | (30.9)         | (20.1)         | (18.2)         | (16.7)         |              |               |
| Income by the Equity Method                  | (0.1)          | (0.1)        | (0.1)          | 3.0            | 0.8            | 0.8            | 0.8            | 0.8            |              |               |
| <b>Ordinary Profit</b>                       | <b>28.1</b>    | <b>17.7</b>  | <b>(1.6)</b>   | <b>12.6</b>    | <b>45.0</b>    | <b>69.3</b>    | <b>78.0</b>    | <b>85.6</b>    | <b>36.5%</b> | <b>23.9%</b>  |
| Ordinary Profit Growth                       | 979.7%         | -37.0%       | -109.2%        | 875.7%         | 258.1%         | 54.0%          | 12.6%          | 9.7%           |              |               |
| Extraordinary Results                        | 5.0            | 16.3         | -              | -              | -              | -              | -              | -              |              |               |
| <b>Profit Before Tax</b>                     | <b>33.1</b>    | <b>34.0</b>  | <b>(1.6)</b>   | <b>12.6</b>    | <b>45.0</b>    | <b>69.3</b>    | <b>78.0</b>    | <b>85.6</b>    | <b>9.8%</b>  | <b>23.9%</b>  |
| Tax Expense                                  | (1.7)          | (3.9)        | (1.7)          | (4.8)          | (13.6)         | (13.9)         | (15.6)         | (17.1)         |              |               |
| Effective Tax Rate                           | 5.1%           | 11.4%        | n.a.           | 38.2%          | 30.3%          | 20.0%          | 20.0%          | 20.0%          |              |               |
| Minority Interests                           | (5.9)          | (3.8)        | 1.6            | (4.2)          | (2.4)          | (2.4)          | (2.4)          | (2.4)          |              |               |
| Discontinued Activities                      | -              | -            | -              | -              | -              | -              | -              | -              |              |               |
| <b>Net Profit</b>                            | <b>25.4</b>    | <b>26.4</b>  | <b>(1.7)</b>   | <b>3.5</b>     | <b>29.0</b>    | <b>53.1</b>    | <b>60.1</b>    | <b>66.1</b>    | <b>3.2%</b>  | <b>31.6%</b>  |
| Net Profit growth                            | 202.5%         | 3.7%         | -106.5%        | 305.8%         | 720.3%         | 83.0%          | 13.1%          | 10.1%          |              |               |
| <b>Ordinary Net Profit</b>                   | <b>20.7</b>    | <b>11.9</b>  | <b>0.1</b>     | <b>2.8</b>     | <b>31.4</b>    | <b>53.1</b>    | <b>60.1</b>    | <b>66.1</b>    | <b>38.2%</b> | <b>28.2%</b>  |
| Ordinary Net Profit growth                   | n.a.           | -42.6%       | -98.9%         | n.a.           | n.a.           | 69.2%          | 13.1%          | 10.1%          |              |               |
|  |                |              |                |                |                |                |                |                | <b>CAGR</b>  |               |
| Cash Flow (EUR Mn)                           | 2019           | 2020         | 2021           | 2022           | 2023           | 2024e          | 2025e          | 2026e          | 20-23        | 23-26e        |
| <b>Recurrent EBITDA</b>                      |                |              |                |                |                | <b>110.9</b>   | <b>119.1</b>   | <b>126.4</b>   | <b>25.6%</b> | <b>8.4%</b>   |
| Rentals (IFRS 16 impact)                     |                |              |                |                |                | -              | -              | -              |              |               |
| Working Capital Increase                     |                |              |                |                |                | 15.1           | (0.1)          | (0.1)          |              |               |
| <b>Recurrent Operating Cash Flow</b>         |                |              |                |                |                | <b>126.0</b>   | <b>119.0</b>   | <b>126.4</b>   | <b>n.a.</b>  | <b>-8.8%</b>  |
| CAPEX  |                |              |                |                |                | (50.0)         | (45.0)         | (45.0)         |              |               |
| Net Financial Result affecting the Cash Flow |                |              |                |                |                | (20.1)         | (18.2)         | (16.7)         |              |               |
| Tax Expense                                  |                |              |                |                |                | (13.9)         | (15.6)         | (17.1)         |              |               |
| <b>Recurrent Free Cash Flow</b>              |                |              |                |                |                | <b>42.0</b>    | <b>40.2</b>    | <b>47.6</b>    | <b>58.8%</b> | <b>-19.1%</b> |
| Restructuring Expense & Other non-rec.       |                |              |                |                |                | -              | -              | -              |              |               |
| - Acquisitions / + Divestitures of assets    |                |              |                |                |                | -              | -              | -              |              |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |                |              |                |                |                | -              | -              | -              |              |               |
| <b>Free Cash Flow</b>                        |                |              |                |                |                | <b>42.0</b>    | <b>40.2</b>    | <b>47.6</b>    | <b>58.8%</b> | <b>-26.0%</b> |
| Capital Increase                             |                |              |                |                |                | 26.9           | -              | -              |              |               |
| Dividends                                    |                |              |                |                |                | -              | -              | -              |              |               |
| <b>Net Debt Variation</b>                    |                |              |                |                |                | <b>(68.9)</b>  | <b>(40.2)</b>  | <b>(47.6)</b>  |              |               |

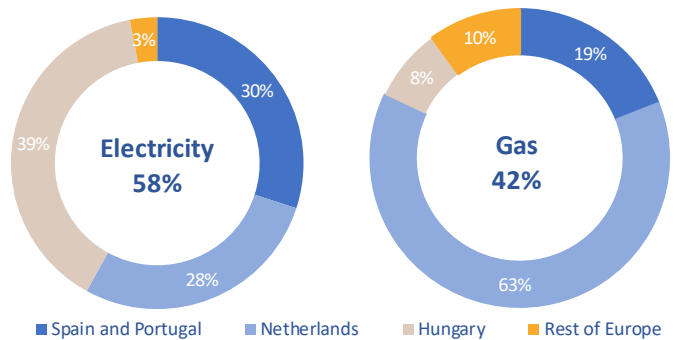


**The company in 8 charts**

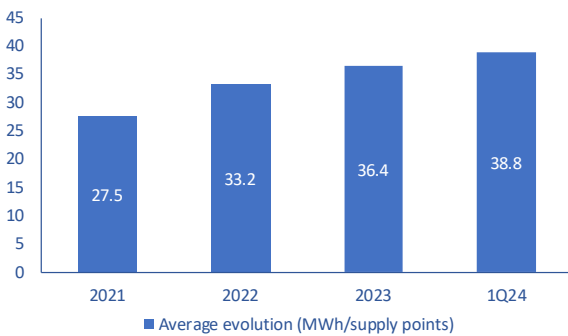
**Two businesses: electricity supply and electricity generation (both with a high weight in the EBITDA mix)**



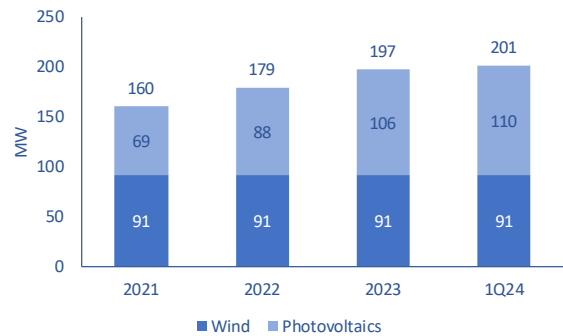
**Electric and gas supply: a geographically diversified business**



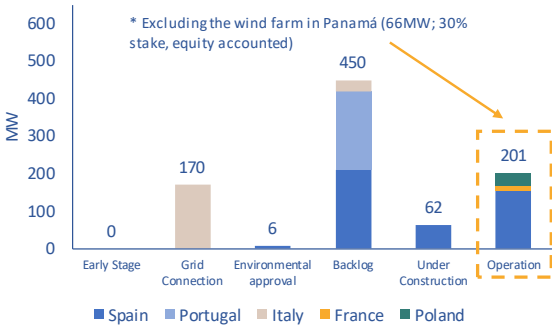
**The focus on the SME segment has resulted in a higher unit volume of energy per supply point**



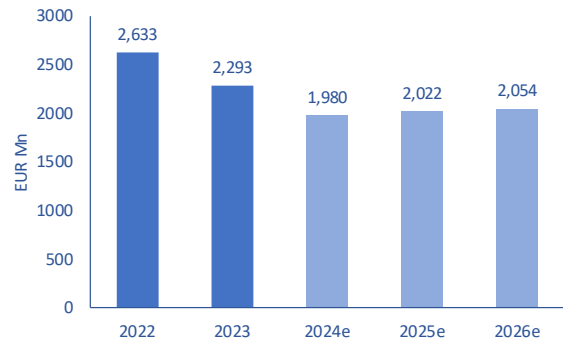
**Generation: Installed capacity (MW) by technology**



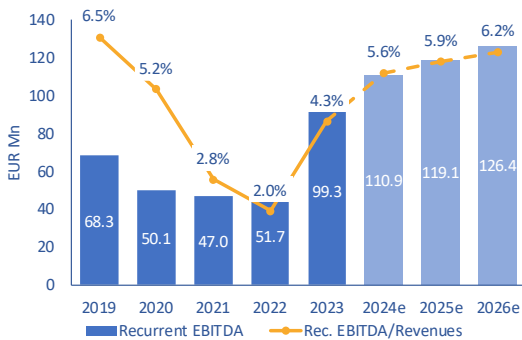
**Generation project pipeline (1Q24)**



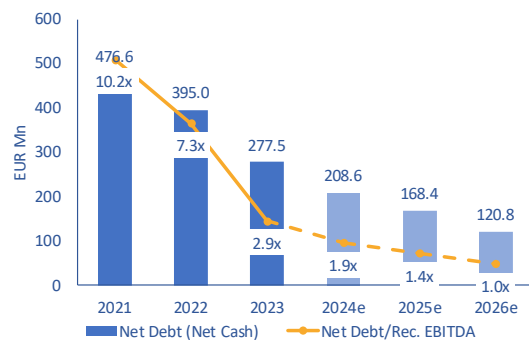
**Lower energy prices will mean lower revenue in 2024e**



**Margin growth in the supply business will drive a recovery in the Rec. EBITDA margin**



**This should bring down leverage: ND/EBITDA 2024e of 1.9x**





**Evolution of the share price**

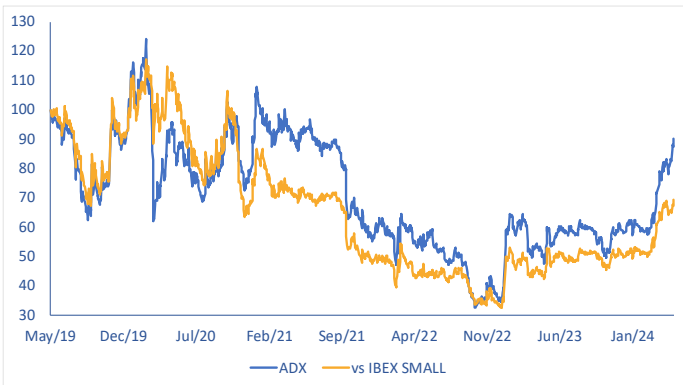
**Historical behavior vs Ibex 35 (base 100)**



**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Utilities

| Stock performance (%)                     | -1m  | -3m  | -12m | YTD  | -3Y   | -5Y   |
|---|------|------|------|------|-------|-------|
| <b>Absolute</b>                           | 11.7 | 53.1 | 51.5 | 50.8 | 1.5   | -9.6  |
| <b>vs Market</b>                          |      |      |      |      |       |       |
| vs Ibex 35                                | 4.9  | 33.6 | 23.2 | 34.5 | -18.0 | -26.0 |
| vs Euro STOXX 50                          | 8.4  | 44.1 | 29.3 | 34.6 | -19.7 | -38.9 |
| <b>vs Small Cap References</b>            |      |      |      |      |       |       |
| vs Ibex Small Cap Index                   | 2.3  | 34.0 | 32.3 | 35.4 | -0.7  | -30.7 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 5.9  | 41.8 | 44.2 | 39.9 | 9.7   | -25.2 |
| vs MSCI Europe Micro Cap                  | 5.3  | 42.7 | 47.1 | 42.6 | 24.5  | -24.6 |
| <b>vs Sector</b>                          |      |      |      |      |       |       |
| vs Stoxx Europe 600 Utilities             | 1.5  | 37.8 | 50.8 | 48.7 | -1.7  | -29.1 |

(1) [Constituents on page 10.](#)



**Free Cash Flow (I)**

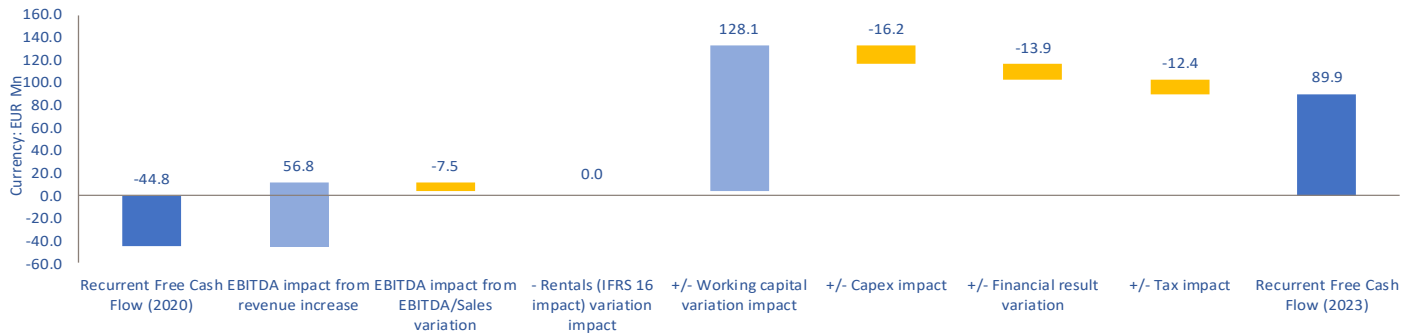
| A) Cash Flow Analysis (EUR Mn)  | 2020          | 2021           | 2022           | 2023          | 2024e         | 2025e        | 2026e        | CAGR         |               |
|---|---------------|----------------|----------------|---------------|---------------|--------------|--------------|--------------|---------------|
|   |               |                |                |               |               |              |              | 20-23        | 23-26e        |
| <b>Recurrent EBITDA</b>   | <b>50.1</b>   | <b>47.0</b>    | <b>51.7</b>    | <b>99.3</b>   | <b>110.9</b>  | <b>119.1</b> | <b>126.4</b> | <b>25.6%</b> | <b>8.4%</b>   |
| <i>Recurrent EBITDA growth</i>  | -26.7%        | -6.2%          | 9.9%           | 92.2%         | 11.6%         | 7.5%         | 6.1%         |              |               |
| <i>Rec. EBITDA/Revenues</i>   | 5.2%          | 2.8%           | 2.0%           | 4.3%          | 5.6%          | 5.9%         | 6.2%         |              |               |
| - Rentals (IFRS 16 impact)  | -             | -              | -              | -             | -             | -            | -            |              |               |
| +/- Working Capital increase  | (60.7)        | (96.3)         | 139.8          | 67.4          | 15.1          | (0.1)        | (0.1)        |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(10.6)</b> | <b>(49.3)</b>  | <b>191.5</b>   | <b>166.7</b>  | <b>126.0</b>  | <b>119.0</b> | <b>126.4</b> | <i>n.a.</i>  | <b>-8.8%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | -113.4%       | -364.8%        | 488.2%         | -13.0%        | -24.4%        | -5.5%        | 6.1%         |              |               |
| <i>Rec. Operating Cash Flow / Sales</i>   | <i>n.a.</i>   | <i>n.a.</i>    | 7.3%           | 7.3%          | 6.4%          | 5.9%         | 6.2%         |              |               |
| - CAPEX   | (17.0)        | (39.1)         | (46.6)         | (33.2)        | (50.0)        | (45.0)       | (45.0)       |              |               |
| - Net Financial Result affecting Cash Flow  | (13.4)        | (18.9)         | (22.7)         | (27.3)        | (20.1)        | (18.2)       | (16.7)       |              |               |
| - Taxes   | (3.9)         | (1.7)          | (4.8)          | (16.3)        | (13.9)        | (15.6)       | (17.1)       |              |               |
| <b>= Recurrent Free Cash Flow</b>   | <b>(44.8)</b> | <b>(109.0)</b> | <b>117.3</b>   | <b>89.9</b>   | <b>42.0</b>   | <b>40.2</b>  | <b>47.6</b>  | <b>58.8%</b> | <b>-19.1%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -253.0%       | -143.2%        | 207.6%         | -23.4%        | -53.3%        | -4.2%        | 18.2%        |              |               |
| <i>Rec. Free Cash Flow / Revenues</i>   | <i>n.a.</i>   | <i>n.a.</i>    | 4.5%           | 3.9%          | 2.1%          | 2.0%         | 2.3%         |              |               |
| - Restructuring expenses & others   | -             | -              | -              | -             | -             | -            | -            |              |               |
| - Acquisitions / + Divestments  | (91.1)        | (77.4)         | 1.5            | 18.5          | -             | -            | -            |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 77.3          | (32.2)         | (37.5)         | 9.1           | -             | -            | -            |              |               |
| <b>= Free Cash Flow</b>   | <b>(58.6)</b> | <b>(218.6)</b> | <b>81.3</b>    | <b>117.4</b>  | <b>42.0</b>   | <b>40.2</b>  | <b>47.6</b>  | <b>58.8%</b> | <b>-26.0%</b> |
| <i>Free Cash Flow growth</i>  | -147.8%       | -273.0%        | 137.2%         | 44.4%         | -64.2%        | -4.2%        | 18.2%        |              |               |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | <i>n.a.</i>   | <i>n.a.</i>    | 13.2%          | 10.1%         | 4.7%          | 4.5%         | 5.4%         |              |               |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | <i>n.a.</i>   | <i>n.a.</i>    | 9.2%           | 13.2%         | 4.7%          | 4.5%         | 5.4%         |              |               |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |                |                |               |               |              |              |              |               |
| <b>Recurrent FCF(FY - 1)</b>  | <b>29.3</b>   | <b>(44.8)</b>  | <b>(109.0)</b> | <b>117.3</b>  | <b>89.9</b>   | <b>42.0</b>  | <b>40.2</b>  |              |               |
| EBITDA impact from revenue increase   | (4.9)         | 36.9           | 26.5           | (6.7)         | (13.6)        | 2.3          | 1.9          |              |               |
| EBITDA impact from EBITDA/Sales variation   | (13.3)        | (40.0)         | (21.8)         | 54.3          | 25.1          | 5.9          | 5.4          |              |               |
| <b>= Recurrent EBITDA variation</b>   | <b>(18.2)</b> | <b>(3.1)</b>   | <b>4.7</b>     | <b>47.6</b>   | <b>11.6</b>   | <b>8.3</b>   | <b>7.3</b>   |              |               |
| - Rentals (IFRS 16 impact) variation impact   | 1.1           | -              | -              | -             | -             | -            | -            |              |               |
| +/- Working capital variation impact  | (72.4)        | (35.6)         | 236.1          | (72.4)        | (52.2)        | (15.2)       | 0.0          |              |               |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(89.6)</b> | <b>(38.7)</b>  | <b>240.8</b>   | <b>(24.8)</b> | <b>(40.7)</b> | <b>(6.9)</b> | <b>7.3</b>   |              |               |
| +/- CAPEX impact  | 16.6          | (22.2)         | (7.5)          | 13.5          | (16.8)        | 5.0          | -            |              |               |
| +/- Financial result variation  | 2.7           | (5.5)          | (3.8)          | (4.7)         | 7.2           | 1.9          | 1.5          |              |               |
| +/- Tax impact  | (3.9)         | 2.2            | (3.1)          | (11.5)        | 2.4           | (1.7)        | (1.5)        |              |               |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(74.1)</b> | <b>(64.2)</b>  | <b>226.4</b>   | <b>(27.4)</b> | <b>(47.9)</b> | <b>(1.8)</b> | <b>7.3</b>   |              |               |
| <b>Recurrent Free Cash Flow</b>   | <b>(44.8)</b> | <b>(109.0)</b> | <b>117.3</b>   | <b>89.9</b>   | <b>42.0</b>   | <b>40.2</b>  | <b>47.6</b>  |              |               |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |                |                |               |               |              |              |              |               |
| <b>EBIT</b>   | <b>30.4</b>   | <b>24.9</b>    | <b>32.3</b>    | <b>75.1</b>   | <b>88.7</b>   | <b>95.5</b>  | <b>101.5</b> | <b>35.1%</b> | <b>10.5%</b>  |
| * <i>Theoretical Tax rate</i>   | 11.4%         | 0.0%           | 30.0%          | 30.0%         | 20.0%         | 20.0%        | 20.0%        |              |               |
| = Taxes (pre- Net Financial Result)   | (3.5)         | -              | (9.7)          | (22.5)        | (17.7)        | (19.1)       | (20.3)       |              |               |
| <b>Recurrent EBITDA</b>   | <b>50.1</b>   | <b>47.0</b>    | <b>51.7</b>    | <b>99.3</b>   | <b>110.9</b>  | <b>119.1</b> | <b>126.4</b> | <b>25.6%</b> | <b>8.4%</b>   |
| - Rentals (IFRS 16 impact)  | -             | -              | -              | -             | -             | -            | -            |              |               |
| +/- Working Capital increase  | (60.7)        | (96.3)         | 139.8          | 67.4          | 15.1          | (0.1)        | (0.1)        |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(10.6)</b> | <b>(49.3)</b>  | <b>191.5</b>   | <b>166.7</b>  | <b>126.0</b>  | <b>119.0</b> | <b>126.4</b> | <i>n.a.</i>  | <b>-8.8%</b>  |
| - CAPEX   | (17.0)        | (39.1)         | (46.6)         | (33.2)        | (50.0)        | (45.0)       | (45.0)       |              |               |
| - Taxes (pre- Financial Result)   | (3.5)         | -              | (9.7)          | (22.5)        | (17.7)        | (19.1)       | (20.3)       |              |               |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(31.0)</b> | <b>(88.5)</b>  | <b>135.1</b>   | <b>110.9</b>  | <b>58.3</b>   | <b>55.0</b>  | <b>61.1</b>  | <b>77.3%</b> | <b>-18.1%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -171.7%       | -185.1%        | 252.7%         | -17.9%        | -47.5%        | -5.7%        | 11.1%        |              |               |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | <i>n.a.</i>   | <i>n.a.</i>    | 5.1%           | 4.8%          | 2.9%          | 2.7%         | 3.0%         |              |               |
| - Acquisitions / + Divestments  | (91.1)        | (77.4)         | 1.5            | 18.5          | -             | -            | -            |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 77.3          | (32.2)         | (37.5)         | 9.1           | -             | -            | -            |              |               |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(44.8)</b> | <b>(198.1)</b> | <b>99.1</b>    | <b>138.5</b>  | <b>58.3</b>   | <b>55.0</b>  | <b>61.1</b>  | <b>72.0%</b> | <b>-23.9%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -132.8%       | -342.0%        | 150.0%         | 39.7%         | -57.9%        | -5.7%        | 11.1%        |              |               |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | <i>n.a.</i>   | <i>n.a.</i>    | 11.1%          | 9.1%          | 4.8%          | 4.5%         | 5.0%         |              |               |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | <i>n.a.</i>   | <i>n.a.</i>    | 8.1%           | 11.4%         | 4.8%          | 4.5%         | 5.0%         |              |               |



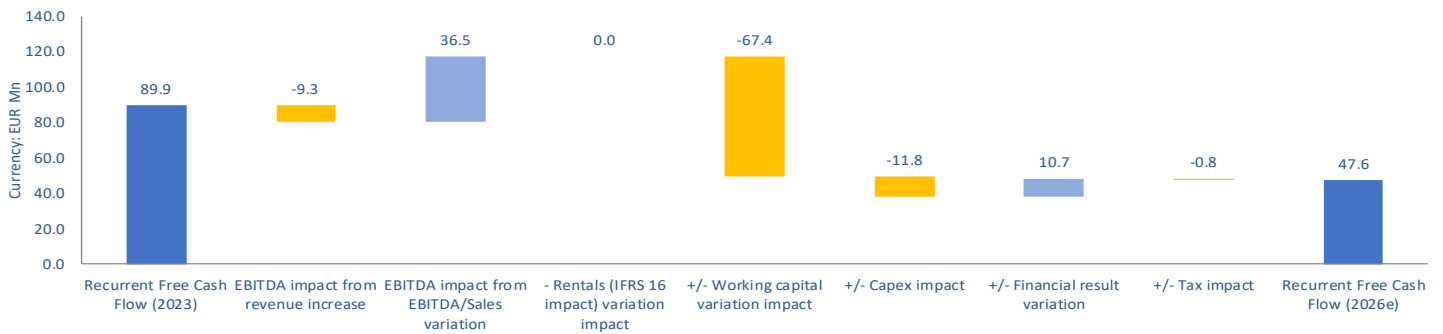


**Free Cash Flow (II)**

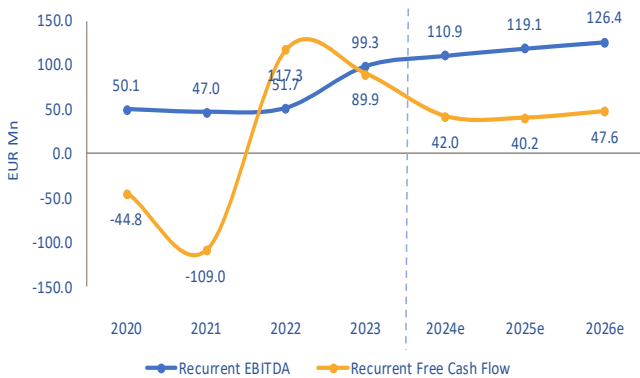
**Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023)**



**Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)**



**Recurrent EBITDA vs Recurrent Free Cash Flow**



**Stock performance vs EBITDA 12m forward**





**Valuation inputs**

**Inputs for the DCF Valuation Approach**

|                                | 2024e | 2025e                                  | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|--|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 58.3  | 55.0                                   | 61.1  | 877.7                         |           |            |
| Market Cap                     | 888.7 | At the date of this report             |       |                               |           |            |
| Net financial debt             | 277.5 | Debt net of Cash (12m Results 2023)    |       |                               |           |            |
|                                |       |  |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 5.5%  | Net debt cost                          |       |                               | 5.3%      | 5.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                |       |                               | =         | =          |
| Net debt cost                  | 4.4%  | $Kd = \text{Cost of Net Debt} * (1-T)$ |       |                               | 4.2%      | 4.6%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)            |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                       |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.1   | B (own estimate)                       |       |                               | 1.0       | 1.2        |
| Cost of Equity                 | 9.9%  | $Ke = Rf + (R * B)$                    |       |                               | 8.8%      | 11.1%      |
| Equity / (Equity + Net Debt)   | 76.2% | E (Market Cap as equity value)         |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 23.8% | D                                      |       |                               | =         | =          |
| WACC                           | 8.6%  | $WACC = Kd * D + Ke * E$               |       |                               | 7.7%      | 9.5%       |
| G "Fair"                       | 1.5%  |  |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

**EV breakdown at the date of this report**

|                                      | EUR Mn         | Source           |
|--------------------------------------|----------------|------------------|
| Market Cap                           | 888.7          |                  |
| + Minority Interests                 | 12.9           | 3m Results 2024  |
| + Provisions & Other L/T Liabilities | 67.3           | 3m Results 2024  |
| + Net financial debt                 | 277.5          | 12m Results 2023 |
| - Financial Investments              | 27.9           | 3m Results 2024  |
| +/- Others                           |                |                  |
| <b>Enterprise Value (EV)</b>         | <b>1,218.6</b> |                  |

**Business Value Creation Metrics <sup>(1)</sup>**

|                      | 2019  | 2020  | 2021 | 2022 | 2023  |
|----------------------|-------|-------|------|------|-------|
| ROCE (evolution -5y) | 10.9% | 7.3%  | 4.8% | 4.1% | 11.4% |
|                      | 2023  | 2026e |      |      |       |
| ROCE - WACC          | 2.9%  | 8.4%  |      |      |       |
| FCF Yield - WACC     | 1.6%  | -3.2% |      |      |       |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

**Free Cash Flow sensitivity analysis (2025e)**

**A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales**

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 6.5%             | 131.3      | 9.3x          |
| Central  | 5.9%             | 119.1      | 10.2x         |
| Min      | 5.3%             | 107.0      | 11.4x         |

**B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales**

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|------|------|----------|--------------------|------|------|
| EBITDA 25e      | 2.0%            | 2.2% | 2.4% |          | Max                | 6.3% | 5.9% |
| 131.3           | 56.4            | 52.4 | 48.3 | Central  | 5.0%               | 4.5% | 4.1% |
| 119.1           | 44.3            | 40.2 | 36.2 | Min      | 3.6%               | 3.2% | 2.7% |
| 107.0           | 32.1            | 28.1 | 24.1 |          |                    |      |      |

**Main Corporate Governance indicators**

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 33.3% | 33.3% | 33.3% |
| % of proprietary directors           | 50.0% | 50.0% | 50.0% |
| % of executive directors             | 16.7% | 16.7% | 16.7% |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 33.3% | 33.3% | 33.3% |
| % of women out of total workforce    | 59.0% | 61.0% | 60.2% |
| Board remuneration/staff cost        | 2.0%  | 2.7%  | 3.4%  |



**Borges Agricultural & Industrial Nuts, S.A. (BAIN)** is a small international group based in Spain (Tarragona), specialising in processing and B2B marketing of nuts. It has an international presence (50,7% of 2022 revenue) and is a European benchmark in the almond segment (share of c.7%). Its core shareholder is Borges International Group (89.1% of capital).

Any reference to the results of a certain year refers to the period: **31 May to 31 May (the following year)**

### MOMENTUM: ¿QUÉ ESPERAMOS EN 2023E?

**1H23: contracting volumes (MT sold 1H23: -19.1%) dictated the trend in revenue (-17.3% vs 1H22).** Despite being an “on” year for pistachios and prices bottoming out (+1.7%). The topline shrinkage impacted the rest of the P&L, translating into a lower EBITDA margin (1.7% vs 2.6% in 1H22). And net profit was negative by EUR 1.7Mn (vs EUR -0.3Mn in 1H23). BAIN ended the year with net debt of EUR 55.3Mn (ND/equity: 0.9x).

**Disposal of the agricultural business overhauls the company** The significant correction in nut prices (-24% vs 2016) has left them at record lows. This has eroded profitability at BAIN (particularly in the agricultural division). In April 2024, BAIN secured an agreement with Natural Capital Fund for the sale of its agricultural division (c.7% of 2022 revenue and 65% of net assets; >2,500 hectares). The agreement includes the sale of all of its companies in Portugal, along with two Spanish companies (Extremadura and Granada), for a total transaction size of EUR 70-80Mn (our estimate: EUR 75Mn).

**We think 2023e will mark a reset with renewed focus on the distribution and marketing arms (B2B).** Clearly, 2023e will be heavily impacted by the sale of the agricultural business, prompting us to revise our estimates. We are forecasting an acceleration in revenue contraction to EUR 109.7Mn in 2023e (-19.5% vs 2022). The extraordinary gain of c.EUR 18Mn will translate into net profit of c.EUR 15Mn. Despite reporting a lower operating profit (EBITDA 2023e: EUR 2Mn). The highlight: a huge cash inflow which will leave BAIN with net cash at year-end 2023e (c.EUR 31Mn). With clear (and positive) strategic implications.

### EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Focus on the industrial and sales sides of the business.** BAIN’s exit from the agricultural will free it up to concentrate on enhancing the industrial business. With an extensive customer base (thanks to a long trajectory operating in the market), BAIN now has a much lighter cost structure (and net cash).

**Recovery in dried fruit and nut prices (+2% YoY 2024e-2025e).** Prices are highly dependent on weather conditions (especially in California: c.80% of global output). Supply scarcity has a positive effect on the P&L (as we saw in 2021).

**BAIN has a high percentage of fixed staff and operating costs,** which, following the adjustments taking place in 2023, should make it possible for the expected growth in revenue in the years to come (although visibility remains low) to trickle through to recurring EBITDA and (c.2% 2023 vs c.5% 2025).

**Low visibility in the short term, although renewed growth is feasible between now and 2025e.** Although we expected a hit to revenue in 2023e, from 2024e we are looking for double-digit growth from 2024e (CAGR 23e-25e: +2.5%), along with a significant improvement in recurring EBITDA to EUR 4,6Mn (vs EUR 0.5Mn in 2022) thanks to three drivers: i) BAIN’s ability to leverage its know-how in the dried fruit and nut business; and ii) strong margin expansion on the back of operational gearing. The net cash position opens the door to M&A activity in the industrial segment (production and sales).

### RISKS: WHAT TO KEEP AN EYE ON?

**High sensitivity to fluctuations in dried fruit and nut prices.** The bulk of revenue comes from the sale of almonds (61%) and walnuts (8%) and the trend in the prices of these products is a crucial input for our estimates.

### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**A (unique) opportunity?** This extraordinary cash inflow puts BAIN in a unique position to invest and redefine its business model. BAIN is trading at an EV/revenue 23e multiple of 0.3x, well below its European comps.

#### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 63.9               | 69.5 |
| EV (Mn EUR and USD)            | 37.6               | 40.9 |
| Shares Outstanding (Mn)        | 23.1               |      |
| -12m (Max/Med/Min EUR)         | 3.02 / 2.67 / 2.48 |      |
| Daily Avg volume (-12m Mn EUR) | n.m.               |      |
| Rotation <sup>(1)</sup>        | 0.7                |      |
| Factset / Bloomberg            | BAIN-ES / BAIN SM  |      |
| Close fiscal year              | 31-May             |      |

#### Shareholders Structure (%)

|                            |      |
|----------------------------|------|
| Borges International Group | 89.1 |
| Miembros del Consejo       | 0.2  |

Free Float 10.7

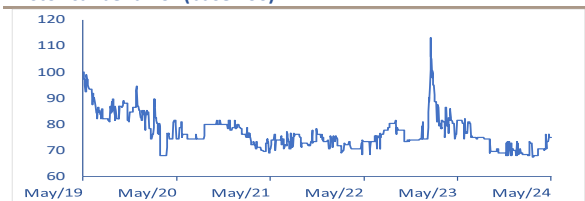
#### Financials (Mn EUR)

|                                     | 2022  | 2023e | 2024e | 2025e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 23.1  | 23.1  | 23.1  | 23.1  |
| Total Revenues                      | 136.3 | 109.7 | 111.4 | 115.2 |
| Rec. EBITDA                         | 0.5   | 2.3   | 5.5   | 6.3   |
| % growth                            | -87.5 | 355.8 | 142.5 | 13.8  |
| % Rec. EBITDA/Rev.                  | 0.4   | 2.1   | 5.0   | 5.4   |
| % Inc. EBITDA sector <sup>(2)</sup> | 19.1  | 9.0   | 9.7   | 8.4   |
| Net Profit                          | -2.7  | 14.6  | 4.0   | 4.6   |
| EPS (EUR)                           | -0.11 | 0.63  | 0.17  | 0.20  |
| % growth                            | n.a.  | 646.9 | -72.6 | 15.7  |
| Ord. EPS (EUR)                      | -0.22 | -0.04 | 0.17  | 0.20  |
| % growth                            | n.a.  | 81.1  | 514.5 | 15.7  |
| Rec. Free Cash Flow                 | -11.0 | -2.2  | 1.3   | 1.6   |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 39.0  | -33.3 | -34.5 | -36.2 |
| ND/Rec. EBITDA (x)                  | n.a.  | -14.6 | -6.3  | -5.8  |
| ROE (%)                             | n.a.  | 21.7  | 5.2   | 5.7   |
| ROCE (%)                            | n.a.  | 1.5   | 9.7   | 10.5  |

#### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | 4.4  | 16.0 | 13.8 |
| Ord. P/E           | n.a. | n.a. | 16.0 | 13.8 |
| P/BV               | 1.1  | 0.9  | 0.8  | 0.8  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 0.28 | 0.34 | 0.34 | 0.33 |
| EV/Rec. EBITDA     | n.a. | 16.5 | 6.8  | 6.0  |
| EV/EBIT            | n.a. | 36.3 | 8.3  | 7.1  |
| FCF Yield (%)      | n.a. | n.a. | 2.0  | 2.6  |

#### Historical behavior (base 100)



| (%)      | -1m | -3m  | -12m | -5Y   |
|----------|-----|------|------|-------|
| Absolute | 6.2 | 10.4 | -8.0 | -25.0 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Food & Beverage.



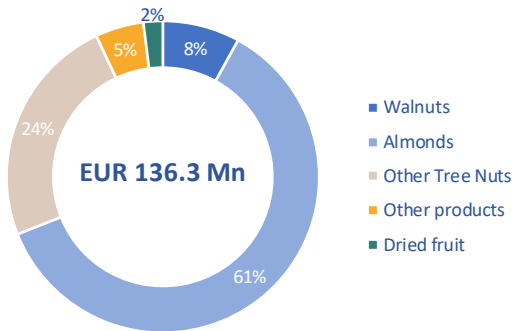
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2018          | 2019          | 2020           | 2021          | 2022           | 2023e         | 2024e         | 2025e        | CAGR          |              |
|--|---------------|---------------|----------------|---------------|----------------|---------------|---------------|--------------|---------------|--------------|
| Intangible assets                            | 0.1           | 7.2           | 7.6            | 7.7           | 7.8            | 7.8           | 7.8           | 7.8          |               |              |
| Fixed assets                                 | 71.0          | 73.5          | 71.7           | 73.7          | 79.5           | 25.0          | 28.0          | 31.1         |               |              |
| Other Non Current Assets                     | 1.8           | 1.6           | 1.6            | 1.0           | 1.7            | 1.7           | 1.7           | 1.7          |               |              |
| Financial Investments                        | 8.4           | 7.4           | 3.7            | 3.7           | 4.0            | 4.0           | 4.0           | 4.0          |               |              |
| Goodwill & Other Intangibles                 | -             | -             | -              | -             | -              | -             | -             | -            |               |              |
| Current assets                               | 63.3          | 61.6          | 50.1           | 57.3          | 57.1           | 44.2          | 42.8          | 42.2         |               |              |
| <b>Total assets</b>                          | <b>144.6</b>  | <b>151.3</b>  | <b>134.7</b>   | <b>143.4</b>  | <b>150.1</b>   | <b>82.7</b>   | <b>84.3</b>   | <b>86.8</b>  |               |              |
| Equity                                       | 59.0          | 58.9          | 61.8           | 62.2          | 59.7           | 74.2          | 78.2          | 82.8         |               |              |
| Minority Interests                           | 2.3           | 2.3           | -              | -             | -              | -             | -             | -            |               |              |
| Provisions & Other L/T Liabilities           | 3.3           | 2.8           | 1.2            | 1.6           | 1.4            | 1.4           | 1.4           | 1.4          |               |              |
| Other Non Current Liabilities                | -             | 7.1           | 7.6            | 7.6           | 8.0            | 8.0           | 8.0           | 8.0          |               |              |
| Net financial debt                           | 38.4          | 43.8          | 32.5           | 26.4          | 39.0           | (33.3)        | (34.5)        | (36.2)       |               |              |
| Current Liabilities                          | 41.7          | 36.4          | 31.6           | 45.6          | 42.1           | 32.4          | 31.3          | 30.8         |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>144.6</b>  | <b>151.3</b>  | <b>134.7</b>   | <b>143.4</b>  | <b>150.1</b>   | <b>82.7</b>   | <b>84.3</b>   | <b>86.8</b>  |               |              |
| P&L (EUR Mn)                                 | 2018          | 2019          | 2020           | 2021          | 2022           | 2023e         | 2024e         | 2025e        | CAGR          |              |
| <b>Total Revenues</b>                        | <b>177.8</b>  | <b>180.6</b>  | <b>143.4</b>   | <b>136.1</b>  | <b>136.3</b>   | <b>109.7</b>  | <b>111.4</b>  | <b>115.2</b> | <b>-6.4%</b>  | <b>-5.4%</b> |
| <i>Total Revenues growth</i>                 | <i>0.0%</i>   | <i>1.5%</i>   | <i>-20.6%</i>  | <i>-5.1%</i>  | <i>0.1%</i>    | <i>-19.5%</i> | <i>1.6%</i>   | <i>3.5%</i>  |               |              |
| COGS   | (149.2)       | (151.9)       | (120.0)        | (105.9)       | (107.5)        | (87.6)        | (88.5)        | (91.6)       |               |              |
| <b>Gross Margin</b>                          | <b>28.6</b>   | <b>28.7</b>   | <b>23.4</b>    | <b>30.3</b>   | <b>28.8</b>    | <b>22.1</b>   | <b>22.8</b>   | <b>23.6</b>  | <b>0.2%</b>   | <b>-6.4%</b> |
| <i>Gross Margin/Revenues</i>                 | <i>16.1%</i>  | <i>15.9%</i>  | <i>16.3%</i>   | <i>22.2%</i>  | <i>21.2%</i>   | <i>20.1%</i>  | <i>20.5%</i>  | <i>20.5%</i> |               |              |
| Personnel Expenses                           | (12.8)        | (12.9)        | (12.2)         | (12.1)        | (12.5)         | (9.9)         | (7.3)         | (7.2)        |               |              |
| Other Operating Expenses                     | (13.7)        | (13.6)        | (12.8)         | (14.2)        | (15.9)         | (9.9)         | (10.0)        | (10.1)       |               |              |
| <b>Recurrent EBITDA</b>                      | <b>2.1</b>    | <b>2.2</b>    | <b>(1.6)</b>   | <b>4.0</b>    | <b>0.5</b>     | <b>2.3</b>    | <b>5.5</b>    | <b>6.3</b>   | <b>-30.1%</b> | <b>n.a.</b>  |
| <i>Recurrent EBITDA growth</i>               | <i>117.1%</i> | <i>4.6%</i>   | <i>-172.1%</i> | <i>354.1%</i> | <i>-87.5%</i>  | <i>355.8%</i> | <i>142.5%</i> | <i>13.8%</i> |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | <i>1.2%</i>   | <i>1.2%</i>   | <i>n.a.</i>    | <i>2.9%</i>   | <i>0.4%</i>    | <i>2.1%</i>   | <i>5.0%</i>   | <i>5.4%</i>  |               |              |
| Restructuring Expense & Other non-rec.       | (0.2)         | (0.5)         | (0.3)          | (0.6)         | 0.5            | -             | -             | -            |               |              |
| <b>EBITDA</b>                                | <b>1.9</b>    | <b>1.7</b>    | <b>(1.9)</b>   | <b>3.4</b>    | <b>1.0</b>     | <b>2.3</b>    | <b>5.5</b>    | <b>6.3</b>   | <b>-15.3%</b> | <b>86.7%</b> |
| Depreciation & Provisions                    | (3.2)         | (3.0)         | (3.1)          | (3.3)         | (3.4)          | (0.6)         | (0.3)         | (0.4)        |               |              |
| Capitalized Expense                          | 2.3           | 2.1           | 1.8            | 1.1           | 0.6            | -             | -             | -            |               |              |
| Rentals (IFRS 16 impact)                     | -             | (0.3)         | (0.4)          | (0.4)         | (0.6)          | (0.6)         | (0.6)         | (0.6)        |               |              |
| <b>EBIT</b>                                  | <b>1.0</b>    | <b>0.4</b>    | <b>(3.5)</b>   | <b>0.9</b>    | <b>(2.5)</b>   | <b>1.0</b>    | <b>4.5</b>    | <b>5.3</b>   | <b>-45.5%</b> | <b>60.5%</b> |
| <i>EBIT growth</i>                           | <i>107.1%</i> | <i>-59.4%</i> | <i>-980.4%</i> | <i>124.4%</i> | <i>-384.8%</i> | <i>142.1%</i> | <i>337.2%</i> | <i>16.1%</i> |               |              |
| <i>EBIT/Revenues</i>                         | <i>0.6%</i>   | <i>0.2%</i>   | <i>n.a.</i>    | <i>0.6%</i>   | <i>n.a.</i>    | <i>0.9%</i>   | <i>4.1%</i>   | <i>4.6%</i>  |               |              |
| Impact of Goodwill & Others                  | -             | -             | -              | -             | -              | -             | -             | -            |               |              |
| Net Financial Result                         | 0.0           | (0.0)         | (0.2)          | (0.7)         | (2.2)          | (2.0)         | 0.2           | 0.2          |               |              |
| Income by the Equity Method                  | -             | -             | -              | -             | -              | -             | -             | -            |               |              |
| <b>Ordinary Profit</b>                       | <b>1.0</b>    | <b>0.4</b>    | <b>(3.8)</b>   | <b>0.1</b>    | <b>(4.6)</b>   | <b>(1.0)</b>  | <b>4.7</b>    | <b>5.4</b>   | <b>-60.2%</b> | <b>46.9%</b> |
| <i>Ordinary Profit Growth</i>                | <i>107.2%</i> | <i>-61.7%</i> | <i>n.a.</i>    | <i>103.2%</i> | <i>n.a.</i>    | <i>79.2%</i>  | <i>587.7%</i> | <i>15.7%</i> |               |              |
| Extraordinary Results                        | 2.0           | -             | 11.7           | -             | -              | 17.8          | -             | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>3.0</b>    | <b>0.4</b>    | <b>7.9</b>     | <b>0.1</b>    | <b>(4.6)</b>   | <b>16.8</b>   | <b>4.7</b>    | <b>5.4</b>   | <b>-37.2%</b> | <b>46.9%</b> |
| Tax Expense                                  | (0.7)         | 0.0           | (2.1)          | (0.1)         | 2.0            | (1.7)         | (0.7)         | (0.8)        |               |              |
| <i>Effective Tax Rate</i>                    | <i>21.8%</i>  | <i>n.a.</i>   | <i>27.3%</i>   | <i>87.7%</i>  | <i>n.a.</i>    | <i>10.0%</i>  | <i>15.0%</i>  | <i>15.0%</i> |               |              |
| Minority Interests                           | 0.0           | (0.1)         | (1.5)          | -             | -              | -             | -             | -            |               |              |
| Discontinued Activities                      | -             | -             | -              | -             | -              | (0.6)         | -             | -            |               |              |
| <b>Net Profit</b>                            | <b>2.4</b>    | <b>0.3</b>    | <b>4.2</b>     | <b>0.0</b>    | <b>(2.7)</b>   | <b>14.6</b>   | <b>4.0</b>    | <b>4.6</b>   | <b>-32.9%</b> | <b>55.1%</b> |
| <i>Net Profit growth</i>                     | <i>116.3%</i> | <i>-86.8%</i> | <i>n.a.</i>    | <i>-99.6%</i> | <i>n.a.</i>    | <i>646.9%</i> | <i>-72.6%</i> | <i>15.7%</i> |               |              |
| <b>Ordinary Net Profit</b>                   | <b>1.0</b>    | <b>0.8</b>    | <b>(5.0)</b>   | <b>0.5</b>    | <b>(5.1)</b>   | <b>(1.0)</b>  | <b>4.0</b>    | <b>4.6</b>   | <b>-63.4%</b> | <b>42.7%</b> |
| <i>Ordinary Net Profit growth</i>            | <i>107.1%</i> | <i>-17.8%</i> | <i>-711.3%</i> | <i>109.6%</i> | <i>n.a.</i>    | <i>81.1%</i>  | <i>514.5%</i> | <i>15.7%</i> |               |              |
| Cash Flow (EUR Mn)                           | 2018          | 2019          | 2020           | 2021          | 2022           | 2023e         | 2024e         | 2025e        | CAGR          |              |
| <b>Recurrent EBITDA</b>                      |               |               |                |               |                | <b>2.3</b>    | <b>5.5</b>    | <b>6.3</b>   | <b>-30.1%</b> | <b>n.a.</b>  |
| Rentals (IFRS 16 impact)                     |               |               |                |               |                | (0.6)         | (0.6)         | (0.6)        |               |              |
| Working Capital Increase                     |               |               |                |               |                | 3.2           | 0.3           | 0.1          |               |              |
| <b>Recurrent Operating Cash Flow</b>         |               |               |                |               |                | <b>4.8</b>    | <b>5.2</b>    | <b>5.7</b>   | <b>-37.2%</b> | <b>54.0%</b> |
| CAPEX  |               |               |                |               |                | (3.3)         | (3.3)         | (3.5)        |               |              |
| Net Financial Result affecting the Cash Flow |               |               |                |               |                | (2.0)         | 0.2           | 0.2          |               |              |
| Tax Expense                                  |               |               |                |               |                | (1.7)         | (0.7)         | (0.8)        |               |              |
| <b>Recurrent Free Cash Flow</b>              |               |               |                |               |                | <b>(2.2)</b>  | <b>1.3</b>    | <b>1.6</b>   | <b>-20.6%</b> | <b>29.0%</b> |
| Restructuring Expense & Other non-rec.       |               |               |                |               |                | (0.6)         | -             | -            |               |              |
| - Acquisitions / + Divestitures of assets    |               |               |                |               |                | 57.2          | -             | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |               |               |                |               |                | 17.8          | -             | -            |               |              |
| <b>Free Cash Flow</b>                        |               |               |                |               |                | <b>72.2</b>   | <b>1.3</b>    | <b>1.6</b>   | <b>-24.0%</b> | <b>29.0%</b> |
| Capital Increase                             |               |               |                |               |                | -             | -             | -            |               |              |
| Dividends                                    |               |               |                |               |                | -             | -             | -            |               |              |
| <b>Net Debt Variation</b>                    |               |               |                |               |                | <b>(72.2)</b> | <b>(1.3)</b>  | <b>(1.6)</b> |               |              |

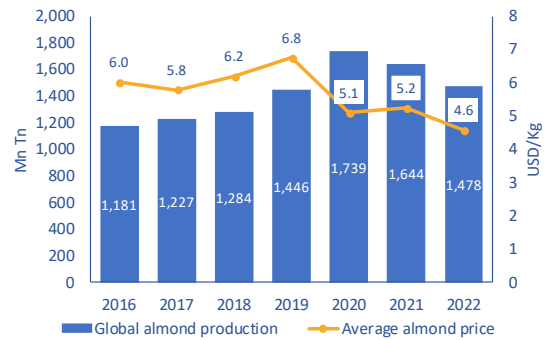


## The company in 8 charts

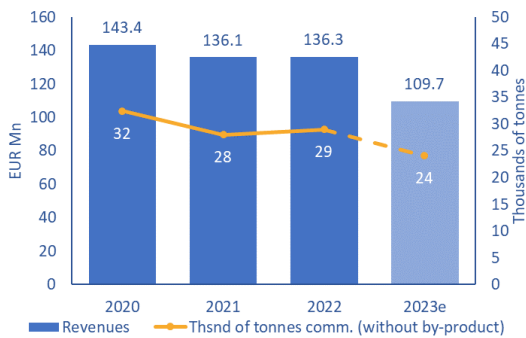
**BAIN's business is focused mainly on the sale of nuts (essentially almonds: 61% of the total)**



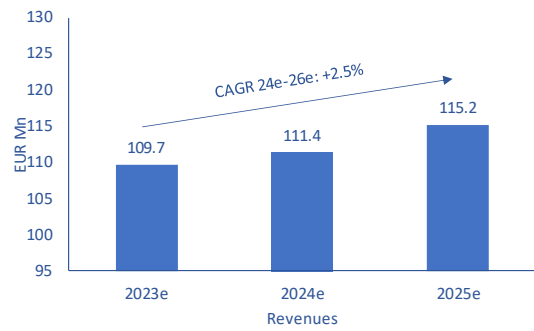
**The strong increase in supply (2016-2022) has forced almond prices down (current price: -24% vs 2016)**



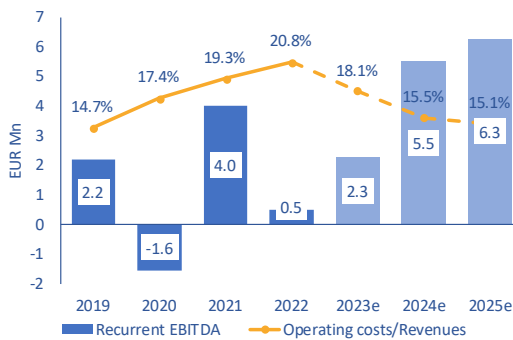
**Agricultural business divestment will drag on revenue performance in 2023e (already affected by nut prices/volumes)**



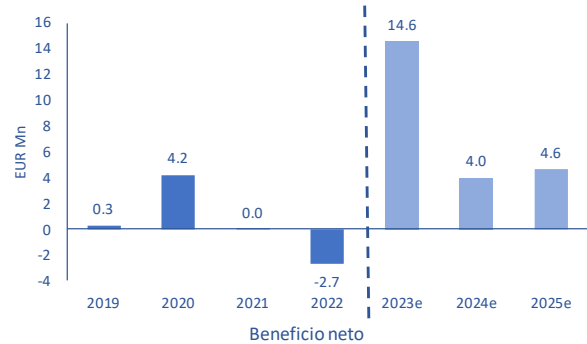
**We expect moderate mid-single-digit growth since 2023 (+2.5% CAGR) until 2025e (EUR 115.2Mn)**



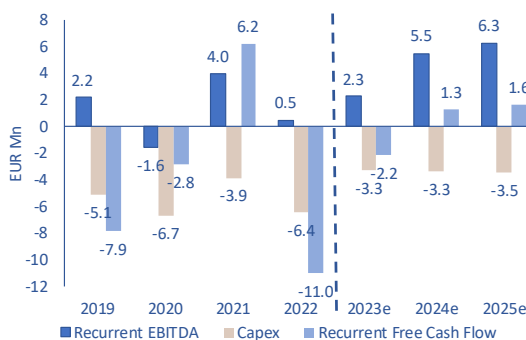
**This, plus the high fixed cost component, will lead to the exceeding of breakeven in EBITDA already in 2023e**



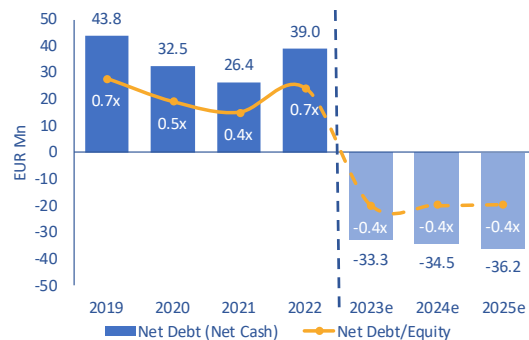
**And will allow the company to achieve positive Net Income as early as 2025e**



**EBITDA growth will be the main catalyst of a return to positive FCF, although not before 2024e**



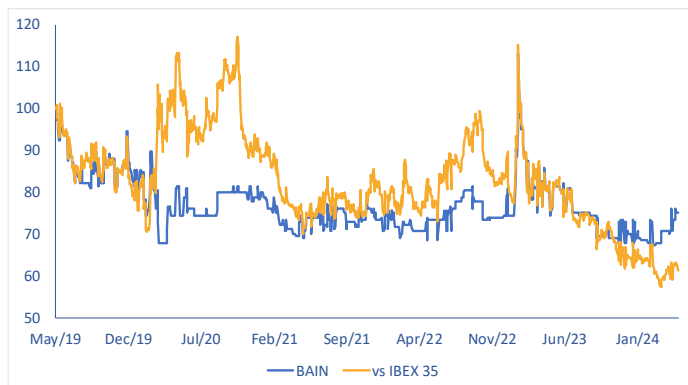
**The extraordinary cash inflow (€75Mn) ensures a Net Cash position that will allow for significant investments to be made**



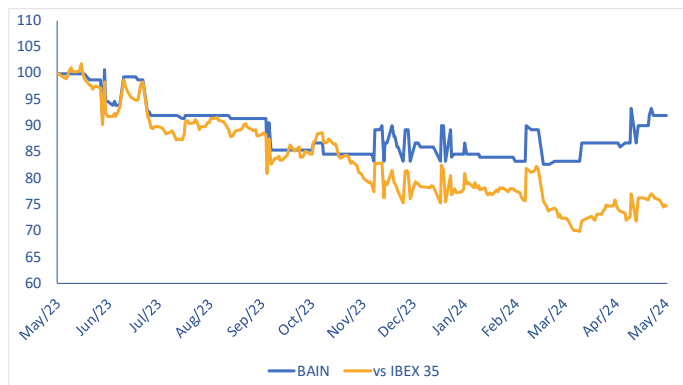


## Evolution of the share price

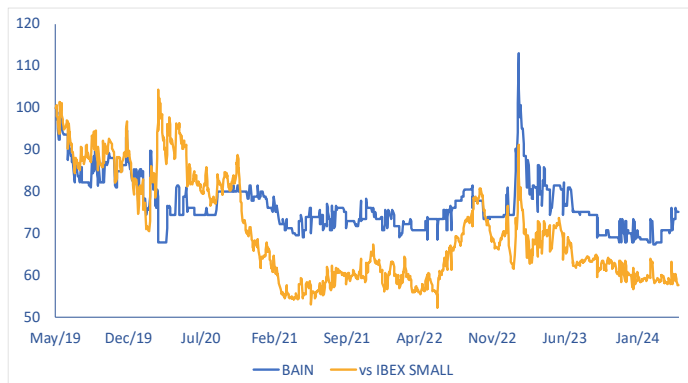
**Historical behavior vs Ibex 35 (base 100)**



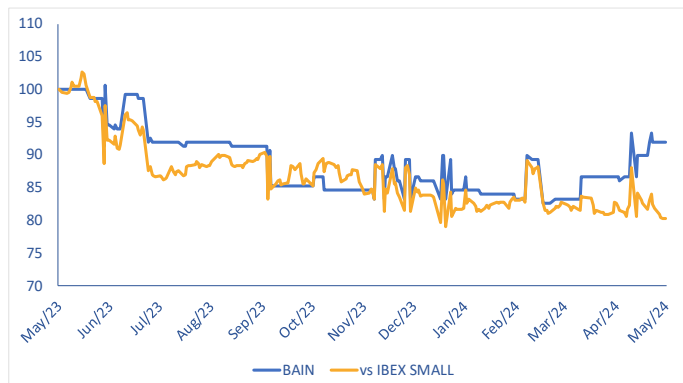
**Behavior -1y vs Ibex 35 (base 100)**



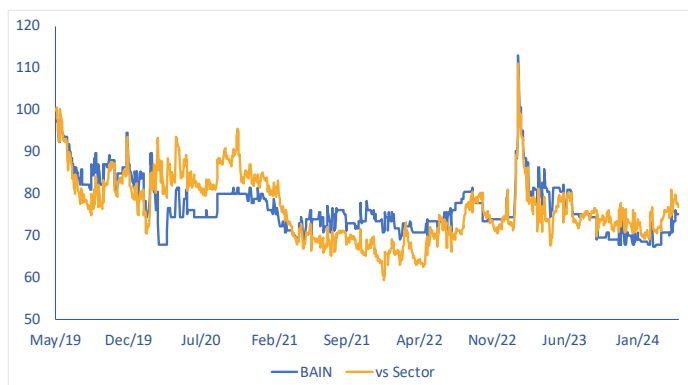
**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Food & Beverage

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|---|------|------|-------|------|-------|-------|
| <b>Absolute</b>                           | 6.2  | 10.4 | -8.0  | 7.0  | 6.2   | -25.0 |
| <b>vs Market</b>                          |      |      |       |      |       |       |
| vs Ibex 35                                | -0.3 | -3.6 | -25.2 | -4.6 | -14.2 | -38.6 |
| vs Euro STOXX 50                          | 3.0  | 3.9  | -21.5 | -4.5 | -16.0 | -49.3 |
| <b>vs Small Cap References</b>            |      |      |       |      |       |       |
| vs Ibex Small Cap Index                   | -2.8 | -3.4 | -19.7 | -3.9 | 3.8   | -42.4 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 0.6  | 2.2  | -12.4 | -0.7 | 14.8  | -37.9 |
| vs MSCI Europe Micro Cap                  | 0.0  | 2.9  | -10.6 | 1.2  | 30.3  | -37.4 |
| <b>vs Sector</b>                          |      |      |       |      |       |       |
| vs Stoxx Europe 600 Food & Beverage       | 0.9  | 10.1 | 1.3   | 6.0  | 12.8  | -23.2 |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

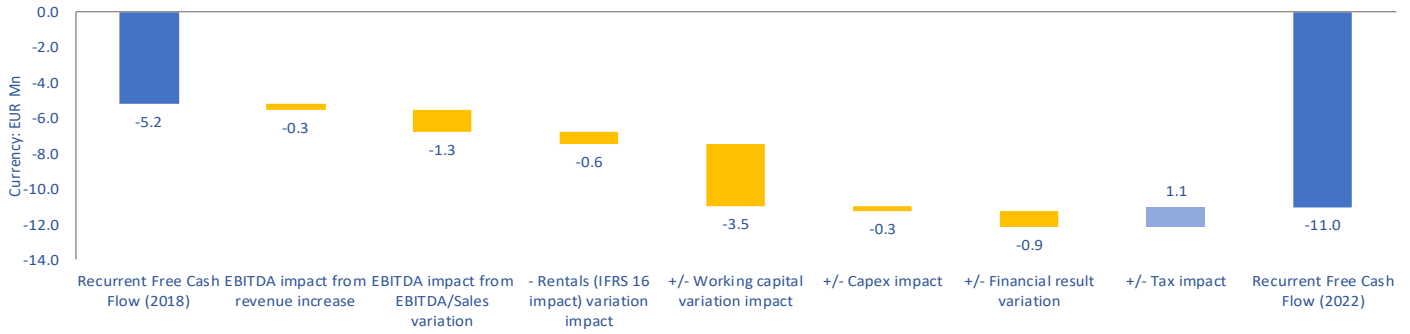
| A) Cash Flow Analysis (EUR Mn)  | 2019         | 2020         | 2021         | 2022          | 2023e         | 2024e        | 2025e      | CAGR          |              |
|---|--------------|--------------|--------------|---------------|---------------|--------------|------------|---------------|--------------|
|   |              |              |              |               |               |              |            | 19-22         | 22-25e       |
| <b>Recurrent EBITDA</b>   | <b>2.2</b>   | <b>(1.6)</b> | <b>4.0</b>   | <b>0.5</b>    | <b>2.3</b>    | <b>5.5</b>   | <b>6.3</b> | <b>-38.9%</b> | <b>n.a.</b>  |
| <i>Recurrent EBITDA growth</i>  | 4.6%         | -172.1%      | 354.1%       | -87.5%        | 355.8%        | 142.5%       | 13.8%      |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 1.2%         | n.a.         | 2.9%         | 0.4%          | 2.1%          | 5.0%         | 5.4%       |               |              |
| - Rentals (IFRS 16 impact)  | (0.3)        | (0.4)        | (0.4)        | (0.6)         | (0.6)         | (0.6)        | (0.6)      |               |              |
| +/- Working Capital increase  | (3.6)        | 6.8          | 6.8          | (3.3)         | 3.2           | 0.3          | 0.1        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(1.8)</b> | <b>4.8</b>   | <b>10.4</b>  | <b>(3.5)</b>  | <b>4.8</b>    | <b>5.2</b>   | <b>5.7</b> | <b>-24.9%</b> | <b>54.0%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | -179.1%      | 369.8%       | 114.8%       | -133.6%       | 238.5%        | 7.5%         | 10.9%      |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | n.a.         | 3.4%         | 7.6%         | n.a.          | 4.4%          | 4.7%         | 5.0%       |               |              |
| - CAPEX   | (5.1)        | (6.7)        | (3.9)        | (6.4)         | (3.3)         | (3.3)        | (3.5)      |               |              |
| - Net Financial Result affecting Cash Flow  | (0.7)        | (0.7)        | (0.8)        | (1.6)         | (2.0)         | 0.2          | 0.2        |               |              |
| - Taxes   | (0.3)        | (0.3)        | 0.5          | 0.5           | (1.7)         | (0.7)        | (0.8)      |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(7.9)</b> | <b>(2.8)</b> | <b>6.2</b>   | <b>(11.0)</b> | <b>(2.2)</b>  | <b>1.3</b>   | <b>1.6</b> | <b>-11.9%</b> | <b>29.0%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -51.4%       | 63.9%        | 317.6%       | -278.1%       | 80.4%         | 159.7%       | 26.8%      |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | n.a.         | n.a.         | 4.5%         | n.a.          | n.a.          | 1.2%         | 1.4%       |               |              |
| - Restructuring expenses & others   | (0.6)        | (1.8)        | -            | -             | (0.6)         | -            | -          |               |              |
| - Acquisitions / + Divestments  | 1.3          | 16.5         | -            | -             | 57.2          | -            | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -             | 17.8          | -            | -          |               |              |
| <b>= Free Cash Flow</b>   | <b>(7.1)</b> | <b>11.9</b>  | <b>6.2</b>   | <b>(11.0)</b> | <b>72.2</b>   | <b>1.3</b>   | <b>1.6</b> | <b>-15.6%</b> | <b>29.0%</b> |
| <i>Free Cash Flow growth</i>  | -53.4%       | 266.7%       | -48.0%       | -278.1%       | 755.9%        | -98.2%       | 26.8%      |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | n.a.         | n.a.         | 9.7%         | n.a.          | n.a.          | 2.0%         | 2.6%       |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.         | 18.6%        | 9.7%         | n.a.          | 113.1%        | 2.0%         | 2.6%       |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |               |               |              |            |               |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(5.2)</b> | <b>(7.9)</b> | <b>(2.8)</b> | <b>6.2</b>    | <b>(11.0)</b> | <b>(2.2)</b> | <b>1.3</b> |               |              |
| EBITDA impact from revenue increase   | 0.0          | (0.4)        | 0.1          | 0.0           | (0.1)         | 0.0          | 0.2        |               |              |
| EBITDA impact from EBITDA/Sales variation   | 0.1          | (3.3)        | 5.5          | (3.5)         | 1.9           | 3.2          | 0.6        |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>0.1</b>   | <b>(3.8)</b> | <b>5.6</b>   | <b>(3.5)</b>  | <b>1.8</b>    | <b>3.2</b>   | <b>0.8</b> |               |              |
| - Rentals (IFRS 16 impact) variation impact   | (0.3)        | (0.0)        | (0.1)        | (0.2)         | -             | -            | -          |               |              |
| +/- Working capital variation impact  | (3.8)        | 10.4         | 0.0          | (10.1)        | 6.5           | (2.9)        | (0.2)      |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(4.0)</b> | <b>6.6</b>   | <b>5.5</b>   | <b>(13.8)</b> | <b>8.3</b>    | <b>0.4</b>   | <b>0.6</b> |               |              |
| +/- CAPEX impact  | 1.1          | (1.6)        | 2.8          | (2.6)         | 3.2           | (0.1)        | (0.1)      |               |              |
| +/- Financial result variation  | 0.0          | 0.0          | (0.1)        | (0.8)         | (0.4)         | 2.2          | 0.0        |               |              |
| +/- Tax impact  | 0.3          | -            | 0.8          | 0.0           | (2.2)         | 1.0          | (0.1)      |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(2.7)</b> | <b>5.0</b>   | <b>9.0</b>   | <b>(17.2)</b> | <b>8.9</b>    | <b>3.4</b>   | <b>0.3</b> |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(7.9)</b> | <b>(2.8)</b> | <b>6.2</b>   | <b>(11.0)</b> | <b>(2.2)</b>  | <b>1.3</b>   | <b>1.6</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |               |               |              |            |               |              |
| <b>EBIT</b>   | <b>0.4</b>   | <b>(3.5)</b> | <b>0.9</b>   | <b>(2.5)</b>  | <b>1.0</b>    | <b>4.5</b>   | <b>5.3</b> | <b>n.a.</b>   | <b>60.5%</b> |
| * <i>Theoretical Tax rate</i>   | 0.0%         | 0.0%         | 30.0%        | 0.0%          | 0.0%          | 15.0%        | 15.0%      |               |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | (0.3)        | -             | -             | (0.7)        | (0.8)      |               |              |
| <b>Recurrent EBITDA</b>   | <b>2.2</b>   | <b>(1.6)</b> | <b>4.0</b>   | <b>0.5</b>    | <b>2.3</b>    | <b>5.5</b>   | <b>6.3</b> | <b>-38.9%</b> | <b>n.a.</b>  |
| - Rentals (IFRS 16 impact)  | (0.3)        | (0.4)        | (0.4)        | (0.6)         | (0.6)         | (0.6)        | (0.6)      |               |              |
| +/- Working Capital increase  | (3.6)        | 6.8          | 6.8          | (3.3)         | 3.2           | 0.3          | 0.1        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(1.8)</b> | <b>4.8</b>   | <b>10.4</b>  | <b>(3.5)</b>  | <b>4.8</b>    | <b>5.2</b>   | <b>5.7</b> | <b>-24.9%</b> | <b>54.0%</b> |
| - CAPEX   | (5.1)        | (6.7)        | (3.9)        | (6.4)         | (3.3)         | (3.3)        | (3.5)      |               |              |
| - Taxes (pre- Financial Result)   | -            | -            | (0.3)        | -             | -             | (0.7)        | (0.8)      |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(6.9)</b> | <b>(1.8)</b> | <b>6.2</b>   | <b>(9.9)</b>  | <b>1.5</b>    | <b>1.2</b>   | <b>1.5</b> | <b>-13.1%</b> | <b>29.1%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -66.6%       | 73.1%        | 437.6%       | -259.3%       | 115.4%        | -24.2%       | 29.3%      |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.         | n.a.         | 4.6%         | n.a.          | 1.4%          | 1.0%         | 1.3%       |               |              |
| - Acquisitions / + Divestments  | 1.3          | 16.5         | -            | -             | 57.2          | -            | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -             | 17.8          | -            | -          |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(5.5)</b> | <b>14.7</b>  | <b>6.2</b>   | <b>(9.9)</b>  | <b>76.5</b>   | <b>1.2</b>   | <b>1.5</b> | <b>-21.6%</b> | <b>29.1%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -62.4%       | 366.3%       | -57.6%       | -259.3%       | 871.0%        | -98.5%       | 29.3%      |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.         | n.a.         | 16.6%        | n.a.          | 4.1%          | 3.1%         | 4.0%       |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.         | 39.1%        | 16.6%        | n.a.          | 203.4%        | 3.1%         | 4.0%       |               |              |



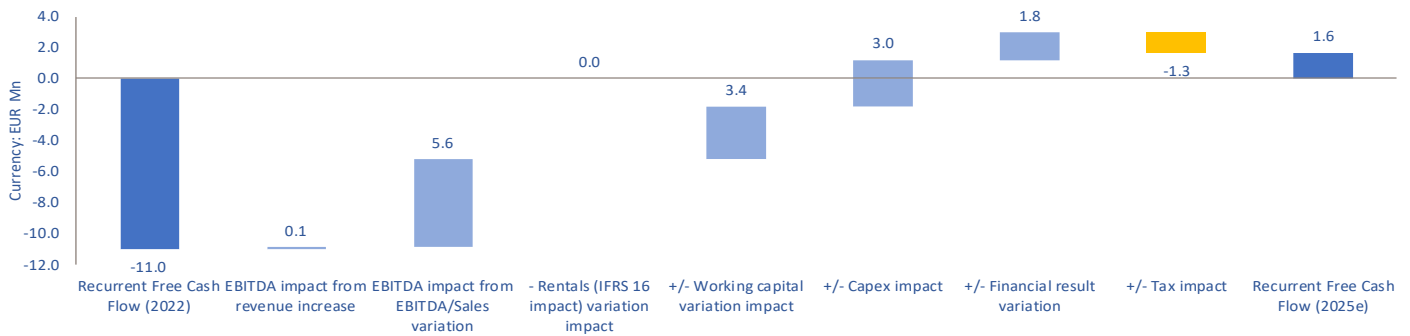


## Free Cash Flow (II)

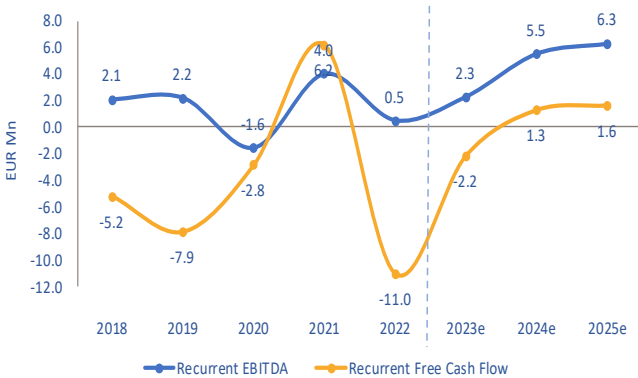
### Recurrent Free Cash Flow accumulated variation analysis (2018 - 2022)



### Recurrent Free Cash Flow accumulated variation analysis (2022 - 2025e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2023e  | 2024e                                   | 2025e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|--------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 76.5   | 1.2                                     | 1.5   | 20.8                          |           |            |
| Market Cap                     | 63.9   | At the date of this report              |       |                               |           |            |
| Net financial debt             | -33.3  | Debt net of Cash (Lighthouse 2023)      |       |                               |           |            |
|                                |        |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 5.0%   | Net debt cost                           |       |                               | 4.8%      | 5.3%       |
| Tax rate (T)                   | 20.0%  | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 4.0%   | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 3.8%      | 4.2%       |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6.0%   | R (own estimate)                        |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 0.8    | B (own estimate)                        |       |                               | 0.7       | 0.9        |
| Cost of Equity                 | 8.1%   | $K_e = R_f + (R * B)$                   |       |                               | 7.1%      | 9.1%       |
| Equity / (Equity + Net Debt)   | 100.0% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 0.0%   | D                                       |       |                               | =         | =          |
| WACC                           | 8.1%   | $WACC = K_d * D + K_e * E$              |       |                               | 7.1%      | 9.1%       |
| G "Fair"                       | 2.0%   |   |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source          |
|--------------------------------------|-------------|-----------------|
| Market Cap                           | 63.9        |                 |
| + Minority Interests                 | -           | 6m Results 2023 |
| + Provisions & Other L/T Liabilities | 9.1         | 6m Results 2023 |
| + Net financial debt                 | (33.3)      | Lighthouse 2023 |
| - Financial Investments              | (0.6)       | 6m Results 2023 |
| +/- Others <sup>(1)</sup>            | (2.7)       | 6m Results 2023 |
| <b>Enterprise Value (EV)</b>         | <b>37.6</b> |                 |

(1) Inversiones inmobiliarias disponibles para la venta

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2018        | 2019         | 2020 | 2021 | 2022 |
|----------------------|-------------|--------------|------|------|------|
| ROCE (evolution -5y) | 0.8%        | 0.4%         | n.a. | 0.7% | n.a. |
|                      | <b>2022</b> | <b>2025e</b> |      |      |      |
| ROCE - WACC          | n.a.        | 2.4%         |      |      |      |
| FCF Yield - WACC     | n.a.        | -5.5%        |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2024e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 24e | EBITDA 24e | EV/EBITDA 24e |
|----------|------------------|------------|---------------|
| Max      | 5.5%             | 6.1        | 6.2x          |
| Central  | 5.0%             | 5.5        | 6.8x          |
| Min      | 4.5%             | 5.0        | 7.6x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 24e |      |      | Scenario | Rec. FCF/Yield 24e |      |      |
|-----------------|-----------------|------|------|----------|--------------------|------|------|
| EBITDA 24e      | 2.7%            | 3.0% | 3.3% |          | Max                | 3.4% | 2.9% |
| 6.1             | 2.2             | 1.8  | 1.5  | Central  | 2.5%               | 2.0% | 1.5% |
| 5.5             | 1.6             | 1.3  | 1.0  | Min      | 1.7%               | 1.1% | 0.6% |
| 5.0             | 1.1             | 0.7  | 0.4  |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 50.0% | 50.0% | 50.0% |
| % of proprietary directors           | 25.0% | 25.0% | 25.0% |
| % of executive directors             | 25.0% | 25.0% | 25.0% |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 0.0%  | 0.0%  | 0.0%  |
| % of women out of total workforce    | 46.8% | 46.8% | 46.5% |
| Board remuneration/staff cost        | 1.8%  | 1.9%  | 1.8%  |



## Main peers 2023e

|                             |                         | European Industry |              |         | Benchmark       | Global Players |         |
|-----------------------------|-------------------------|-------------------|--------------|---------|-----------------|----------------|---------|
| EUR Mn                      |                         | Sipef NV          | Greenyard NV | Average | Select Harvests | ADM            | BAIN    |
| Market data                 | Ticker (Factset)        | SIP-BE            | GREEN-BE     |         | SHV-AU          | ADM-US         | BAIN-ES |
|                             | Country                 | Belgium           | Belgium      |         | Australia       | USA            | Spain   |
|                             | Market cap              | 603.0             | 278.2        |         | 234.2           | 27,895.2       | 63.9    |
|                             | Enterprise value (EV)   | 652.2             | 814.5        |         | 492.1           | 34,122.7       | 37.6    |
| Basic financial information | Total Revenues          | 410.6             | 5,604.6      |         | 126.2           | 86,526.7       | 109.7   |
|                             | Total Revenues growth   | -18.2%            | 19.5%        | 0.7%    | 3.3%            | -7.5%          | -19.5%  |
|                             | 2y CAGR (2023e - 2025e) | 0.9%              | -1.8%        | -0.5%   | 16.0%           | 0.0%           | 2.5%    |
|                             | EBITDA                  | 144.8             | 217.0        |         | (19.2)          | 3,629.8        | 2.3     |
|                             | EBITDA growth           | -32.3%            | 57.7%        | 12.7%   | -262.2%         | -16.2%         | 136.0%  |
|                             | 2y CAGR (2023e - 2025e) | 1.5%              | -4.6%        | -1.5%   | n.a.            | 11.4%          | 66.1%   |
|                             | EBITDA/Revenues         | 35.3%             | 3.9%         | 19.6%   | n.a.            | 4.2%           | 2.1%    |
|                             | EBIT                    | 96.0              | 74.2         |         | (27.9)          | 2,654.7        | 1.0     |
|                             | EBIT growth             | -42.9%            | 104.7%       | 30.9%   | -746.2%         | -21.6%         | 142.1%  |
|                             | 2y CAGR (2023e - 2025e) | -3.3%             | 11.7%        | 4.2%    | 72.2%           | 9.3%           | n.a.    |
|                             | EBIT/Revenues           | 23.4%             | 1.3%         | 12.4%   | n.a.            | 3.1%           | 0.9%    |
|                             | Net Profit              | 67.3              | 57.5         |         | (70.5)          | 3,207.2        | 14.6    |
|                             | Net Profit growth       | -34.6%            | 634.5%       | 299.9%  | n.a.            | -19.7%         | 646.9%  |
|                             | 2y CAGR (2023e - 2025e) | -5.0%             | -24.4%       | -14.7%  | 48.4%           | -12.9%         | -43.7%  |
|                             | CAPEX/Sales %           | 24.1%             | 1.2%         | 12.7%   | 13.5%           | 1.6%           | 3.0%    |
|                             | Free Cash Flow          | 14.2              | 27.9         |         | (22.1)          | 2,731.1        | 72.2    |
| Net financial debt          | 27.7                    | 409.2             |              | 257.9   | 3,872.9         | (33.3)         |         |
| ND/EBITDA (x)               | 0.2                     | 1.9               | 1.0          | n.a.    | 1.1             | (14.6)         |         |
| Pay-out                     | 46.4%                   | 14.0%             | 30.2%        | -2.1%   | 24.9%           | 0.0%           |         |
| Multiples and Ratios        | P/E (x)                 | 8.8               | 12.9         | 10.8    | n.a.            | 10.7           | 4.4     |
|                             | P/BV (x)                | 0.8               | 0.5          | 0.6     | 0.9             | 1.3            | 0.9     |
|                             | EV/Revenues (x)         | 1.6               | 0.1          | 0.9     | 3.9             | 0.4            | 0.3     |
|                             | EV/EBITDA (x)           | 4.5               | 3.8          | 4.1     | n.a.            | 9.4            | 16.5    |
|                             | EV/EBIT (x)             | 6.8               | 11.0         | 8.9     | n.a.            | 12.9           | 36.3    |
|                             | ROE                     | 8.7               | 3.9          | 6.3     | n.a.            | 14.4           | 21.7    |
|                             | FCF Yield (%)           | 2.4               | 10.0         | 6.2     | n.a.            | 9.8            | n.a.    |
|                             | DPS                     | 3.00              | 0.16         | 1.58    | 0.01            | 1.47           | 0.00    |
|                             | Dvd Yield               | 5.3%              | 3.0%         | 4.1%    | 0.6%            | 2.6%           | 0.0%    |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn)  | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020    | 2021   | 2022   | 2023e  | 2024e  | 2025e | CAGR   |        |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|-------|--------|--------|
|                                  |        |        |        |        |        |        |        |        |         |        |        |        |        |       | 12-22  | 22-25e |
| Total Revenues                   | 1.9    | 2.8    | 2.6    | 66.2   | 197.2  | 195.7  | 177.8  | 180.6  | 143.4   | 136.1  | 136.3  | 109.7  | 111.4  | 115.2 | 53.1%  | -5.4%  |
| Total Revenues growth            | -5.3%  | 44.8%  | -6.9%  | n.a.   | 197.9% | -0.7%  | -9.2%  | 1.5%   | -20.6%  | -5.1%  | 0.1%   | -19.5% | 1.6%   | 3.5%  |        |        |
| EBITDA                           | 0.5    | 1.2    | 1.2    | 0.9    | 6.2    | 5.4    | 1.9    | 1.7    | (1.9)   | 3.4    | 1.0    | 2.3    | 5.5    | 6.3   | 7.9%   | 86.7%  |
| EBITDA growth                    | -9.6%  | 171.5% | 1.7%   | -29.2% | 607.4% | -13.7% | -65.2% | -11.2% | -212.8% | 283.4% | -72.0% | 136.0% | 142.5% | 13.8% |        |        |
| EBITDA/Sales                     | 23.4%  | 43.8%  | 47.8%  | 1.3%   | 3.2%   | 2.8%   | 1.1%   | 0.9%   | n.a.    | 2.5%   | 0.7%   | 2.1%   | 5.0%   | 5.4%  |        |        |
| Net Profit                       | 0.4    | 1.1    | 0.9    | 0.1    | 3.3    | 3.3    | 2.4    | 0.3    | 4.2     | 0.0    | (2.7)  | 14.6   | 4.0    | 4.6   | -25.4% | 55.1%  |
| Net Profit growth                | -15.7% | 216.1% | -19.6% | -88.6% | n.a.   | -0.3%  | -27.7% | -86.8% | n.a.    | -99.6% | n.a.   | 646.9% | -72.6% | 15.7% |        |        |
| Adjusted number shares (Mn)      | 5.6    | 5.6    | 5.6    | 5.6    | 10.2   | 23.1   | 23.1   | 23.1   | 23.1    | 23.1   | 23.1   | 23.1   | 23.1   | 23.1  |        |        |
| EPS (EUR)                        | 0.06   | 0.20   | 0.16   | 0.02   | 0.32   | 0.14   | 0.10   | 0.01   | 0.18    | 0.00   | -0.11  | 0.63   | 0.17   | 0.20  | -14.4% | 55.1%  |
| EPS growth                       | -15.7% | n.a.   | -19.6% | -88.6% | n.a.   | -56.0% | -27.7% | -86.8% | n.a.    | -99.6% | n.a.   | n.a.   | -72.6% | 15.7% |        |        |
| Ord. EPS (EUR)                   | 0.06   | 0.20   | 0.16   | -0.02  | 0.37   | 0.15   | 0.04   | 0.04   | -0.22   | 0.02   | -0.22  | -0.04  | 0.17   | 0.20  | -18.6% | 42.7%  |
| Ord. EPS growth                  | -15.7% | n.a.   | -19.4% | n.a.   | n.a.   | -58.1% | -72.3% | -17.8% | n.a.    | n.a.   | n.a.   | 81.1%  | n.a.   | 15.7% |        |        |
| CAPEX                            | (0.7)  | (0.3)  | (0.3)  | (3.3)  | (10.0) | (10.0) | (6.2)  | (5.1)  | (6.7)   | (3.9)  | (6.4)  | (3.3)  | (3.3)  | (3.5) |        |        |
| CAPEX/Sales %                    | 38.7%  | 9.5%   | 11.3%  | 5.0%   | 5.1%   | 5.1%   | 3.5%   | 2.8%   | 4.6%    | 2.8%   | 4.7%   | 3.0%   | 3.0%   | 3.0%  |        |        |
| Free Cash Flow                   | (0.3)  | (0.5)  | 4.2    | (35.9) | (3.1)  | 2.3    | (4.7)  | (7.1)  | 11.9    | 6.2    | (11.0) | 72.2   | 1.3    | 1.6   | -44.3% | 29.0%  |
| ND/EBITDA (x) <sup>(2)</sup>     | 0.7x   | 0.6x   | -2.9x  | 41.3x  | 6.4x   | 6.5x   | 20.5x  | 26.3x  | n.a.    | 7.7x   | 40.4x  | -14.6x | -6.3x  | -5.8x |        |        |
| P/E (x)                          | 16.6x  | 6.1x   | 14.1x  | n.a.   | 16.8x  | 27.8x  | 29.1x  | n.a.   | 14.2x   | n.a.   | n.a.   | 4.4x   | 16.0x  | 13.8x |        |        |
| EV/Sales (x)                     | 4.97x  | 3.63x  | 1.53x  | 0.78x  | 0.55x  | 0.46x  | 0.88x  | 0.69x  | 0.68x   | 0.65x  | 0.73x  | 0.34x  | 0.34x  | 0.33x |        |        |
| EV/EBITDA (x) <sup>(2)</sup>     | 21.3x  | 8.3x   | 3.2x   | n.a.   | 17.5x  | 16.7x  | n.a.   | n.a.   | n.a.    | 25.9x  | n.a.   | 16.5x  | 6.8x   | 6.0x  |        |        |
| Absolute performance             | n.a.   | -34.0% | 16.4%  | 86.4%  | 28.9%  | 87.9%  | -27.3% | -24.2% | -4.0%   | -9.7%  | 5.4%   | -5.8%  |        |       |        |        |
| Relative performance vs Ibxex 35 | n.a.   | -45.6% | 12.3%  | 100.8% | 31.5%  | 75.0%  | -14.5% | -32.2% | 13.5%   | -16.4% | 11.6%  | -23.3% |        |       |        |        |

(1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Compañía Española de Viviendas en Alquiler, Cevasa (CEV), specialises in the development of buildings for long-term renting, mainly in the residential segment (protected homes) in Catalonia, principally in the city of Barcelona and its metropolitan area (where it is the main private property owner).

**Market Data**

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 139.5              | 151.7 |
| EV (Mn EUR and USD)            | 280.5              | 305.0 |
| Shares Outstanding (Mn)        | 23.3               |       |
| -12m (Max/Med/Min EUR)         | 6.85 / 6.28 / 5.60 |       |
| Daily Avg volume (-12m Mn EUR) | n.m.               |       |
| Rotation <sup>(1)</sup>        | 0.6                |       |
| Factset / Bloomberg            | CEV-ES / CEV SM    |       |
| Close fiscal year              | 31-Dec             |       |

**Shareholders Structure (%)**

|                    |      |
|--------------------|------|
| Familia Vaqué-Boix | 61.7 |
| Banco Santander    | 24.1 |
| Manuel Valiente    | 6.6  |
| Otros              | 2.4  |
| Free Float         | 5.3  |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 23.2  | 23.3  | 23.3  | 23.3  |
| Total Revenues                      | 21.4  | 22.2  | 23.1  | 24.4  |
| Rec. EBITDA                         | 14.8  | 15.2  | 15.9  | 17.0  |
| % growth                            | 11.6  | 3.0   | 4.5   | 6.8   |
| % Rec. EBITDA/Rev.                  | 69.1  | 68.4  | 68.6  | 69.4  |
| % Inc. EBITDA sector <sup>(2)</sup> | 5.5   | 11.2  | 6.2   | 5.8   |
| Net Profit                          | 10.9  | 12.4  | 13.2  | 13.5  |
| EPS (EUR)                           | 0.47  | 0.53  | 0.57  | 0.58  |
| % growth                            | -62.0 | 12.9  | 6.8   | 2.4   |
| Ord. EPS (EUR)                      | 0.45  | 0.47  | 0.50  | 0.55  |
| % growth                            | 26.7  | 3.4   | 7.7   | 8.9   |
| Rec. Free Cash Flow                 | 6.3   | 10.8  | 10.2  | 10.9  |
| Pay-out (%)                         | 53.1  | 46.8  | 43.8  | 42.8  |
| DPS (EUR)                           | 0.25  | 0.25  | 0.25  | 0.25  |
| Net financial debt                  | 49.4  | 40.5  | 32.7  | 25.4  |
| ND/Rec. EBITDA (x)                  | 3.3   | 2.7   | 2.1   | 1.5   |
| ROE (%)                             | 2.8   | 3.2   | 3.3   | 3.3   |
| ROCE (%)                            | 2.5   | 2.8   | 2.9   | 3.0   |

**Ratios & Multiples (x)**

|                    | 2023  | 2024e | 2025e | 2026e |
|--------------------|-------|-------|-------|-------|
| P/E                | 12.7  | 11.3  | 10.6  | 10.3  |
| Ord. P/E           | 13.2  | 12.8  | 11.9  | 10.9  |
| P/BV               | 0.4   | 0.4   | 0.3   | 0.3   |
| Dividend Yield (%) | 4.2   | 4.1   | 4.1   | 4.1   |
| EV/Sales           | 13.12 | 12.61 | 12.12 | 11.48 |
| EV/Rec. EBITDA     | 19.0  | 18.4  | 17.7  | 16.5  |
| EV/EBIT            | 18.3  | 16.5  | 15.8  | 15.6  |
| FCF Yield (%)      | 4.5   | 7.8   | 7.3   | 7.8   |

**Historical behavior (base 100)**


| (%)      | -1m  | -3m | -12m | -5Y   |
|----------|------|-----|------|-------|
| Absolute | -2.4 | 0.0 | -8.3 | -23.6 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Real State.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**1Q24 earnings were in line.** Rental income rose 6.0% year-on-year in 1Q24, driven by: (i) rent increases and (ii) growth in occupancy. Earnings in the quarter confirmed the expansion in EBITDA margin seen over the past year (rec. EBITDA margin: 66.3%; +5.9 p.p. vs 1Q23) thanks to cost control and updates of grandfathered rents.

**The development business should be the difference maker in 2024e.** We expect rental income in 2024e of EUR 20.1Mn (+4.1%), thanks to the well-established property management business (96% occupancy and room to raise rents; vs. EUR 19.3Mn in 2022). For the development business, we expect the first L'Hospitalet delivery (net profit contribution of EUR 1.7Mn), leaving EBITDA to EUR 16.9Mn (+14.9% vs 2022).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Strong exposure to residential rentals.** Residential properties (mostly protected or subsidised) make up nearly 80% of the portfolio. CEV is Spain's only rental housing company listed on the continuous market. The shortage of housing currently adds another layer of defensiveness (i.e. less cyclical exposure).

**HMB project.** This project, being carried out jointly between CEV (with a 25% interest), Neinor and the Barcelona town council, entails the development and management of 4,500 affordable housing units in metropolitan Barcelona from 2026e.

**Additional upside from updating grandfathered rents.** Of the residential portfolio, 25.1% of the properties are protected, with rents far below market levels. The legal regime for these is set to change (from 2025e) and CEV expects this to boost the portfolio's profitability.

**Conservative leverage.** Net debt ended 2023 at EUR 49.4Mn (vs EUR 49.6Mn in 2022), while leverage (LTV) stood at 10.8% (well under the sector average: 40%). Deliveries of the L'Hospitalet and Montgat developments should help CEV reduce net debt, to EUR 25.4Mn in 2026e on our estimates.

**Strong visibility in the property management business with a "safe" dividend.** We estimate mid-single digit topline growth (CAGR 2023-2026e: 4.6%) to EUR 24.4Mn and a recurring EBITDA margin of 69.4% in 2026e. Stripping out the development business, the EBITDA margin would reach 73.0%. We expect an annual dividend of EUR 0.25/share (+25% vs 2022; dividend yield: 4.1%).

**RISKS: WHAT TO KEEP AN EYE ON?**

**Regulatory risk.** Spain's new housing law will limit the ability to raise rents in new non-subsidised housing units in "stressed" areas (c. 11% of CEV's portfolio will be affected by the law, but we expect the impact to be limited).

**Geographic concentration.** All of CEV's property is in Catalonia (mostly Barcelona and its metropolitan area). This increases regulatory risk and leaves the company dependent on the regional economy.

**Prolonged period of high interest rates.** If interest rates remain high, this will inevitably feed through to the appraisal values of the company's properties. In turn, this will cause GAV to contract and CEV's leverage to increase.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Large discount to NAV.** The shares have fallen by 8.3% over the past 12 months (-24% vs sector), leaving CEV trading at a discount of c. 60% to NAV (vs the sector average of 40%). The catalyst in the medium term lies in the deliveries of developments, coupled with the HMB project (neither of which are being priced in). CEV's healthy financial position (LTV 23: 11%) and the recurrence provided by the property management business (backed up high occupancy) underpin the defensive profile amid the current uncertainty in Spain's real estate sector. 2024e: FCF yield 7.8%; P/E 11.3x. All of this is related to the low-risk business model.



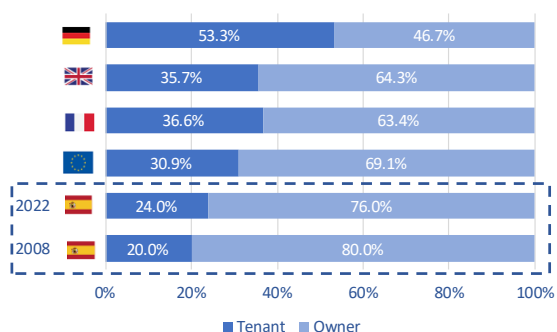
## Financial Projections

| <b>Balance Sheet (EUR Mn)</b>                | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> |               |               |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Intangible assets                            | 1.0          | 1.0          | 1.1          | 1.1          | 1.0          | 1.0          | 1.0          | 1.0          |               |               |
| Fixed assets                                 | 456.2        | 461.7        | 479.8        | 496.5        | 499.0        | 490.0        | 481.0        | 472.1        |               |               |
| Other Non Current Assets                     | 4.0          | 4.0          | 3.4          | 1.9          | 1.8          | 1.8          | 1.8          | 1.8          |               |               |
| Financial Investments                        | 10.0         | 7.1          | 10.3         | 12.2         | 11.7         | 19.8         | 28.4         | 37.2         |               |               |
| Goodwill & Other Intangibles                 | -            | -            | -            | -            | -            | -            | -            | -            |               |               |
| Current assets                               | 23.0         | 26.3         | 34.3         | 27.7         | 33.3         | 32.4         | 33.6         | 35.2         |               |               |
| <b>Total assets</b>                          | <b>494.1</b> | <b>500.0</b> | <b>528.8</b> | <b>539.3</b> | <b>546.9</b> | <b>545.2</b> | <b>545.9</b> | <b>547.4</b> |               |               |
| Equity                                       | 332.8        | 337.2        | 357.5        | 383.6        | 388.2        | 394.8        | 402.2        | 409.9        |               |               |
| Minority Interests                           | 10.0         | 10.5         | 11.4         | 12.8         | 13.5         | 14.3         | 15.2         | 16.1         |               |               |
| Provisions & Other L/T Liabilities           | 83.1         | 83.7         | 85.3         | 89.8         | 89.8         | 89.8         | 89.8         | 89.8         |               |               |
| Other Non Current Liabilities                | -            | -            | -            | -            | -            | -            | -            | -            |               |               |
| Net financial debt                           | 65.8         | 64.9         | 69.5         | 49.6         | 49.4         | 40.5         | 32.7         | 25.4         |               |               |
| Current Liabilities                          | 2.5          | 3.7          | 5.0          | 3.5          | 6.1          | 5.8          | 6.0          | 6.3          |               |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>494.1</b> | <b>500.0</b> | <b>528.8</b> | <b>539.3</b> | <b>546.9</b> | <b>545.2</b> | <b>545.9</b> | <b>547.4</b> |               |               |
|  |              |              |              |              |              |              |              |              |               | <b>CAGR</b>   |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>19-23</b>  | <b>23-26e</b> |
| <b>Total Revenues</b>                        | <b>19.0</b>  | <b>19.1</b>  | <b>19.4</b>  | <b>20.4</b>  | <b>21.4</b>  | <b>22.2</b>  | <b>23.1</b>  | <b>24.4</b>  | <b>3.1%</b>   | <b>4.6%</b>   |
| <i>Total Revenues growth</i>                 | 5.3%         | 0.6%         | 1.9%         | 5.2%         | 4.5%         | 4.1%         | 4.1%         | 5.6%         |               |               |
| COGS   | (0.9)        | (0.8)        | (1.2)        | (1.7)        | (1.0)        | (1.3)        | (1.3)        | (1.4)        |               |               |
| <b>Gross Margin</b>                          | <b>18.1</b>  | <b>18.2</b>  | <b>18.2</b>  | <b>18.8</b>  | <b>20.4</b>  | <b>21.0</b>  | <b>21.8</b>  | <b>23.0</b>  | <b>3.1%</b>   | <b>4.1%</b>   |
| <i>Gross Margin/Revenues</i>                 | 95.3%        | 95.7%        | 93.8%        | 91.9%        | 95.4%        | 94.2%        | 94.2%        | 94.3%        |               |               |
| Personnel Expenses                           | (3.2)        | (3.1)        | (3.4)        | (3.8)        | (3.9)        | (4.0)        | (4.1)        | (4.2)        |               |               |
| Other Operating Expenses                     | (1.6)        | (1.6)        | (1.6)        | (1.8)        | (1.7)        | (1.8)        | (1.8)        | (1.9)        |               |               |
| <b>Recurrent EBITDA</b>                      | <b>13.2</b>  | <b>13.5</b>  | <b>13.3</b>  | <b>13.2</b>  | <b>14.8</b>  | <b>15.2</b>  | <b>15.9</b>  | <b>17.0</b>  | <b>2.8%</b>   | <b>4.7%</b>   |
| <i>Recurrent EBITDA growth</i>               | 5.7%         | 1.7%         | -1.4%        | -0.4%        | 11.6%        | 3.0%         | 4.5%         | 6.8%         |               |               |
| <i>Rec. EBITDA/Revenues</i>                  | 69.9%        | 70.7%        | 68.3%        | 64.7%        | 69.1%        | 68.4%        | 68.6%        | 69.4%        |               |               |
| Net development revenue and non-rec.         | (0.1)        | (1.0)        | 0.4          | 4.4          | (0.0)        | 1.7          | 1.7          | 0.9          |               |               |
| <b>EBITDA</b>                                | <b>13.1</b>  | <b>12.5</b>  | <b>13.7</b>  | <b>17.6</b>  | <b>14.7</b>  | <b>16.9</b>  | <b>17.6</b>  | <b>17.8</b>  | <b>2.9%</b>   | <b>6.6%</b>   |
| Depreciation & Provisions                    | (0.2)        | (0.1)        | 0.4          | (0.1)        | 0.1          | 0.1          | 0.1          | 0.1          |               |               |
| Capitalized Expense                          | -            | -            | -            | -            | -            | -            | -            | -            |               |               |
| Change in the value of the properties        | 16.8         | 0.2          | 17.9         | 15.5         | 0.5          | -            | -            | -            |               |               |
| <b>EBIT</b>                                  | <b>29.8</b>  | <b>12.6</b>  | <b>32.0</b>  | <b>33.1</b>  | <b>15.3</b>  | <b>17.0</b>  | <b>17.7</b>  | <b>17.9</b>  | <b>-15.3%</b> | <b>5.3%</b>   |
| <i>EBIT growth</i>                           | -51.2%       | -57.7%       | 154.1%       | 3.3%         | -53.6%       | 11.0%        | 4.0%         | 1.3%         |               |               |
| <i>EBIT/Revenues</i>                         | n.a.         | 66.1%        | n.a.         | n.a.         | 71.8%        | 76.6%        | 76.5%        | 73.4%        |               |               |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | -            | -            | -            | -            |               |               |
| Net Financial Result                         | (1.6)        | (1.3)        | (1.5)        | (1.3)        | (1.6)        | (1.5)        | (1.1)        | (0.9)        |               |               |
| Income by the Equity Method                  | -            | -            | (0.0)        | (0.0)        | (0.0)        | (0.0)        | (0.0)        | (0.0)        |               |               |
| <b>Ordinary Profit</b>                       | <b>28.2</b>  | <b>11.3</b>  | <b>30.5</b>  | <b>31.7</b>  | <b>13.7</b>  | <b>15.5</b>  | <b>16.6</b>  | <b>17.0</b>  | <b>-16.5%</b> | <b>7.4%</b>   |
| <i>Ordinary Profit Growth</i>                | -52.7%       | -59.8%       | 169.9%       | 3.9%         | -56.8%       | 13.4%        | 6.8%         | 2.4%         |               |               |
| Extraordinary Results                        | -            | -            | -            | 5.9          | -            | -            | -            | -            |               |               |
| <b>Profit Before Tax</b>                     | <b>28.2</b>  | <b>11.3</b>  | <b>30.5</b>  | <b>37.7</b>  | <b>13.7</b>  | <b>15.5</b>  | <b>16.6</b>  | <b>17.0</b>  | <b>-16.5%</b> | <b>7.4%</b>   |
| Tax Expense                                  | (5.4)        | (1.5)        | (5.2)        | (7.9)        | (2.1)        | (2.3)        | (2.5)        | (2.6)        |               |               |
| <i>Effective Tax Rate</i>                    | 19.1%        | 13.2%        | 16.9%        | 21.0%        | 15.0%        | 15.0%        | 15.0%        | 15.0%        |               |               |
| Minority Interests                           | (0.8)        | (0.6)        | (0.9)        | (1.1)        | (0.7)        | (0.8)        | (0.9)        | (0.9)        |               |               |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -            | -            | -            |               |               |
| <b>Net Profit</b>                            | <b>22.0</b>  | <b>9.3</b>   | <b>24.5</b>  | <b>28.7</b>  | <b>10.9</b>  | <b>12.4</b>  | <b>13.2</b>  | <b>13.5</b>  | <b>-16.1%</b> | <b>7.4%</b>   |
| <i>Net Profit growth</i>                     | -51.2%       | -57.9%       | 164.8%       | 17.2%        | -62.0%       | 13.4%        | 6.8%         | 2.4%         |               |               |
| <b>Ordinary Net Profit</b>                   | <b>8.5</b>   | <b>10.0</b>  | <b>9.3</b>   | <b>8.3</b>   | <b>10.5</b>  | <b>10.9</b>  | <b>11.7</b>  | <b>12.8</b>  | <b>5.4%</b>   | <b>6.8%</b>   |
| <i>Ordinary Net Profit growth</i>            | 24.4%        | 17.2%        | -6.4%        | -11.0%       | 26.5%        | 3.8%         | 7.7%         | 8.9%         |               |               |
|  |              |              |              |              |              |              |              |              |               | <b>CAGR</b>   |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>19-23</b>  | <b>23-26e</b> |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>15.2</b>  | <b>15.9</b>  | <b>17.0</b>  | <b>2.8%</b>   | <b>4.7%</b>   |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | -            | -            | -            |               |               |
| Working Capital Increase                     |              |              |              |              |              | 0.7          | (1.0)        | (1.4)        |               |               |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>15.9</b>  | <b>14.9</b>  | <b>15.6</b>  | <b>-3.0%</b>  | <b>9.8%</b>   |
| CAPEX  |              |              |              |              |              | (1.2)        | (1.2)        | (1.2)        |               |               |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (1.5)        | (1.1)        | (0.9)        |               |               |
| Tax Expense                                  |              |              |              |              |              | (2.3)        | (2.5)        | (2.6)        |               |               |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>10.8</b>  | <b>10.2</b>  | <b>10.9</b>  | <b>-1.1%</b>  | <b>20.2%</b>  |
| Net development revenue and non-rec.         |              |              |              |              |              | 12.0         | 12.0         | 11.1         |               |               |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | (8.1)        | (8.6)        | (8.8)        |               |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -            | -            | -            |               |               |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>14.7</b>  | <b>13.6</b>  | <b>13.1</b>  | <b>-4.6%</b>  | <b>28.2%</b>  |
| Capital Increase                             |              |              |              |              |              | -            | -            | -            |               |               |
| Dividends                                    |              |              |              |              |              | (5.8)        | (5.8)        | (5.8)        |               |               |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>(8.9)</b> | <b>(7.8)</b> | <b>(7.3)</b> |               |               |

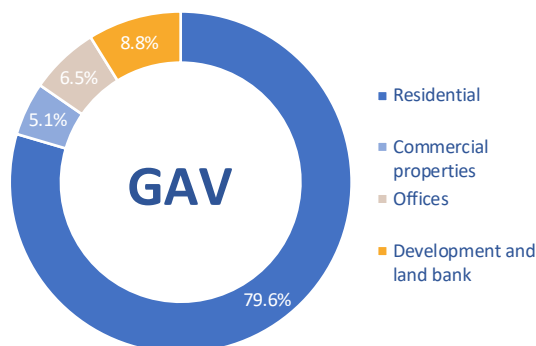


## The company in 8 charts

**Demand for rented housing has continued to grow (since 2008) and Spain is still a long way from European average levels**



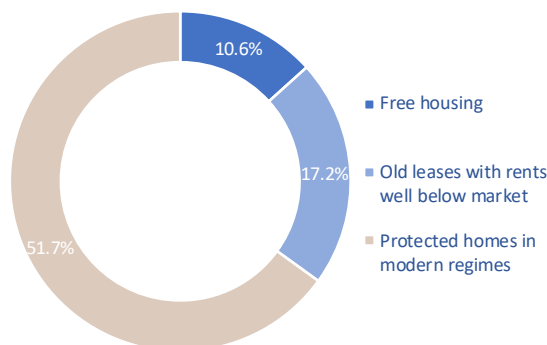
**Cevasa (CEV) has a unique exposure to rented housing (c. 80% of GAV 2023)...**



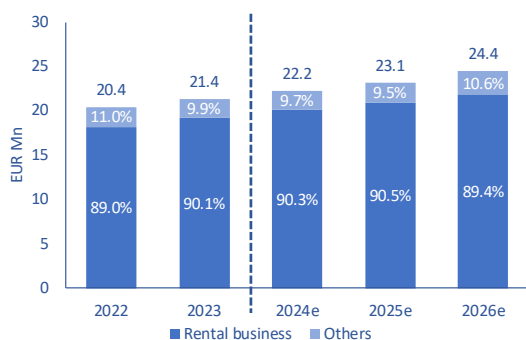
**... with a portfolio concentrated in Catalonia (mainly Barcelona and its metropolitan area)**



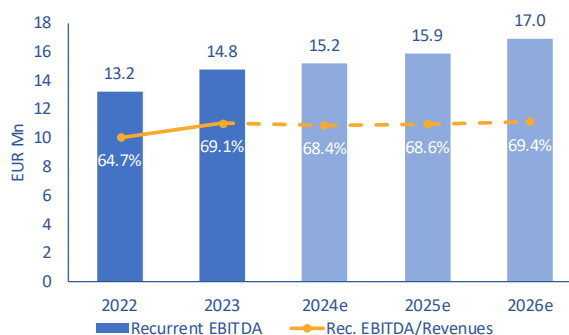
**And the particularity of having invested a large percentage in state sponsored housing**



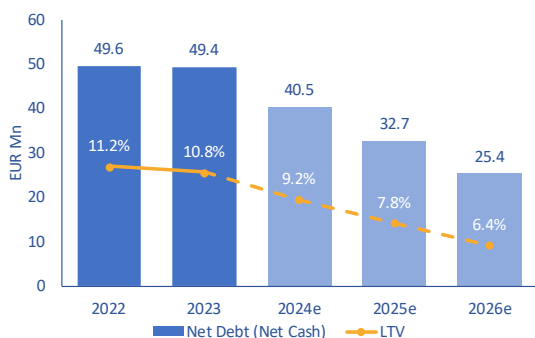
**Until 2026e visibility is significant, for revenue (CAGR 23-26e: +4.6%)...**



**... and margins (Rec EBITDA: CAGR 23-26e: +4.7%)**



**Despite the rebound in investment, leverage will remain at very prudent levels (LTV < 10%)**



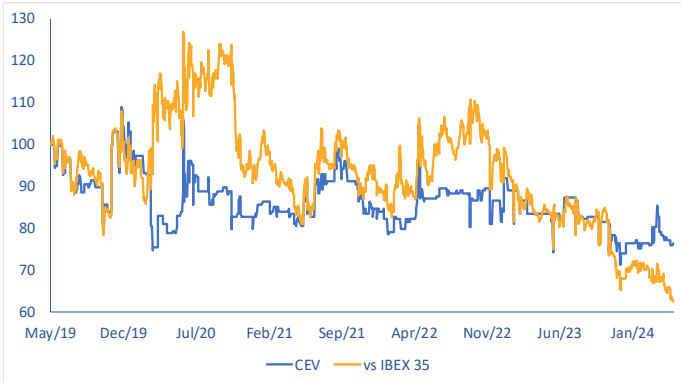
**Trading at a discount of c. 60% to its EPRA NRV**

| EUR Mn                 | 2022  | 2023  | 22-23 |
|------------------------|-------|-------|-------|
| GAV                    | 536.2 | 546.3 | 1.9%  |
| EPRA NAV/NRV           | 483.7 | 490.2 | 1.3%  |
| EPRA NAV/NTA           | 423.9 | 427.2 | 0.8%  |
| EPRA NAV/NDV           | 400.9 | 406.7 | 1.4%  |
| Number of shares       | 23.2  | 23.2  | 0.0%  |
| EPRA NAV/NRV per share | 20.89 | 21.17 | 1.3%  |
| EPRA NAV/NTA per share | 18.31 | 18.45 | 0.8%  |
| EPRA NAV/NDV per share | 17.32 | 17.57 | 1.4%  |

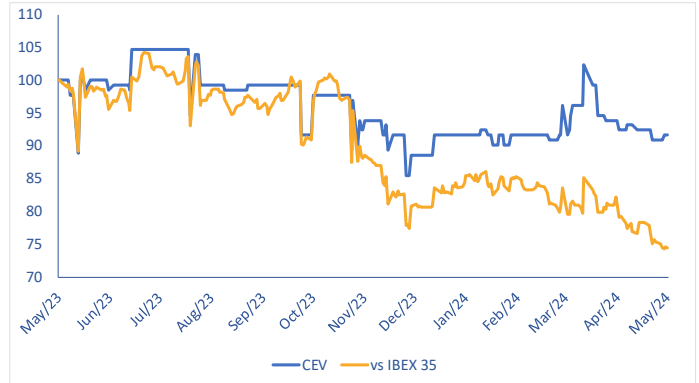


## Evolution of the share price

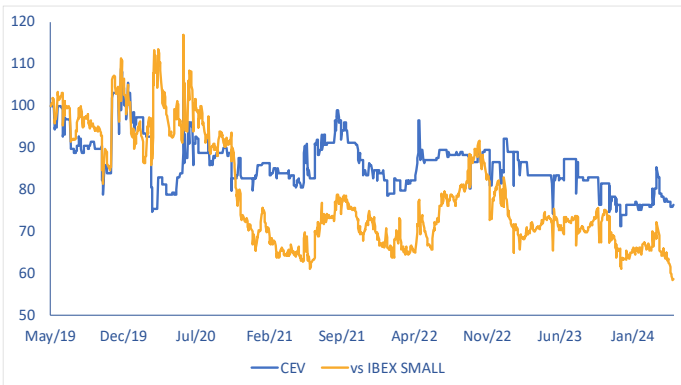
**Historical behavior vs Ibex 35 (base 100)**



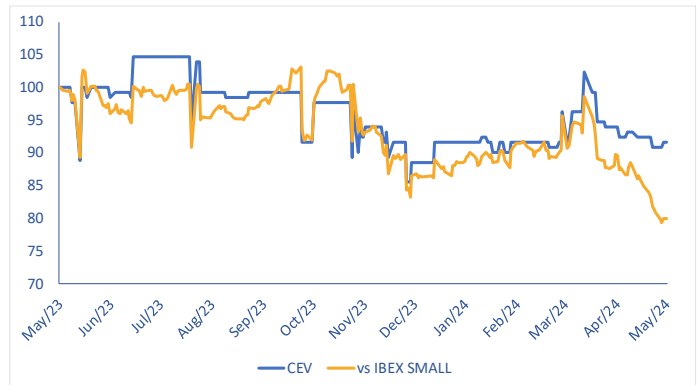
**Behavior -1y vs Ibex 35 (base 100)**



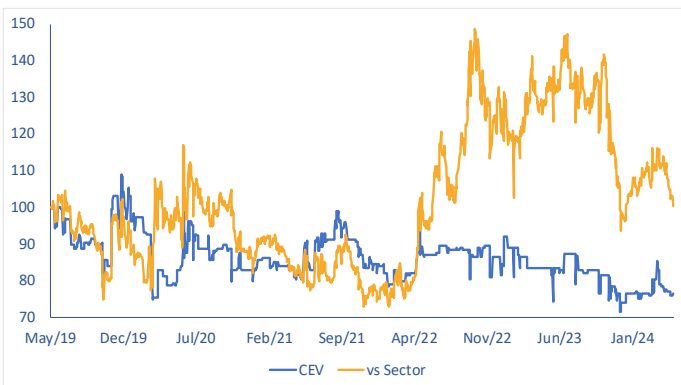
**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Real State

| Stock performance (%)                     | -1m   | -3m   | -12m  | YTD   | -3Y   | -5Y   |
|---|-------|-------|-------|-------|-------|-------|
| Absolute                                  | -2.4  | 0.0   | -8.3  | 0.0   | -6.3  | -23.6 |
| <b>vs Market</b>                          |       |       |       |       |       |       |
| vs Ibex 35                                | -8.4  | -12.7 | -25.5 | -10.8 | -24.3 | -37.4 |
| vs Euro STOXX 50                          | -5.3  | -5.9  | -21.8 | -10.7 | -25.9 | -48.3 |
| <b>vs Small Cap References</b>            |       |       |       |       |       |       |
| vs Ibex Small Cap Index                   | -10.7 | -12.5 | -20.0 | -10.2 | -8.4  | -41.3 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -7.5  | -7.4  | -12.8 | -7.2  | 1.3   | -36.8 |
| vs MSCI Europe Micro Cap                  | -8.1  | -6.8  | -11.0 | -5.4  | 15.0  | -36.2 |
| <b>vs Sector</b>                          |       |       |       |       |       |       |
| vs Stoxx Europe 600 Real State            | -11.3 | -6.8  | -24.4 | 0.5   | 22.0  | 1.0   |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

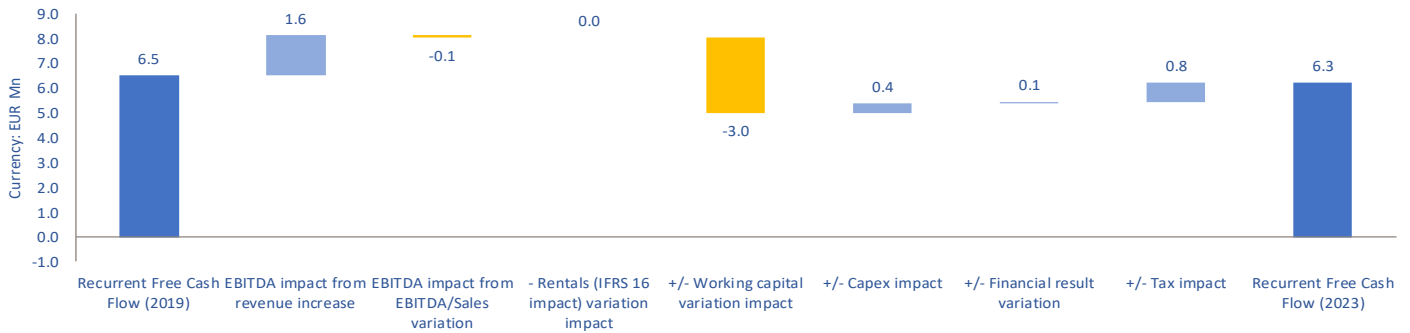
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e       | 2025e        | 2026e       | CAGR         |               |
|---|--------------|--------------|--------------|--------------|-------------|--------------|-------------|--------------|---------------|
|   |              |              |              |              |             |              |             | 20-23        | 23-26e        |
| <b>Recurrent EBITDA</b>   | <b>13.5</b>  | <b>13.3</b>  | <b>13.2</b>  | <b>14.8</b>  | <b>15.2</b> | <b>15.9</b>  | <b>17.0</b> | <b>3.1%</b>  | <b>4.7%</b>   |
| <i>Recurrent EBITDA growth</i>  | 1.7%         | -1.4%        | -0.4%        | 11.6%        | 3.0%        | 4.5%         | 6.8%        |              |               |
| <i>Rec. EBITDA/Revenues</i>   | 70.7%        | 68.3%        | 64.7%        | 69.1%        | 68.4%       | 68.6%        | 69.4%       |              |               |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -           | -            | -           |              |               |
| +/- Working Capital increase  | (2.1)        | (6.8)        | 5.1          | (3.0)        | 0.7         | (1.0)        | (1.4)       |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>11.4</b>  | <b>6.5</b>   | <b>18.3</b>  | <b>11.7</b>  | <b>15.9</b> | <b>14.9</b>  | <b>15.6</b> | <b>1.0%</b>  | <b>9.8%</b>   |
| <i>Rec. Operating Cash Flow growth</i>  | -14.1%       | -42.8%       | 181.8%       | -36.0%       | 35.0%       | -6.0%        | 4.4%        |              |               |
| <i>Rec. Operating Cash Flow / Sales</i>   | 59.7%        | 33.5%        | 89.7%        | 55.0%        | 71.3%       | 64.4%        | 63.7%       |              |               |
| - CAPEX   | (4.6)        | (1.5)        | (1.2)        | (1.8)        | (1.2)       | (1.2)        | (1.2)       |              |               |
| - Net Financial Result affecting Cash Flow  | (1.4)        | (1.4)        | (1.3)        | (1.6)        | (1.5)       | (1.1)        | (0.9)       |              |               |
| - Taxes   | (1.9)        | (0.6)        | (7.9)        | (2.1)        | (2.3)       | (2.5)        | (2.6)       |              |               |
| <b>= Recurrent Free Cash Flow</b>   | <b>3.5</b>   | <b>3.0</b>   | <b>8.0</b>   | <b>6.3</b>   | <b>10.8</b> | <b>10.2</b>  | <b>10.9</b> | <b>21.2%</b> | <b>20.2%</b>  |
| <i>Rec. Free Cash Flow growth</i>   | -46.1%       | -13.6%       | 162.7%       | -21.6%       | 73.2%       | -6.2%        | 6.9%        |              |               |
| <i>Rec. Free Cash Flow / Revenues</i>   | 18.4%        | 15.6%        | 39.0%        | 29.2%        | 48.7%       | 43.9%        | 44.5%       |              |               |
| - Restructuring expenses & others   | -            | -            | 4.4          | (0.0)        | 12.0        | 12.0         | 11.1        |              |               |
| - Acquisitions / + Divestments  | 1.8          | (9.4)        | 4.0          | -            | (8.1)       | (8.6)        | (8.8)       |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 0.1          | 6.3          | 6.3          | -            | -           | -            | -           |              |               |
| <b>= Free Cash Flow</b>   | <b>5.4</b>   | <b>(0.0)</b> | <b>22.7</b>  | <b>6.2</b>   | <b>14.7</b> | <b>13.6</b>  | <b>13.1</b> | <b>4.6%</b>  | <b>28.2%</b>  |
| <i>Free Cash Flow growth</i>  | -27.5%       | -100.4%      | n.a.         | -72.5%       | 136.5%      | -7.9%        | -3.1%       |              |               |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 2.5%         | 2.2%         | 5.7%         | 4.5%         | 7.8%        | 7.3%         | 7.8%        |              |               |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 3.9%         | n.a.         | 16.2%        | 4.5%         | 10.6%       | 9.7%         | 9.4%        |              |               |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |             |              |             |              |               |
| <b>Recurrent FCF(FY - 1)</b>  | <b>6.5</b>   | <b>3.5</b>   | <b>3.0</b>   | <b>8.0</b>   | <b>6.3</b>  | <b>10.8</b>  | <b>10.2</b> |              |               |
| EBITDA impact from revenue increase   | 0.1          | 0.3          | 0.7          | 0.6          | 0.6         | 0.6          | 0.9         |              |               |
| EBITDA impact from EBITDA/Sales variation   | 0.1          | (0.5)        | (0.7)        | 0.9          | (0.2)       | 0.1          | 0.2         |              |               |
| <b>= Recurrent EBITDA variation</b>   | <b>0.2</b>   | <b>(0.2)</b> | <b>(0.0)</b> | <b>1.5</b>   | <b>0.4</b>  | <b>0.7</b>   | <b>1.1</b>  |              |               |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -            | -            | -           | -            | -           |              |               |
| +/- Working capital variation impact  | (2.1)        | (4.7)        | 11.9         | (8.1)        | 3.7         | (1.6)        | (0.4)       |              |               |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(1.9)</b> | <b>(4.9)</b> | <b>11.8</b>  | <b>(6.6)</b> | <b>4.1</b>  | <b>(0.9)</b> | <b>0.7</b>  |              |               |
| +/- CAPEX impact  | (2.4)        | 3.1          | 0.3          | (0.6)        | 0.6         | 0.1          | (0.1)       |              |               |
| +/- Financial result variation  | 0.3          | (0.1)        | 0.1          | (0.3)        | 0.1         | 0.4          | 0.2         |              |               |
| +/- Tax impact  | 0.9          | 1.3          | (7.3)        | 5.8          | (0.3)       | (0.2)        | (0.1)       |              |               |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(3.0)</b> | <b>(0.5)</b> | <b>4.9</b>   | <b>(1.7)</b> | <b>4.6</b>  | <b>(0.7)</b> | <b>0.7</b>  |              |               |
| <b>Recurrent Free Cash Flow</b>   | <b>3.5</b>   | <b>3.0</b>   | <b>8.0</b>   | <b>6.3</b>   | <b>10.8</b> | <b>10.2</b>  | <b>10.9</b> |              |               |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |             |              |             |              |               |
| <b>EBIT</b>   | <b>12.6</b>  | <b>32.0</b>  | <b>33.1</b>  | <b>15.3</b>  | <b>17.0</b> | <b>17.7</b>  | <b>17.9</b> | <b>6.8%</b>  | <b>5.3%</b>   |
| * <i>Theoretical Tax rate</i>   | 13.2%        | 16.9%        | 21.0%        | 15.0%        | 15.0%       | 15.0%        | 15.0%       |              |               |
| = Taxes (pre- Net Financial Result)   | (1.7)        | (5.4)        | (6.9)        | (2.3)        | (2.6)       | (2.7)        | (2.7)       |              |               |
| <b>Recurrent EBITDA</b>   | <b>13.5</b>  | <b>13.3</b>  | <b>13.2</b>  | <b>14.8</b>  | <b>15.2</b> | <b>15.9</b>  | <b>17.0</b> | <b>3.1%</b>  | <b>4.7%</b>   |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -           | -            | -           |              |               |
| +/- Working Capital increase  | (2.1)        | (6.8)        | 5.1          | (3.0)        | 0.7         | (1.0)        | (1.4)       |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>11.4</b>  | <b>6.5</b>   | <b>18.3</b>  | <b>11.7</b>  | <b>15.9</b> | <b>14.9</b>  | <b>15.6</b> | <b>1.0%</b>  | <b>9.8%</b>   |
| - CAPEX   | (4.6)        | (1.5)        | (1.2)        | (1.8)        | (1.2)       | (1.2)        | (1.2)       |              |               |
| - Taxes (pre- Financial Result)   | (1.7)        | (5.4)        | (6.9)        | (2.3)        | (2.6)       | (2.7)        | (2.7)       |              |               |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>5.2</b>   | <b>(0.4)</b> | <b>10.2</b>  | <b>7.6</b>   | <b>12.1</b> | <b>11.1</b>  | <b>11.6</b> | <b>13.9%</b> | <b>15.2%</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -3.7%        | -107.2%      | n.a.         | -25.6%       | 58.4%       | -8.2%        | 5.0%        |              |               |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 27.0%        | n.a.         | 50.1%        | 35.7%        | 54.3%       | 47.9%        | 47.6%       |              |               |
| - Acquisitions / + Divestments  | 1.8          | (9.4)        | 4.0          | -            | (8.1)       | (8.6)        | (8.8)       |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 0.1          | 6.3          | 6.3          | -            | -           | -            | -           |              |               |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>7.1</b>   | <b>(3.4)</b> | <b>20.6</b>  | <b>7.6</b>   | <b>4.0</b>  | <b>2.5</b>   | <b>2.8</b>  | <b>2.5%</b>  | <b>-28.2%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | 11.8%        | -148.4%      | 700.0%       | -63.0%       | -47.9%      | -37.4%       | 13.1%       |              |               |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 1.8%         | n.a.         | 3.7%         | 2.7%         | 4.3%        | 4.0%         | 4.2%        |              |               |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 2.5%         | n.a.         | 7.3%         | 2.7%         | 1.4%        | 0.9%         | 1.0%        |              |               |



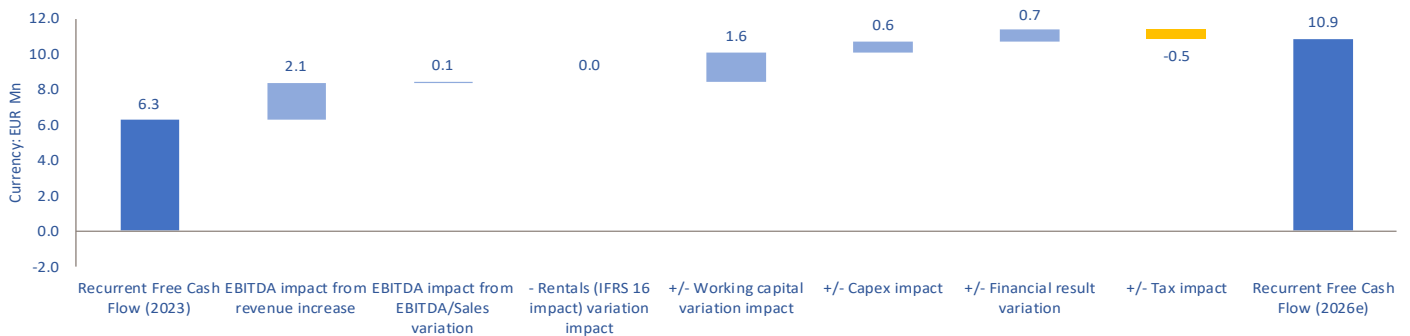


## Free Cash Flow (II)

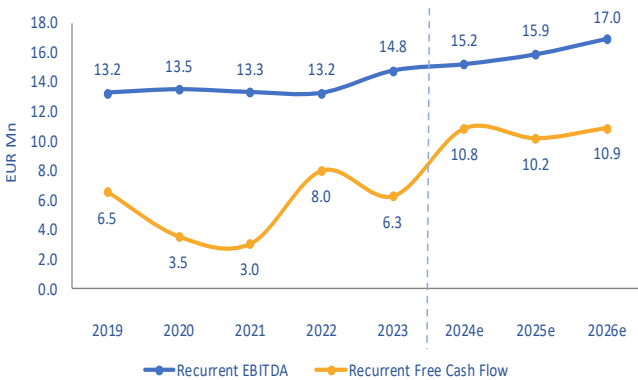
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



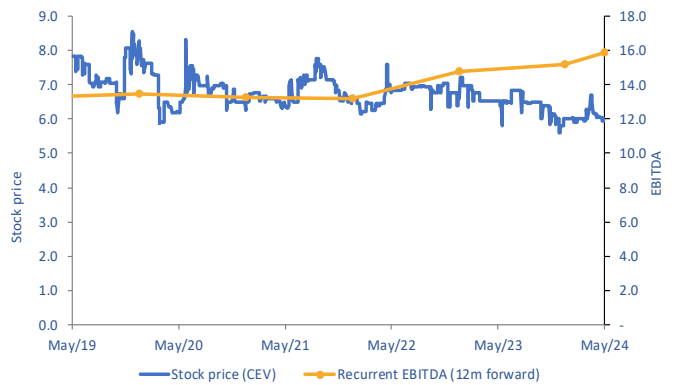
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 4.0   | 2.5                                 | 2.8   | 183.1                         |           |            |
| Market Cap                     | 139.5 | At the date of this report          |       |                               |           |            |
| Net financial debt             | 49.4  | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |       |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 5.5%  | Net debt cost                       |       |                               | 5.3%      | 5.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 4.4%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 4.2%      | 4.6%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.0   | B (own estimate)                    |       |                               | 1.0       | 1.1        |
| Cost of Equity                 | 9.3%  | Ke = Rf + (R * B)                   |       |                               | 8.8%      | 10.4%      |
| Equity / (Equity + Net Debt)   | 73.8% | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 26.2% | D                                   |       |                               | =         | =          |
| WACC                           | 8.0%  | WACC = Kd * D + Ke * E              |       |                               | 7.6%      | 8.9%       |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 139.5        |                  |
| + Minority Interests                 | 13.5         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 89.8         | 12m Results 2023 |
| + Net financial debt                 | 49.4         | 12m Results 2023 |
| - Financial Investments              | 11.7         | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>280.5</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 5.1%  | 2.3%  | 5.3% | 5.0% | 2.5% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -5.5% | -5.0% |      |      |      |
| FCF Yield - WACC     | -3.5% | -0.2% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 72.0%            | 16.7       | 16.8x         |
| Central  | 68.6%            | 15.9       | 17.7x         |
| Min      | 65.2%            | 15.1       | 18.6x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|------|------|----------|--------------------|------|------|
| EBITDA 25e      | 4.5%            | 5.0% | 5.5% |          | Max                | 7.9% | 7.8% |
| 16.7            | 11.1            | 10.9 | 10.8 | Central  | 7.4%               | 7.3% | 7.2% |
| 15.9            | 10.3            | 10.2 | 10.0 | Min      | 6.8%               | 6.7% | 6.6% |
| 15.1            | 9.5             | 9.4  | 9.3  |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 25.0% | 25.0% | 25.0% |
| % of proprietary directors           | 50.0% | 50.0% | 50.0% |
| % of executive directors             | 12.5% | 12.5% | 12.5% |
| % of other directors                 | 12.5% | 12.5% | 12.5% |
| % of women on the board of directors | 25.0% | 25.0% | 25.0% |
| % of women out of total workforce    | 46.4% | 50.0% | 53.0% |
| Board remuneration/staff cost        | 15.4% | 14.6% | 15.7% |



## Main peers 2024e

|                             |                         | REITS   |            |            |        |         |        |
|-----------------------------|-------------------------|---------|------------|------------|--------|---------|--------|
|                             |                         | Merlin  | Colonial   | Lar España | Árma   | Average | CEV    |
|                             |                         | EUR Mn  | Properties |            |        |         |        |
| Market data                 | Ticker (Factset)        | MRL-ES  | COL-ES     | LRE-ES     | ARM-ES |         | CEV-ES |
|                             | Country                 | Spain   | Spain      | Spain      | Spain  |         | Spain  |
|                             | Market cap              | 5,082.9 | 3,345.6    | 601.8      | 236.0  |         | 139.5  |
|                             | Enterprise value (EV)   | 9,115.3 | 9,134.4    | 1,007.9    | 284.8  |         | 280.5  |
| Basic financial information | Total Revenues          | 496.9   | 389.2      | 94.0       | 14.0   |         | 22.2   |
|                             | Total Revenues growth   | 5.8%    | -2.6%      | -18.6%     | 39.0%  | 5.9%    | 4.1%   |
|                             | 2y CAGR (2024e - 2026e) | 8.2%    | 3.9%       | 5.5%       | n.a.   | 5.9%    | 4.8%   |
|                             | EBITDA                  | 382.3   | 317.2      | 68.2       | 4.0    |         | 16.9   |
|                             | EBITDA growth           | 9.8%    | 0.3%       | n.a.       | 241.5% | 83.9%   | 14.9%  |
|                             | 2y CAGR (2024e - 2026e) | 9.7%    | 4.8%       | 4.9%       | n.a.   | 6.5%    | 2.6%   |
|                             | EBITDA/Revenues         | 76.9%   | 81.5%      | 72.6%      | 28.6%  | 64.9%   | 76.2%  |
|                             | EBIT                    | 356.7   | 310.6      | 67.8       | (2.0)  |         | 17.0   |
|                             | EBIT growth             | 3.1%    | 1.0%       | -21.5%     | 31.1%  | 3.4%    | 11.0%  |
|                             | 2y CAGR (2024e - 2026e) | 16.1%   | 9.3%       | 5.2%       | n.a.   | 10.2%   | 2.6%   |
|                             | EBIT/Revenues           | 71.8%   | 79.8%      | 72.1%      | n.a.   | 74.6%   | 76.6%  |
|                             | Net Profit              | 272.3   | 175.5      | 57.6       | (5.0)  |         | 12.4   |
|                             | Net Profit growth       | 426.2%  | 117.2%     | 56.7%      | 84.7%  | 171.2%  | 13.4%  |
|                             | 2y CAGR (2024e - 2026e) | 15.5%   | 7.0%       | 4.5%       | n.a.   | 9.0%    | 4.6%   |
|                             | CAPEX/Sales %           | 52.3%   | 9.0%       | 12.1%      | 157.1% | 57.6%   | 5.5%   |
| Free Cash Flow              | 197.5                   | 272.7   | 33.1       | n.a.       |        | 14.7    |        |
| Net financial debt          | 4,260.5                 | 4,733.1 | 435.0      | 88.0       |        | 40.5    |        |
| ND/EBITDA (x)               | 11.1                    | 14.9    | 6.4        | 22.0       | 13.6   | 2.7     |        |
| Pay-out                     | 76.6%                   | 83.0%   | 99.2%      | -10.5%     | 62.1%  | 46.8%   |        |
| Multiples and Ratios        | P/E (x)                 | 18.1    | 19.2       | 10.4       | n.a.   | 15.9    | 11.3   |
|                             | P/BV (x)                | 0.8     | 0.7        | 0.7        | n.a.   | 0.7     | 0.4    |
|                             | EV/Revenues (x)         | 18.3    | 23.5       | 10.7       | n.a.   | 17.5    | 12.6   |
|                             | EV/EBITDA (x)           | 23.8    | 28.8       | 14.8       | n.a.   | 22.5    | 18.4   |
|                             | EV/EBIT (x)             | 25.6    | 29.4       | 14.9       | n.a.   | 23.3    | 16.5   |
|                             | ROE                     | 4.4     | 3.8        | 6.4        | n.a.   | 4.9     | 3.2    |
|                             | FCF Yield (%)           | 3.9     | 8.2        | 5.5        | n.a.   | 5.8     | 7.8    |
|                             | DPS                     | 0.45    | 0.27       | 0.68       | 0.02   | 0.36    | 0.25   |
| Dvd Yield                   | 4.1%                    | 4.4%    | 9.5%       | 0.2%       | 4.6%   | 4.1%    |        |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  | CAGR  |        |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
|                                 |        |        |        |        |        |        |        |        |        |        |        |        |        |        | 13-23 | 23-26e |
| Total Revenues                  | 19.6   | 17.4   | 16.4   | 13.9   | 14.6   | 16.1   | 19.0   | 19.1   | 19.4   | 20.4   | 21.4   | 22.2   | 23.1   | 24.4   | 0.8%  | 4.6%   |
| Total Revenues growth           | 8.1%   | -11.5% | -5.5%  | -15.5% | 5.2%   | 10.2%  | 17.7%  | 0.6%   | 1.9%   | 5.2%   | 4.5%   | 4.1%   | 4.1%   | 5.6%   |       |        |
| EBITDA                          | 8.0    | 7.3    | 8.5    | 8.6    | 7.9    | 10.0   | 13.1   | 12.5   | 13.7   | 17.6   | 14.7   | 16.9   | 17.6   | 17.8   | 6.3%  | 6.6%   |
| EBITDA growth                   | 17.7%  | -9.0%  | 16.1%  | 2.0%   | -8.1%  | 25.7%  | 31.6%  | -5.0%  | 9.3%   | 28.8%  | -16.2% | 14.9%  | 4.0%   | 1.3%   |       |        |
| EBITDA/Sales                    | 40.8%  | 42.0%  | 51.5%  | 62.2%  | 54.4%  | 62.0%  | 69.3%  | 65.5%  | 70.3%  | 86.0%  | 69.0%  | 76.2%  | 76.1%  | 73.0%  |       |        |
| Net Profit                      | 3.0    | 22.6   | 5.6    | 13.0   | 14.5   | 45.0   | 22.0   | 9.3    | 24.5   | 28.7   | 10.9   | 12.4   | 13.2   | 13.5   | 13.7% | 7.4%   |
| Net Profit growth               | 21.3%  | 647.0% | -75.3% | 134.2% | 11.6%  | 209.4% | -51.2% | -57.9% | 164.8% | 17.2%  | -62.0% | 13.4%  | 6.8%   | 2.4%   |       |        |
| Adjusted number shares (Mn)     | 23.2   | 23.2   | 23.2   | 23.2   | 23.2   | 23.2   | 23.2   | 23.2   | 23.2   | 23.2   | 23.2   | 23.3   | 23.3   | 23.3   |       |        |
| EPS (EUR)                       | 0.13   | 0.97   | 0.24   | 0.56   | 0.63   | 1.94   | 0.95   | 0.40   | 1.06   | 1.24   | 0.47   | 0.53   | 0.57   | 0.58   | 13.7% | 7.3%   |
| EPS growth                      | n.a.   | n.a.   | -75.3% | n.a.   | 11.6%  | n.a.   | -51.1% | -57.9% | n.a.   | 17.2%  | -62.0% | 12.9%  | 6.8%   | 2.4%   |       |        |
| Ord. EPS (EUR)                  | 0.13   | 0.97   | 0.24   | 0.56   | 0.63   | 1.94   | 0.37   | 0.43   | 0.40   | 0.36   | 0.45   | 0.47   | 0.50   | 0.55   | 13.3% | 6.6%   |
| Ord. EPS growth                 | n.a.   | n.a.   | -75.3% | n.a.   | 11.6%  | n.a.   | -81.1% | 17.2%  | -6.5%  | -11.0% | 26.7%  | 3.4%   | 7.7%   | 8.9%   |       |        |
| CAPEX                           | (1.8)  | (0.6)  | (1.4)  | (4.4)  | (26.6) | (3.1)  | (2.2)  | (4.6)  | (1.5)  | (1.2)  | (1.8)  | (1.2)  | (1.2)  | (1.2)  |       |        |
| CAPEX/Sales %                   | 9.0%   | 3.2%   | 8.4%   | 31.8%  | 182.4% | 19.4%  | 11.7%  | 24.0%  | 7.5%   | 5.7%   | 8.5%   | 5.5%   | 5.0%   | 5.0%   |       |        |
| Free Cash Flow                  | 1.5    | 3.8    | (1.6)  | (4.5)  | (21.8) | 4.3    | 7.5    | 5.4    | (0.0)  | 22.7   | 6.2    | 14.7   | 13.6   | 13.1   | 15.6% | 28.2%  |
| ND/EBITDA (x) <sup>(2)</sup>    | 5.5x   | 7.0x   | 6.5x   | 4.9x   | 7.9x   | 6.8x   | 5.0x   | 5.2x   | 5.1x   | 2.8x   | 3.4x   | 2.4x   | 1.9x   | 1.4x   |       |        |
| P/E (x)                         | 47.4x  | 5.1x   | 23.1x  | 14.2x  | 6.2x   | 3.2x   | 8.5x   | 16.2x  | 6.3x   | 5.4x   | 12.7x  | 11.3x  | 10.6x  | 10.3x  |       |        |
| EV/Sales (x)                    | 11.05x | 11.16x | 12.78x | 19.08x | 11.82x | 14.84x | 18.67x | 16.35x | 16.20x | 15.43x | 13.08x | 12.61x | 12.12x | 11.48x |       |        |
| EV/EBITDA (x) <sup>(2)</sup>    | 27.1x  | 26.6x  | 24.8x  | 30.7x  | 21.7x  | 23.9x  | 26.9x  | 25.0x  | 23.1x  | 17.9x  | 19.0x  | 16.6x  | 15.9x  | 15.7x  |       |        |
| Absolute performance            | -3.2%  | -18.8% | 10.8%  | 44.5%  | -51.7% | 61.5%  | 29.6%  | -19.7% | 2.1%   | 0.1%   | -9.7%  | 0.0%   |        |        |       |        |
| Relative performance vs Ibx 35  | -20.3% | -21.7% | 19.4%  | 47.5%  | -55.1% | 89.9%  | 15.9%  | -5.1%  | -5.4%  | 6.0%   | -26.4% | -10.8% |        |        |       |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Clerhp Estructuras (CLR), is a small structural engineering company (vertically integrated). In 2022, it acquired land in the Dominican Republic (DR) to start the Larimar project (construction of c.20,000 apartments and villas, hotels...). Completely changing the company. It would become (from 2025e) essentially a tourism and residential developer in DR. CLR has been listed on BME Growth since March 2016.

**Market Data**

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 57.9               | 63.0 |
| EV (Mn EUR and USD)            | 67.8               | 73.7 |
| Shares Outstanding (Mn)        | 14.1               |      |
| -12m (Max/Med/Min EUR)         | 5.00 / 3.42 / 2.57 |      |
| Daily Avg volume (-12m Mn EUR) | 0.10               |      |
| Rotation <sup>(1)</sup>        | 42.2               |      |
| Factset / Bloomberg            | CLR-ES / CLR SM    |      |
| Close fiscal year              | 31-Dec             |      |

**Shareholders Structure (%)<sup>(3)</sup>**

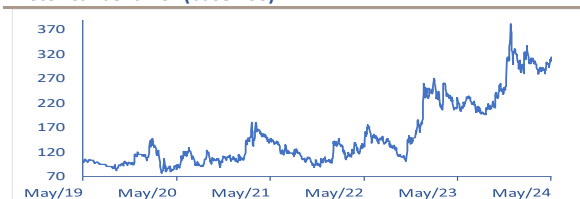
|                                |      |
|--------------------------------|------|
| Familia Romero                 | 26.5 |
| Trina World Wide               | 10.2 |
| Alejandro Clemares Sempere     | 7.5  |
| Víctor Manuel Rodríguez Martín | 6.4  |
| Free Float                     | 44.3 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 13.6  | 14.1  | 14.1  | 14.1  |
| Total Revenues                      | 17.5  | 29.3  | 59.2  | 145.9 |
| Rec. EBITDA                         | 4.4   | 12.0  | 13.3  | 33.9  |
| % growth                            | 6.0   | 170.9 | 11.6  | 154.3 |
| % Rec. EBITDA/Rev.                  | 25.2  | 40.8  | 22.6  | 23.3  |
| % Inc. EBITDA sector <sup>(2)</sup> | 5.5   | 11.2  | 6.2   | 5.8   |
| Net Profit                          | 0.8   | 7.0   | 6.2   | 20.9  |
| EPS (EUR)                           | 0.06  | 0.50  | 0.44  | 1.48  |
| % growth                            | -50.5 | 758.9 | -12.2 | 237.3 |
| Ord. EPS (EUR)                      | 0.00  | 0.50  | 0.44  | 1.48  |
| % growth                            | -97.0 | n.a.  | -12.2 | 237.3 |
| Rec. Free Cash Flow                 | -2.6  | -15.3 | -42.1 | 40.1  |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 9.6   | 24.9  | 67.0  | 26.9  |
| ND/Rec. EBITDA (x)                  | 2.2   | 2.1   | 5.0   | 0.8   |
| ROE (%)                             | 19.0  | 72.7  | 37.9  | 70.0  |
| ROCE (%)                            | 37.4  | 31.3  | 14.8  | 31.1  |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 70.6 | 8.2  | 9.4  | 2.8  |
| Ord. P/E           | n.a. | 8.2  | 9.4  | 2.8  |
| P/BV               | 9.4  | 4.4  | 3.0  | 1.4  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 3.87 | 2.31 | 1.15 | 0.46 |
| EV/Rec. EBITDA     | 15.3 | 5.7  | 5.1  | 2.0  |
| EV/EBIT            | 13.3 | 5.7  | 5.2  | 2.0  |
| FCF Yield (%)      | n.a. | n.a. | n.a. | 69.3 |

**Historical behavior (base 100)**


| (%)      | -1m | -3m  | -12m | -5Y   |
|----------|-----|------|------|-------|
| Absolute | 9.6 | -1.4 | 36.0 | 214.5 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Real State.

(3) Others: Meca Alcázar 5.1%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**The construction of structures business reported revenue in 2023 of EUR 17.5Mn (99% of the total), +23% vs 2022 (EUR 14.2Mn).** Recurring EBITDA was EUR 4.4Mn (vs. EUR 4.2Mn in 2022). The geographic mix showed the Dominican Republic (DR) account for 79% of revenue in 2023 (vs 58% in 2022), Paraguay for 20% (vs 27%) and Spain for 1% (vs 15%).

**We expect a quantum leap in revenue in 2024e...** to EUR 29.3Mn (+68% vs 2023), driven by execution of projects in the pipeline. The backlog at year-end 2023 stood at EUR 125Mn, of which c.68% of the projects related to construction of structures, adding considerable visibility to the coming years. In 2024e, this business should account for 100% of revenue.

**...and in recurring EBITDA to EUR 12.0Mn (vs EUR 4.4Mn in 2023).** Drivers include strong topline growth and the high operational gearing of CLR's (core) structural business. Meanwhile, cash generation will be penalised by the hefty investment in the Larimar project.

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Larimar City & Resort Project.** In 2022, CLR acquired land in the DR for the development of 2.7 million m2 of residential buildings (c.20,000 apartments and villas), six hotels, restaurants, golf courses, etc. It marked a watershed moment for CLR (penetration of the real estate development business). The project won't impact the P&L until 2025e, but it will affect cash from 2023. It will turn the company, as of 2025e, essentially into a tourist and real estate developer in the DR. The recent re-election of the incumbent government in the DR (19 May 2024) reduces CLR's exposure to political/macro risk.

**Pace of sales and deliveries.** This will dictate performance as all other variables (e.g. revenue, recurring EBITDA, net debt, FCF) depend on Larimar deliveries.

**Sharp jump in revenue and rec. EBITDA from the Larimar project.** The project should drive astronomical growth in revenue to EUR 145.9Mn in 2026e (CAGR 2023-26e: 103%) and EBITDA to EUR 33.9Mn, an increase of 8x from 2023. This would result in a nearly complete change in the revenue mix. In 2026e, real estate development should account for 90% of the mix (vs 0% in 2024e). 2024e (marketing) and 2025e (start of deliveries) will be crucial for gauging the attractiveness of the growth/risk combination CLR offers, and the extent to which the enormous valuation upside that, on paper, Larimar enjoys will materialise.

**RISKS: WHAT TO KEEP AN EYE ON?**

**Disparity in the size of the Larimar City & Resort project relative to CLR's current balance sheet.** The company ended 2023 with equity of EUR 6.2Mn. Relative to the mega real estate project it is developing (c.EUR 310Mn of investment in 2024e-26e, on our estimates), this implies a clear theoretical (financial and accounting) risk, since it leaves little room to manoeuvre to address unforeseen events (e.g. crises affecting demand, impairments).

**Slowdown in deliveries,** which would inevitably affect CLR's development business, implying higher cash burn and narrower margins.

**Capital structure:** The growth in size will require finance, resulting in a change in the company's capital structure. Presumably, this will imply sharp dilution for current shareholders and a considerable increase in net debt (above all in 2025e).

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Trading at low multiples.** Our numbers for 2024e (with no impact from the Larimar City & Resort project) have CLR trading at an EV/recurring EBITDA multiple of 5.7x (5.1x 2025e; 2.0x 2026e, and so on). CLR is a truly unique investment opportunity among Spanish listed real estate companies. And judging by the numbers, a "must-follow" stock to say the least. CLR's share price performance -12m (+10.6% vs Ibex 35) would suggest that Larimar and its impact have yet to be priced in.



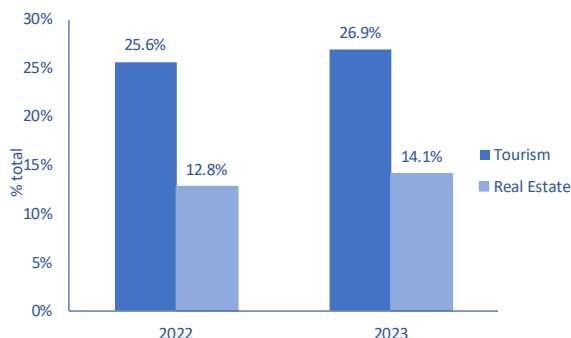
Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020         | 2021         | 2022        | 2023        | 2024e         | 2025e         | 2026e         | CAGR          |              |
|--|-------------|--------------|--------------|-------------|-------------|---------------|---------------|---------------|---------------|--------------|
| Intangible assets                            | 0.4         | 2.0          | 2.7          | 0.8         | 0.5         | 1.5           | 2.4           | 3.4           |               |              |
| Fixed assets                                 | 4.2         | 4.2          | 3.4          | 3.9         | 4.5         | 6.8           | 8.9           | 11.3          |               |              |
| Other Non Current Assets                     | 0.1         | 0.1          | 0.3          | 0.1         | 0.1         | 0.1           | 0.1           | 0.1           |               |              |
| Financial Investments                        | 0.2         | 1.0          | 0.9          | 5.5         | 3.9         | 3.9           | 3.9           | 3.9           |               |              |
| Goodwill & Other Intangibles                 | -           | 0.3          | 0.2          | -           | -           | -             | -             | -             |               |              |
| Current assets                               | 7.0         | 9.7          | 9.2          | 13.0        | 29.1        | 59.5          | 137.5         | 220.7         |               |              |
| <b>Total assets</b>                          | <b>11.9</b> | <b>17.3</b>  | <b>16.8</b>  | <b>23.3</b> | <b>38.2</b> | <b>71.7</b>   | <b>152.8</b>  | <b>239.3</b>  |               |              |
| Equity                                       | 3.7         | 1.9          | (2.8)        | 2.2         | 6.2         | 13.2          | 19.4          | 40.3          |               |              |
| Minority Interests                           | 0.3         | 0.7          | 0.1          | (0.0)       | (0.2)       | (0.2)         | (0.2)         | (0.2)         |               |              |
| Provisions & Other L/T Liabilities           | 0.2         | 0.3          | 0.2          | 3.0         | 4.3         | 4.3           | 4.3           | 4.3           |               |              |
| Other Non Current Liabilities                | -           | -            | -            | -           | -           | -             | -             | -             |               |              |
| Net financial debt                           | 5.5         | 11.5         | 15.7         | 11.7        | 9.6         | 24.9          | 67.0          | 26.9          |               |              |
| Current Liabilities                          | 2.1         | 3.0          | 3.6          | 6.4         | 18.3        | 29.6          | 62.3          | 168.1         |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>11.9</b> | <b>17.3</b>  | <b>16.8</b>  | <b>23.3</b> | <b>38.2</b> | <b>71.7</b>   | <b>152.8</b>  | <b>239.3</b>  |               |              |
| P&L (EUR Mn)                                 | 2019        | 2020         | 2021         | 2022        | 2023        | 2024e         | 2025e         | 2026e         | 19-23         | 23-26e       |
| <b>Total Revenues</b>                        | <b>14.0</b> | <b>10.3</b>  | <b>6.1</b>   | <b>14.2</b> | <b>17.5</b> | <b>29.3</b>   | <b>59.2</b>   | <b>145.9</b>  | <b>5.7%</b>   | <b>n.a.</b>  |
| Total Revenues growth                        | 31.9%       | -26.5%       | -40.9%       | 133.5%      | 23.0%       | 67.7%         | 101.7%        | 146.7%        |               |              |
| COGS   | (4.1)       | (1.9)        | (2.7)        | (3.3)       | (5.9)       | (9.2)         | (36.7)        | (100.7)       |               |              |
| <b>Gross Margin</b>                          | <b>9.9</b>  | <b>8.3</b>   | <b>3.4</b>   | <b>10.9</b> | <b>11.6</b> | <b>20.2</b>   | <b>22.5</b>   | <b>45.2</b>   | <b>4.0%</b>   | <b>57.3%</b> |
| Gross Margin/Revenues                        | 71.0%       | 81.1%        | 55.2%        | 76.5%       | 66.4%       | 68.8%         | 38.0%         | 31.0%         |               |              |
| Personnel Expenses                           | (5.1)       | (4.6)        | (3.6)        | (3.2)       | (3.5)       | (4.4)         | (5.1)         | (6.8)         |               |              |
| Other Operating Expenses                     | (2.2)       | (3.3)        | (3.6)        | (3.5)       | (3.7)       | (3.8)         | (4.0)         | (4.5)         |               |              |
| <b>Recurrent EBITDA</b>                      | <b>2.6</b>  | <b>0.4</b>   | <b>(3.8)</b> | <b>4.2</b>  | <b>4.4</b>  | <b>12.0</b>   | <b>13.3</b>   | <b>33.9</b>   | <b>14.3%</b>  | <b>97.3%</b> |
| Recurrent EBITDA growth                      | 43.7%       | -83.2%       | -979.3%      | 208.8%      | 6.0%        | 170.9%        | 11.6%         | 154.3%        |               |              |
| Rec. EBITDA/Revenues                         | 18.5%       | 4.2%         | n.a.         | 29.3%       | 25.2%       | 40.8%         | 22.6%         | 23.3%         |               |              |
| Restructuring Expense & Other non-rec.       | 0.0         | (0.0)        | 0.0          | -           | 1.0         | -             | -             | -             |               |              |
| <b>EBITDA</b>                                | <b>2.6</b>  | <b>0.4</b>   | <b>(3.8)</b> | <b>4.2</b>  | <b>5.5</b>  | <b>12.0</b>   | <b>13.3</b>   | <b>33.9</b>   | <b>20.4%</b>  | <b>83.9%</b> |
| Depreciation & Provisions                    | (0.7)       | (1.0)        | (1.0)        | (1.2)       | (1.3)       | (1.0)         | (1.4)         | (1.3)         |               |              |
| Capitalized Expense                          | 0.1         | 0.8          | 0.9          | 0.5         | 0.9         | 0.9           | 0.9           | 0.9           |               |              |
| Rentals (IFRS 16 impact)                     | -           | -            | -            | -           | -           | -             | -             | -             |               |              |
| <b>EBIT</b>                                  | <b>2.0</b>  | <b>0.2</b>   | <b>(3.9)</b> | <b>3.4</b>  | <b>5.1</b>  | <b>11.9</b>   | <b>12.9</b>   | <b>33.6</b>   | <b>26.3%</b>  | <b>87.3%</b> |
| EBIT growth                                  | 23.4%       | -88.8%       | n.a.         | 188.9%      | 48.7%       | 133.3%        | 8.5%          | 159.9%        |               |              |
| EBIT/Revenues                                | 14.3%       | 2.2%         | n.a.         | 24.2%       | 29.2%       | 40.6%         | 21.8%         | 23.0%         |               |              |
| Impact of Goodwill & Others                  | -           | -            | -            | -           | -           | -             | -             | -             |               |              |
| Net Financial Result                         | (0.6)       | (1.2)        | (1.1)        | (2.1)       | (4.1)       | (2.0)         | (4.3)         | (4.3)         |               |              |
| Income by the Equity Method                  | -           | -            | -            | -           | -           | -             | -             | -             |               |              |
| <b>Ordinary Profit</b>                       | <b>1.4</b>  | <b>(0.9)</b> | <b>(5.0)</b> | <b>1.4</b>  | <b>1.0</b>  | <b>9.9</b>    | <b>8.7</b>    | <b>29.2</b>   | <b>-7.6%</b>  | <b>n.a.</b>  |
| Ordinary Profit Growth                       | 0.6%        | -168.2%      | -427.5%      | 127.4%      | -26.1%      | 879.8%        | -12.2%        | 237.3%        |               |              |
| Extraordinary Results                        | -           | -            | -            | -           | -           | -             | -             | -             |               |              |
| <b>Profit Before Tax</b>                     | <b>1.4</b>  | <b>(0.9)</b> | <b>(5.0)</b> | <b>1.4</b>  | <b>1.0</b>  | <b>9.9</b>    | <b>8.7</b>    | <b>29.2</b>   | <b>-7.6%</b>  | <b>n.a.</b>  |
| Tax Expense                                  | (0.4)       | (0.2)        | (0.1)        | (0.2)       | (0.3)       | (2.8)         | (2.5)         | (8.4)         |               |              |
| Effective Tax Rate                           | 25.5%       | n.a.         | n.a.         | 13.6%       | 28.7%       | 28.7%         | 28.7%         | 28.7%         |               |              |
| Minority Interests                           | (0.1)       | 0.0          | 0.1          | 0.0         | 0.1         | -             | -             | -             |               |              |
| Discontinued Activities                      | -           | -            | -            | 0.2         | -           | -             | -             | -             |               |              |
| <b>Net Profit</b>                            | <b>1.0</b>  | <b>(1.1)</b> | <b>(5.0)</b> | <b>1.4</b>  | <b>0.8</b>  | <b>7.0</b>    | <b>6.2</b>    | <b>20.9</b>   | <b>-5.0%</b>  | <b>n.a.</b>  |
| Net Profit growth                            | 19.9%       | -211.6%      | -360.1%      | 127.8%      | -42.7%      | 785.9%        | -12.2%        | 237.3%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>1.0</b>  | <b>(0.9)</b> | <b>(4.9)</b> | <b>1.2</b>  | <b>0.0</b>  | <b>7.0</b>    | <b>6.2</b>    | <b>20.9</b>   | <b>-54.3%</b> | <b>n.a.</b>  |
| Ordinary Net Profit growth                   | 1.8%        | -189.8%      | -466.5%      | 124.9%      | -96.6%      | n.a.          | -12.2%        | 237.3%        |               |              |
| Cash Flow (EUR Mn)                           | 2019        | 2020         | 2021         | 2022        | 2023        | 2024e         | 2025e         | 2026e         | 19-23         | 23-26e       |
| <b>Recurrent EBITDA</b>                      |             |              |              |             |             | <b>12.0</b>   | <b>13.3</b>   | <b>33.9</b>   | <b>14.3%</b>  | <b>97.3%</b> |
| Rentals (IFRS 16 impact)                     |             |              |              |             |             | -             | -             | -             |               |              |
| Working Capital Increase                     |             |              |              |             |             | (19.2)        | (45.2)        | 22.6          |               |              |
| <b>Recurrent Operating Cash Flow</b>         |             |              |              |             |             | <b>-7.2</b>   | <b>-31.8</b>  | <b>56.5</b>   | <b>52.5%</b>  | <b>n.a.</b>  |
| CAPEX  |             |              |              |             |             | (3.2)         | (3.6)         | (3.6)         |               |              |
| Net Financial Result affecting the Cash Flow |             |              |              |             |             | (2.0)         | (4.3)         | (4.3)         |               |              |
| Tax Expense                                  |             |              |              |             |             | (2.8)         | (2.5)         | (8.4)         |               |              |
| <b>Recurrent Free Cash Flow</b>              |             |              |              |             |             | <b>(15.3)</b> | <b>(42.1)</b> | <b>40.1</b>   | <b>4.0%</b>   | <b>n.a.</b>  |
| Restructuring Expense & Other non-rec.       |             |              |              |             |             | -             | -             | -             |               |              |
| - Acquisitions / + Divestures of assets      |             |              |              |             |             | -             | -             | -             |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |              |              |             |             | -             | -             | -             |               |              |
| <b>Free Cash Flow</b>                        |             |              |              |             |             | <b>(15.3)</b> | <b>(42.1)</b> | <b>40.1</b>   | <b>19.2%</b>  | <b>n.a.</b>  |
| Capital Increase                             |             |              |              |             |             | -             | -             | -             |               |              |
| Dividends                                    |             |              |              |             |             | -             | -             | -             |               |              |
| <b>Net Debt Variation</b>                    |             |              |              |             |             | <b>15.3</b>   | <b>42.1</b>   | <b>(40.1)</b> |               |              |

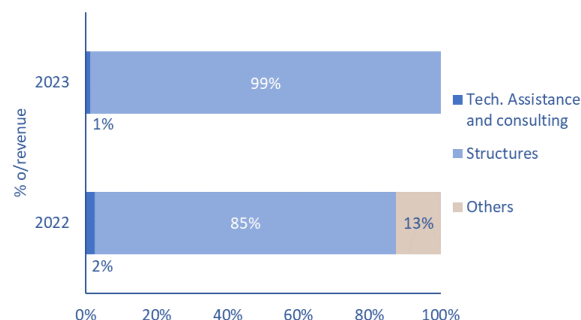


**The company in 8 charts**

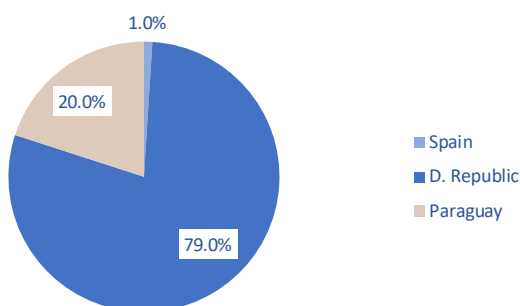
**Tourism and construction are two key sectors for the Dominican Republic, attracting a large % of annual FDI to the country**



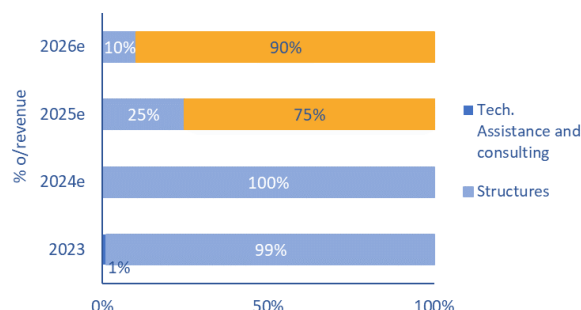
**CLR: a business positioned over its customers' entire value chain. Its core business is the construction of structures**



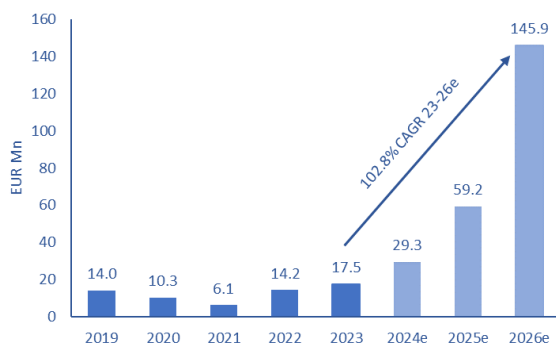
**The company has high business concentration in the Dominican Republic, representing 79% of revenue in 2023.**



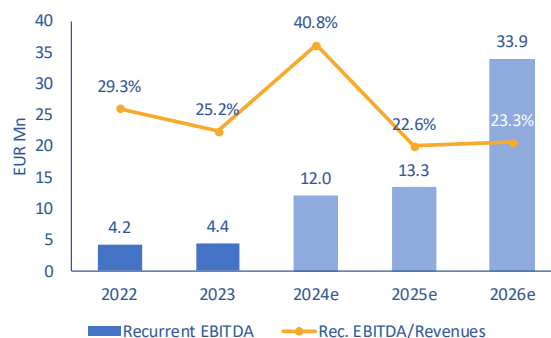
**The DR's share of revenue should rise even further with the Larimar project, which will drive complete change in the business mix...**



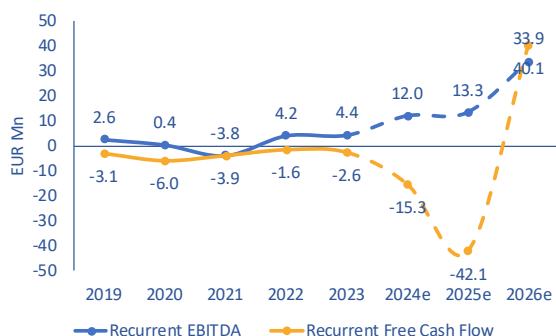
**... paving the way for a (very demanding) lift-off in topline revenue in the P&L to EUR 145.9Mn in 2026e**



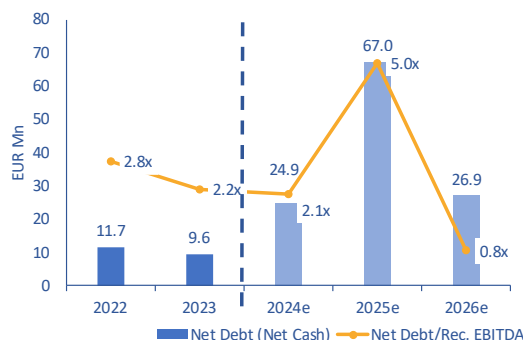
**Pushing up recurring EBITDA to EUR 33.9Mn in 2026e (vs EUR 12.0Mn in 2024e), because of strong growth in revenue volume...**



**... leaving positive rec. FCF generation of EUR 40.1Mn in 2026e (vs EUR -15.3Mn in 2024e). Highly dependent on the pace of deliveries**



**Increase in ND in 2025e to EUR 67Mn, before tapering off sharply in 2026e (ND of EUR 26.9Mn; ND/rec. EBITDA multiple of 0.8x).**



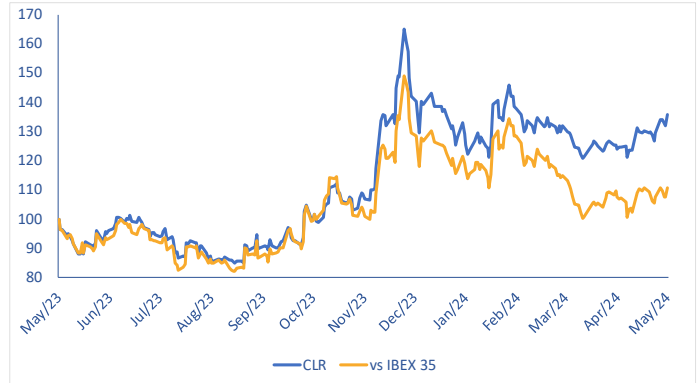


Evolution of the share price

Historical behavior vs Ibex 35 (base 100)



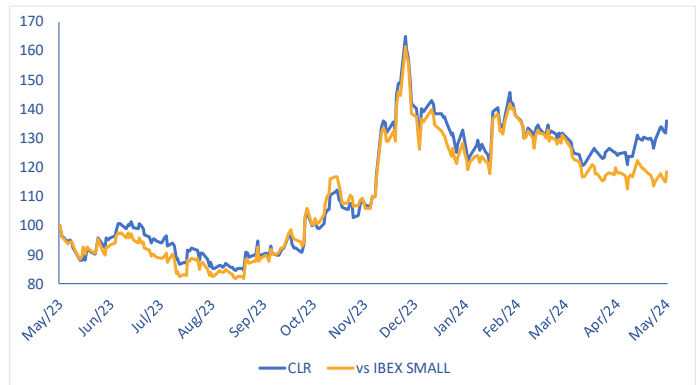
Behavior -1y vs Ibex 35 (base 100)



Historical behavior vs Ibex Small Cap (base 100)



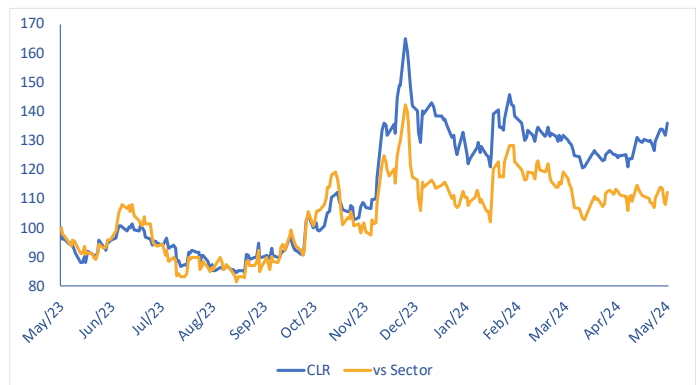
Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector<sup>(1)</sup> (base 100)



Behavior -1y vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Stoxx Europe 600 Real State

| Stock performance (%)                     | -1m  | -3m   | -12m | YTD   | -3Y   | -5Y   |
|---|------|-------|------|-------|-------|-------|
| Absolute                                  | 9.6  | -1.4  | 36.0 | -1.9  | 116.8 | 214.5 |
| <b>vs Market</b>                          |      |       |      |       |       |       |
| vs Ibex 35                                | 2.9  | -14.0 | 10.6 | -12.5 | 75.3  | 157.7 |
| vs Euro STOXX 50                          | 6.3  | -7.2  | 16.1 | -12.4 | 71.6  | 112.7 |
| <b>vs Small Cap References</b>            |      |       |      |       |       |       |
| vs Ibex Small Cap Index                   | 0.3  | -13.8 | 18.7 | -11.9 | 112.1 | 141.4 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 3.9  | -8.7  | 29.4 | -9.0  | 134.4 | 160.2 |
| vs MSCI Europe Micro Cap                  | 3.3  | -8.2  | 32.1 | -7.2  | 166.1 | 162.4 |
| <b>vs Sector</b>                          |      |       |      |       |       |       |
| vs Stoxx Europe 600 Real State            | -0.4 | -8.2  | 12.2 | -1.4  | 182.3 | 315.8 |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

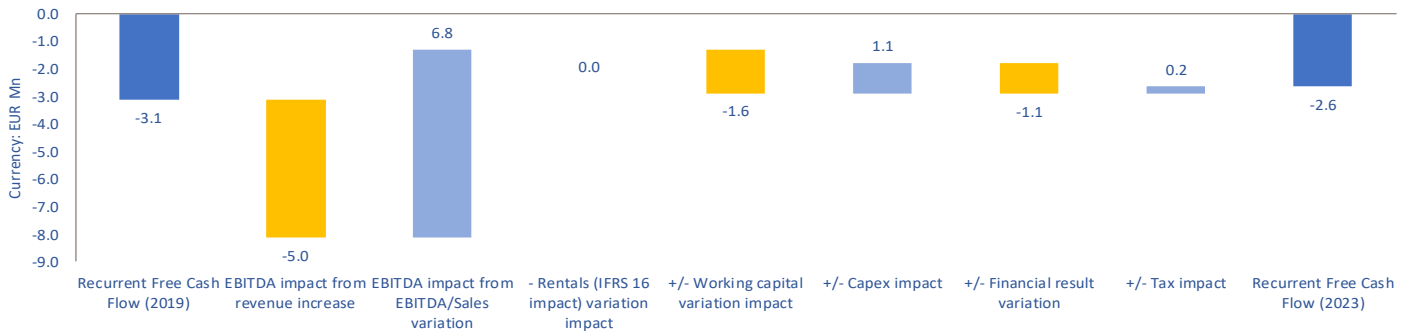
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e         | 2026e         | CAGR         |              |
|---|--------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|
|   |              |              |              |              |               |               |               | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>0.4</b>   | <b>(3.8)</b> | <b>4.2</b>   | <b>4.4</b>   | <b>12.0</b>   | <b>13.3</b>   | <b>33.9</b>   | <i>n.a.</i>  | <b>97.3%</b> |
| <i>Recurrent EBITDA growth</i>  | -83.2%       | -979.3%      | 208.8%       | 6.0%         | 170.9%        | 11.6%         | 154.3%        |              |              |
| <i>Rec. EBITDA/Revenues</i>   | 4.2%         | <i>n.a.</i>  | 29.3%        | 25.2%        | 40.8%         | 22.6%         | 23.3%         |              |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -             | -             | -             |              |              |
| +/- Working Capital increase  | (1.8)        | 1.0          | (0.9)        | (4.2)        | (19.2)        | (45.2)        | 22.6          |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(1.4)</b> | <b>(2.8)</b> | <b>3.3</b>   | <b>0.2</b>   | <b>(7.2)</b>  | <b>(31.8)</b> | <b>56.5</b>   | <b>28.5%</b> | <i>n.a.</i>  |
| <i>Rec. Operating Cash Flow growth</i>  | <i>n.a.</i>  | -99.8%       | 216.0%       | -94.7%       | <i>n.a.</i>   | -342.8%       | 277.4%        |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | <i>n.a.</i>  | <i>n.a.</i>  | 22.9%        | 1.0%         | <i>n.a.</i>   | <i>n.a.</i>   | 38.7%         |              |              |
| - CAPEX   | (3.9)        | (0.0)        | (2.6)        | (1.0)        | (3.2)         | (3.6)         | (3.6)         |              |              |
| - Net Financial Result affecting Cash Flow  | (0.5)        | (0.9)        | (2.1)        | (1.7)        | (2.0)         | (4.3)         | (4.3)         |              |              |
| - Taxes   | (0.2)        | (0.1)        | (0.2)        | (0.1)        | (2.8)         | (2.5)         | (8.4)         |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(6.0)</b> | <b>(3.9)</b> | <b>(1.6)</b> | <b>(2.6)</b> | <b>(15.3)</b> | <b>(42.1)</b> | <b>40.1</b>   | <b>23.9%</b> | <i>n.a.</i>  |
| <i>Rec. Free Cash Flow growth</i>   | -92.9%       | 34.9%        | 59.6%        | -67.6%       | -479.8%       | -175.6%       | 195.3%        |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>   | 27.5%         |              |              |
| - Restructuring expenses & others   | -            | 0.0          | -            | 1.0          | -             | -             | -             |              |              |
| - Acquisitions / + Divestments  | (0.2)        | -            | 1.6          | 0.2          | -             | -             | -             |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | (0.2)        | -            | -            | -             | -             | -             |              |              |
| <b>= Free Cash Flow</b>   | <b>(6.2)</b> | <b>(4.1)</b> | <b>0.1</b>   | <b>(1.4)</b> | <b>(15.3)</b> | <b>(42.1)</b> | <b>40.1</b>   | <b>39.4%</b> | <i>n.a.</i>  |
| <i>Free Cash Flow growth</i>  | -91.9%       | 34.1%        | 101.9%       | <i>n.a.</i>  | <i>n.a.</i>   | -175.6%       | 195.3%        |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>   | 69.3%         |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | <i>n.a.</i>  | <i>n.a.</i>  | 0.1%         | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>   | 69.3%         |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |               |               |               |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e         | 2026e         |              |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(3.1)</b> | <b>(6.0)</b> | <b>(3.9)</b> | <b>(1.6)</b> | <b>(2.6)</b>  | <b>(15.3)</b> | <b>(42.1)</b> |              |              |
| EBITDA impact from revenue increase   | (0.7)        | (0.2)        | (5.1)        | 1.0          | 3.0           | 12.2          | 19.6          |              |              |
| EBITDA impact from EBITDA/Sales variation   | (1.5)        | (4.1)        | 13.1         | (0.7)        | 4.6           | (10.8)        | 1.0           |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(2.2)</b> | <b>(4.3)</b> | <b>8.0</b>   | <b>0.3</b>   | <b>7.6</b>    | <b>1.4</b>    | <b>20.6</b>   |              |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -            | -            | -             | -             | -             |              |              |
| +/- Working capital variation impact  | 0.8          | 2.9          | (1.9)        | (3.3)        | (14.9)        | (26.0)        | 67.8          |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(1.4)</b> | <b>(1.4)</b> | <b>6.1</b>   | <b>(3.1)</b> | <b>(7.4)</b>  | <b>(24.7)</b> | <b>88.4</b>   |              |              |
| +/- CAPEX impact  | (1.8)        | 3.8          | (2.5)        | 1.6          | (2.3)         | (0.3)         | (0.1)         |              |              |
| +/- Financial result variation  | 0.1          | (0.4)        | (1.1)        | 0.3          | (0.3)         | (2.2)         | (0.1)         |              |              |
| +/- Tax impact  | 0.2          | 0.1          | (0.1)        | 0.1          | (2.7)         | 0.3           | (5.9)         |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(2.9)</b> | <b>2.1</b>   | <b>2.3</b>   | <b>(1.1)</b> | <b>(12.7)</b> | <b>(26.8)</b> | <b>82.3</b>   |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(6.0)</b> | <b>(3.9)</b> | <b>(1.6)</b> | <b>(2.6)</b> | <b>(15.3)</b> | <b>(42.1)</b> | <b>40.1</b>   |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |               |               |               |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e         | 2026e         | CAGR         |              |
| <b>EBIT</b>   | <b>0.2</b>   | <b>(3.9)</b> | <b>3.4</b>   | <b>5.1</b>   | <b>11.9</b>   | <b>12.9</b>   | <b>33.6</b>   | <i>n.a.</i>  | <b>87.3%</b> |
| * <i>Theoretical Tax rate</i>   | 0.0%         | 0.0%         | 13.6%        | 0.0%         | 28.7%         | 28.7%         | 28.7%         |              |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | (0.5)        | -            | (3.4)         | (3.7)         | (9.6)         |              |              |
| <b>Recurrent EBITDA</b>   | <b>0.4</b>   | <b>(3.8)</b> | <b>4.2</b>   | <b>4.4</b>   | <b>12.0</b>   | <b>13.3</b>   | <b>33.9</b>   | <i>n.a.</i>  | <b>97.3%</b> |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -             | -             | -             |              |              |
| +/- Working Capital increase  | (1.8)        | 1.0          | (0.9)        | (4.2)        | (19.2)        | (45.2)        | 22.6          |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(1.4)</b> | <b>(2.8)</b> | <b>3.3</b>   | <b>0.2</b>   | <b>(7.2)</b>  | <b>(31.8)</b> | <b>56.5</b>   | <b>28.5%</b> | <i>n.a.</i>  |
| - CAPEX   | (3.9)        | (0.0)        | (2.6)        | (1.0)        | (3.2)         | (3.6)         | (3.6)         |              |              |
| - Taxes (pre- Financial Result)   | -            | -            | (0.5)        | -            | (3.4)         | (3.7)         | (9.6)         |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(5.3)</b> | <b>(2.8)</b> | <b>0.2</b>   | <b>(0.8)</b> | <b>(13.8)</b> | <b>(39.1)</b> | <b>43.2</b>   | <b>46.8%</b> | <i>n.a.</i>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -100.2%      | 46.3%        | 107.6%       | -466.5%      | <i>n.a.</i>   | -182.6%       | 210.6%        |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | <i>n.a.</i>  | <i>n.a.</i>  | 1.5%         | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>   | 29.6%         |              |              |
| - Acquisitions / + Divestments  | (0.2)        | -            | 1.6          | 0.2          | -             | -             | -             |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | (0.2)        | -            | -            | -             | -             | -             |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(5.5)</b> | <b>(3.1)</b> | <b>1.9</b>   | <b>(0.6)</b> | <b>(13.8)</b> | <b>(39.1)</b> | <b>43.2</b>   | <b>52.8%</b> | <i>n.a.</i>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | -98.0%       | 44.2%        | 160.9%       | -130.9%      | <i>n.a.</i>   | -182.6%       | 210.6%        |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | <i>n.a.</i>  | <i>n.a.</i>  | 0.3%         | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>   | 63.8%         |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | <i>n.a.</i>  | <i>n.a.</i>  | 2.8%         | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>   | 63.8%         |              |              |



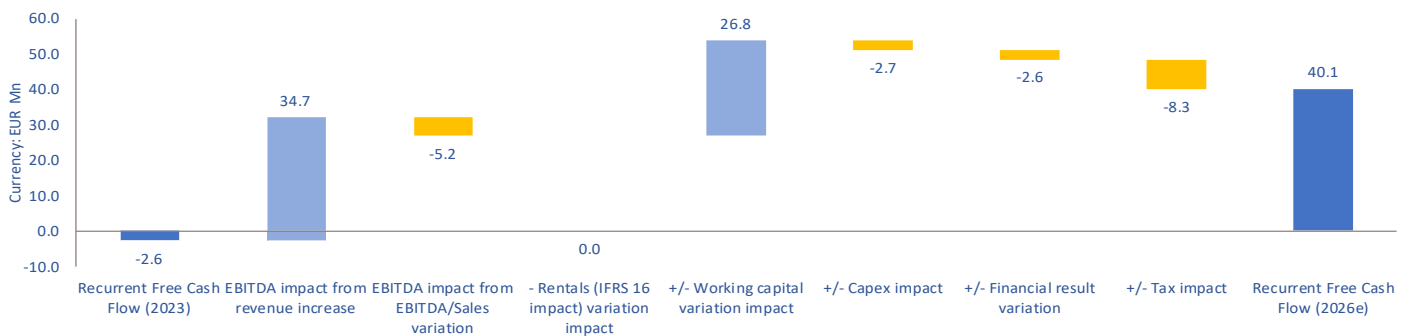


Free Cash Flow (II)

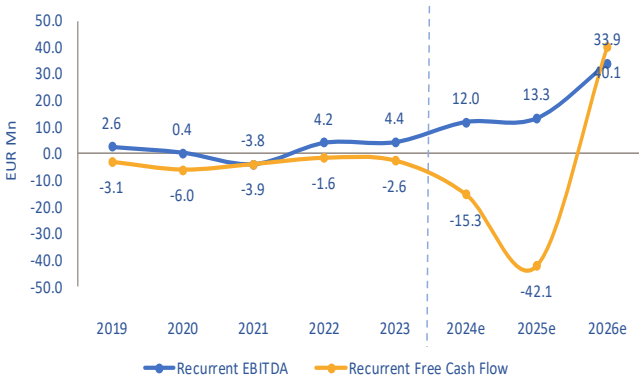
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Stock performance vs EBITDA 12m forward





Valuation inputs

Inputs for the DCF Valuation Approach

|                                | 2024e  | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|--------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | (13.8) | (39.1)                              | 43.2  | n.a.                          |           |            |  |
| Market Cap                     | 57.9   | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 9.6    | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |        |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 6.0%   | Net debt cost                       |       |                               | 5.8%      | 6.3%       |  |
| Tax rate (T)                   | 20.0%  | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.8%   | Kd = Cost of Net Debt * (1-T)       |       |                               | 4.6%      | 5.0%       |  |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 11.7%  | R (own estimate)                    |       |                               | 11.2%     | 12.2%      |  |
| Beta (B)                       | 1.2    | B (own estimate)                    |       |                               | 1.1       | 1.3        |  |
| Cost of Equity                 | 17.3%  | Ke = Rf + (R * B)                   |       |                               | 15.6%     | 19.1%      |  |
| Equity / (Equity + Net Debt)   | 85.8%  | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 14.2%  | D                                   |       |                               | =         | =          |  |
| WACC                           | 15.5%  | WACC = Kd * D + Ke * E              |       |                               | 14.0%     | 17.1%      |  |
| G "Fair"                       | 2.0%   |                                     |       |                               | 2.0%      | 1.5%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 57.9        |                  |
| + Minority Interests                 | (0.2)       | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 4.3         | 12m Results 2023 |
| + Net financial debt                 | 9.6         | 12m Results 2023 |
| - Financial Investments              | 3.9         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>67.8</b> |                  |

Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022  | 2023  |
|----------------------|-------|-------|------|-------|-------|
| ROCE (evolution -5y) | 20.0% | 2.0%  | n.a. | 25.1% | 37.4% |
|                      | 2023  | 2026e |      |       |       |
| ROCE - WACC          | 21.9% | 15.6% |      |       |       |
| FCF Yield - WACC     | n.a.  | 53.7% |      |       |       |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

Free Cash Flow sensitivity analysis (2025e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 24.9%            | 14.7       | 4.6x          |
| Central  | 22.6%            | 13.3       | 5.1x          |
| Min      | 20.3%            | 12.0       | 5.7x          |

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |        |        |
|-----------------|-----------------|--------|--------|
| EBITDA 25e      | 5.4%            | 6.0%   | 6.6%   |
| 14.7            | (40.4)          | (40.8) | (41.1) |
| 13.3            | (41.8)          | (42.1) | (42.5) |
| 12.0            | (43.1)          | (43.5) | (43.8) |

Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 22.2% | 33.3% | 28.6% |
| % of proprietary directors           | 77.8% | 66.7% | 71.4% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 0.0%  | 0.0%  | 0.0%  |
| % of women out of total workforce    | 11.0% | 8.2%  | 20.2% |
| Board remuneration/staff cost        | 7.0%  | 8.0%  | 11.0% |



## Main peers 2024e

|                                    | EUR Mn                  | Real estate and Tourism |             |                        |         | Engineering and Construction |           |          |          | Average | CLR    |
|------------------------------------|-------------------------|-------------------------|-------------|------------------------|---------|------------------------------|-----------|----------|----------|---------|--------|
|                                    |                         | Metrovacesa             | Aedas Homes | Playa Hotels & Resorts | Insur   | Average                      | Strabag   | Hochtief | ACS      |         |        |
| <b>Market data</b>                 | Ticker (Factset)        | MVC-ES                  | AEDAS-ES    | PLYA-US                | ISUR-ES |                              | STR-AT    | HOT-DE   | ACS-ES   |         | CLR-ES |
|                                    | Country                 | Spain                   | Spain       | Netherlands            | Spain   |                              | Austria   | Germany  | Spain    |         | Spain  |
|                                    | Market cap              | 1,396.9                 | 882.7       | 1,020.0                | 149.4   |                              | 4,870.7   | 7,697.3  | 10,823.1 |         | 57.9   |
|                                    | Enterprise value (EV)   | 1,600.6                 | 1,388.5     | 2,016.9                | 393.1   |                              | 1,497.0   | 8,394.3  | 11,232.3 |         | 67.8   |
| <b>Basic financial information</b> | Total Revenues          | 675.5                   | 992.3       | 878.8                  | 187.4   |                              | 18,242.2  | 29,767.5 | 37,384.4 |         | 29.3   |
|                                    | Total Revenues growth   | 15.2%                   | -7.9%       | -2.2%                  | 33.5%   | 9.7%                         | 3.3%      | 7.2%     | 4.6%     | 5.0%    | 67.7%  |
|                                    | 2y CAGR (2024e - 2026e) | 4.8%                    | -0.7%       | 1.0%                   | -6.2%   | -0.3%                        | n.a.      | 5.2%     | 3.7%     | 4.4%    | n.a.   |
|                                    | EBITDA                  | 68.1                    | 154.8       | 244.2                  | 30.7    |                              | 1,351.2   | 1,334.7  | 1,965.0  |         | 12.0   |
|                                    | EBITDA growth           | 455.1%                  | -10.1%      | 2.9%                   | 64.8%   | 128.2%                       | 43.4%     | 62.7%    | 41.4%    | 49.2%   | 119.2% |
|                                    | 2y CAGR (2024e - 2026e) | 7.2%                    | 0.9%        | 4.2%                   | -1.5%   | 2.7%                         | n.a.      | 11.2%    | 6.7%     | 8.9%    | 68.4%  |
|                                    | EBITDA/Revenues         | 10.1%                   | 15.6%       | 27.8%                  | 16.4%   | 17.5%                        | 7.4%      | 4.5%     | 5.3%     | 5.7%    | 40.8%  |
|                                    | EBIT                    | 62.7                    | 150.4       | 157.1                  | 26.4    |                              | 787.3     | 942.3    | 1,335.8  |         | 11.9   |
|                                    | EBIT growth             | 590.4%                  | -10.5%      | -3.0%                  | 80.9%   | 164.5%                       | 88.5%     | 88.1%    | 59.3%    | 78.6%   | 133.3% |
|                                    | 2y CAGR (2024e - 2026e) | 11.7%                   | 0.5%        | 10.8%                  | -2.2%   | 5.2%                         | n.a.      | 11.0%    | 8.9%     | 10.0%   | 67.9%  |
|                                    | EBIT/Revenues           | 9.3%                    | 15.2%       | 17.9%                  | 14.1%   | 14.1%                        | 4.3%      | 3.2%     | 3.6%     | 3.7%    | 40.6%  |
|                                    | Net Profit              | 39.0                    | 95.8        | 67.4                   | 12.5    |                              | 535.9     | 571.2    | 684.4    |         | 7.0    |
|                                    | Net Profit growth       | 287.1%                  | -12.5%      | 36.2%                  | 10.9%   | 80.4%                        | -15.0%    | 9.3%     | -12.3%   | -6.0%   | 785.9% |
|                                    | 2y CAGR (2024e - 2026e) | 11.3%                   | 1.8%        | 23.4%                  | -1.5%   | 8.8%                         | n.a.      | 14.0%    | 12.5%    | 13.2%   | 72.1%  |
|                                    | CAPEX/Sales %           | 3.4%                    | 0.4%        | 8.4%                   | 33.0%   | 11.3%                        | n.a.      | 1.0%     | 1.5%     | 1.3%    | 11.0%  |
|                                    | Free Cash Flow          | 116.8                   | 110.8       | 3.4                    | (6.9)   |                              | n.a.      | 569.9    | 824.9    |         | (15.3) |
|                                    | Net financial debt      | 304.0                   | 363.2       | 770.2                  | 253.1   |                              | (2,129.4) | (187.6)  | 367.2    |         | 24.9   |
|                                    | ND/EBITDA (x)           | 4.5                     | 2.3         | 3.2                    | 8.3     | 4.6                          | n.a.      | n.a.     | 0.2      | 0.2     | 2.1    |
|                                    | Pay-out                 | 335.0%                  | 85.3%       | 0.0%                   | 47.2%   | 116.9%                       | 37.4%     | 63.1%    | 80.3%    | 60.2%   | 0.0%   |
| <b>Multiples and Ratios</b>        | P/E (x)                 | 36.2                    | 8.9         | 15.1                   | 11.9    | 18.0                         | 8.9       | 13.0     | 15.9     | 12.6    | 8.2    |
|                                    | P/BV (x)                | 0.9                     | 0.9         | 2.0                    | 0.9     | 1.2                          | 1.0       | 5.1      | 2.0      | 2.7     | 4.4    |
|                                    | EV/Revenues (x)         | 2.4                     | 1.4         | 2.3                    | 2.1     | 2.0                          | 0.1       | 0.3      | 0.3      | 0.2     | 2.3    |
|                                    | EV/EBITDA (x)           | 23.5                    | 9.0         | 8.3                    | 12.8    | 13.4                         | 1.1       | 6.3      | 5.7      | 4.4     | 5.7    |
|                                    | EV/EBIT (x)             | 25.5                    | 9.2         | 12.8                   | 14.9    | 15.6                         | 1.9       | 8.9      | 8.4      | 6.4     | 5.7    |
|                                    | ROE                     | 2.4                     | 10.3        | 13.0                   | 8.0     | 8.4                          | 11.3      | 39.3     | 12.6     | 21.1    | 72.7   |
|                                    | FCF Yield (%)           | 8.4                     | 12.6        | 0.3                    | n.a.    | 7.1                          | n.a.      | 7.4      | 7.6      | 7.5     | n.a.   |
|                                    | DPS                     | 0.86                    | 1.88        | 0.00                   | 0.32    | 0.77                         | 2.00      | 4.79     | 2.11     | 2.97    | 0.00   |
|                                    | Dvd Yield               | 9.4%                    | 9.3%        | 0.0%                   | 4.0%    | 5.7%                         | 4.9%      | 4.8%     | 5.3%     | 5.0%    | 0.0%   |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Cuatrochenta (480S)**, is a technology company specialised in designing, developing and implementing cloud software (SaaS model) and cybersecurity, with proprietary products aimed at optimising specific processes in the business context. Revenues from outside Spain account for c. 35% of the total (mainly Latam). The company has been listed on BME Growth since November 2020.

**Market Data**

|                                |                     |      |
|--------------------------------|---------------------|------|
| Market Cap (Mn EUR and USD)    | 27.3                | 29.7 |
| EV (Mn EUR and USD)            | 32.8                | 35.7 |
| Shares Outstanding (Mn)        | 2.7                 |      |
| -12m (Max/Med/Min EUR)         | 10.40 / 8.10 / 6.90 |      |
| Daily Avg volume (-12m Mn EUR) | n.m.                |      |
| Rotation <sup>(1)</sup>        | 6.7                 |      |
| Factset / Bloomberg            | 480S-ES / 480S SM   |      |
| Close fiscal year              | 31-Dec              |      |

**Shareholders Structure (%)<sup>(3)</sup>**

|                         |      |
|-------------------------|------|
| Familia Montesinos      | 19.4 |
| Alfredo Cebrían Fuertes | 16.8 |
| Sergio Aguado Gonzalez  | 16.7 |
| Grupo Pavalas           | 6.3  |
| Free Float              | 36.0 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 2.7   | 2.7   | 2.7   | 2.7   |
| Total Revenues                      | 22.5  | 27.2  | 31.8  | 36.3  |
| Rec. EBITDA                         | 0.9   | 2.0   | 2.9   | 3.8   |
| % growth                            | 27.7  | 119.2 | 46.2  | 28.1  |
| % Rec. EBITDA/Rev.                  | 4.1   | 7.4   | 9.2   | 10.4  |
| % Inc. EBITDA sector <sup>(2)</sup> | 17.8  | 9.4   | 21.0  | 12.5  |
| Net Profit                          | 0.2   | 0.8   | 1.6   | 2.3   |
| EPS (EUR)                           | 0.06  | 0.30  | 0.58  | 0.83  |
| % growth                            | 116.0 | 362.4 | 92.9  | 44.1  |
| Ord. EPS (EUR)                      | -0.08 | 0.30  | 0.58  | 0.83  |
| % growth                            | 53.8  | 471.6 | 92.9  | 44.1  |
| Rec. Free Cash Flow                 | -0.1  | 0.6   | 1.1   | 1.5   |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 6.9   | 6.3   | 5.2   | 3.6   |
| ND/Rec. EBITDA (x)                  | 7.5   | 3.1   | 1.8   | 1.0   |
| ROE (%)                             | 1.7   | 7.6   | 13.1  | 16.3  |
| ROCE (%)                            | 2.4   | 4.5   | 8.6   | 12.0  |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | 33.5 | 17.4 | 12.1 |
| Ord. P/E           | n.a. | 33.5 | 17.4 | 12.1 |
| P/BV               | 2.6  | 2.4  | 2.1  | 1.8  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 1.46 | 1.21 | 1.03 | 0.91 |
| EV/Rec. EBITDA     | 35.9 | 16.4 | 11.2 | 8.7  |
| EV/EBIT            | n.a. | 32.0 | 17.0 | 12.0 |
| FCF Yield (%)      | n.a. | 2.0  | 4.2  | 5.6  |

**Historical behavior (base 100)**


| (%)      | -1m  | -3m  | -12m | -5Y  |
|----------|------|------|------|------|
| Absolute | 25.0 | 40.8 | 7.5  | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Technology.

(3) Others: Gimeno 111 Estudio de comunicación 3.3%, Inveready 1.4%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**1Q24 (as with FY23) revealed strong growth in revenue and profitability.** In 2023, 480s generated EUR 22.5Mn of revenue (vs EUR 18.7Mn in 2022) and recurring EBITDA of EUR 0.9Mn (vs EUR 0.7Mn in 2022, excluding capitalised expenses and grants). The cybersecurity business was particularly strong, accounting for 37% of revenue (vs 26% in 2022), at EUR 8.3Mn. Meanwhile, 1Q24 revenue came in at EUR 6.5Mn (+23.8% vs 1Q23) while recurring EBITDA Rec. remained positive (EUR 0.4Mn vs EUR 0.2Mn in 1Q23).

**For 2024e, we are forecasting high double-digit revenue growth (in line with the recent trend) ...** underpinned by a solid recurring revenue base and the company's international expansion strategy (mainly Latam). The cybersecurity business looks set to remain the fastest-growing line. We are forecasting revenue of EUR 27.2Mn in 2024e (+20.9% vs 2023).

**...along with sharp growth in recurring EBITDA to EUR 2.0Mn.** The jump in scale has already been already accomplished: we expect 480S to be able to unlock economies of scale in 2024e to generate c.EUR 2.0Mn of recurring EBITDA (vs EUR 0.9Mn in 2023). The best news: the margin expansion hasn't really yet begun.

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Diversified business.** Geographically, revenue generation outside of Spain increased to 35% in 2023 (vs 26% in 2022), a figure that looks set to continue to grow in the coming years. By business line, the cybersecurity business stands out, accounting for 37% of the mix, followed by business solutions, at 23%. As for customer concentration, the top 15 customers only account for 31% of sales.

**Recurring revenue base.** 480S' solutions and products are focused on optimising very specific processes within the business environment (asset management, work planning, cybersecurity, etc.). Once a customer has adapted their internal processes to 480S' products, the costs of switching to a new supplier are high. That translates into high recurring income. Annual recurring revenue (annualising recurring revenue as of March 2024) stands at EUR 15.8Mn (72% of pro forma revenue).

**Margin expansion (thanks purely to operational gearing) should translate into stronger cash generation.** For 2024e-2026e, we are looking for sharp growth in recurring EBITDA (which should push recurring FCF generation to EUR 1.5Mn by 2026e), driven by: (i) ongoing double-digit revenue growth (CAGR 2023-26e: +17%); and (ii) the operational gearing effect, already visible in 2023. That should put a recurring EBITDA margin of c.9% in 2025e within reach (vs c.4% in 2023).

**RISKS: WHAT TO KEEP AN EYE ON?**

**Debt.** 480S ended 2023 with EUR 6.9Mn of net debt (excl. the impact of IFRS 16). Implying a ND/equity ratio of 0.7x and a ND/recurring EBITDA multiple of 7.5x. The forecast improvement in recurring EBITDA should fuel recurring FCF generation, enabling deleveraging to EUR 5.2Mn in 2025e (ND/recurring EBITDA: 1.8x).

**Exposure to emerging markets (Latam).** Although 480S is not exposed to emerging market forex risk (transactions are mainly denominated in euros or dollars), growth in Latam (Panama and Colombia accounted for c.32% of 2023 revenue) implies dependence on regional macro and growth dynamics.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**480S has momentum again,** judging by the strong rally of recent months (YTD +42.9%, outperforming the IBEX 35 by 27.4%). Our estimates for 2024e and 2025e (including the estimated margin expansion) imply EV/recurring EBITDA multiples of 16.4x and 11.2x, respectively.



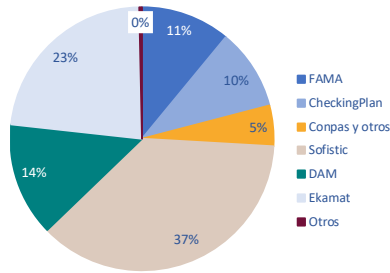
## Financial Projections

| <b>Balance Sheet (EUR Mn)</b>                | <b>2019</b>  | <b>2020</b>   | <b>2021</b>    | <b>2022</b>    | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |               |
|--|--------------|---------------|----------------|----------------|---------------|---------------|--------------|--------------|---------------|---------------|
| Intangible assets                            | 2.4          | 3.9           | 8.1            | 8.8            | 8.1           | 7.7           | 7.2          | 6.7          |               |               |
| Fixed assets                                 | 0.1          | 0.2           | 0.4            | 0.5            | 0.8           | 1.4           | 2.1          | 2.8          |               |               |
| Other Non Current Assets                     | 0.3          | 0.5           | 0.5            | 1.9            | 2.3           | 2.3           | 2.3          | 2.3          |               |               |
| Financial Investments                        | 0.0          | 1.0           | 0.1            | 0.4            | 0.7           | 1.2           | 1.6          | 2.0          |               |               |
| Goodwill & Other Intangibles                 | 1.8          | 5.1           | 7.2            | 8.3            | 8.3           | 8.3           | 8.3          | 8.3          |               |               |
| Current assets                               | 1.6          | 2.8           | 4.3            | 8.0            | 8.4           | 8.5           | 8.9          | 9.5          |               |               |
| <b>Total assets</b>                          | <b>6.2</b>   | <b>13.6</b>   | <b>20.6</b>    | <b>28.0</b>    | <b>28.7</b>   | <b>29.3</b>   | <b>30.3</b>  | <b>31.5</b>  |               |               |
| Equity                                       | 1.9          | 5.4           | 4.6            | 10.2           | 10.4          | 11.2          | 12.8         | 15.0         |               |               |
| Minority Interests                           | 0.0          | 0.1           | 0.0            | 0.0            | 0.0           | 0.0           | 0.0          | 0.0          |               |               |
| Provisions & Other L/T Liabilities           | 1.1          | 1.4           | 1.7            | 1.9            | 1.6           | 1.6           | 1.6          | 1.6          |               |               |
| Other Non Current Liabilities                | -            | -             | 1.0            | 1.0            | 0.8           | 0.8           | 0.8          | 0.8          |               |               |
| Net financial debt                           | 1.9          | 3.5           | 7.5            | 6.6            | 6.9           | 6.3           | 5.2          | 3.6          |               |               |
| Current Liabilities                          | 1.2          | 3.3           | 5.8            | 8.2            | 8.9           | 9.3           | 9.9          | 10.4         |               |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>6.2</b>   | <b>13.6</b>   | <b>20.6</b>    | <b>28.0</b>    | <b>28.7</b>   | <b>29.3</b>   | <b>30.3</b>  | <b>31.5</b>  |               |               |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b>  | <b>2020</b>   | <b>2021</b>    | <b>2022</b>    | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |               |
| <b>Total Revenues</b>                        | <b>5.9</b>   | <b>11.8</b>   | <b>13.9</b>    | <b>18.7</b>    | <b>22.5</b>   | <b>27.2</b>   | <b>31.8</b>  | <b>36.3</b>  | <b>19-23</b>  | <b>23-26e</b> |
| <i>Total Revenues growth</i>                 | <i>n.a.</i>  | <i>99.3%</i>  | <i>17.3%</i>   | <i>34.5%</i>   | <i>20.5%</i>  | <i>20.9%</i>  | <i>17.0%</i> | <i>14.1%</i> | <i>39.5%</i>  | <i>17.3%</i>  |
| COGS   | (1.4)        | (3.1)         | (3.8)          | (5.4)          | (7.4)         | (9.8)         | (11.5)       | (13.2)       |               |               |
| <b>Gross Margin</b>                          | <b>4.5</b>   | <b>8.7</b>    | <b>10.1</b>    | <b>13.3</b>    | <b>15.1</b>   | <b>17.4</b>   | <b>20.3</b>  | <b>23.1</b>  | <b>35.1%</b>  | <b>15.3%</b>  |
| <i>Gross Margin/Revenues</i>                 | <i>76.2%</i> | <i>73.7%</i>  | <i>72.6%</i>   | <i>71.3%</i>   | <i>67.0%</i>  | <i>64.1%</i>  | <i>63.8%</i> | <i>63.7%</i> |               |               |
| Personnel Expenses                           | (2.5)        | (5.7)         | (7.4)          | (9.9)          | (11.1)        | (12.1)        | (13.5)       | (15.0)       |               |               |
| Other Operating Expenses                     | (0.8)        | (1.5)         | (1.7)          | (2.6)          | (3.0)         | (3.4)         | (3.8)        | (4.3)        |               |               |
| <b>Recurrent EBITDA</b>                      | <b>1.1</b>   | <b>1.5</b>    | <b>0.9</b>     | <b>0.7</b>     | <b>0.9</b>    | <b>2.0</b>    | <b>2.9</b>   | <b>3.8</b>   | <b>-5.5%</b>  | <b>60.1%</b>  |
| <i>Recurrent EBITDA growth</i>               | <i>n.a.</i>  | <i>31.2%</i>  | <i>-38.1%</i>  | <i>-23.0%</i>  | <i>27.7%</i>  | <i>119.2%</i> | <i>46.2%</i> | <i>28.1%</i> |               |               |
| <i>Rec. EBITDA/Revenues</i>                  | <i>19.3%</i> | <i>12.7%</i>  | <i>6.7%</i>    | <i>3.8%</i>    | <i>4.1%</i>   | <i>7.4%</i>   | <i>9.2%</i>  | <i>10.4%</i> |               |               |
| Restructuring Expense & Other non-rec.       | -            | (0.3)         | (0.1)          | (0.2)          | 0.5           | -             | -            | -            |               |               |
| <b>EBITDA</b>                                | <b>1.1</b>   | <b>1.2</b>    | <b>0.8</b>     | <b>0.5</b>     | <b>1.4</b>    | <b>2.0</b>    | <b>2.9</b>   | <b>3.8</b>   | <b>5.7%</b>   | <b>38.0%</b>  |
| Depreciation & Provisions                    | (0.4)        | (0.7)         | (1.1)          | (1.5)          | (1.2)         | (1.2)         | (1.2)        | (1.3)        |               |               |
| Capitalized Expense                          | -            | 0.1           | 0.6            | 0.8            | 0.6           | 0.6           | 0.6          | 0.6          |               |               |
| Rentals (IFRS 16 impact)                     | -            | -             | (0.3)          | (0.3)          | (0.4)         | (0.4)         | (0.4)        | (0.4)        |               |               |
| <b>EBIT</b>                                  | <b>0.7</b>   | <b>0.6</b>    | <b>0.1</b>     | <b>(0.4)</b>   | <b>0.4</b>    | <b>1.0</b>    | <b>1.9</b>   | <b>2.7</b>   | <b>-11.7%</b> | <b>84.1%</b>  |
| <i>EBIT growth</i>                           | <i>n.a.</i>  | <i>-10.3%</i> | <i>-91.3%</i>  | <i>-894.2%</i> | <i>197.8%</i> | <i>134.5%</i> | <i>88.0%</i> | <i>41.4%</i> |               |               |
| <i>EBIT/Revenues</i>                         | <i>12.1%</i> | <i>5.5%</i>   | <i>0.4%</i>    | <i>n.a.</i>    | <i>1.9%</i>   | <i>3.8%</i>   | <i>6.1%</i>  | <i>7.5%</i>  |               |               |
| Impact of Goodwill & Others                  | -            | -             | -              | -              | -             | -             | -            | -            |               |               |
| Net Financial Result                         | (0.0)        | (0.1)         | (0.1)          | (0.4)          | (0.6)         | (0.4)         | (0.4)        | (0.3)        |               |               |
| Income by the Equity Method                  | -            | -             | (0.0)          | 0.2            | 0.4           | 0.4           | 0.4          | 0.4          |               |               |
| <b>Ordinary Profit</b>                       | <b>0.7</b>   | <b>0.5</b>    | <b>(0.1)</b>   | <b>(0.7)</b>   | <b>0.3</b>    | <b>1.0</b>    | <b>2.0</b>   | <b>2.8</b>   | <b>-19.0%</b> | <b>n.a.</b>   |
| <i>Ordinary Profit Growth</i>                | <i>n.a.</i>  | <i>-22.7%</i> | <i>-124.9%</i> | <i>-415.9%</i> | <i>143.3%</i> | <i>250.1%</i> | <i>92.9%</i> | <i>44.1%</i> |               |               |
| Extraordinary Results                        | (0.5)        | (0.3)         | -              | -              | -             | -             | -            | -            |               |               |
| <b>Profit Before Tax</b>                     | <b>0.1</b>   | <b>0.2</b>    | <b>(0.1)</b>   | <b>(0.7)</b>   | <b>0.3</b>    | <b>1.0</b>    | <b>2.0</b>   | <b>2.8</b>   | <b>18.4%</b>  | <b>n.a.</b>   |
| Tax Expense                                  | (0.2)        | 0.0           | (0.1)          | 0.0            | (0.1)         | (0.2)         | (0.4)        | (0.6)        |               |               |
| <i>Effective Tax Rate</i>                    | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>    | <i>40.6%</i>  | <i>20.0%</i>  | <i>20.0%</i> | <i>20.0%</i> |               |               |
| Minority Interests                           | -            | -             | 0.0            | 0.0            | 0.0           | -             | -            | -            |               |               |
| Discontinued Activities                      | -            | -             | -              | (0.5)          | -             | -             | -            | -            |               |               |
| <b>Net Profit</b>                            | <b>(0.0)</b> | <b>0.2</b>    | <b>(0.2)</b>   | <b>(1.1)</b>   | <b>0.2</b>    | <b>0.8</b>    | <b>1.6</b>   | <b>2.3</b>   | <b>73.1%</b>  | <b>n.a.</b>   |
| <i>Net Profit growth</i>                     | <i>n.a.</i>  | <i>n.a.</i>   | <i>-184.1%</i> | <i>-436.9%</i> | <i>116.0%</i> | <i>362.4%</i> | <i>92.9%</i> | <i>44.1%</i> |               |               |
| <b>Ordinary Net Profit</b>                   | <b>0.5</b>   | <b>0.8</b>    | <b>(0.0)</b>   | <b>(0.5)</b>   | <b>(0.2)</b>  | <b>0.8</b>    | <b>1.6</b>   | <b>2.3</b>   | <b>-25.3%</b> | <b>n.a.</b>   |
| <i>Ordinary Net Profit growth</i>            | <i>n.a.</i>  | <i>75.1%</i>  | <i>-104.0%</i> | <i>n.a.</i>    | <i>53.8%</i>  | <i>471.6%</i> | <i>92.9%</i> | <i>44.1%</i> |               |               |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b>  | <b>2020</b>   | <b>2021</b>    | <b>2022</b>    | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |               |
| <b>Recurrent EBITDA</b>                      |              |               |                |                |               | <b>2.0</b>    | <b>2.9</b>   | <b>3.8</b>   | <b>-5.5%</b>  | <b>60.1%</b>  |
| Rentals (IFRS 16 impact)                     |              |               |                |                |               | (0.4)         | (0.4)        | (0.4)        |               |               |
| Working Capital Increase                     |              |               |                |                |               | 0.3           | 0.2          | (0.1)        |               |               |
| <b>Recurrent Operating Cash Flow</b>         |              |               |                |                |               | <b>1.9</b>    | <b>2.7</b>   | <b>3.2</b>   | <b>2.9%</b>   | <b>53.1%</b>  |
| CAPEX  |              |               |                |                |               | (0.7)         | (0.8)        | (0.8)        |               |               |
| Net Financial Result affecting the Cash Flow |              |               |                |                |               | (0.4)         | (0.4)        | (0.3)        |               |               |
| Tax Expense                                  |              |               |                |                |               | (0.2)         | (0.4)        | (0.6)        |               |               |
| <b>Recurrent Free Cash Flow</b>              |              |               |                |                |               | <b>0.6</b>    | <b>1.1</b>   | <b>1.5</b>   | <b>-21.5%</b> | <b>n.a.</b>   |
| Restructuring Expense & Other non-rec.       |              |               |                |                |               | -             | -            | -            |               |               |
| - Acquisitions / + Divestures of assets      |              |               |                |                |               | -             | -            | -            |               |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |               |                |                |               | -             | -            | -            |               |               |
| <b>Free Cash Flow</b>                        |              |               |                |                |               | <b>0.6</b>    | <b>1.1</b>   | <b>1.5</b>   | <b>43.4%</b>  | <b>97.5%</b>  |
| Capital Increase                             |              |               |                |                |               | -             | -            | -            |               |               |
| Dividends                                    |              |               |                |                |               | -             | -            | -            |               |               |
| <b>Net Debt Variation</b>                    |              |               |                |                |               | <b>(0.6)</b>  | <b>(1.1)</b> | <b>(1.5)</b> |               |               |

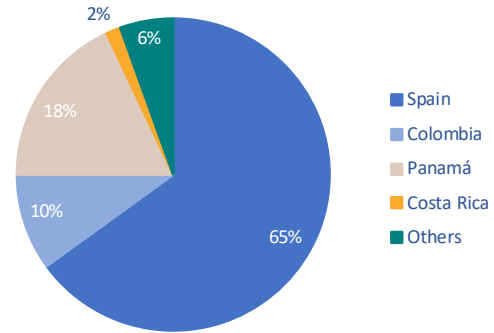


**The company in 8 charts**

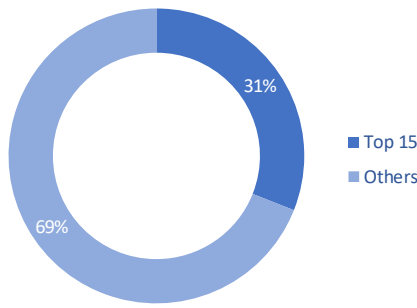
*Diversified by both business (focus on SaaS and cybersecurity) ...*



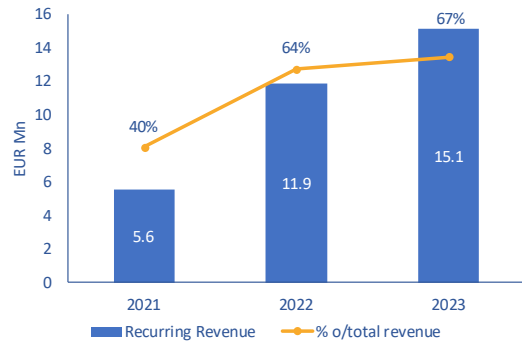
*... and geographically (c.35% of total sales outside Sapin at the date of this report)*



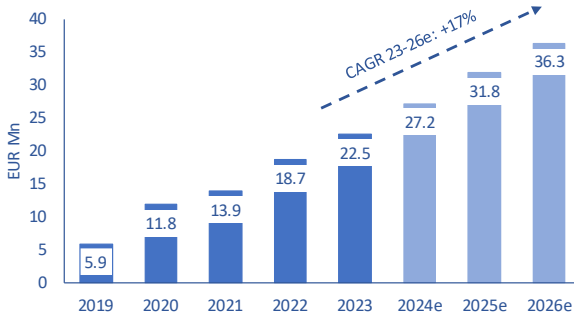
*And with low customer concentration; the 15 largest customers account for just 31% of revenue*



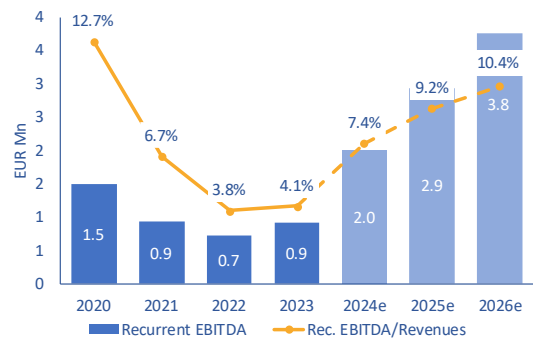
*480S boasts a scalable business model and a sound recurring revenue base*



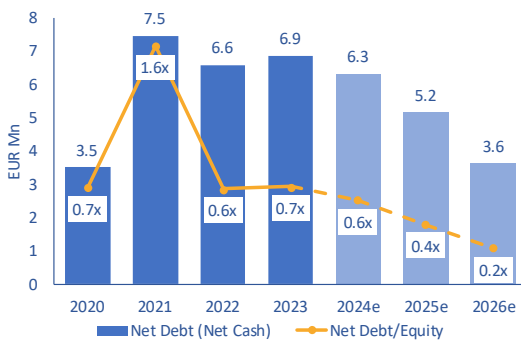
*The focus on SaaS and cybersecurity should enable 480S to deliver high double-digit growth (CAGR 23-26e: +17%)*



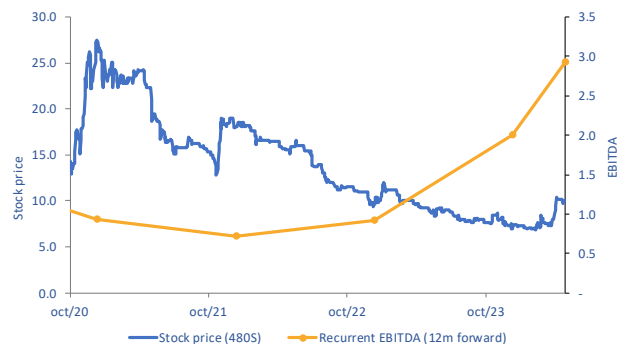
*And aspire "mathematically" to wider margins (simply as a result of the company's operating leverage)*



*The strong growth forecast for EBITDA leaves scope to maintain the leverage level under control*



*In conclusion: 480S regain momentum with the share price near all time lows*





**Evolution of the share price**

**Historical behavior vs Ibex 35 (base 100)**



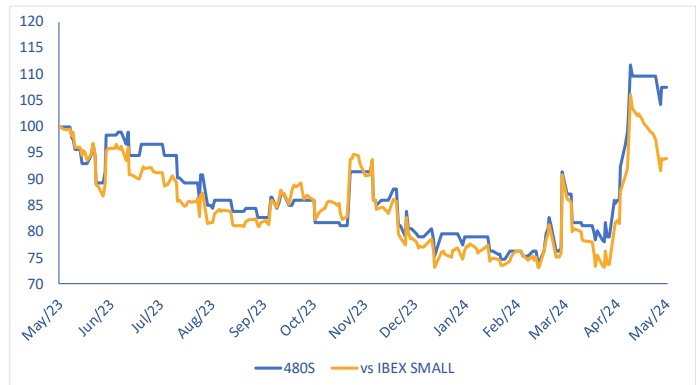
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Technology

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y  |
|---|------|------|-------|------|-------|------|
| Absolute                                  | 25.0 | 40.8 | 7.5   | 42.9 | -55.3 | n.a. |
| <b>vs Market</b>                          |      |      |       |      |       |      |
| vs Ibex 35                                | 17.3 | 22.9 | -12.6 | 27.4 | -63.9 | n.a. |
| vs Euro STOXX 50                          | 21.3 | 32.5 | -8.2  | 27.5 | -64.7 | n.a. |
| <b>vs Small Cap References</b>            |      |      |       |      |       |      |
| vs Ibex Small Cap Index                   | 14.4 | 23.2 | -6.1  | 28.3 | -56.3 | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 18.5 | 30.4 | 2.3   | 32.6 | -51.7 | n.a. |
| vs MSCI Europe Micro Cap                  | 17.8 | 31.2 | 4.5   | 35.2 | -45.2 | n.a. |
| <b>vs Sector</b>                          |      |      |       |      |       |      |
| vs Stoxx Europe 600 Technology            | 18.6 | 39.3 | -14.8 | 26.0 | -65.5 | n.a. |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

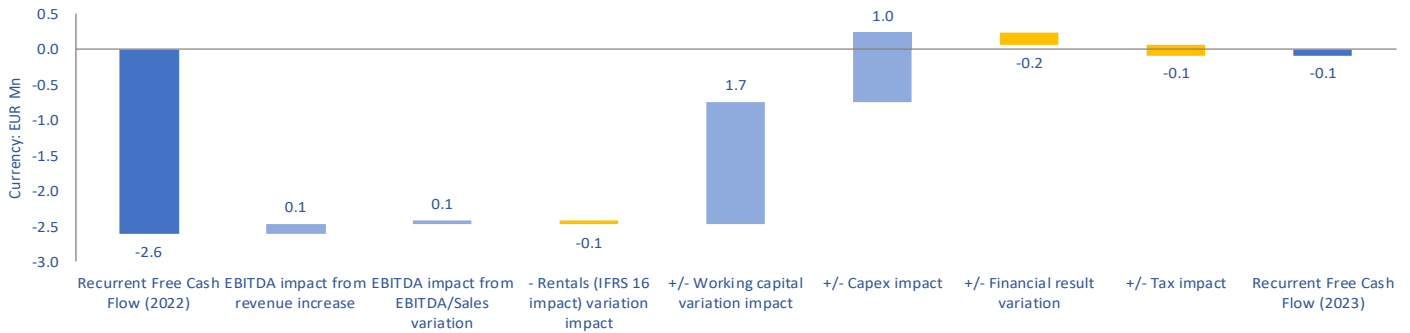
| A) Cash Flow Analysis (EUR Mn)  | 2020   | 2021    | 2022    | 2023   | 2024e  | 2025e  | 2026e | CAGR   |        |
|---|--------|---------|---------|--------|--------|--------|-------|--------|--------|
|   |        |         |         |        |        |        |       | 20-23  | 23-26e |
| <b>Recurrent EBITDA</b>   | 1.5    | 0.9     | 0.7     | 0.9    | 2.0    | 2.9    | 3.8   | -15.3% | 60.1%  |
| <i>Recurrent EBITDA growth</i>  | 31.2%  | -38.1%  | -23.0%  | 27.7%  | 119.2% | 46.2%  | 28.1% |        |        |
| <i>Rec. EBITDA/Revenues</i>   | 12.7%  | 6.7%    | 3.8%    | 4.1%   | 7.4%   | 9.2%   | 10.4% |        |        |
| - Rentals (IFRS 16 impact)  | -      | (0.3)   | (0.3)   | (0.4)  | (0.4)  | (0.4)  | (0.4) |        |        |
| +/- Working Capital increase  | 0.8    | 1.1     | (1.4)   | 0.4    | 0.3    | 0.2    | (0.1) |        |        |
| <b>= Recurrent Operating Cash Flow</b>  | 2.3    | 1.7     | (1.0)   | 0.9    | 1.9    | 2.7    | 3.2   | -26.4% | 53.1%  |
| <i>Rec. Operating Cash Flow growth</i>  | 181.7% | -22.9%  | -155.8% | 192.5% | 114.5% | 41.4%  | 18.2% |        |        |
| <i>Rec. Operating Cash Flow / Sales</i>   | 19.1%  | 12.6%   | n.a.    | 4.0%   | 7.1%   | 8.6%   | 8.9%  |        |        |
| - CAPEX   | (0.3)  | (0.8)   | (1.3)   | (0.3)  | (0.7)  | (0.8)  | (0.8) |        |        |
| - Net Financial Result affecting Cash Flow  | (0.1)  | (0.1)   | (0.4)   | (0.6)  | (0.4)  | (0.4)  | (0.3) |        |        |
| - Taxes   | (0.2)  | (0.2)   | 0.0     | (0.1)  | (0.2)  | (0.4)  | (0.6) |        |        |
| <b>= Recurrent Free Cash Flow</b>   | 1.7    | 0.6     | (2.6)   | (0.1)  | 0.6    | 1.1    | 1.5   | -27.0% | n.a.   |
| <i>Rec. Free Cash Flow growth</i>   | 265.2% | -64.1%  | -531.7% | 96.8%  | 766.6% | 107.0% | 33.8% |        |        |
| <i>Rec. Free Cash Flow / Revenues</i>   | 14.2%  | 4.4%    | n.a.    | n.a.   | 2.0%   | 3.6%   | 4.2%  |        |        |
| - Restructuring expenses & others   | (0.3)  | (0.1)   | (0.2)   | 0.5    | -      | -      | -     |        |        |
| - Acquisitions / + Divestments  | (2.8)  | (3.8)   | (3.2)   | 0.0    | -      | -      | -     |        |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -      | -       | -       | (0.7)  | -      | -      | -     |        |        |
| <b>= Free Cash Flow</b>   | (1.4)  | (3.3)   | (6.0)   | (0.3)  | 0.6    | 1.1    | 1.5   | 42.9%  | 97.5%  |
| <i>Free Cash Flow growth</i>  | 45.0%  | -129.8% | -80.8%  | 95.5%  | 306.0% | 107.0% | 33.8% |        |        |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 6.2%   | 2.2%    | n.a.    | n.a.   | 2.0%   | 4.2%   | 5.6%  |        |        |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.   | n.a.    | n.a.    | n.a.   | 2.0%   | 4.2%   | 5.6%  |        |        |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |        |         |         |        |        |        |       |        |        |
|   | 2020   | 2021    | 2022    | 2023   | 2024e  | 2025e  | 2026e | CAGR   |        |
| <b>Recurrent FCF(FY - 1)</b>  | 0.5    | 1.7     | 0.6     | (2.6)  | (0.1)  | 0.6    | 1.1   |        |        |
| EBITDA impact from revenue increase   | 1.1    | 0.3     | 0.3     | 0.1    | 0.2    | 0.3    | 0.4   |        |        |
| EBITDA impact from EBITDA/Sales variation   | (0.8)  | (0.8)   | (0.5)   | 0.1    | 0.9    | 0.6    | 0.4   |        |        |
| <b>= Recurrent EBITDA variation</b>   | 0.4    | (0.6)   | (0.2)   | 0.2    | 1.1    | 0.9    | 0.8   |        |        |
| - Rentals (IFRS 16 impact) variation impact   | -      | (0.3)   | (0.1)   | (0.1)  | -      | -      | -     |        |        |
| +/- Working capital variation impact  | 1.1    | 0.3     | (2.4)   | 1.7    | (0.1)  | (0.1)  | (0.3) |        |        |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | 1.5    | (0.5)   | (2.7)   | 1.9    | 1.0    | 0.8    | 0.5   |        |        |
| +/- CAPEX impact  | (0.2)  | (0.5)   | (0.4)   | 1.0    | (0.4)  | (0.1)  | (0.0) |        |        |
| +/- Financial result variation  | (0.1)  | (0.0)   | (0.3)   | (0.2)  | 0.1    | 0.0    | 0.1   |        |        |
| +/- Tax impact  | 0.1    | (0.0)   | 0.2     | (0.1)  | (0.1)  | (0.2)  | (0.2) |        |        |
| <b>= Recurrent Free Cash Flow variation</b>   | 1.2    | (1.1)   | (3.2)   | 2.5    | 0.6    | 0.6    | 0.4   |        |        |
| <b>Recurrent Free Cash Flow</b>   | 1.7    | 0.6     | (2.6)   | (0.1)  | 0.6    | 1.1    | 1.5   |        |        |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |        |         |         |        |        |        |       |        |        |
|   | 2020   | 2021    | 2022    | 2023   | 2024e  | 2025e  | 2026e | CAGR   |        |
| <b>EBIT</b>   | 0.6    | 0.1     | (0.4)   | 0.4    | 1.0    | 1.9    | 2.7   | -12.1% | 84.1%  |
| * <i>Theoretical Tax rate</i>   | 0.0%   | 0.0%    | 0.0%    | 0.0%   | 20.0%  | 20.0%  | 20.0% |        |        |
| = Taxes (pre- Net Financial Result)   | -      | -       | -       | -      | (0.2)  | (0.4)  | (0.5) |        |        |
| <b>Recurrent EBITDA</b>   | 1.5    | 0.9     | 0.7     | 0.9    | 2.0    | 2.9    | 3.8   | -15.3% | 60.1%  |
| - Rentals (IFRS 16 impact)  | -      | (0.3)   | (0.3)   | (0.4)  | (0.4)  | (0.4)  | (0.4) |        |        |
| +/- Working Capital increase  | 0.8    | 1.1     | (1.4)   | 0.4    | 0.3    | 0.2    | (0.1) |        |        |
| <b>= Recurrent Operating Cash Flow</b>  | 2.3    | 1.7     | (1.0)   | 0.9    | 1.9    | 2.7    | 3.2   | -26.4% | 53.1%  |
| - CAPEX   | (0.3)  | (0.8)   | (1.3)   | (0.3)  | (0.7)  | (0.8)  | (0.8) |        |        |
| - Taxes (pre- Financial Result)   | -      | -       | -       | -      | (0.2)  | (0.4)  | (0.5) |        |        |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | 2.0    | 0.9     | (2.2)   | 0.6    | 1.0    | 1.5    | 1.9   | -32.2% | 45.4%  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 293.9% | -52.8%  | -340.1% | 127.4% | 61.7%  | 56.4%  | 21.6% |        |        |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 16.6%  | 6.7%    | n.a.    | 2.7%   | 3.6%   | 4.9%   | 5.2%  |        |        |
| - Acquisitions / + Divestments  | (2.8)  | (3.8)   | (3.2)   | 0.0    | -      | -      | -     |        |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -      | -       | -       | (0.7)  | -      | -      | -     |        |        |
| <b>= Free Cash Flow "To the Firm"</b>   | (0.9)  | (2.9)   | (5.4)   | (0.1)  | 1.0    | 1.5    | 1.9   | 53.2%  | n.a.   |
| <i>Free Cash Flow (To the Firm) growth</i>  | 66.9%  | -240.4% | -86.4%  | 98.4%  | n.a.   | 56.4%  | 21.6% |        |        |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 6.0%   | 2.8%    | n.a.    | 1.9%   | 3.0%   | 4.7%   | 5.7%  |        |        |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.   | n.a.    | n.a.    | n.a.   | 3.0%   | 4.7%   | 5.7%  |        |        |



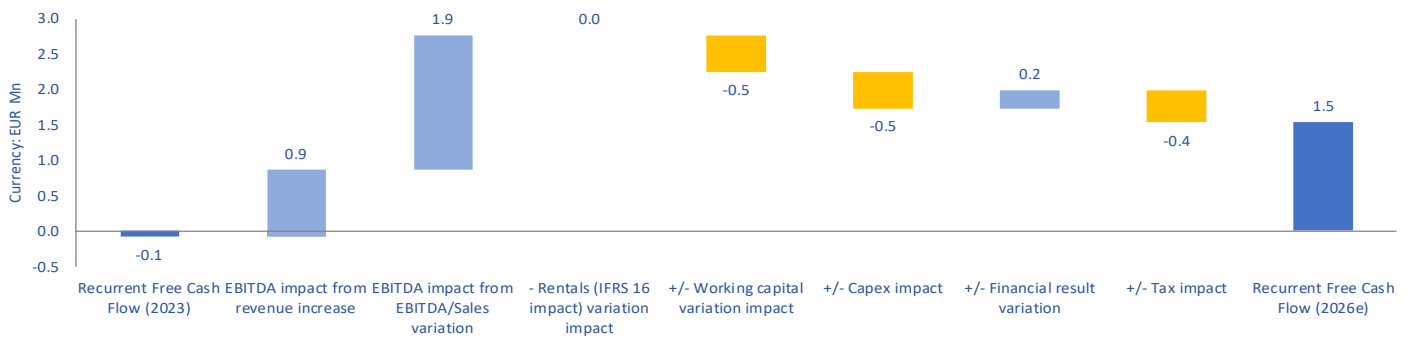


## Free Cash Flow (II)

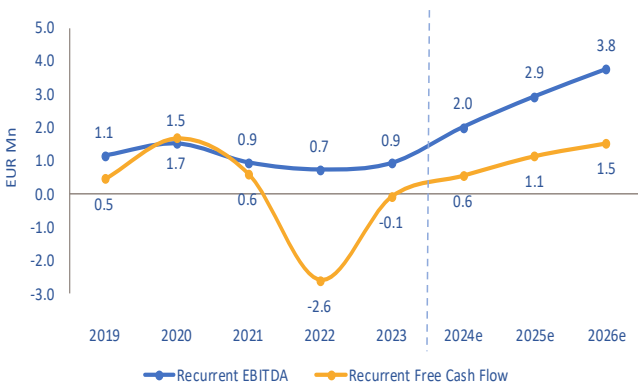
### Recurrent Free Cash Flow accumulated variation analysis (2022 - 2023)



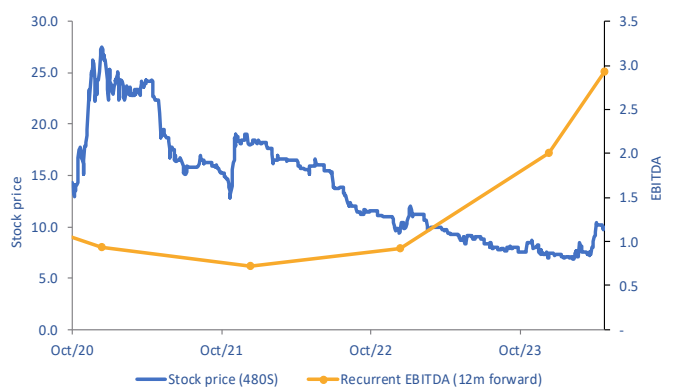
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | 1.0   | 1.5                                 | 1.9   | n.a.                          |           |            |  |
| Market Cap                     | 27.3  | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 6.9   | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 5.0%  | Net debt cost                       |       |                               | 4.8%      | 5.3%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.0%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 3.8%      | 4.2%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.2   | B (own estimate)                    |       |                               | 1.1       | 1.3        |  |
| Cost of Equity                 | 10.5% | Ke = Rf + (R * B)                   |       |                               | 9.3%      | 11.7%      |  |
| Equity / (Equity + Net Debt)   | 79.9% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 20.1% | D                                   |       |                               | =         | =          |  |
| WACC                           | 9.2%  | WACC = Kd * D + Ke * E              |       |                               | 8.2%      | 10.2%      |  |
| G "Fair"                       | 2.5%  |                                     |       |                               | 3.0%      | 2.0%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 27.3        |                  |
| + Minority Interests                 | 0.0         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 1.6         | 12m Results 2023 |
| + Net financial debt                 | 6.9         | 12m Results 2023 |
| - Financial Investments              | 3.0         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>32.8</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | n.a.  | 9.1%  | 0.5% | n.a. | 2.4% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -6.8% | 2.9%  |      |      |      |
| FCF Yield - WACC     | n.a.  | -3.6% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 10.1%            | 3.2        | 10.2x         |
| Central  | 9.2%             | 2.9        | 11.2x         |
| Min      | 8.3%             | 2.6        | 12.4x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |         |      |
|-----------------|-----------------|------|------|----------|--------------------|---------|------|
| EBITDA 25e      | 2.2%            | 2.5% | 2.8% |          | Max                | Central | Min  |
| 3.2             | 1.5             | 1.4  | 1.3  | Max      | 5.6%               | 5.2%    | 4.9% |
| 2.9             | 1.2             | 1.1  | 1.0  | Central  | 4.5%               | 4.2%    | 3.8% |
| 2.6             | 1.0             | 0.9  | 0.8  | Min      | 3.5%               | 3.1%    | 2.8% |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 25.0% | 25.0% | 25.0% |
| % of proprietary directors           | 50.0% | 50.0% | 50.0% |
| % of executive directors             | 12.5% | 12.5% | 12.5% |
| % of other directors                 | 12.5% | 12.5% | 12.5% |
| % of women on the board of directors | 0.0%  | 0.0%  | 0.0%  |
| % of women out of total workforce    | 29.4% | 33.1% | 33.6% |
| Board remuneration/staff cost        | 3.7%  | 3.6%  | 3.7%  |



## Main peers 2024e

|                             |                         | Software          |          |                   | Cybersecurity |             |             |         |         |
|-----------------------------|-------------------------|-------------------|----------|-------------------|---------------|-------------|-------------|---------|---------|
| EUR Mn                      |                         | Descartes Systems | Appfolio | American Software | Average       | CrowdStrike | SecureWorks | Average | 480S    |
| Market data                 | Ticker (Factset)        | DSG-CA            | APPF-US  | AMSWA-US          |               | CRWD-US     | SCWX-US     |         | 480S-ES |
|                             | Country                 | Canada            | USA      | USA               |               | USA         | USA         |         | Spain   |
|                             | Market cap              | 7,691.7           | 8,194.9  | 319.2             |               | 77,347.0    | 509.0       |         | 27.3    |
|                             | Enterprise value (EV)   | 7,408.2           | 7,827.4  | 247.2             |               | 74,911.7    | 457.7       |         | 32.8    |
| Basic financial information | Total Revenues          | 586.3             | 710.9    | 97.2              |               | 3,655.2     | 303.5       |         | 27.2    |
|                             | Total Revenues growth   | 12.2%             | 24.6%    | 3.4%              | 13.4%         | 30.1%       | -9.8%       | 10.2%   | 20.9%   |
|                             | 2y CAGR (2024e - 2026e) | 11.2%             | 19.8%    | n.a.              | 15.5%         | 26.2%       | 3.9%        | 15.1%   | 15.5%   |
|                             | EBITDA                  | 259.5             | 185.0    | 15.5              |               | 943.3       | 10.5        |         | 2.0     |
|                             | EBITDA growth           | 21.0%             | 355.5%   | 9.7%              | 128.8%        | 560.0%      | 119.9%      | 339.9%  | 40.4%   |
|                             | 2y CAGR (2024e - 2026e) | 12.5%             | 23.0%    | n.a.              | 17.8%         | 36.6%       | n.a.        | 36.6%   | 36.9%   |
|                             | EBITDA/Revenues         | 44.3%             | 26.0%    | 16.0%             | 28.8%         | 25.8%       | 3.5%        | 14.6%   | 7.4%    |
|                             | EBIT                    | 181.9             | 113.3    | 12.3              |               | 827.5       | 14.8        |         | 1.0     |
|                             | EBIT growth             | 17.9%             | 844.5%   | 39.6%             | 300.7%        | n.a.        | 117.0%      | 117.0%  | 134.5%  |
|                             | 2y CAGR (2024e - 2026e) | 19.6%             | 31.1%    | n.a.              | 25.4%         | 35.4%       | 90.7%       | 63.0%   | 63.1%   |
|                             | EBIT/Revenues           | 31.0%             | 15.9%    | 12.7%             | 19.9%         | 22.6%       | 4.9%        | 13.8%   | 3.8%    |
|                             | Net Profit              | 135.9             | 138.2    | 7.0               |               | 899.4       | 1.5         |         | 0.8     |
|                             | Net Profit growth       | 28.6%             | n.a.     | -11.4%            | 8.6%          | 995.1%      | 101.9%      | 548.5%  | 362.4%  |
|                             | 2y CAGR (2024e - 2026e) | 18.0%             | 26.5%    | n.a.              | 22.3%         | 29.1%       | n.a.        | 29.1%   | 66.8%   |
|                             | CAPEX/Sales %           | 1.0%              | 1.6%     | 1.4%              | 1.3%          | 7.5%        | 2.0%        | 4.7%    | 2.7%    |
|                             | Free Cash Flow          | 201.8             | 159.3    | n.a.              |               | 1,169.9     | (3.0)       |         | 0.6     |
| Net financial debt          | (415.4)                 | (160.9)           | (74.3)   |                   | (3,694.1)     | (85.1)      |             | 6.3     |         |
| ND/EBITDA (x)               | n.a.                    | n.a.              | n.a.     | n.a.              | n.a.          | n.a.        | n.a.        | 3.1     |         |
| Pay-out                     | 0.0%                    | 0.0%              | n.a.     | 0.0%              | 0.0%          | 0.0%        | 0.0%        | 0.0%    |         |
| Multiples and Ratios        | P/E (x)                 | 56.6              | 67.3     | 27.2              | 50.4          | 88.0        | n.a.        | 88.0    | 33.5    |
|                             | P/BV (x)                | n.a.              | 18.8     | n.a.              | 18.8          | n.a.        | 1.1         | 1.1     | 2.4     |
|                             | EV/Revenues (x)         | 12.6              | 11.0     | 2.5               | 8.7           | n.a.        | 1.5         | 1.5     | 1.2     |
|                             | EV/EBITDA (x)           | 28.5              | 42.3     | 15.9              | 28.9          | n.a.        | 43.4        | 43.4    | 16.4    |
|                             | EV/EBIT (x)             | 40.7              | n.a.     | 20.1              | 30.4          | n.a.        | 30.9        | 30.9    | 32.0    |
|                             | ROE                     | n.a.              | 27.9     | n.a.              | 27.9          | 29.2        | 0.6         | 14.9    | 7.6     |
|                             | FCF Yield (%)           | 2.6               | 1.9      | n.a.              | 2.3           | 1.5         | n.a.        | 1.5     | 2.0     |
|                             | DPS                     | 0.00              | 0.00     | n.a.              | 0.00          | 0.00        | 0.00        | 0.00    | 0.00    |
| Dvd Yield                   | 0.0%                    | 0.0%              | n.a.     | 0.0%              | 0.0%          | 0.0%        | 0.0%        | 0.0%    |         |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Desarrollos Especiales de Sistemas de Anclaje (DESA)** is a small industrial group with its corporate headquarters in Barcelona (Spain), specialising (>60 years) in the manufacture and sale of fasteners, staples and tools used in the construction, industry and agriculture sectors. It has an international presence (30% of revenue) and is controlled by its core shareholders (c.75% of capital).

**Market Data**

|                                |                       |      |
|--------------------------------|-----------------------|------|
| Market Cap (Mn EUR and USD)    | 24.0                  | 26.1 |
| EV (Mn EUR and USD)            | 32.4                  | 35.2 |
| Shares Outstanding (Mn)        | 1.8                   |      |
| -12m (Max/Med/Min EUR)         | 14.51 / 12.67 / 11.75 |      |
| Daily Avg volume (-12m Mn EUR) | n.m.                  |      |
| Rotation <sup>(1)</sup>        | 0.6                   |      |
| Factset / Bloomberg            | DESA-ES / DESA SM     |      |
| Close fiscal year              | 31-Dec                |      |

**Shareholders Structure (%)**

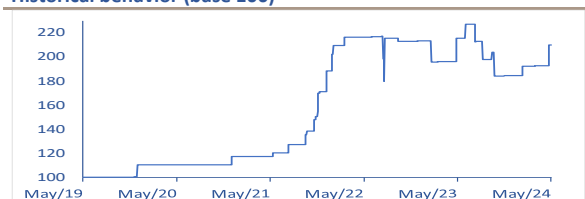
|                      |      |
|----------------------|------|
| Maden                | 29.6 |
| SARM                 | 20.2 |
| Gestión Ixua         | 16.0 |
| Miembros del Consejo | 12.1 |
| Free Float           | 22.1 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 1.8   | 1.8   | 1.8   | 1.8   |
| Total Revenues                      | 47.7  | 50.1  | 52.4  | 54.8  |
| Rec. EBITDA                         | 4.8   | 5.3   | 5.7   | 6.2   |
| % growth                            | -7.7  | 10.8  | 8.7   | 7.3   |
| % Rec. EBITDA/Rev.                  | 10.0  | 10.6  | 11.0  | 11.2  |
| % Inc. EBITDA sector <sup>(2)</sup> | 10.6  | 11.4  | 17.8  | 15.0  |
| Net Profit                          | 2.1   | 2.8   | 3.2   | 3.6   |
| EPS (EUR)                           | 1.20  | 1.59  | 1.82  | 2.00  |
| % growth                            | -24.4 | 33.1  | 14.1  | 10.1  |
| Ord. EPS (EUR)                      | 1.31  | 1.59  | 1.82  | 2.00  |
| % growth                            | -17.3 | 21.6  | 14.1  | 10.1  |
| Rec. Free Cash Flow                 | 3.9   | 2.0   | 2.3   | 2.6   |
| Pay-out (%)                         | 70.5  | 52.7  | 46.2  | 42.0  |
| DPS (EUR)                           | 0.84  | 0.84  | 0.84  | 0.84  |
| Net financial debt                  | 10.7  | 10.2  | 9.4   | 8.3   |
| ND/Rec. EBITDA (x)                  | 2.2   | 1.9   | 1.6   | 1.3   |
| ROE (%)                             | 11.2  | 14.2  | 15.1  | 15.3  |
| ROCE (%)                            | 8.3   | 10.8  | 11.6  | 12.2  |

**Ratios & Multiples (x)**

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | 11.2 | 8.4   | 7.4   | 6.7   |
| Ord. P/E           | 10.2 | 8.4   | 7.4   | 6.7   |
| P/BV               | 1.2  | 1.2   | 1.1   | 1.0   |
| Dividend Yield (%) | 6.3  | 6.3   | 6.3   | 6.3   |
| EV/Sales           | 0.68 | 0.65  | 0.62  | 0.59  |
| EV/Rec. EBITDA     | 6.8  | 6.1   | 5.6   | 5.3   |
| EV/EBIT            | 9.6  | 7.7   | 7.0   | 6.4   |
| FCF Yield (%)      | 16.5 | 8.2   | 9.8   | 10.8  |

**Historical behavior (base 100)**


| (%)      | -1m | -3m | -12m | -5Y   |
|----------|-----|-----|------|-------|
| Absolute | 8.9 | 9.2 | -2.5 | 109.9 |

(1) Rotation is the % of the capitalisation traded - 12m.  
 (2) Sector: Europe Industrial Machinery.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**A good start to the year driven by the agribusiness unit.** DESA closed 1Q24 with flat revenue (EUR 12.9Mn vs EUR 13Mn in 1Q23, due to the slowdown in activity over Easter). The surprise was the improvement in gross margin (43.1% vs. 39.1% in 1Q23) due to the higher weight of the Tomsystem suite of agricultural products in exports. Combined with the company's strict cost containment policy and operating leverage, this led to recurring EBITDA of EUR 1.6Mn (+30.9% vs 1Q23; EBITDA margin 12.7% above our 2024e guidance (10.6%).

**2024e may usher in a recovery in margins.** After a 2023 shaken with instability, we expect a 2024 that gather momentum over the year. Specifically, we estimate mid-single digit revenue growth (+4.8%) to EUR 50.1Mn and an EBITDA of EUR 5.3Mn (EBITDA margin: 10.6%; the risk to our estimates is upwards, as long as the profitability seen in 1Q24 is sustained).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Diversified business.** DESA diversifies its exposure by sector: industrial (37%), construction (28%), retail (19%), agriculture (16%). Coupled with a large customer base, this mitigates the cyclical nature of the business.

**A leader in the agricultural sector,** specifically in tying systems for greenhouses (with its own internally developed suite of products). In our view, this is the key driver of long-term growth (and returns) of the business (the 1Q24 earnings provide the best evidence, with gross margin +4.0 p.p. due to the greater weight in the mix of the agribusiness unit).

**This mid-digit growth is expected to higher for EBITDA...** By 2026e, we expect revenue to growth at CAGR 2023-2026e of 4.8% to EUR 54.8Mn, translating into EBITDA of EUR 6.2Mn (CAGR 23-26e: 8.9%; EBITDA margin: 11.2%).

**...leading to generous cash flow (conversion of c. 40% of EBITDA into FCF) and an attractive dividend.** Part of DESA's appeal is its strong capacity to generate cash flow (the main support for the dividend). Our baseline scenario assumes FCF 2026e of EUR 2.0Mn (FCF yield: 10.8%; dividend yield: 6.3%). This, coupled with EBITDA growth, will reduce the company's debt to a net debt/recurring EBITDA 2026e of 1.3x (vs. 2.2x in 2023).

**RISKS: WHAT TO KEEP AN EYE ON?**

**A prolonged high-interest-rate scenario.** If high rates persist for longer than expected, DESA's finance costs (net debt/EBITDA 2023: 2.2x) would rise, putting pressure on the bottom line and hurting cash flow generation.

**Currency risk.** In 2023, 34% of purchases were made in USD. DESA is not party to any currency hedges. A ±5% change in the USD would have an impact of approximately ± EUR 0.5Mn on earnings.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**A micro cap with a stable dividend and significant cash flow generation (FCF yield 24e: 8.2%) trading at a P/E of 8x.** DESA is a small industrial firm with a diversified product range and a stable dividend (dividend yield: 6.3%). Now that supply chains are back to normal and inflation is slowing down, 2024e earnings (where the risk of revision is on the upside) are likely to show an improvement. Today, the stock seems to be going under the market's radar (-20.7% vs IBEX35 -12m). DESA is trading at a 2024e P/E of 8.4x and EV/EBITDA 6.1x, below the sector average.



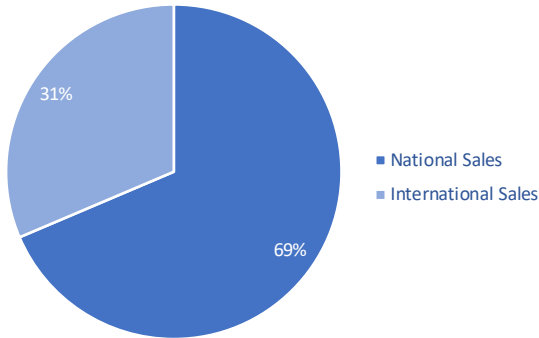
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020        | 2021        | 2022        | 2023        | 2024e        | 2025e        | 2026e        | CAGR         |               |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|---------------|
| Intangible assets                            | 1.1         | 0.5         | 0.6         | 0.6         | 0.9         | 0.9          | 0.9          | 0.9          |              |               |
| Fixed assets                                 | 13.0        | 13.9        | 12.3        | 13.2        | 11.8        | 11.9         | 12.0         | 12.2         |              |               |
| Other Non Current Assets                     | 1.7         | 1.5         | 1.3         | 0.8         | 1.5         | 1.5          | 1.5          | 1.5          |              |               |
| Financial Investments                        | 0.0         | 0.0         | 1.4         | 2.5         | 2.5         | 2.5          | 2.5          | 2.5          |              |               |
| Goodwill & Other Intangibles                 | -           | -           | -           | -           | -           | -            | -            | -            |              |               |
| Current assets                               | 22.7        | 19.5        | 26.3        | 25.9        | 24.0        | 25.2         | 26.4         | 27.6         |              |               |
| <b>Total assets</b>                          | <b>38.5</b> | <b>35.4</b> | <b>41.8</b> | <b>43.1</b> | <b>40.7</b> | <b>42.0</b>  | <b>43.3</b>  | <b>44.8</b>  |              |               |
| Equity                                       | 12.5        | 13.5        | 15.6        | 18.8        | 19.3        | 20.6         | 22.4         | 24.5         |              |               |
| Minority Interests                           | -           | -           | -           | -           | -           | -            | -            | -            |              |               |
| Provisions & Other L/T Liabilities           | 0.6         | 1.4         | 1.4         | 1.3         | 1.3         | 1.3          | 1.3          | 1.3          |              |               |
| Other Non Current Liabilities                | 0.4         | 0.3         | 0.5         | 0.3         | 0.4         | 0.4          | 0.4          | 0.4          |              |               |
| Net financial debt                           | 15.6        | 10.6        | 10.8        | 13.0        | 10.7        | 10.2         | 9.4          | 8.3          |              |               |
| Current Liabilities                          | 9.4         | 9.6         | 13.5        | 9.6         | 9.0         | 9.4          | 9.9          | 10.3         |              |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>38.5</b> | <b>35.4</b> | <b>41.8</b> | <b>43.1</b> | <b>40.7</b> | <b>42.0</b>  | <b>43.3</b>  | <b>44.8</b>  |              |               |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>  |               |
| <b>Total Revenues</b>                        | <b>42.5</b> | <b>39.7</b> | <b>48.1</b> | <b>50.4</b> | <b>47.7</b> | <b>50.1</b>  | <b>52.4</b>  | <b>54.8</b>  | <b>2.9%</b>  | <b>4.8%</b>   |
| <i>Total Revenues growth</i>                 | 3.5%        | -6.7%       | 21.3%       | 4.8%        | -5.5%       | 5.0%         | 4.7%         | 4.7%         |              |               |
| COGS   | (25.7)      | (23.8)      | (28.8)      | (31.4)      | (28.9)      | (30.2)       | (31.6)       | (33.1)       |              |               |
| <b>Gross Margin</b>                          | <b>16.8</b> | <b>15.9</b> | <b>19.3</b> | <b>19.0</b> | <b>18.8</b> | <b>19.8</b>  | <b>20.8</b>  | <b>21.8</b>  | <b>2.8%</b>  | <b>5.1%</b>   |
| <i>Gross Margin/Revenues</i>                 | 39.6%       | 40.0%       | 40.2%       | 37.6%       | 39.4%       | 39.6%        | 39.7%        | 39.7%        |              |               |
| Personnel Expenses                           | (7.8)       | (7.3)       | (7.7)       | (7.8)       | (7.9)       | (8.1)        | (8.4)        | (8.6)        |              |               |
| Other Operating Expenses                     | (6.5)       | (5.3)       | (5.8)       | (6.0)       | (6.1)       | (6.4)        | (6.7)        | (7.0)        |              |               |
| <b>Recurrent EBITDA</b>                      | <b>2.5</b>  | <b>3.3</b>  | <b>5.8</b>  | <b>5.2</b>  | <b>4.8</b>  | <b>5.3</b>   | <b>5.7</b>   | <b>6.2</b>   | <b>17.7%</b> | <b>8.9%</b>   |
| <i>Recurrent EBITDA growth</i>               | -2.9%       | 33.9%       | 75.8%       | -11.7%      | -7.7%       | 10.8%        | 8.7%         | 7.3%         |              |               |
| <i>Rec. EBITDA/Revenues</i>                  | 5.8%        | 8.4%        | 12.2%       | 10.3%       | 10.0%       | 10.6%        | 11.0%        | 11.2%        |              |               |
| Restructuring Expense & Other non-rec.       | (0.1)       | (0.5)       | -           | -           | (0.3)       | -            | -            | -            |              |               |
| <b>EBITDA</b>                                | <b>2.4</b>  | <b>2.8</b>  | <b>5.8</b>  | <b>5.2</b>  | <b>4.5</b>  | <b>5.3</b>   | <b>5.7</b>   | <b>6.2</b>   | <b>17.2%</b> | <b>11.1%</b>  |
| Depreciation & Provisions                    | (1.0)       | (1.2)       | (1.2)       | (1.0)       | (0.9)       | (0.9)        | (0.9)        | (0.9)        |              |               |
| Capitalized Expense                          | 0.0         | -           | -           | -           | -           | -            | -            | -            |              |               |
| Rentals (IFRS 16 impact)                     | (0.2)       | (0.2)       | (0.1)       | (0.1)       | (0.2)       | (0.2)        | (0.2)        | (0.2)        |              |               |
| <b>EBIT</b>                                  | <b>1.2</b>  | <b>1.4</b>  | <b>4.6</b>  | <b>4.0</b>  | <b>3.4</b>  | <b>4.2</b>   | <b>4.6</b>   | <b>5.0</b>   | <b>28.8%</b> | <b>14.5%</b>  |
| <i>EBIT growth</i>                           | -27.1%      | 15.6%       | 222.0%      | -12.0%      | -16.0%      | 24.6%        | 10.8%        | 8.8%         |              |               |
| <i>EBIT/Revenues</i>                         | 2.9%        | 3.6%        | 9.5%        | 7.9%        | 7.1%        | 8.4%         | 8.9%         | 9.2%         |              |               |
| Impact of Goodwill & Others                  | -           | -           | -           | -           | -           | -            | -            | -            |              |               |
| Net Financial Result                         | (0.2)       | (0.2)       | (0.2)       | (0.3)       | (0.4)       | (0.4)        | (0.3)        | (0.3)        |              |               |
| Income by the Equity Method                  | -           | -           | -           | -           | -           | -            | -            | -            |              |               |
| <b>Ordinary Profit</b>                       | <b>1.1</b>  | <b>1.2</b>  | <b>4.3</b>  | <b>3.7</b>  | <b>2.9</b>  | <b>3.8</b>   | <b>4.3</b>   | <b>4.8</b>   | <b>28.6%</b> | <b>17.8%</b>  |
| <i>Ordinary Profit Growth</i>                | -29.7%      | 17.0%       | 248.7%      | -15.1%      | -21.0%      | 30.1%        | 14.1%        | 10.1%        |              |               |
| Extraordinary Results                        | -           | -           | -           | -           | -           | -            | -            | -            |              |               |
| <b>Profit Before Tax</b>                     | <b>1.1</b>  | <b>1.2</b>  | <b>4.3</b>  | <b>3.7</b>  | <b>2.9</b>  | <b>3.8</b>   | <b>4.3</b>   | <b>4.8</b>   | <b>28.6%</b> | <b>17.8%</b>  |
| Tax Expense                                  | (0.3)       | (0.3)       | (0.6)       | (0.9)       | (0.8)       | (0.9)        | (1.1)        | (1.2)        |              |               |
| <i>Effective Tax Rate</i>                    | 23.8%       | 27.4%       | 13.4%       | 23.7%       | 27.0%       | 25.0%        | 25.0%        | 25.0%        |              |               |
| Minority Interests                           | -           | -           | -           | -           | -           | -            | -            | -            |              |               |
| Discontinued Activities                      | -           | -           | -           | -           | -           | -            | -            | -            |              |               |
| <b>Net Profit</b>                            | <b>0.8</b>  | <b>0.9</b>  | <b>3.8</b>  | <b>2.8</b>  | <b>2.1</b>  | <b>2.8</b>   | <b>3.2</b>   | <b>3.6</b>   | <b>27.2%</b> | <b>18.9%</b>  |
| <i>Net Profit growth</i>                     | -33.8%      | 11.6%       | 315.6%      | -25.2%      | -24.4%      | 33.7%        | 14.1%        | 10.1%        |              |               |
| <b>Ordinary Net Profit</b>                   | <b>0.9</b>  | <b>1.3</b>  | <b>3.8</b>  | <b>2.8</b>  | <b>2.3</b>  | <b>2.8</b>   | <b>3.2</b>   | <b>3.6</b>   | <b>27.3%</b> | <b>15.3%</b>  |
| <i>Ordinary Net Profit growth</i>            | -27.7%      | 42.4%       | 198.0%      | -25.2%      | -17.3%      | 22.2%        | 14.1%        | 10.1%        |              |               |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>  |               |
| <b>Recurrent EBITDA</b>                      |             |             |             |             |             | <b>5.3</b>   | <b>5.7</b>   | <b>6.2</b>   | <b>17.7%</b> | <b>8.9%</b>   |
| Rentals (IFRS 16 impact)                     |             |             |             |             |             | (0.2)        | (0.2)        | (0.2)        |              |               |
| Working Capital Increase                     |             |             |             |             |             | (0.8)        | (0.8)        | (0.8)        |              |               |
| <b>Recurrent Operating Cash Flow</b>         |             |             |             |             |             | <b>4.3</b>   | <b>4.8</b>   | <b>5.2</b>   | <b>32.9%</b> | <b>-4.2%</b>  |
| CAPEX  |             |             |             |             |             | (1.0)        | (1.0)        | (1.1)        |              |               |
| Net Financial Result affecting the Cash Flow |             |             |             |             |             | (0.4)        | (0.3)        | (0.3)        |              |               |
| Tax Expense                                  |             |             |             |             |             | (0.9)        | (1.1)        | (1.2)        |              |               |
| <b>Recurrent Free Cash Flow</b>              |             |             |             |             |             | <b>2.0</b>   | <b>2.3</b>   | <b>2.6</b>   | <b>55.1%</b> | <b>-13.0%</b> |
| Restructuring Expense & Other non-rec.       |             |             |             |             |             | -            | -            | -            |              |               |
| - Acquisitions / + Divestures of assets      |             |             |             |             |             | -            | -            | -            |              |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |             |             |             |             | -            | -            | -            |              |               |
| <b>Free Cash Flow</b>                        |             |             |             |             |             | <b>2.0</b>   | <b>2.3</b>   | <b>2.6</b>   | <b>51.1%</b> | <b>-10.9%</b> |
| Capital Increase                             |             |             |             |             |             | -            | -            | -            |              |               |
| Dividends                                    |             |             |             |             |             | (1.5)        | (1.5)        | (1.5)        |              |               |
| <b>Net Debt Variation</b>                    |             |             |             |             |             | <b>(0.5)</b> | <b>(0.8)</b> | <b>(1.1)</b> |              |               |

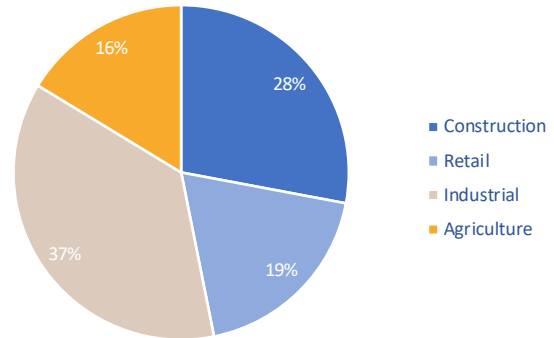


## The company in 8 charts

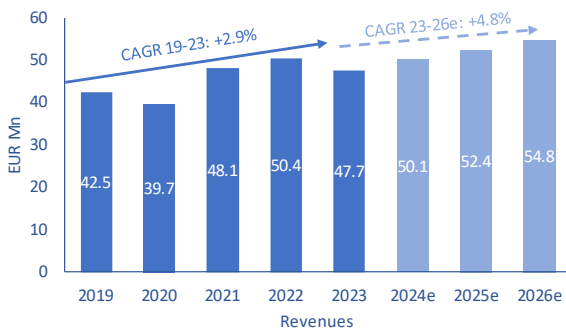
**A diversified business: sales from outside Spain (basically Europe) already account for 31%**



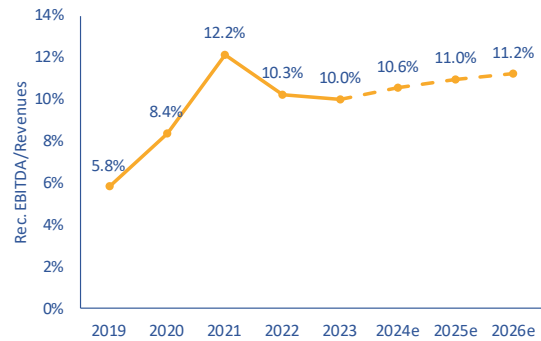
**Positioned in the agricultural market (16% of revenue 2023), its main (midterm) growth driver**



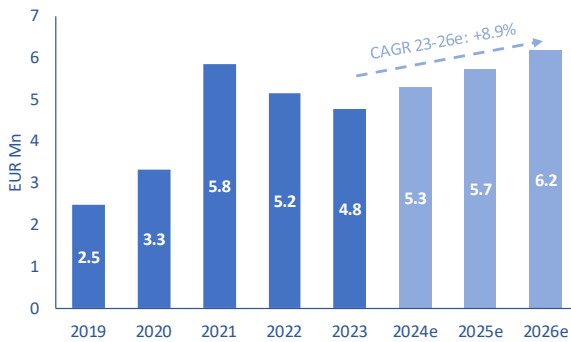
**23-26e: Low-single-digit revenue growth (CAGR 23-26e: +4.8%), in line with that seen in the last 5 years**



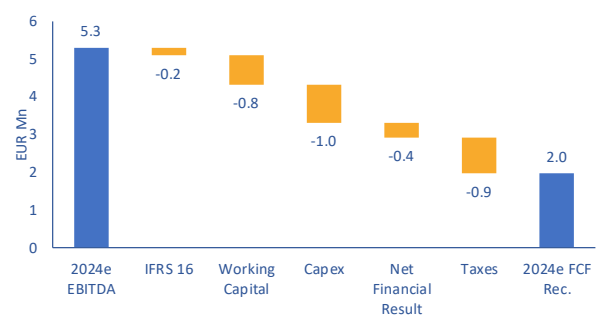
**Maintaining an EBITDA margin of > 10% (with the ability to recover levels of c. 11%, still below 2021 highs)**



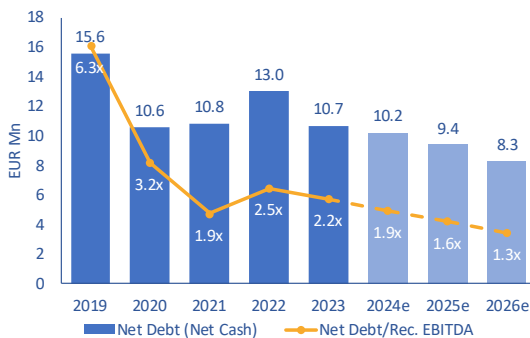
**... And allowing the revenue improvement to be passed on to EBITDA (CAGR 23-26e: +8.9%)**



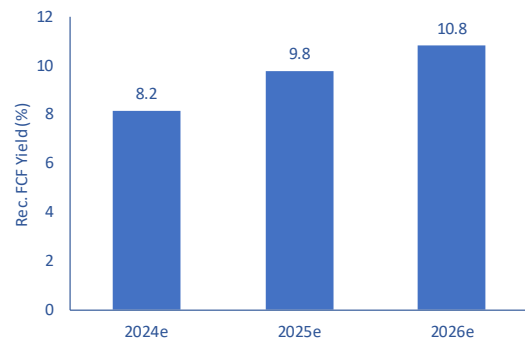
**With the capacity to convert c. 30% of EBITDA in FCF**



**The improvement in debt metrics (ND/EBITDA c. 2x) backs the ability to invest (in non-organic growth too)**



**FCF Yield c. 9% over the entire estimated period**





## Evolution of the share price

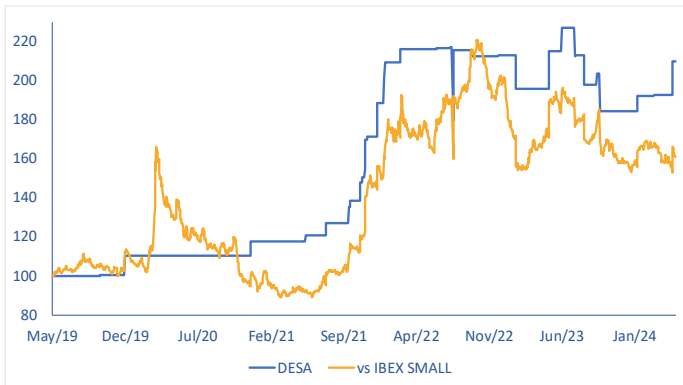
**Historical behavior vs Ibex 35 (base 100)**



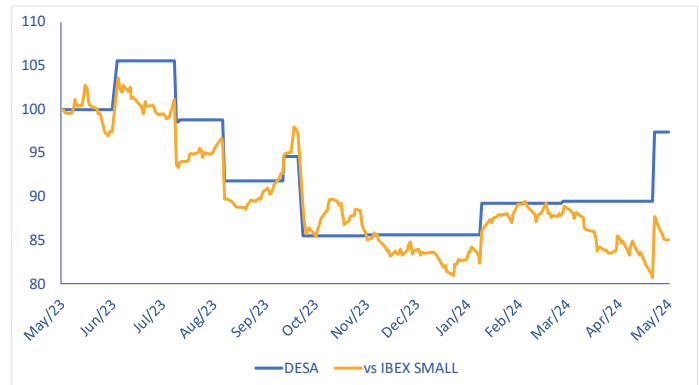
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Europe Industrial Machinery

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|---|------|------|-------|------|-------|-------|
| <b>Absolute</b>                           | 8.9  | 9.2  | -2.5  | 13.7 | 78.7  | 109.9 |
| <b>vs Market</b>                          |      |      |       |      |       |       |
| vs Ibex 35                                | 2.3  | -4.7 | -20.7 | 1.4  | 44.4  | 72.0  |
| vs Euro STOXX 50                          | 5.7  | 2.8  | -16.8 | 1.5  | 41.4  | 42.0  |
| <b>vs Small Cap References</b>            |      |      |       |      |       |       |
| vs Ibex Small Cap Index                   | -0.3 | -4.5 | -14.9 | 2.2  | 74.7  | 61.1  |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 3.3  | 1.1  | -7.2  | 5.5  | 93.1  | 73.7  |
| vs MSCI Europe Micro Cap                  | 2.7  | 1.7  | -5.3  | 7.6  | 119.2 | 75.1  |
| <b>vs Sector</b>                          |      |      |       |      |       |       |
| vs Europe Industrial Machinery            | 3.0  | 4.1  | -17.6 | 9.4  | 54.9  | -5.5  |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

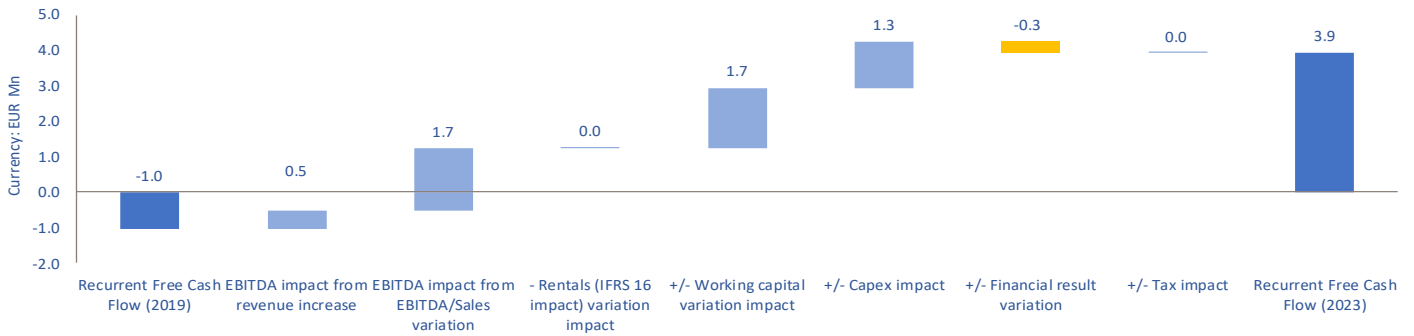
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e      | 2026e      | CAGR         |               |
|---|--------------|--------------|--------------|--------------|--------------|------------|------------|--------------|---------------|
|   |              |              |              |              |              |            |            | 20-23        | 23-26e        |
| <b>Recurrent EBITDA</b>   | <b>3.3</b>   | <b>5.8</b>   | <b>5.2</b>   | <b>4.8</b>   | <b>5.3</b>   | <b>5.7</b> | <b>6.2</b> | <b>12.8%</b> | <b>8.9%</b>   |
| <i>Recurrent EBITDA growth</i>  | 33.9%        | 75.8%        | -11.7%       | -7.7%        | 10.8%        | 8.7%       | 7.3%       |              |               |
| <i>Rec. EBITDA/Revenues</i>   | 8.4%         | 12.2%        | 10.3%        | 10.0%        | 10.6%        | 11.0%      | 11.2%      |              |               |
| - Rentals (IFRS 16 impact)  | (0.2)        | (0.1)        | (0.1)        | (0.2)        | (0.2)        | (0.2)      | (0.2)      |              |               |
| +/- Working Capital increase  | 3.4          | (2.9)        | (3.5)        | 1.3          | (0.8)        | (0.8)      | (0.8)      |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>6.5</b>   | <b>2.8</b>   | <b>1.5</b>   | <b>5.9</b>   | <b>4.3</b>   | <b>4.8</b> | <b>5.2</b> | <b>-3.4%</b> | <b>-4.2%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | 245.8%       | -56.8%       | -46.5%       | 290.2%       | -26.7%       | 11.2%      | 7.9%       |              |               |
| <i>Rec. Operating Cash Flow / Sales</i>   | 16.4%        | 5.8%         | 3.0%         | 12.3%        | 8.6%         | 9.1%       | 9.4%       |              |               |
| - CAPEX   | (1.9)        | (0.7)        | (0.2)        | (1.2)        | (1.0)        | (1.0)      | (1.1)      |              |               |
| - Net Financial Result affecting Cash Flow  | (0.2)        | (0.2)        | (0.3)        | (0.5)        | (0.4)        | (0.3)      | (0.3)      |              |               |
| - Taxes   | (0.3)        | (0.5)        | (0.9)        | (0.3)        | (0.9)        | (1.1)      | (1.2)      |              |               |
| <b>= Recurrent Free Cash Flow</b>   | <b>4.1</b>   | <b>1.5</b>   | <b>0.1</b>   | <b>3.9</b>   | <b>2.0</b>   | <b>2.3</b> | <b>2.6</b> | <b>-1.0%</b> | <b>-13.0%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 490.0%       | -64.2%       | -90.3%       | n.a.         | -50.4%       | 19.7%      | 10.7%      |              |               |
| <i>Rec. Free Cash Flow / Revenues</i>   | 10.3%        | 3.0%         | 0.3%         | 8.3%         | 3.9%         | 4.5%       | 4.7%       |              |               |
| - Restructuring expenses & others   | (0.5)        | -            | -            | (0.3)        | -            | -          | -          |              |               |
| - Acquisitions / + Divestments  | 0.3          | -            | -            | -            | -            | -          | -          |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -          | -          |              |               |
| <b>= Free Cash Flow</b>   | <b>3.9</b>   | <b>1.5</b>   | <b>0.1</b>   | <b>3.7</b>   | <b>2.0</b>   | <b>2.3</b> | <b>2.6</b> | <b>-1.6%</b> | <b>-10.9%</b> |
| <i>Free Cash Flow growth</i>  | 437.6%       | -62.2%       | -90.3%       | n.a.         | -46.7%       | 19.7%      | 10.7%      |              |               |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 17.0%        | 6.1%         | 0.6%         | 16.5%        | 8.2%         | 9.8%       | 10.8%      |              |               |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 16.1%        | 6.1%         | 0.6%         | 15.3%        | 8.2%         | 9.8%       | 10.8%      |              |               |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |              |            |            |              |               |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e      | 2026e      | CAGR         |               |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(1.0)</b> | <b>4.1</b>   | <b>1.5</b>   | <b>0.1</b>   | <b>3.9</b>   | <b>2.0</b> | <b>2.3</b> |              |               |
| EBITDA impact from revenue increase   | (0.2)        | 0.7          | 0.3          | (0.3)        | 0.2          | 0.2        | 0.3        |              |               |
| EBITDA impact from EBITDA/Sales variation   | 1.0          | 1.8          | (1.0)        | (0.1)        | 0.3          | 0.2        | 0.1        |              |               |
| <b>= Recurrent EBITDA variation</b>   | <b>0.8</b>   | <b>2.5</b>   | <b>(0.7)</b> | <b>(0.4)</b> | <b>0.5</b>   | <b>0.5</b> | <b>0.4</b> |              |               |
| - Rentals (IFRS 16 impact) variation impact   | 0.0          | 0.0          | 0.0          | (0.1)        | -            | -          | -          |              |               |
| +/- Working capital variation impact  | 3.8          | (6.3)        | (0.6)        | 4.8          | (2.1)        | 0.0        | (0.0)      |              |               |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>4.6</b>   | <b>(3.7)</b> | <b>(1.3)</b> | <b>4.4</b>   | <b>(1.6)</b> | <b>0.5</b> | <b>0.4</b> |              |               |
| +/- CAPEX impact  | 0.6          | 1.2          | 0.5          | (1.0)        | 0.2          | (0.0)      | (0.0)      |              |               |
| +/- Financial result variation  | (0.0)        | (0.0)        | (0.1)        | (0.2)        | 0.1          | 0.1        | 0.0        |              |               |
| +/- Tax impact  | (0.1)        | (0.1)        | (0.4)        | 0.6          | (0.7)        | (0.1)      | (0.1)      |              |               |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>5.1</b>   | <b>(2.6)</b> | <b>(1.3)</b> | <b>3.8</b>   | <b>(2.0)</b> | <b>0.4</b> | <b>0.3</b> |              |               |
| <b>Recurrent Free Cash Flow</b>   | <b>4.1</b>   | <b>1.5</b>   | <b>0.1</b>   | <b>3.9</b>   | <b>2.0</b>   | <b>2.3</b> | <b>2.6</b> |              |               |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |              |            |            |              |               |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e      | 2026e      | CAGR         |               |
| <b>EBIT</b>   | <b>1.4</b>   | <b>4.6</b>   | <b>4.0</b>   | <b>3.4</b>   | <b>4.2</b>   | <b>4.6</b> | <b>5.0</b> | <b>33.5%</b> | <b>14.5%</b>  |
| * Theoretical Tax rate  | 27.4%        | 13.4%        | 23.7%        | 27.0%        | 25.0%        | 25.0%      | 25.0%      |              |               |
| = Taxes (pre- Net Financial Result)   | (0.4)        | (0.6)        | (0.9)        | (0.9)        | (1.0)        | (1.2)      | (1.3)      |              |               |
| <b>Recurrent EBITDA</b>   | <b>3.3</b>   | <b>5.8</b>   | <b>5.2</b>   | <b>4.8</b>   | <b>5.3</b>   | <b>5.7</b> | <b>6.2</b> | <b>12.8%</b> | <b>8.9%</b>   |
| - Rentals (IFRS 16 impact)  | (0.2)        | (0.1)        | (0.1)        | (0.2)        | (0.2)        | (0.2)      | (0.2)      |              |               |
| +/- Working Capital increase  | 3.4          | (2.9)        | (3.5)        | 1.3          | (0.8)        | (0.8)      | (0.8)      |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>6.5</b>   | <b>2.8</b>   | <b>1.5</b>   | <b>5.9</b>   | <b>4.3</b>   | <b>4.8</b> | <b>5.2</b> | <b>-3.4%</b> | <b>-4.2%</b>  |
| - CAPEX   | (1.9)        | (0.7)        | (0.2)        | (1.2)        | (1.0)        | (1.0)      | (1.1)      |              |               |
| - Taxes (pre- Financial Result)   | (0.4)        | (0.6)        | (0.9)        | (0.9)        | (1.0)        | (1.2)      | (1.3)      |              |               |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>4.2</b>   | <b>1.5</b>   | <b>0.4</b>   | <b>3.8</b>   | <b>2.3</b>   | <b>2.6</b> | <b>2.8</b> | <b>-3.6%</b> | <b>-9.3%</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 553.7%       | -64.6%       | -74.3%       | 885.2%       | -40.0%       | 14.3%      | 8.9%       |              |               |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 10.6%        | 3.1%         | 0.8%         | 7.9%         | 4.5%         | 4.9%       | 5.1%       |              |               |
| - Acquisitions / + Divestments  | 0.3          | -            | -            | -            | -            | -          | -          |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -          | -          |              |               |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>4.5</b>   | <b>1.5</b>   | <b>0.4</b>   | <b>3.8</b>   | <b>2.3</b>   | <b>2.6</b> | <b>2.8</b> | <b>-5.6%</b> | <b>-9.3%</b>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | 584.0%       | -66.8%       | -74.3%       | 885.2%       | -40.0%       | 14.3%      | 8.9%       |              |               |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 12.9%        | 4.6%         | 1.2%         | 11.6%        | 7.0%         | 7.9%       | 8.7%       |              |               |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 13.8%        | 4.6%         | 1.2%         | 11.6%        | 7.0%         | 7.9%       | 8.7%       |              |               |



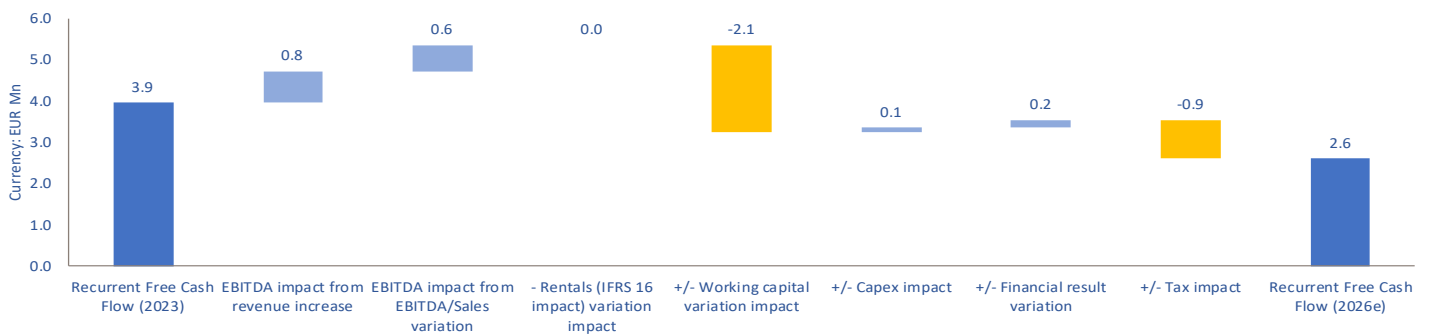


## Free Cash Flow (II)

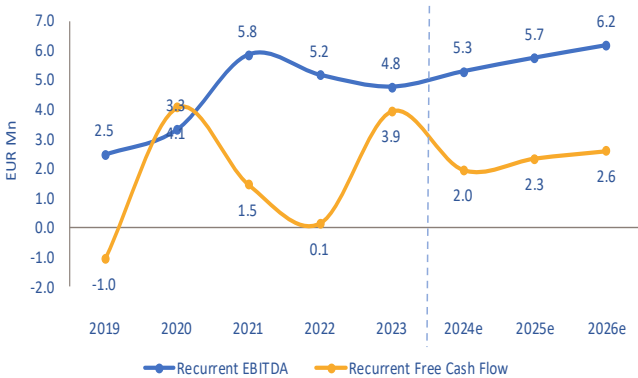
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



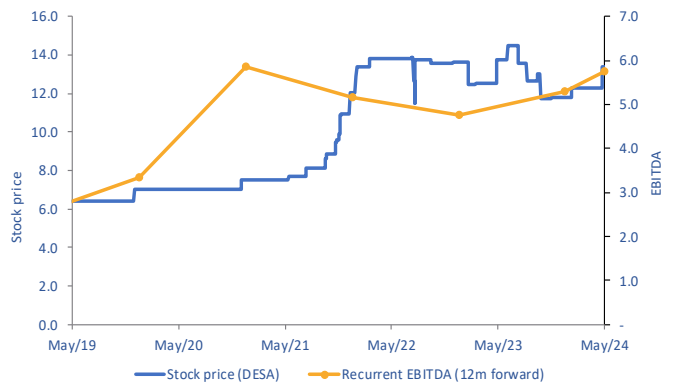
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                   | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 2.3   | 2.6                                     | 2.8   | 45.3                          |           |            |
| Market Cap                     | 24.0  | At the date of this report              |       |                               |           |            |
| Net financial debt             | 9.3   | Debt net of Cash (3m Results 2024)      |       |                               |           |            |
|                                |       |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 3.6%  | Net debt cost                           |       |                               | 3.4%      | 3.9%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 2.9%  | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 2.7%      | 3.1%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                        |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                        |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5% | $K_e = R_f + (R * B)$                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 72.1% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 27.9% | D                                       |       |                               | =         | =          |
| WACC                           | 8.3%  | $WACC = K_d * D + K_e * E$              |       |                               | 7.5%      | 9.3%       |
| G "Fair"                       | 1.5%  |   |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source          |
|--------------------------------------|-------------|-----------------|
| Market Cap                           | 24.0        |                 |
| + Minority Interests                 | -           | 3m Results 2024 |
| + Provisions & Other L/T Liabilities | 1.7         | 3m Results 2024 |
| + Net financial debt                 | 9.3         | 3m Results 2024 |
| - Financial Investments              | 2.5         | 3m Results 2024 |
| +/- Others                           | -           | 3m Results 2024 |
| <b>Enterprise Value (EV)</b>         | <b>32.4</b> |                 |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021  | 2022  | 2023 |
|----------------------|-------|-------|-------|-------|------|
| ROCE (evolution -5y) | 3.4%  | 3.8%  | 15.2% | 10.7% | 8.3% |
|                      | 2023  | 2026e |       |       |      |
| ROCE - WACC          | -0.1% | 3.9%  |       |       |      |
| FCF Yield - WACC     | 8.1%  | 2.5%  |       |       |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 12.1%            | 6.3        | 5.1x          |
| Central  | 11.0%            | 5.7        | 5.6x          |
| Min      | 9.9%             | 5.2        | 6.3x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |       |       |
|-----------------|-----------------|------|------|----------|--------------------|-------|-------|
| EBITDA 25e      | 1.8%            | 2.0% | 2.2% |          | Max                | 12.6% | 12.2% |
| 6.3             | 3.0             | 2.9  | 2.8  | Central  | 10.2%              | 9.8%  | 9.3%  |
| 5.7             | 2.4             | 2.3  | 2.2  | Min      | 7.8%               | 7.4%  | 6.9%  |
| 5.2             | 1.9             | 1.8  | 1.7  |          |                    |       |       |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 23.1% | 25.0% | 18.2% |
| % of proprietary directors           | 61.5% | 66.7% | 72.7% |
| % of executive directors             | 7.7%  | 8.3%  | 9.1%  |
| % of other directors                 | 7.7%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 7.7%  | 16.7% | 9.1%  |
| % of women out of total workforce    | 25.6% | 24.1% | 24.3% |
| Board remuneration/staff cost        | 3.1%  | 3.3%  | 3.1%  |



EcoLumber, S.A. (ECO) is a small national group based in Spain (Barcelona), specialised initially in the forestry business. The company has changed strategic direction, positioning itself in the food industry, as a vertically integrated Group, in the production, processing and sale of nuts. It is controlled by the Board of Directors (62% of capital)

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**2023 earnings improved (considerably) at operating level...** Revenue in 2023 increased to EUR 23Mn (+25.8% vs 2022) on the back of higher sales volumes (+20%; +5.8% price effect), mostly with its main customer, Eroski (75% of revenue in 2023 vs 60% in 2022). Margins improved thanks to exchange rate movements and volume growth. ECO halved its operating losses in 2023 (EBITDA: EUR -1.1Mn).

**...although the restructuring charges hit the bottom line.** ECO filed pre-insolvency proceedings in June 2023 jointly for Ecolumber (parent) and two of its subsidiaries, along with a restructuring plan that was certified by the court (and is now in the challenge phase). Its Cododal Agrícola subsidiary entered liquidation. Impairment losses undermined accounting loss in 2023 (net loss 2023: EUR 15.7Mn).

**2024e will be critical for the company.** The company's 2023 earnings left it with negative equity (equity 2023: EUR -5.8Mn) and a great deal of uncertainty regarding its outlook for 2024e. Our estimates point to flat revenue in 2024e (EUR 23.5Mn) and improvement in EBITDA 2024e to EUR -0.5Mn (vs EUR -1.1Mn in 2023).

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Focus on the traditional business.** ECO has shifted its business model towards the sale of nuts, disposing of its less profitable businesses, e.g. agriculture and forestry production (both highly dependent on weather conditions).

**Margin improvement is the key.** The margin expansion seen in 2023 is the metric to watch over the coming years. Its performance will be dictated by: i) the focus on the traditional business (sale of nuts) and ii) the economies of scale built by higher sales volume.

**Approval of the restructuring plan.** The plan calls for a c. 60% reduction of total liabilities (EUR 14Mn, of which EUR 7Mn are borrowings with partners). Had the plan not been approved, net debt could have risen to EUR 20Mn in 2026e.

**The (much-awaited) growth of AirNuts (the crux of the equity story) will be crucial until 2026e.** Materialisation in the delivery of Airnuts, the company's most profitable product —potentially reaching 6% of revenues in 2026e (vs 1.2% in 2023— could pave the way for revenue to grow at a CAGR 2023-2026e of 8.2% to EUR 29.2Mn in 2026e, with the aim of getting close to break-even at the bottom line.

## RISKS: WHAT TO KEEP AN EYE ON?

**Going concern risk.** Continuous setbacks in executing the strategic plan and ECO's delicate financial situation limit visibility for the coming years. Therefore, final approval of the restructuring plan (forgiveness of c.60% of its total liabilities; c. EUR 14Mn) is a *sine qua non* condition to ensure that ECO can continue operating as a going concern (a resolution is expected before December 2024e).

**Customer concentration.** Eroski's share of total revenue in 2023 increased to c. 75% (vs 60% in 2021), leaving the risks to our estimates tilted to the downside).

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Share price momentum is weak** and the company's situation (awaiting approval of its restructuring) has exacerbated its already scant liquidity. This has left the share price frozen (0% over the past 12 months; no volume). EV/revenue 2024e of 2.2x (vs 2x for comps). More than the business itself, the resolution of the restructuring will be decisive.

### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 32.4               | 35.2 |
| EV (Mn EUR and USD)            | 50.9               | 55.3 |
| Shares Outstanding (Mn)        | 32.4               |      |
| -12m (Max/Med/Min EUR)         | 1.00 / 1.00 / 1.00 |      |
| Daily Avg volume (-12m Mn EUR) | n.a.               |      |
| Rotation <sup>(1)</sup>        | n.a.               |      |
| Factset / Bloomberg            | ECO-ES / ECO SM    |      |
| Close fiscal year              | 31-Dec             |      |

### Shareholders Structure (%)<sup>(3)</sup>

|                |      |
|----------------|------|
| G3T SL         | 17.8 |
| Onchena        | 12.8 |
| Brinca 2004 SL | 10.6 |
| Acalios        | 7.3  |
| Free Float     | 32.9 |

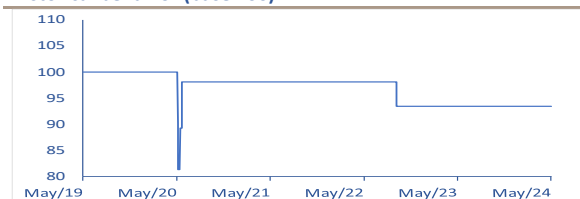
### Financials (Mn EUR)

|                                     | 2023   | 2024e | 2025e | 2026e |
|-------------------------------------|--------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 32.4   | 32.4  | 32.4  | 32.4  |
| Total Revenues                      | 23.0   | 23.5  | 26.0  | 29.2  |
| Rec. EBITDA                         | -1.1   | -0.5  | 0.1   | 0.8   |
| % growth                            | 49.6   | 57.6  | 118.0 | 828.5 |
| % Rec. EBITDA/Rev.                  | n.a.   | n.a.  | 0.3   | 2.7   |
| % Inc. EBITDA sector <sup>(2)</sup> | 9.0    | 9.7   | 8.4   | 6.9   |
| Net Profit                          | -15.7  | -1.5  | -0.9  | -0.2  |
| EPS (EUR)                           | -0.48  | -0.05 | -0.03 | -0.01 |
| % growth                            | -184.0 | 90.4  | 40.2  | 78.9  |
| Ord. EPS (EUR)                      | -0.08  | -0.05 | -0.03 | -0.01 |
| % growth                            | 29.4   | 33.0  | 40.2  | 78.9  |
| Rec. Free Cash Flow                 | -0.3   | -1.3  | -0.9  | -0.3  |
| Pay-out (%)                         | 0.0    | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00   | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 17.4   | 18.7  | 19.6  | 19.9  |
| ND/Rec. EBITDA (x)                  | n.a.   | n.a.  | n.a.  | 24.9  |
| ROE (%)                             | n.a.   | 23.2  | 11.7  | 2.3   |
| ROCE (%)                            | n.a.   | n.a.  | n.a.  | 2.5   |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | n.a. | n.a. | n.a. |
| Ord. P/E           | n.a. | n.a. | n.a. | n.a. |
| P/BV               | n.a. | n.a. | n.a. | n.a. |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 2.21 | 2.17 | 1.96 | 1.75 |
| EV/Rec. EBITDA     | n.a. | n.a. | n.a. | n.a. |
| EV/EBIT            | n.a. | n.a. | n.a. | n.a. |
| FCF Yield (%)      | n.a. | n.a. | n.a. | n.a. |

### Historical behavior (base 100)



| (%)      | -1m | -3m | -12m | -5Y  |
|----------|-----|-----|------|------|
| Absolute | 0.0 | 0.0 | 0.0  | -6.5 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Food & Beverage.

(3) Others: Otros miembros del Consejo 5.4%, Relocation & Exec. Serv. SL 5.0%, Jovellanos Cartera 5.3%, Transtronic Spain Corp 3.0%



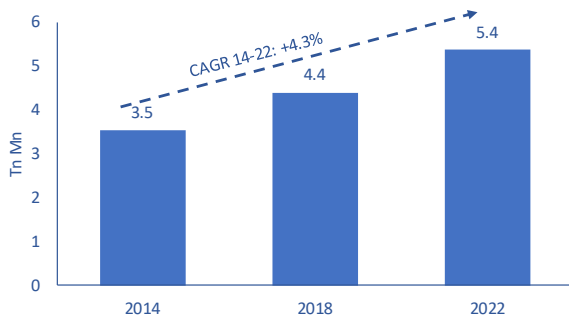
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023          | 2024e        | 2025e        | 2026e        | CAGR          |              |
|--|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 4.1          | 4.1          | 3.9          | 3.7          | 2.8           | 2.8          | 2.8          | 2.8          |               |              |
| Fixed assets                                 | 19.1         | 16.3         | 16.3         | 14.3         | 6.4           | 6.2          | 6.0          | 5.9          |               |              |
| Other Non Current Assets                     | 0.1          | 0.4          | 0.4          | 0.6          | 0.6           | 0.6          | 0.6          | 0.6          |               |              |
| Financial Investments                        | 0.1          | 1.8          | 0.6          | 0.4          | 0.0           | 0.0          | 0.0          | 0.0          |               |              |
| Goodwill & Other Intangibles                 | 3.9          | 3.9          | 3.9          | 3.9          | -             | -            | -            | -            |               |              |
| Current assets                               | 5.9          | 5.0          | 6.7          | 7.4          | 6.8           | 6.9          | 7.5          | 8.2          |               |              |
| <b>Total assets</b>                          | <b>33.3</b>  | <b>31.4</b>  | <b>32.0</b>  | <b>30.3</b>  | <b>16.6</b>   | <b>16.5</b>  | <b>16.9</b>  | <b>17.5</b>  |               |              |
| Equity                                       | 17.6         | 12.6         | 13.0         | 8.1          | (5.8)         | (7.3)        | (8.2)        | (8.4)        |               |              |
| Minority Interests                           | -            | -            | -            | -            | -             | -            | -            | -            |               |              |
| Provisions & Other L/T Liabilities           | 1.2          | 1.2          | 1.1          | 1.0          | 0.9           | 0.9          | 0.9          | 0.9          |               |              |
| Other Non Current Liabilities                | 1.2          | 1.5          | 1.4          | 1.2          | 0.2           | 0.2          | 0.2          | 0.2          |               |              |
| Net financial debt                           | 10.2         | 14.3         | 14.2         | 17.0         | 17.4          | 18.7         | 19.6         | 19.9         |               |              |
| Current Liabilities                          | 3.1          | 1.9          | 2.3          | 3.0          | 3.8           | 3.9          | 4.3          | 4.8          |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>33.3</b>  | <b>31.4</b>  | <b>32.0</b>  | <b>30.3</b>  | <b>16.6</b>   | <b>16.5</b>  | <b>16.9</b>  | <b>17.5</b>  |               |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023          | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Total Revenues</b>                        | <b>13.4</b>  | <b>15.3</b>  | <b>15.9</b>  | <b>18.3</b>  | <b>23.0</b>   | <b>23.5</b>  | <b>26.0</b>  | <b>29.2</b>  | <b>14.4%</b>  | <b>8.2%</b>  |
| Total Revenues growth                        | n.a.         | 13.8%        | 4.0%         | 15.1%        | 25.8%         | 1.9%         | 10.7%        | 12.3%        |               |              |
| COGS   | (11.3)       | (13.1)       | (13.4)       | (15.9)       | (18.9)        | (19.1)       | (21.0)       | (23.2)       |               |              |
| <b>Gross Margin</b>                          | <b>2.2</b>   | <b>2.2</b>   | <b>2.5</b>   | <b>2.4</b>   | <b>4.2</b>    | <b>4.3</b>   | <b>5.0</b>   | <b>5.9</b>   | <b>17.6%</b>  | <b>12.4%</b> |
| Gross Margin/Revenues                        | 16.2%        | 14.6%        | 16.0%        | 13.0%        | 18.1%         | 18.5%        | 19.2%        | 20.3%        |               |              |
| Personnel Expenses                           | (1.5)        | (2.0)        | (2.0)        | (2.0)        | (2.0)         | (2.0)        | (2.1)        | (2.2)        |               |              |
| Other Operating Expenses                     | (2.9)        | (2.6)        | (2.5)        | (2.6)        | (3.3)         | (2.8)        | (2.8)        | (3.0)        |               |              |
| <b>Recurrent EBITDA</b>                      | <b>(2.2)</b> | <b>(2.3)</b> | <b>(2.0)</b> | <b>(2.2)</b> | <b>(1.1)</b>  | <b>(0.5)</b> | <b>0.1</b>   | <b>0.8</b>   | <b>15.1%</b>  | <b>39.4%</b> |
| Recurrent EBITDA growth                      | -20.3%       | -7.4%        | 13.1%        | -10.4%       | 49.6%         | 57.6%        | 118.0%       | 828.5%       |               |              |
| Rec. EBITDA/Revenues                         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.          | n.a.         | 0.3%         | 2.7%         |               |              |
| Restructuring Expense & Other non-rec.       | (0.3)        | (0.3)        | (0.0)        | 0.0          | 0.0           | -            | -            | -            |               |              |
| <b>EBITDA</b>                                | <b>(2.5)</b> | <b>(2.6)</b> | <b>(2.1)</b> | <b>(2.2)</b> | <b>(1.1)</b>  | <b>(0.5)</b> | <b>0.1</b>   | <b>0.8</b>   | <b>18.6%</b>  | <b>39.7%</b> |
| Depreciation & Provisions                    | (0.5)        | (0.6)        | (0.9)        | (0.9)        | (0.5)         | (0.5)        | (0.4)        | (0.4)        |               |              |
| Capitalized Expense                          | 1.0          | 0.2          | 1.0          | 0.7          | -             | -            | -            | -            |               |              |
| Rentals (IFRS 16 impact)                     | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)         | (0.1)        | (0.1)        | (0.1)        |               |              |
| <b>EBIT</b>                                  | <b>(2.2)</b> | <b>(3.1)</b> | <b>(2.1)</b> | <b>(2.6)</b> | <b>(1.7)</b>  | <b>(1.1)</b> | <b>(0.4)</b> | <b>0.3</b>   | <b>5.6%</b>   | <b>29.7%</b> |
| EBIT growth                                  | -564.3%      | -43.1%       | 31.6%        | -22.4%       | 33.6%         | 39.1%        | 58.0%        | 170.7%       |               |              |
| EBIT/Revenues                                | n.a.         | n.a.         | n.a.         | n.a.         | n.a.          | n.a.         | n.a.         | 1.1%         |               |              |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | -             | -            | -            | -            |               |              |
| Net Financial Result                         | (0.2)        | (0.7)        | (0.5)        | (0.6)        | (0.8)         | (0.6)        | (0.6)        | (0.5)        |               |              |
| Income by the Equity Method                  | -            | -            | -            | -            | -             | -            | -            | -            |               |              |
| <b>Ordinary Profit</b>                       | <b>(2.4)</b> | <b>(3.8)</b> | <b>(2.6)</b> | <b>(3.2)</b> | <b>(2.5)</b>  | <b>(1.7)</b> | <b>(1.0)</b> | <b>(0.2)</b> | <b>-0.7%</b>  | <b>55.9%</b> |
| Ordinary Profit Growth                       | -415.7%      | -58.7%       | 31.5%        | -22.0%       | 22.6%         | 32.3%        | 40.2%        | 78.9%        |               |              |
| Extraordinary Results                        | -            | (1.5)        | -            | (2.0)        | (12.5)        | -            | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>(2.4)</b> | <b>(5.3)</b> | <b>(2.6)</b> | <b>(5.2)</b> | <b>(15.0)</b> | <b>(1.7)</b> | <b>(1.0)</b> | <b>(0.2)</b> | <b>-57.8%</b> | <b>75.8%</b> |
| Tax Expense                                  | 0.2          | 0.3          | 0.1          | 0.2          | 0.1           | 0.2          | 0.1          | 0.0          |               |              |
| Effective Tax Rate                           | n.a.         | n.a.         | n.a.         | n.a.         | n.a.          | n.a.         | n.a.         | n.a.         |               |              |
| Minority Interests                           | -            | -            | -            | -            | -             | -            | -            | -            |               |              |
| Discontinued Activities                      | -            | -            | -            | -            | (0.8)         | -            | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>(2.2)</b> | <b>(5.0)</b> | <b>(2.5)</b> | <b>(5.0)</b> | <b>(15.7)</b> | <b>(1.5)</b> | <b>(0.9)</b> | <b>(0.2)</b> | <b>-62.8%</b> | <b>77.0%</b> |
| Net Profit growth                            | -377.5%      | -122.6%      | 49.3%        | -99.4%       | -211.8%       | 90.4%        | 40.2%        | 78.9%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>(2.1)</b> | <b>(3.6)</b> | <b>(2.6)</b> | <b>(3.2)</b> | <b>(2.5)</b>  | <b>(1.7)</b> | <b>(1.0)</b> | <b>(0.2)</b> | <b>-4.8%</b>  | <b>56.1%</b> |
| Ordinary Net Profit growth                   | -349.1%      | -72.5%       | 27.6%        | -24.6%       | 22.4%         | 33.0%        | 40.2%        | 78.9%        |               |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023          | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |               | <b>(0.5)</b> | <b>0.1</b>   | <b>0.8</b>   | <b>15.1%</b>  | <b>39.4%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |               | (0.1)        | (0.1)        | (0.1)        |               |              |
| Working Capital Increase                     |              |              |              |              |               | (0.1)        | (0.2)        | (0.2)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |               | <b>-0.7</b>  | <b>-0.2</b>  | <b>0.5</b>   | <b>19.9%</b>  | <b>39.2%</b> |
| CAPEX  |              |              |              |              |               | (0.2)        | (0.3)        | (0.3)        |               |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |               | (0.6)        | (0.6)        | (0.5)        |               |              |
| Tax Expense                                  |              |              |              |              |               | 0.2          | 0.1          | 0.0          |               |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |               | <b>(1.3)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>53.3%</b>  | <b>0.7%</b>  |
| Restructuring Expense & Other non-rec.       |              |              |              |              |               | -            | -            | -            |               |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |               | -            | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |               | -            | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |               | <b>(1.3)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>53.1%</b>  | <b>0.7%</b>  |
| Capital Increase                             |              |              |              |              |               | -            | -            | -            |               |              |
| Dividends                                    |              |              |              |              |               | -            | -            | -            |               |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |               | <b>1.3</b>   | <b>0.9</b>   | <b>0.3</b>   |               |              |

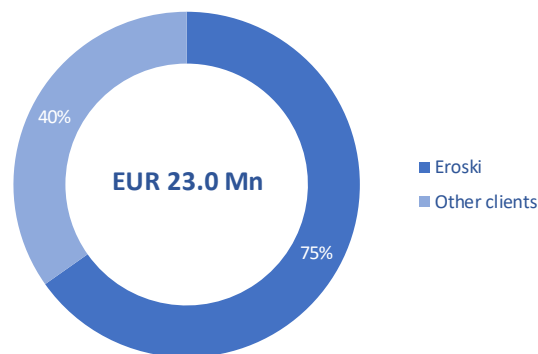


## The company in 8 charts

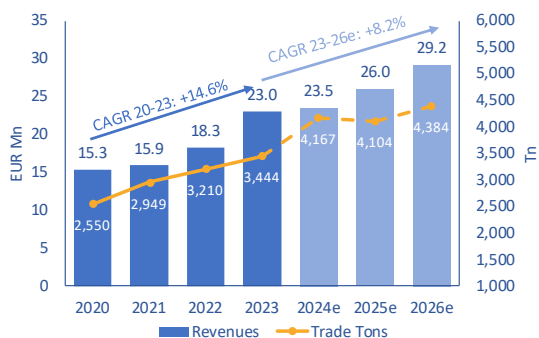
**Increasing consumption of nuts (-8y) is one of ECO's key growth drivers (CAGR 14-22: +4.3%)**



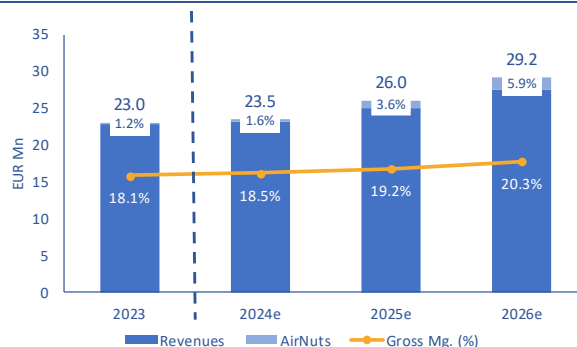
**Eroski, ECO's main customer, accounts for 75% of the 2023 revenue mix (up from 60% in 2022))**



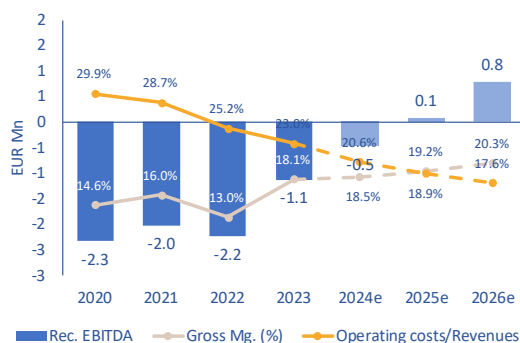
**Despite the challenging backdrop, ECO has managed to keep growth in the double digits (+14.6% CAGR 2020-2023)**



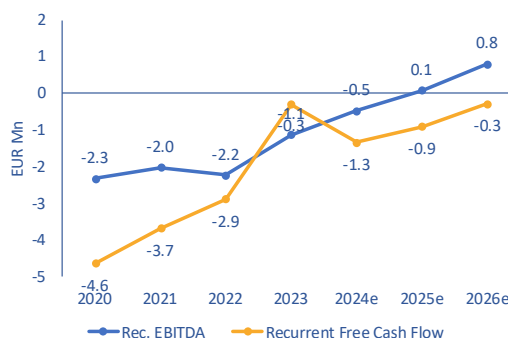
**AirNuts' higher weight in the mix (5.9% in 2026e vs 1.2% in 2023) should lift gross margin to 20.3% in 26e (+2.2 p.p. vs 2023)**



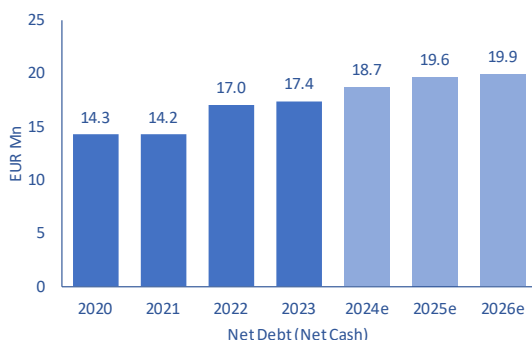
**This, coupled with a grip on overhead, should lead to positive EBITDA in 2025e**



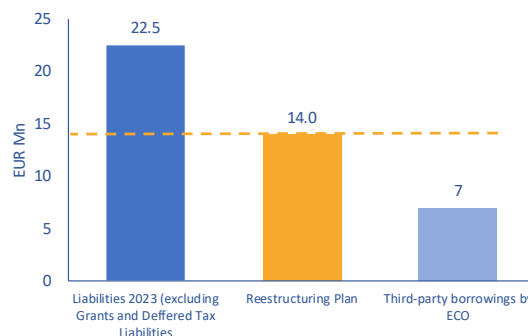
**FCF still impacted (2024e-2026e) by CAPEX and high finance costs**



**Which should push up ND to EUR 19.9Mn in 2026e, although dependent on the restructuring plan...**



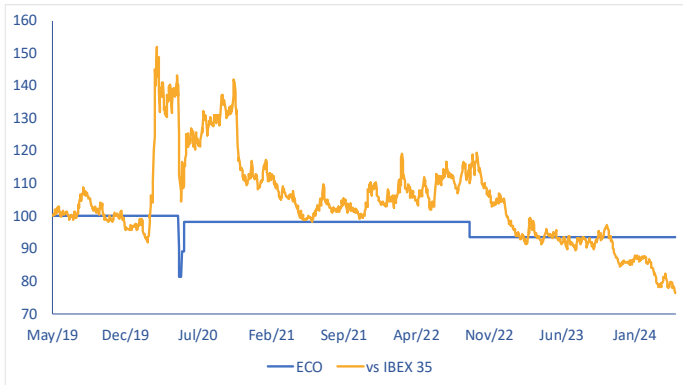
**...the success of which would result in a write-off of c. 60% of 2023 liabilities (c. EUR 14Mn) c. EUR 7Mn are loans and borrowings with partners**



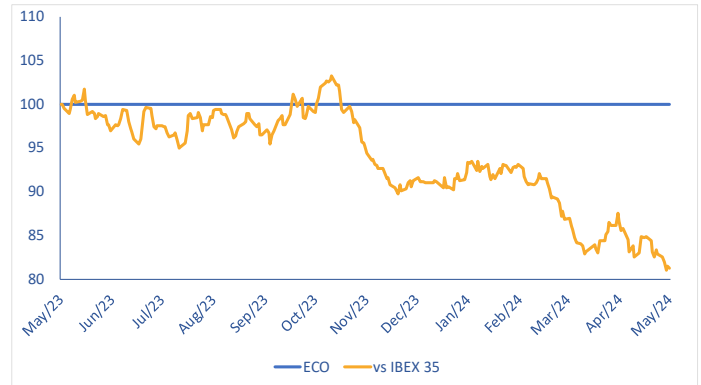


## Evolution of the share price

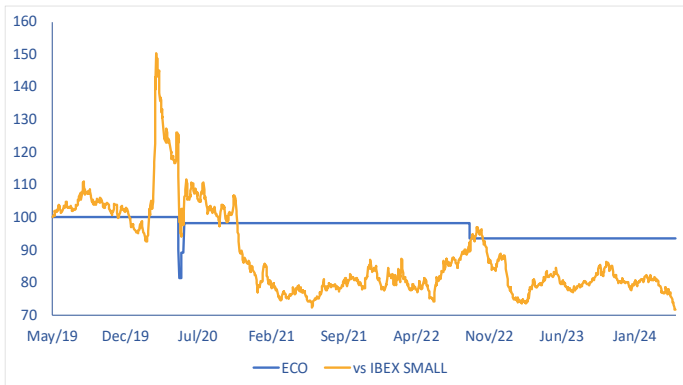
**Historical behavior vs Ibex 35 (base 100)**



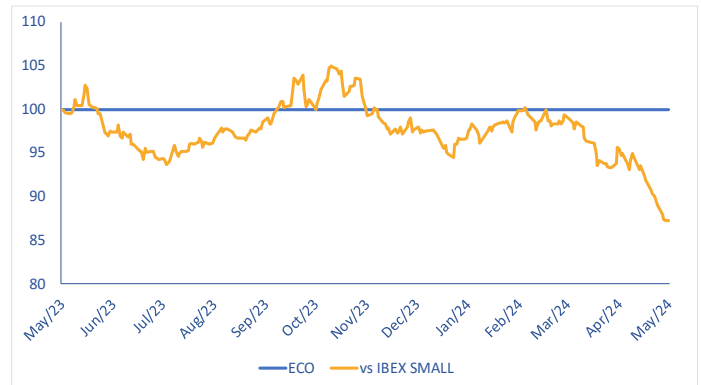
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



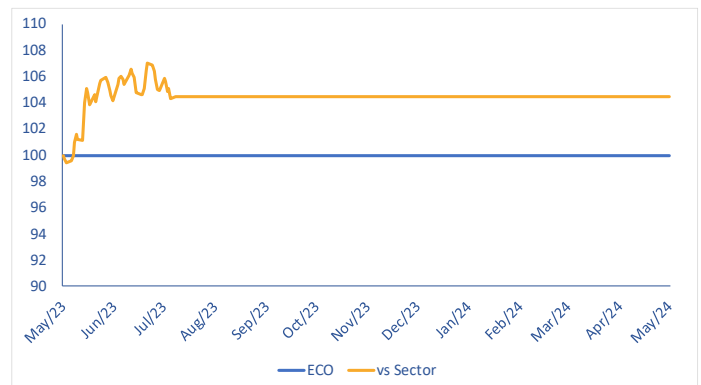
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Food & Beverage

| Stock performance (%)                     | -1m  | -3m   | -12m  | YTD   | -3Y   | -5Y   |
|---|------|-------|-------|-------|-------|-------|
| Absolute                                  | 0.0  | 0.0   | 0.0   | 0.0   | -4.8  | -6.5  |
| <b>vs Market</b>                          |      |       |       |       |       |       |
| vs Ibex 35                                | -6.1 | -12.7 | -18.7 | -10.8 | -23.0 | -23.4 |
| vs Euro STOXX 50                          | -3.0 | -5.9  | -14.6 | -10.7 | -24.6 | -36.8 |
| <b>vs Small Cap References</b>            |      |       |       |       |       |       |
| vs Ibex Small Cap Index                   | -8.4 | -12.5 | -12.7 | -10.2 | -6.8  | -28.3 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -5.2 | -7.4  | -4.8  | -7.2  | 3.0   | -22.7 |
| vs MSCI Europe Micro Cap                  | -5.8 | -6.8  | -2.9  | -5.4  | 16.9  | -22.0 |
| <b>vs Sector</b>                          |      |       |       |       |       |       |
| vs Stoxx Europe 600 Food & Beverage       | 0.0  | 0.0   | 4.5   | 0.0   | -3.9  | -9.1  |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

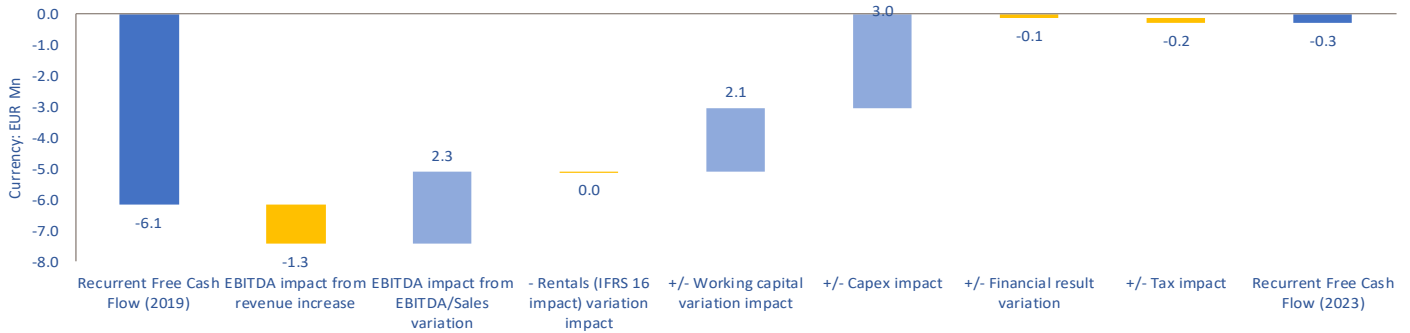
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   |              |              |              |              |              |              |              | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | (2.3)        | (2.0)        | (2.2)        | (1.1)        | (0.5)        | 0.1          | 0.8          | 21.5%        | 39.4%        |
| <i>Recurrent EBITDA growth</i>  | -7.4%        | 13.1%        | -10.4%       | 49.6%        | 57.6%        | 118.0%       | 828.5%       |              |              |
| <i>Rec. EBITDA/Revenues</i>   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 0.3%         | 2.7%         |              |              |
| - Rentals (IFRS 16 impact)  | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        |              |              |
| +/- Working Capital increase  | (0.3)        | (1.4)        | 0.0          | 1.4          | (0.1)        | (0.2)        | (0.2)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(2.7)</b> | <b>(3.5)</b> | <b>(2.3)</b> | <b>0.2</b>   | <b>(0.7)</b> | <b>(0.2)</b> | <b>0.5</b>   | <b>27.4%</b> | <b>39.2%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | 6.1%         | -29.7%       | 34.4%        | 108.1%       | -444.5%      | 70.5%        | 365.2%       |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | n.a.         | n.a.         | n.a.         | 0.8%         | n.a.         | n.a.         | 1.7%         |              |              |
| - CAPEX   | (1.9)        | 0.1          | (0.4)        | (0.2)        | (0.2)        | (0.3)        | (0.3)        |              |              |
| - Net Financial Result affecting Cash Flow  | (0.3)        | (0.3)        | (0.3)        | (0.3)        | (0.6)        | (0.6)        | (0.5)        |              |              |
| - Taxes   | 0.3          | 0.1          | 0.2          | -            | 0.2          | 0.1          | 0.0          |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(4.6)</b> | <b>(3.7)</b> | <b>(2.9)</b> | <b>(0.3)</b> | <b>(1.3)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>60.2%</b> | <b>0.7%</b>  |
| <i>Rec. Free Cash Flow growth</i>   | 24.6%        | 20.4%        | 21.8%        | 89.9%        | -360.8%      | 32.1%        | 68.7%        |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |              |              |
| - Restructuring expenses & others   | 0.0          | -            | -            | -            | -            | -            | -            |              |              |
| - Acquisitions / + Divestments  | 0.5          | 1.0          | -            | -            | -            | -            | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>= Free Cash Flow</b>   | <b>(4.1)</b> | <b>(2.6)</b> | <b>(2.9)</b> | <b>(0.3)</b> | <b>(1.3)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>58.5%</b> | <b>0.7%</b>  |
| <i>Free Cash Flow growth</i>  | 32.4%        | 35.0%        | -8.9%        | 89.9%        | -360.8%      | 32.1%        | 68.7%        |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |              |              |              |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |              |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(6.1)</b> | <b>(4.6)</b> | <b>(3.7)</b> | <b>(2.9)</b> | <b>(0.3)</b> | <b>(1.3)</b> | <b>(0.9)</b> |              |              |
| EBITDA impact from revenue increase   | (0.3)        | (0.1)        | (0.3)        | (0.6)        | (0.0)        | (0.1)        | 0.0          |              |              |
| EBITDA impact from EBITDA/Sales variation   | 0.1          | 0.4          | 0.1          | 1.7          | 0.7          | 0.6          | 0.7          |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.2)</b> | <b>0.3</b>   | <b>(0.2)</b> | <b>1.1</b>   | <b>0.6</b>   | <b>0.6</b>   | <b>0.7</b>   |              |              |
| - Rentals (IFRS 16 impact) variation impact   | (0.0)        | 0.0          | -            | -            | -            | -            | -            |              |              |
| +/- Working capital variation impact  | 0.4          | (1.1)        | 1.4          | 1.4          | (1.5)        | (0.1)        | (0.0)        |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>0.2</b>   | <b>(0.8)</b> | <b>1.2</b>   | <b>2.5</b>   | <b>(0.8)</b> | <b>0.5</b>   | <b>0.7</b>   |              |              |
| +/- CAPEX impact  | 1.3          | 2.0          | (0.5)        | 0.2          | (0.1)        | (0.0)        | (0.0)        |              |              |
| +/- Financial result variation  | (0.1)        | (0.0)        | (0.0)        | 0.0          | (0.3)        | 0.1          | 0.0          |              |              |
| +/- Tax impact  | 0.1          | (0.2)        | 0.1          | (0.2)        | 0.2          | (0.1)        | (0.1)        |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>1.5</b>   | <b>0.9</b>   | <b>0.8</b>   | <b>2.6</b>   | <b>(1.1)</b> | <b>0.4</b>   | <b>0.6</b>   |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(4.6)</b> | <b>(3.7)</b> | <b>(2.9)</b> | <b>(0.3)</b> | <b>(1.3)</b> | <b>(0.9)</b> | <b>(0.3)</b> |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |              |              |              |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
| <b>EBIT</b>   | <b>(3.1)</b> | <b>(2.1)</b> | <b>(2.6)</b> | <b>(1.7)</b> | <b>(1.1)</b> | <b>(0.4)</b> | <b>0.3</b>   | <b>17.8%</b> | <b>29.7%</b> |
| * Theoretical Tax rate  | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |              |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>Recurrent EBITDA</b>   | <b>(2.3)</b> | <b>(2.0)</b> | <b>(2.2)</b> | <b>(1.1)</b> | <b>(0.5)</b> | <b>0.1</b>   | <b>0.8</b>   | <b>21.5%</b> | <b>39.4%</b> |
| - Rentals (IFRS 16 impact)  | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        |              |              |
| +/- Working Capital increase  | (0.3)        | (1.4)        | 0.0          | 1.4          | (0.1)        | (0.2)        | (0.2)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(2.7)</b> | <b>(3.5)</b> | <b>(2.3)</b> | <b>0.2</b>   | <b>(0.7)</b> | <b>(0.2)</b> | <b>0.5</b>   | <b>27.4%</b> | <b>39.2%</b> |
| - CAPEX   | (1.9)        | 0.1          | (0.4)        | (0.2)        | (0.2)        | (0.3)        | (0.3)        |              |              |
| - Taxes (pre- Financial Result)   | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(4.6)</b> | <b>(3.5)</b> | <b>(2.7)</b> | <b>0.0</b>   | <b>(0.9)</b> | <b>(0.5)</b> | <b>0.2</b>   | <b>26.0%</b> | <b>n.a.</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 24.0%        | 25.3%        | 21.1%        | 100.5%       | n.a.         | 48.9%        | 148.2%       |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.         | n.a.         | n.a.         | 0.1%         | n.a.         | n.a.         | 0.7%         |              |              |
| - Acquisitions / + Divestments  | 0.5          | 1.0          | -            | -            | -            | -            | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(4.1)</b> | <b>(2.4)</b> | <b>(2.7)</b> | <b>0.0</b>   | <b>(0.9)</b> | <b>(0.5)</b> | <b>0.2</b>   | <b>26.1%</b> | <b>n.a.</b>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | 32.6%        | 41.0%        | -12.7%       | 100.5%       | n.a.         | 48.9%        | 148.2%       |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.         | n.a.         | n.a.         | 0.0%         | n.a.         | n.a.         | 0.4%         |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.         | n.a.         | n.a.         | 0.0%         | n.a.         | n.a.         | 0.4%         |              |              |



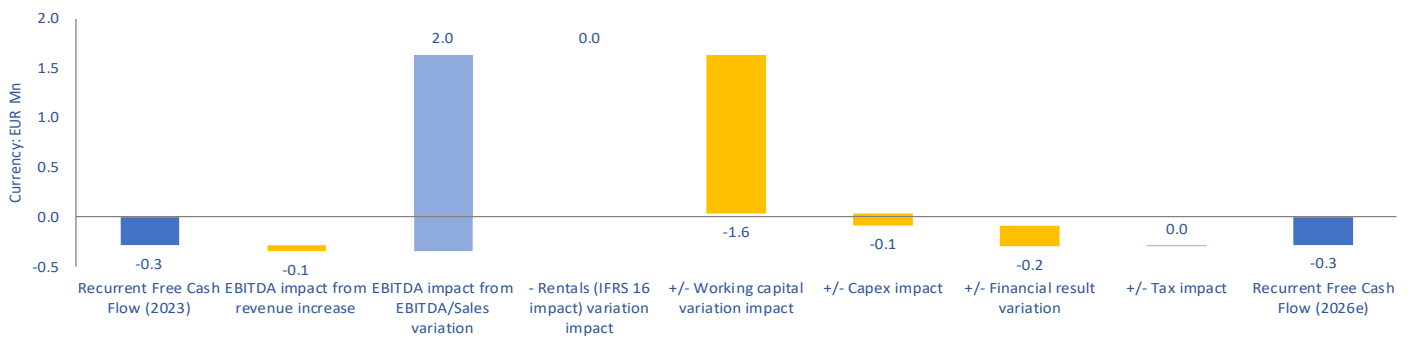


## Free Cash Flow (II)

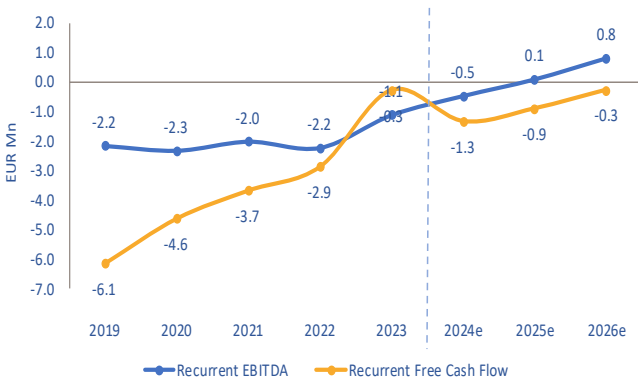
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                   | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (0.9) | (0.5)                                   | 0.2   | n.a.                          |           |            |
| Market Cap                     | 32.4  | At the date of this report              |       |                               |           |            |
| Net financial debt             | 17.4  | Debt net of Cash (12m Results 2023)     |       |                               |           |            |
|                                |       |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 6.5%  | Net debt cost                           |       |                               | 6.3%      | 6.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 5.2%  | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 5.0%      | 5.4%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                        |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 0.8   | B (own estimate)                        |       |                               | 0.7       | 0.9        |
| Cost of Equity                 | 8.1%  | $K_e = R_f + (R * B)$                   |       |                               | 7.1%      | 9.1%       |
| Equity / (Equity + Net Debt)   | 65.1% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 34.9% | D                                       |       |                               | =         | =          |
| WACC                           | 7.1%  | $WACC = K_d * D + K_e * E$              |       |                               | 6.4%      | 7.8%       |
| G "Fair"                       | 2.0%  |   |       |                               | 2.0%      | 1.5%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 32.4        |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 1.1         | 12m Results 2023 |
| + Net financial debt                 | 17.4        | 12m Results 2023 |
| - Financial Investments              | 0.0         | 12m Results 2023 |
| +/- Others                           |             | 12m Results 2023 |
| <b>Enterprise Value (EV)</b>         | <b>50.9</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020  | 2021 | 2022 | 2023 |
|----------------------|------|-------|------|------|------|
| ROCE (evolution -5y) | n.a. | n.a.  | n.a. | n.a. | n.a. |
|                      | 2023 | 2026e |      |      |      |
| ROCE - WACC          | n.a. | -4.5% |      |      |      |
| FCF Yield - WACC     | n.a. | n.a.  |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 0.3%             | 0.1        | 591.4x        |
| Central  | 0.3%             | 0.1        | 591.4x        |
| Min      | 0.3%             | 0.1        | 591.4x        |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       |
|-----------------|-----------------|-------|-------|
| EBITDA 25e      | 0.9%            | 1.0%  | 1.1%  |
| 0.1             | (0.9)           | (0.9) | (0.9) |
| 0.1             | (0.9)           | (0.9) | (0.9) |
| 0.1             | (0.9)           | (0.9) | (0.9) |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 30.8% | 27.3% | 33.3% |
| % of proprietary directors           | 61.5% | 63.6% | 55.6% |
| % of executive directors             | 7.7%  | 9.1%  | 11.1% |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 15.4% | 18.2% | 22.2% |
| % of women out of total workforce    | 30.8% | 32.6% | 51.3% |
| Board remuneration/staff cost        | 1.4%  | 1.1%  | 1.1%  |



## Main peers 2024e

|                             |                         | European Industry      |         |           | Others  |                                |         |        |
|-----------------------------|-------------------------|------------------------|---------|-----------|---------|--------------------------------|---------|--------|
| EUR Mn                      |                         | Select Harvest Limited | SIPEF   | TIPIAK SA | Average | Archer-Daniels-Midland Company | Average | ECO    |
| Market data                 | Ticker (Factset)        | SHV-AU                 | SIP-BE  | TIPI-FR   |         | ADM-US                         |         | ECO-ES |
|                             | Country                 | Australia              | Belgium | France    |         | USA                            |         | Spain  |
|                             | Market cap              | 246.4                  | 603.0   | 79.0      |         | 28,013.3                       |         | 32.4   |
|                             | Enterprise value (EV)   | 504.6                  | 652.2   | 138.9     |         | 34,231.6                       |         | 50.9   |
| Basic financial information | Total Revenues          | 151.6                  | 401.7   | 239.8     |         | 83,860.5                       |         | 23.5   |
|                             | Total Revenues growth   | 20.0%                  | -2.2%   | 6.4%      | 8.1%    | -2.9%                          | -2.9%   | 1.9%   |
|                             | 2y CAGR (2024e - 2026e) | 9.2%                   | 4.0%    | 5.6%      | 6.2%    | 1.8%                           | 1.8%    | 11.5%  |
|                             | EBITDA                  | 32.0                   | 138.4   | 18.2      |         | 4,572.0                        |         | (0.5)  |
|                             | EBITDA growth           | 265.9%                 | -4.4%   | 55.4%     | 105.6%  | 26.1%                          | 26.1%   | 56.6%  |
|                             | 2y CAGR (2024e - 2026e) | 33.6%                  | 7.2%    | 12.0%     | 17.6%   | 0.4%                           | 0.4%    | 91.6%  |
|                             | EBITDA/Revenues         | 21.1%                  | 34.5%   | 7.6%      | 21.0%   | 5.5%                           | 5.5%    | n.a.   |
|                             | EBIT                    | 10.6                   | 84.3    | 5.3       |         | 2,970.6                        |         | (1.1)  |
|                             | EBIT growth             | 138.0%                 | -12.2%  | n.a.      | 62.9%   | 12.1%                          | 12.1%   | 39.1%  |
|                             | 2y CAGR (2024e - 2026e) | 82.8%                  | 12.8%   | 34.5%     | 43.4%   | 0.5%                           | 0.5%    | 51.6%  |
|                             | EBIT/Revenues           | 7.0%                   | 21.0%   | 2.2%      | 10.1%   | 3.5%                           | 3.5%    | n.a.   |
|                             | Net Profit              | 2.1                    | 57.3    | 1.9       |         | 2,540.7                        |         | (1.5)  |
|                             | Net Profit growth       | 103.0%                 | -14.9%  | 118.2%    | 68.8%   | -20.7%                         | -20.7%  | 90.4%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.                   | 8.5%    | 74.3%     | 41.4%   | -2.6%                          | -2.6%   | 64.5%  |
|                             | CAPEX/Sales %           | 10.7%                  | 23.5%   | 5.4%      | 13.2%   | 1.4%                           | 1.4%    | 1.0%   |
| Free Cash Flow              | 9.6                     | 14.2                   | (2.3)   |           | 2,610.0 |                                | (1.3)   |        |
| Net financial debt          | 130.6                   | 29.5                   | 60.5    |           | 5,786.6 |                                | 18.7    |        |
| ND/EBITDA (x)               | 4.1                     | 0.2                    | 3.3     | 2.5       | 1.3     | 1.3                            | n.a.    |        |
| Pay-out                     | 26.7%                   | 28.7%                  | 91.3%   | 48.9%     | 38.6%   | 38.6%                          | 0.0%    |        |
| Multiples and Ratios        | P/E (x)                 | n.a.                   | 10.4    | 39.3      | 24.9    | 11.0                           | 11.0    | n.a.   |
|                             | P/BV (x)                | 1.0                    | 0.7     | 1.3       | 1.0     | 1.4                            | 1.4     | n.a.   |
|                             | EV/Revenues (x)         | 3.3                    | 1.6     | 0.6       | 1.8     | 0.4                            | 0.4     | 2.2    |
|                             | EV/EBITDA (x)           | 15.8                   | 4.7     | 7.6       | 9.4     | 7.5                            | 7.5     | n.a.   |
|                             | EV/EBIT (x)             | 47.6                   | 7.7     | 26.2      | 27.2    | 11.5                           | 11.5    | n.a.   |
|                             | ROE                     | 0.8                    | 7.0     | 3.2       | 3.7     | 12.4                           | 12.4    | 23.2   |
|                             | FCF Yield (%)           | 3.9                    | 2.3     | n.a.      | 3.1     | 9.3                            | 9.3     | n.a.   |
|                             | DPS                     | 0.00                   | 1.58    | 1.95      | 1.18    | 1.81                           | 1.81    | 0.00   |
| Dvd Yield                   | 0.2%                    | 2.8%                   | 2.3%    | 1.8%      | 3.2%    | 3.2%                           | 0.0%    |        |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015 | 2016 | 2017    | 2018   | 2019   | 2020    | 2021  | 2022   | 2023    | 2024e  | 2025e  | 2026e  | 13-23 | 23-26e |
|---------------------------------|------|------|------|------|---------|--------|--------|---------|-------|--------|---------|--------|--------|--------|-------|--------|
| <b>Total Revenues</b>           |      |      |      |      | 0.1     | 0.2    | 13.4   | 15.3    | 15.9  | 18.3   | 23.0    | 23.5   | 26.0   | 29.2   | n.a.  | 8.2%   |
| Total Revenues growth           |      |      |      |      | n.a.    | 69.3%  | n.a.   | 13.8%   | 4.0%  | 15.1%  | 25.8%   | 1.9%   | 10.7%  | 12.3%  |       |        |
| <b>EBITDA</b>                   |      |      |      |      | (1.2)   | (2.0)  | (2.5)  | (2.6)   | (2.1) | (2.2)  | (1.1)   | (0.5)  | 0.1    | 0.8    | n.a.  | 39.7%  |
| EBITDA growth                   |      |      |      |      | -217.2% | -69.8% | -25.8% | -2.9%   | 20.3% | -7.2%  | 50.1%   | 56.6%  | 118.0% | 828.5% |       |        |
| EBITDA/Sales                    |      |      |      |      | n.a.    | n.a.   | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | 0.3%   | 2.7%   |       |        |
| <b>Net Profit</b>               |      |      |      |      | 0.0     | (1.4)  | (2.2)  | (5.0)   | (2.5) | (5.0)  | (15.7)  | (1.5)  | (0.9)  | (0.2)  | n.a.  | 77.0%  |
| Net Profit growth               |      |      |      |      | 108.2%  | n.a.   | -55.8% | -122.6% | 49.3% | -99.4% | -211.8% | 90.4%  | 40.2%  | 78.9%  |       |        |
| Adjusted number shares (Mn)     |      |      |      |      | -       | -      | -      | 27.0    | 27.0  | 29.5   | 32.4    | 32.4   | 32.4   | 32.4   |       |        |
| EPS (EUR)                       |      |      |      |      | n.a.    | n.a.   | n.a.   | -0.18   | -0.09 | -0.17  | -0.48   | -0.05  | -0.03  | -0.01  | n.a.  | 77.0%  |
| EPS growth                      |      |      |      |      | n.a.    | n.a.   | n.a.   | n.a.    | 49.3% | -82.4% | n.a.    | 90.4%  | 40.2%  | 78.9%  |       |        |
| Ord. EPS (EUR)                  |      |      |      |      | n.a.    | n.a.   | n.a.   | -0.13   | -0.10 | -0.11  | -0.08   | -0.05  | -0.03  | -0.01  | n.a.  | 56.1%  |
| Ord. EPS growth                 |      |      |      |      | n.a.    | n.a.   | n.a.   | n.a.    | 27.6% | -14.1% | 29.4%   | 33.0%  | 40.2%  | 78.9%  |       |        |
| CAPEX                           |      |      |      |      | (1.5)   | (1.0)  | (3.2)  | (1.9)   | 0.1   | (0.4)  | (0.2)   | (0.2)  | (0.3)  | (0.3)  |       |        |
| CAPEX/Sales %                   |      |      |      |      | 1670.0% | 660.8% | 23.8%  | 12.5%   | n.a.  | 2.3%   | 0.8%    | 1.0%   | 1.0%   | 1.0%   |       |        |
| <b>Free Cash Flow</b>           |      |      |      |      | (2.9)   | (3.1)  | (6.0)  | (4.1)   | (2.6) | (2.9)  | (0.3)   | (1.3)  | (0.9)  | (0.3)  | n.a.  | 0.7%   |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      |      |      | n.a.    | n.a.   | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | n.a.   | 24.9x  |       |        |
| P/E (x)                         |      |      |      |      | n.a.    | n.a.   | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | n.a.   | n.a.   |       |        |
| EV/Sales (x)                    |      |      |      |      | n.a.    | n.a.   | 2.66x  | 2.59x   | 2.64x | 2.57x  | 2.17x   | 2.17x  | 1.96x  | 1.75x  |       |        |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      |      |      | n.a.    | n.a.   | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | n.a.   | n.a.   |       |        |
| Absolute performance            |      |      |      |      | -8.3%   | 10.7%  | 0.0%   | -1.9%   | 0.0%  | -4.8%  | 0.0%    | 0.0%   | 0.0%   | 0.0%   |       |        |
| Relative performance vs Ibx 35  |      |      |      |      | -14.6%  | 30.2%  | -10.6% | 16.1%   | -7.3% | 0.8%   | -18.5%  | -10.8% |        |        |       |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Endurance Motive (END)**, is a small Spanish company based in Valencia, created in 2018 and specialised in the development and sale of electricity storage systems using lithium-ion batteries for sustainable mobility. The sectors in which the company operates are: i) industrial, ii) marine and iii) urban mobility. The company's founders control 58% of total shares.

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**END reduced its operating loss considerably in 2023.** Supply chain normalisation enabled END to recognise EUR 10.2Mn (+68.7%) of revenue in 2023, while the drop in battery raw materials (steel and lithium) left it at breakeven in terms of recurring EBITDA (vs a loss of EUR 2.4Mn in 2022).

**The (profitable) growth trajectory involves international expansion (35% of revenue in 2023) and product diversification.** The Mexican office (opened in 2H23) accounted for c.10% of revenue. The development of new business lines will serve as a catalyst for unlocking gains in profitability (with the required structure already in place).

**Earnings momentum is very positive.** We think strong demand will continue to fuel double-digit topline growth to EUR 14Mn in 2024e (+37.2% vs 2022), accompanied by breakeven at the EBITDA level (EUR 0.4Mn) and positive net profit for the first time (EUR 0.2Mn), proving that the business is profitable. Debt is set to remain high (ND 24e: EUR 3.8Mn; ND/equity 24e: 2.3x).

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Sustainable mobility is a strong sector driver ...** in the midst of growth, the electrification of mobility is needed to accelerate decarbonisation and reduce emissions.

**... with scope for expansion into other sectors (such as parking),** albeit still at an incipient phase. The products targeted at the industrial sector (self-consumption) and renewables sector (storage) are products with greater scope (and profitability) that are currently not factored into our numbers.

**We expect to see continued double-digit growth (CAGR 2023-26e: +33.3%).** Our growth assumptions pivot around: i) expansion into new geographic markets (>45% of revenue in 2026e vs 35% in 2023); ii) growth in the customer base; and iii) new value-added battery models.

**Are we on the cusp of a new cycle? Is an EBITDA margin of 9% in 2026e doable?** In 2026e we ought to be looking at a company with recurring EBITDA of EUR 2.2Mn (breakeven in 2023) thanks to: i) double-digit revenue growth (CAGR 23-26e: +33%) and ii) operational gearing (economies of scale), which should put a 2026e EBITDA margin of 9% in reach. We are not forecasting positive FCF until 2026e, so that END is expected to burn through an additional EUR 1.2Mn of cash (2024e-2025e).

## RISKS: WHAT TO KEEP AN EYE ON?

**Raw material and energy costs.** The chief catalyst behind the margin expansion of 2023 was the correction in raw material prices. An increase in prices of the calibre seen in 2022 would put profitability under pressure again (increasing the risk of an estimate downgrade).

**Need for additional financing, which is likely to take the form of equity.** END ended 2023 with ND of EUR 3Mn. In 2023, the company entered into a convertible bond financing agreement with Alpha Blue Ocean. If the estimated funding requirement (EUR 1.2Mn) is financed by issuing convertible bonds, current shareholders will be diluted by c.8%.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Revenue growth puts END's multiples in line with its comps.** Despite the share price correction (-26.8% -12m and -42.7% vs sector), our 2024e estimates imply an EV/revenue multiple of 1.3x (vs 1x for its main listed comps). However, the potential lift-off in EBITDA in the coming years could imply an EV/EBITDA 26e multiple of 7.9x (which is well below the sector). Margin expansion is crucial.

### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 14.1               | 15.3 |
| EV (Mn EUR and USD)            | 17.7               | 19.3 |
| Shares Outstanding (Mn)        | 10.1               |      |
| -12m (Max/Med/Min EUR)         | 2.09 / 1.49 / 1.05 |      |
| Daily Avg volume (-12m Mn EUR) | 0.04               |      |
| Rotation <sup>(1)</sup>        | 74.8               |      |
| Factset / Bloomberg            | END-ES / END SM    |      |
| Close fiscal year              | 31-Dec             |      |

### Shareholders Structure (%)

|                |      |
|----------------|------|
| Carlos Navarro | 31.3 |
| Andrés Muelas  | 26.6 |
| Free Float     | 42.1 |

### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 9.7   | 10.0  | 10.1  | 10.1  |
| Total Revenues                      | 10.2  | 14.0  | 18.8  | 24.2  |
| Rec. EBITDA                         | -0.1  | 0.4   | 1.1   | 2.2   |
| % growth                            | 94.0  | 356.7 | 194.2 | 104.4 |
| % Rec. EBITDA/Rev.                  | n.a.  | 2.7   | 5.8   | 9.3   |
| % Inc. EBITDA sector <sup>(2)</sup> | 15.6  | 17.7  | 26.1  | 14.2  |
| Net Profit                          | -0.3  | 0.2   | 0.6   | 1.5   |
| EPS (EUR)                           | -0.03 | 0.02  | 0.06  | 0.15  |
| % growth                            | 85.3  | 169.2 | 180.0 | 145.1 |
| Ord. EPS (EUR)                      | -0.05 | 0.00  | 0.06  | 0.15  |
| % growth                            | 78.6  | 102.6 | n.a.  | 145.1 |
| Rec. Free Cash Flow                 | -0.4  | -0.8  | -0.4  | 0.6   |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 3.0   | 3.8   | 4.2   | 3.6   |
| ND/Rec. EBITDA (x)                  | n.a.  | 10.0  | 3.8   | 1.6   |
| ROE (%)                             | n.a.  | 14.3  | 31.5  | 50.0  |
| ROCE (%)                            | n.a.  | 10.4  | 14.5  | 24.2  |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | 65.0 | 23.2 | 9.5  |
| Ord. P/E           | n.a. | n.a. | 23.2 | 9.5  |
| P/BV               | 10.1 | 8.8  | 6.4  | 3.8  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 1.73 | 1.26 | 0.94 | 0.73 |
| EV/Rec. EBITDA     | n.a. | 47.4 | 16.1 | 7.9  |
| EV/EBIT            | n.a. | 33.1 | 17.2 | 8.4  |
| FCF Yield (%)      | n.a. | n.a. | n.a. | 4.3  |

### Historical behavior (base 100)



| (%)      | -1m  | -3m | -12m  | -5Y  |
|----------|------|-----|-------|------|
| Absolute | -2.1 | 7.3 | -26.8 | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Europe Electrical Products.



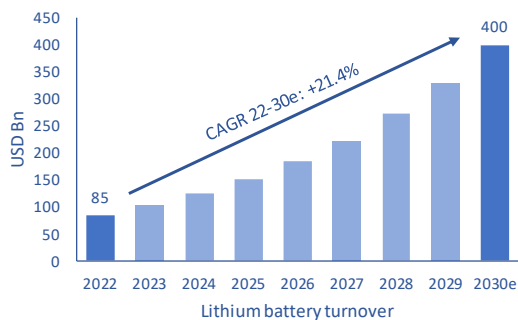
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets                            | 0.2          | 0.6          | 1.2          | 1.6          | 1.6          | 1.6          | 1.6          | 1.6          |              |              |
| Fixed assets                                 | 0.0          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.3          | 0.6          |              |              |
| Other Non Current Assets                     | 0.1          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          |              |              |
| Financial Investments                        | 0.1          | 0.1          | 0.2          | 0.1          | 0.4          | 0.4          | 0.4          | 0.4          |              |              |
| Goodwill & Other Intangibles                 | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| Current assets                               | 0.4          | 1.5          | 3.1          | 4.5          | 3.8          | 4.9          | 6.1          | 7.0          |              |              |
| <b>Total assets</b>                          | <b>0.9</b>   | <b>2.7</b>   | <b>4.9</b>   | <b>6.7</b>   | <b>6.3</b>   | <b>7.4</b>   | <b>8.8</b>   | <b>10.0</b>  |              |              |
| Equity                                       | 0.9          | 0.9          | 0.9          | 1.1          | 1.4          | 1.6          | 2.2          | 3.7          |              |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| Provisions & Other L/T Liabilities           | -            | -            | 0.4          | 0.8          | 0.8          | 0.6          | 0.6          | 0.6          |              |              |
| Other Non Current Liabilities                | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| Net financial debt                           | (0.0)        | 1.1          | 2.3          | 3.0          | 3.0          | 3.8          | 4.2          | 3.6          |              |              |
| Current Liabilities                          | 0.1          | 0.8          | 1.3          | 1.7          | 1.2          | 1.5          | 1.8          | 2.2          |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>0.9</b>   | <b>2.7</b>   | <b>4.9</b>   | <b>6.7</b>   | <b>6.3</b>   | <b>7.4</b>   | <b>8.8</b>   | <b>10.0</b>  |              |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 21-23        | 23-26e       |
| <b>Total Revenues</b>                        | <b>0.3</b>   | <b>2.3</b>   | <b>4.7</b>   | <b>6.1</b>   | <b>10.2</b>  | <b>14.0</b>  | <b>18.8</b>  | <b>24.2</b>  | <b>47.7%</b> | <b>33.3%</b> |
| Total Revenues growth                        | n.a.         | 613.8%       | 107.3%       | 29.3%        | 68.7%        | 37.3%        | 34.3%        | 28.6%        |              |              |
| COGS   | (0.3)        | (1.8)        | (3.5)        | (4.8)        | (6.3)        | (8.9)        | (12.0)       | (15.2)       |              |              |
| <b>Gross Margin</b>                          | <b>0.0</b>   | <b>0.5</b>   | <b>1.2</b>   | <b>1.3</b>   | <b>3.9</b>   | <b>5.1</b>   | <b>6.8</b>   | <b>9.0</b>   | <b>80.8%</b> | <b>32.3%</b> |
| Gross Margin/Revenues                        | 7.6%         | 22.1%        | 25.5%        | 21.0%        | 38.2%        | 36.5%        | 36.3%        | 37.3%        |              |              |
| Personnel Expenses                           | (0.2)        | (0.8)        | (1.7)        | (2.2)        | (2.5)        | (3.0)        | (3.7)        | (4.3)        |              |              |
| Other Operating Expenses                     | (0.4)        | (0.7)        | (1.2)        | (1.5)        | (1.6)        | (1.8)        | (2.0)        | (2.5)        |              |              |
| <b>Recurrent EBITDA</b>                      | <b>(0.6)</b> | <b>(1.0)</b> | <b>(1.7)</b> | <b>(2.4)</b> | <b>(0.1)</b> | <b>0.4</b>   | <b>1.1</b>   | <b>2.2</b>   | <b>70.7%</b> | <b>n.a.</b>  |
| Recurrent EBITDA growth                      | -288.5%      | -85.9%       | -62.9%       | -42.1%       | 94.0%        | 356.7%       | 194.2%       | 104.4%       |              |              |
| Rec. EBITDA/Revenues                         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 2.7%         | 5.8%         | 9.3%         |              |              |
| Restructuring Expense & Other non-rec.       | 0.0          | (0.1)        | (0.0)        | 0.3          | 0.1          | 0.2          | -            | -            |              |              |
| <b>EBITDA</b>                                | <b>(0.6)</b> | <b>(1.2)</b> | <b>(1.7)</b> | <b>(2.1)</b> | <b>(0.1)</b> | <b>0.6</b>   | <b>1.1</b>   | <b>2.2</b>   | <b>77.6%</b> | <b>n.a.</b>  |
| Depreciation & Provisions                    | (0.0)        | (0.1)        | (0.1)        | (0.3)        | (0.4)        | (0.4)        | (0.5)        | (0.5)        |              |              |
| Capitalized Expense                          | 0.1          | 0.5          | 0.6          | 0.6          | 0.4          | 0.4          | 0.4          | 0.4          |              |              |
| Rentals (IFRS 16 impact)                     | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>EBIT</b>                                  | <b>(0.5)</b> | <b>(0.7)</b> | <b>(1.3)</b> | <b>(1.7)</b> | <b>(0.1)</b> | <b>0.5</b>   | <b>1.0</b>   | <b>2.1</b>   | <b>68.8%</b> | <b>n.a.</b>  |
| EBIT growth                                  | -554.2%      | -51.3%       | -73.4%       | -37.0%       | 92.9%        | 531.9%       | 93.0%        | 105.1%       |              |              |
| EBIT/Revenues                                | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 3.8%         | 5.5%         | 8.7%         |              |              |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| Net Financial Result                         | (0.0)        | (0.0)        | (0.1)        | (0.2)        | (0.3)        | (0.3)        | (0.3)        | (0.3)        |              |              |
| Income by the Equity Method                  | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>Ordinary Profit</b>                       | <b>(0.5)</b> | <b>(0.8)</b> | <b>(1.3)</b> | <b>(1.9)</b> | <b>(0.5)</b> | <b>0.2</b>   | <b>0.7</b>   | <b>1.8</b>   | <b>41.3%</b> | <b>82.2%</b> |
| Ordinary Profit Growth                       | -518.5%      | -54.8%       | -73.5%       | -44.7%       | 76.2%        | 147.0%       | 230.7%       | 160.4%       |              |              |
| Extraordinary Results                        | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>Profit Before Tax</b>                     | <b>(0.5)</b> | <b>(0.8)</b> | <b>(1.3)</b> | <b>(1.9)</b> | <b>(0.5)</b> | <b>0.2</b>   | <b>0.7</b>   | <b>1.8</b>   | <b>41.3%</b> | <b>82.2%</b> |
| Tax Expense                                  | 0.1          | 0.2          | -            | -            | 0.2          | -            | (0.1)        | (0.4)        |              |              |
| Effective Tax Rate                           | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 15.0%        | 20.0%        |              |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>Net Profit</b>                            | <b>(0.4)</b> | <b>(0.6)</b> | <b>(1.3)</b> | <b>(1.9)</b> | <b>(0.3)</b> | <b>0.2</b>   | <b>0.6</b>   | <b>1.5</b>   | <b>52.4%</b> | <b>90.5%</b> |
| Net Profit growth                            | -512.5%      | -54.8%       | -130.6%      | -44.7%       | 84.3%        | 171.3%       | 181.1%       | 145.1%       |              |              |
| <b>Ordinary Net Profit</b>                   | <b>(0.5)</b> | <b>(0.6)</b> | <b>(1.3)</b> | <b>(2.3)</b> | <b>(0.5)</b> | <b>0.0</b>   | <b>0.6</b>   | <b>1.5</b>   | <b>36.8%</b> | <b>69.5%</b> |
| Ordinary Net Profit growth                   | -545.4%      | -30.4%       | -98.1%       | -75.2%       | 77.2%        | 102.7%       | n.a.         | 145.1%       |              |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 21-23        | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>0.4</b>   | <b>1.1</b>   | <b>2.2</b>   | <b>70.7%</b> | <b>n.a.</b>  |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | -            | -            | -            |              |              |
| Working Capital Increase                     |              |              |              |              |              | (0.8)        | (0.9)        | (0.6)        |              |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>-0.4</b>  | <b>0.2</b>   | <b>1.7</b>   | <b>84.4%</b> | <b>n.a.</b>  |
| CAPEX  |              |              |              |              |              | (0.1)        | (0.2)        | (0.4)        |              |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (0.3)        | (0.3)        | (0.3)        |              |              |
| Tax Expense                                  |              |              |              |              |              | -            | (0.1)        | (0.4)        |              |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>(0.8)</b> | <b>(0.4)</b> | <b>0.6</b>   | <b>62.5%</b> | <b>51.2%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | -            | -            | -            |              |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | -            | -            | -            |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -            | -            | -            |              |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>(0.8)</b> | <b>(0.4)</b> | <b>0.6</b>   | <b>62.6%</b> | <b>51.0%</b> |
| Capital Increase                             |              |              |              |              |              | -            | -            | -            |              |              |
| Dividends                                    |              |              |              |              |              | -            | -            | -            |              |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>0.8</b>   | <b>0.4</b>   | <b>(0.6)</b> |              |              |



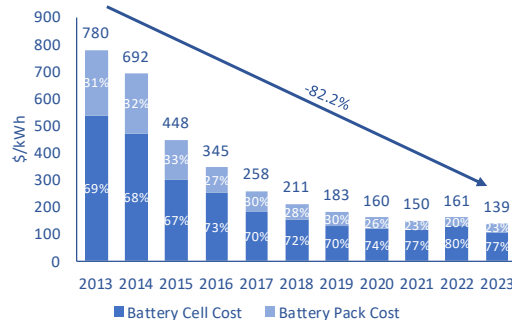
**The company in 8 charts**

**Lithium batteries: In full growth stage...**



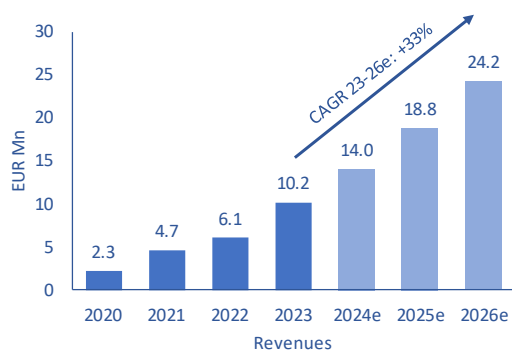
Sources: BNEF (BloombergNEF)

**... and increasingly affordable (driving demand)**

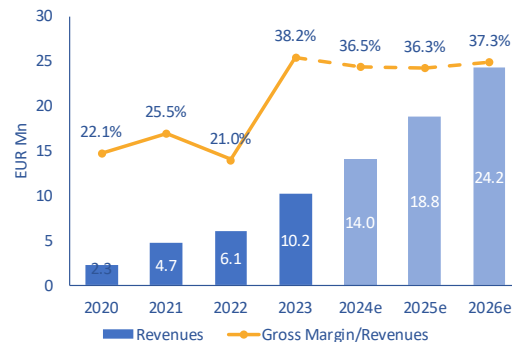


Sources: BNEF (BloombergNEF)

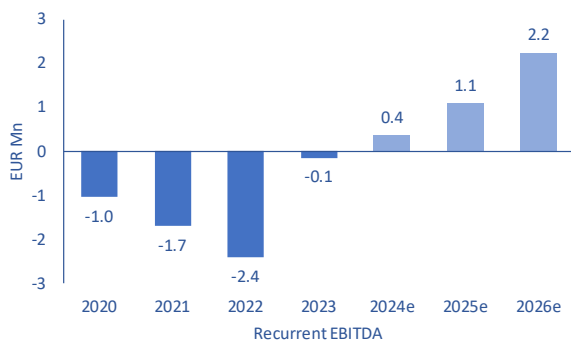
**END: Well positioned to accelerate growth (+33 CAGR 23-26e)...**



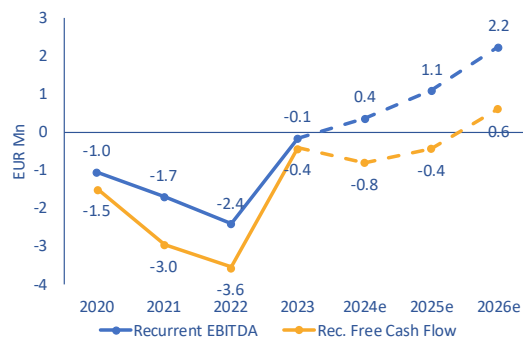
**... and ability to keep the gross margin above 35%**



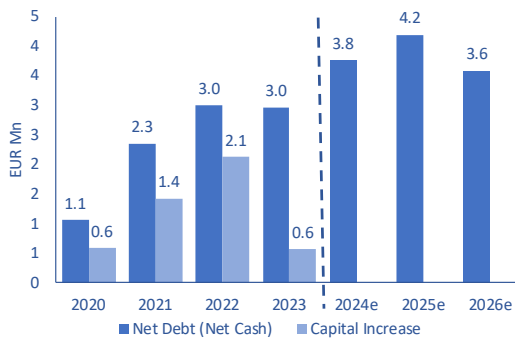
**Driver that will allow to see EBITDA rec. above break-even as early as 2024e**



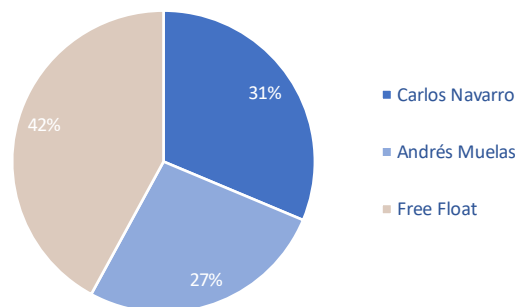
**Even though the business will continue to burn cash...**



**This will increase the DN to EUR 4.2Mn in 2025e**



**C. 58% of capital is held by the founders**



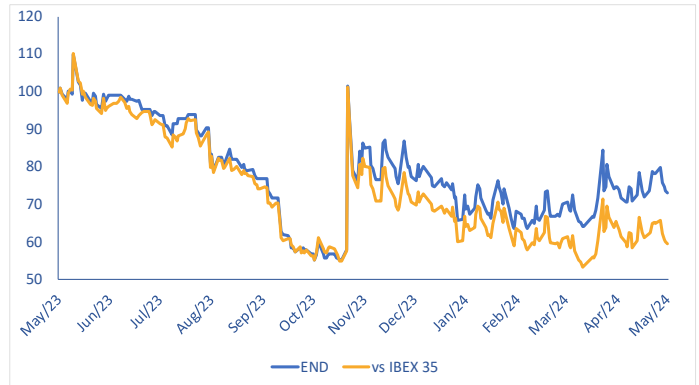


Evolution of the share price

Historical behavior vs Ibex 35 (base 100)



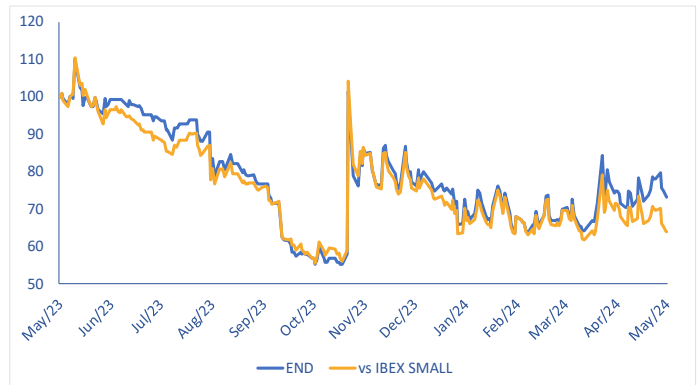
Behavior -1y vs Ibex 35 (base 100)



Historical behavior vs Ibex Small Cap (base 100)



Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector<sup>(1)</sup> (base 100)



Behavior -1y vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Europe Electrical Products

| Stock performance (%)                     | -1m   | -3m  | -12m  | YTD   | -3Y  | -5Y  |
|---|-------|------|-------|-------|------|------|
| Absolute                                  | -2.1  | 7.3  | -26.8 | -2.1  | n.a. | n.a. |
| <b>vs Market</b>                          |       |      |       |       |      |      |
| vs Ibex 35                                | -8.1  | -6.3 | -40.5 | -12.7 | n.a. | n.a. |
| vs Euro STOXX 50                          | -5.0  | 1.0  | -37.5 | -12.6 | n.a. | n.a. |
| <b>vs Small Cap References</b>            |       |      |       |       |      |      |
| vs Ibex Small Cap Index                   | -10.4 | -6.1 | -36.1 | -12.1 | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -7.2  | -0.6 | -30.4 | -9.2  | n.a. | n.a. |
| vs MSCI Europe Micro Cap                  | -7.7  | 0.0  | -28.9 | -7.4  | n.a. | n.a. |
| <b>vs Sector</b>                          |       |      |       |       |      |      |
| vs Europe Electrical Products             | -13.4 | -6.5 | -42.7 | -16.6 | n.a. | n.a. |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

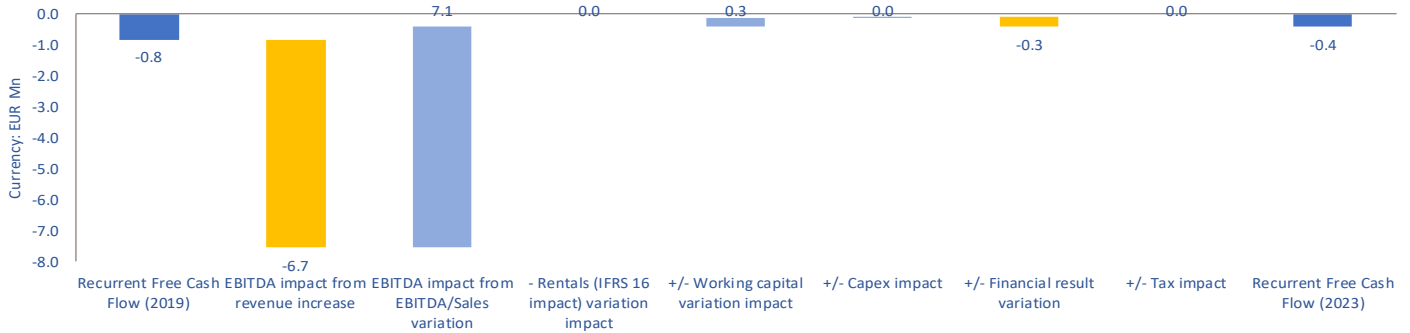
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   |              |              |              |              |              |              |              | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | (1.0)        | (1.7)        | (2.4)        | (0.1)        | 0.4          | 1.1          | 2.2          | 48.1%        | n.a.         |
| Recurrent EBITDA growth   | -85.9%       | -62.9%       | -42.1%       | 94.0%        | 356.7%       | 194.2%       | 104.4%       |              |              |
| Rec. EBITDA/Revenues  | n.a.         | n.a.         | n.a.         | n.a.         | 2.7%         | 5.8%         | 9.3%         |              |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -            | -            | -            |              |              |
| +/- Working Capital increase  | (0.4)        | (1.1)        | (1.0)        | 0.1          | (0.8)        | (0.9)        | (0.6)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(1.4)</b> | <b>(2.8)</b> | <b>(3.4)</b> | <b>(0.1)</b> | <b>(0.4)</b> | <b>0.2</b>   | <b>1.7</b>   | <b>63.6%</b> | <b>n.a.</b>  |
| Rec. Operating Cash Flow growth   | -83.0%       | -98.6%       | -21.7%       | 98.0%        | -486.1%      | 162.6%       | 581.4%       |              |              |
| Rec. Operating Cash Flow / Sales  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 1.3%         | 6.9%         |              |              |
| - CAPEX   | (0.1)        | (0.1)        | (0.1)        | (0.0)        | (0.1)        | (0.2)        | (0.4)        |              |              |
| - Net Financial Result affecting Cash Flow  | (0.0)        | (0.0)        | (0.1)        | (0.3)        | (0.3)        | (0.3)        | (0.3)        |              |              |
| - Taxes   | -            | -            | -            | -            | -            | (0.1)        | (0.4)        |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(1.5)</b> | <b>(3.0)</b> | <b>(3.6)</b> | <b>(0.4)</b> | <b>(0.8)</b> | <b>(0.4)</b> | <b>0.6</b>   | <b>34.7%</b> | <b>51.2%</b> |
| Rec. Free Cash Flow growth  | -83.9%       | -98.0%       | -20.6%       | 88.4%        | -92.0%       | 45.7%        | 239.3%       |              |              |
| Rec. Free Cash Flow / Revenues  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 2.5%         |              |              |
| - Restructuring expenses & others   | (0.1)        | (0.0)        | 0.3          | -            | -            | -            | -            |              |              |
| - Acquisitions / + Divestments  | -            | -            | -            | (0.0)        | -            | -            | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>= Free Cash Flow</b>   | <b>(1.6)</b> | <b>(3.0)</b> | <b>(3.2)</b> | <b>(0.4)</b> | <b>(0.8)</b> | <b>(0.4)</b> | <b>0.6</b>   | <b>36.2%</b> | <b>51.0%</b> |
| Free Cash Flow growth   | -99.1%       | -86.3%       | -7.8%        | 87.0%        | -90.6%       | 45.7%        | 239.3%       |              |              |
| Recurrent Free Cash Flow - Yield (s/Mkt Cap)  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 4.3%         |              |              |
| Free Cash Flow Yield (s/Mkt Cap)  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 4.3%         |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |              |              |              |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(0.8)</b> | <b>(1.5)</b> | <b>(3.0)</b> | <b>(3.6)</b> | <b>(0.4)</b> | <b>(0.8)</b> | <b>(0.4)</b> |              |              |
| EBITDA impact from revenue increase   | (3.4)        | (1.1)        | (0.5)        | (1.7)        | (0.1)        | 0.1          | 0.3          |              |              |
| EBITDA impact from EBITDA/Sales variation   | 3.0          | 0.5          | (0.2)        | 3.9          | 0.6          | 0.6          | 0.8          |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.5)</b> | <b>(0.7)</b> | <b>(0.7)</b> | <b>2.3</b>   | <b>0.5</b>   | <b>0.7</b>   | <b>1.1</b>   |              |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -            | -            | -            | -            | -            |              |              |
| +/- Working capital variation impact  | (0.2)        | (0.7)        | 0.1          | 1.0          | (0.8)        | (0.1)        | 0.3          |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(0.6)</b> | <b>(1.4)</b> | <b>(0.6)</b> | <b>3.3</b>   | <b>(0.3)</b> | <b>0.6</b>   | <b>1.4</b>   |              |              |
| +/- CAPEX impact  | (0.0)        | (0.1)        | 0.1          | 0.0          | (0.1)        | (0.2)        | (0.2)        |              |              |
| +/- Financial result variation  | (0.0)        | (0.0)        | (0.1)        | (0.2)        | 0.0          | (0.0)        | 0.1          |              |              |
| +/- Tax impact  | -            | -            | -            | -            | -            | (0.1)        | (0.3)        |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(0.7)</b> | <b>(1.5)</b> | <b>(0.6)</b> | <b>3.1</b>   | <b>(0.4)</b> | <b>0.4</b>   | <b>1.0</b>   |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(1.5)</b> | <b>(3.0)</b> | <b>(3.6)</b> | <b>(0.4)</b> | <b>(0.8)</b> | <b>(0.4)</b> | <b>0.6</b>   |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |              |              |              |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
| <b>EBIT</b>   | <b>(0.7)</b> | <b>(1.3)</b> | <b>(1.7)</b> | <b>(0.1)</b> | <b>0.5</b>   | <b>1.0</b>   | <b>2.1</b>   | <b>44.7%</b> | <b>n.a.</b>  |
| * Theoretical Tax rate  | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 15.0%        | 20.0%        |              |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | -            | -            | -            | (0.2)        | (0.4)        |              |              |
| <b>Recurrent EBITDA</b>   | <b>(1.0)</b> | <b>(1.7)</b> | <b>(2.4)</b> | <b>(0.1)</b> | <b>0.4</b>   | <b>1.1</b>   | <b>2.2</b>   | <b>48.1%</b> | <b>n.a.</b>  |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -            | -            | -            |              |              |
| +/- Working Capital increase  | (0.4)        | (1.1)        | (1.0)        | 0.1          | (0.8)        | (0.9)        | (0.6)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(1.4)</b> | <b>(2.8)</b> | <b>(3.4)</b> | <b>(0.1)</b> | <b>(0.4)</b> | <b>0.2</b>   | <b>1.7</b>   | <b>63.6%</b> | <b>n.a.</b>  |
| - CAPEX   | (0.1)        | (0.1)        | (0.1)        | (0.0)        | (0.1)        | (0.2)        | (0.4)        |              |              |
| - Taxes (pre- Financial Result)   | -            | -            | -            | -            | -            | (0.2)        | (0.4)        |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(1.5)</b> | <b>(2.9)</b> | <b>(3.4)</b> | <b>(0.1)</b> | <b>(0.5)</b> | <b>(0.2)</b> | <b>0.8</b>   | <b>61.6%</b> | <b>n.a.</b>  |
| Rec. Free Cash Flow (To the Firm) growth  | -82.2%       | -99.1%       | -18.3%       | 97.6%        | -475.7%      | 66.9%        | 620.7%       |              |              |
| Rec. Free Cash Flow (To the Firm) / Revenues  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 3.4%         |              |              |
| - Acquisitions / + Divestments  | -            | -            | -            | (0.0)        | -            | -            | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(1.5)</b> | <b>(2.9)</b> | <b>(3.4)</b> | <b>(0.1)</b> | <b>(0.5)</b> | <b>(0.2)</b> | <b>0.8</b>   | <b>61.2%</b> | <b>n.a.</b>  |
| Free Cash Flow (To the Firm) growth   | -82.2%       | -99.1%       | -18.3%       | 97.5%        | -455.5%      | 66.9%        | 620.7%       |              |              |
| Rec. Free Cash Flow To the Firm Yield (o/EV)  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 4.6%         |              |              |
| Free Cash Flow "To the Firm" - Yield (o/EV)   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 4.6%         |              |              |



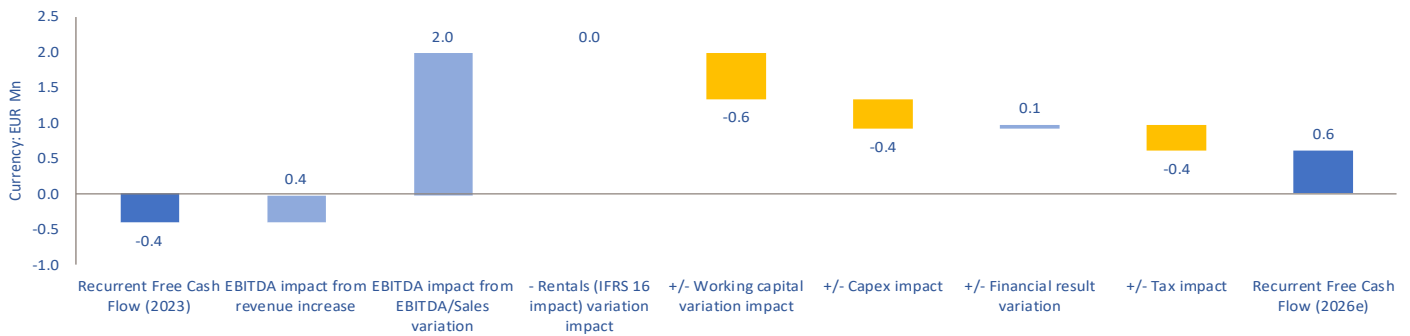


**Free Cash Flow (II)**

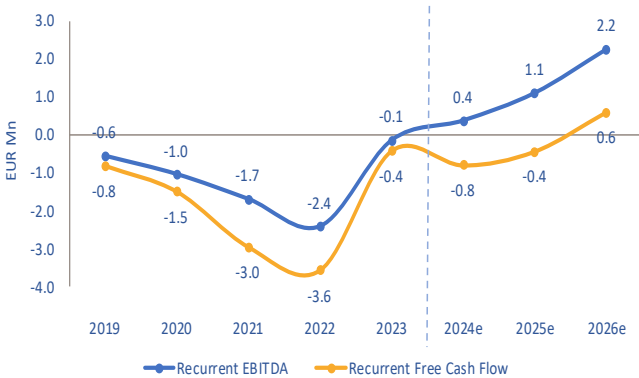
**Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)**



**Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)**



**Recurrent EBITDA vs Recurrent Free Cash Flow**



**Stock performance vs EBITDA 12m forward**





Valuation inputs

Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (0.5) | (0.2)                               | 0.8   | n.a.                          |           |            |
| Market Cap                     | 14.1  | At the date of this report          |       |                               |           |            |
| Net financial debt             | 3.0   | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |       |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 8.0%  | Net debt cost                       |       |                               | 7.8%      | 8.3%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 6.4%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 6.2%      | 6.6%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                    |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5% | Ke = Rf + (R * B)                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 82.7% | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 17.3% | D                                   |       |                               | =         | =          |
| WACC                           | 9.8%  | WACC = Kd * D + Ke * E              |       |                               | 8.8%      | 10.8%      |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.5%      | 2.0%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 14.1        |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0.8         | 12m Results 2023 |
| + Net financial debt                 | 3.0         | 12m Results 2023 |
| - Financial Investments              | 0.1         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>17.7</b> |                  |

Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020  | 2021 | 2022 | 2023 |
|----------------------|------|-------|------|------|------|
| ROCE (evolution -5y) | n.a. | n.a.  | n.a. | n.a. | n.a. |
|                      | 2023 | 2026e |      |      |      |
| ROCE - WACC          | n.a. | 14.4% |      |      |      |
| FCF Yield - WACC     | n.a. | -5.5% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

Free Cash Flow sensitivity analysis (2025e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 6.4%             | 1.2        | 14.6x         |
| Central  | 5.8%             | 1.1        | 16.1x         |
| Min      | 5.2%             | 1.0        | 18.0x         |

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       |
|-----------------|-----------------|-------|-------|
| EBITDA 25e      | 1.2%            | 1.3%  | 1.4%  |
| 1.2             | (0.3)           | (0.3) | (0.3) |
| 1.1             | (0.4)           | (0.4) | (0.5) |
| 1.0             | (0.5)           | (0.5) | (0.6) |

Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 50.0% | 50.0% | 50.0% |
| % of proprietary directors           | 50.0% | 50.0% | 50.0% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 33.3% | 33.3% | 16.7% |
| % of women out of total workforce    | 31.6% | 32.8% | 36.1% |
| Board remuneration/staff cost        | 0.3%  | 1.3%  | 3.8%  |



Main peers 2024e

Lithium batteries

|                             | EUR Mn                  | Varta AG | Energys | Fluence | Flux Power Holdings, Inc. | Average | END    |
|-----------------------------|-------------------------|----------|---------|---------|---------------------------|---------|--------|
| Market data                 | Ticker (Factset)        | VAR1-DE  | ENS-US  | FLNC-US | FLUX-US                   |         | END-ES |
|                             | Country                 | Germany  | USA     | USA     | USA                       |         | Spain  |
|                             | Market cap              | 511.3    | 3,581.2 | 3,021.8 | 49.2                      |         | 14.1   |
|                             | Enterprise value (EV)   | 1,072.6  | 4,116.8 | 1,840.1 | 63.0                      |         | 17.7   |
| Basic financial information | Total Revenues          | 948.1    | 3,320.1 | 2,727.8 | 56.9                      |         | 14.0   |
|                             | Total Revenues growth   | 9.1%     | 1.3%    | 33.8%   | -6.7%                     | 14.7%   | 37.3%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.     | n.a.    | 26.4%   | 25.5%                     | 26.4%   | 31.4%  |
|                             | EBITDA                  | 105.9    | 480.9   | 60.6    | (3.0)                     |         | 0.6    |
|                             | EBITDA growth           | 56.2%    | 0.5%    | n.a.    | 18.4%                     | 28.3%   | 760.1% |
|                             | 2y CAGR (2024e - 2026e) | 16.7%    | n.a.    | n.a.    | n.a.                      | 16.7%   | 97.9%  |
|                             | EBITDA/Revenues         | 11.2%    | 14.5%   | 2.2%    | n.a.                      | 9.3%    | 4.1%   |
|                             | EBIT                    | 2.4      | 383.3   | 28.8    | (5.6)                     |         | 0.5    |
|                             | EBIT growth             | 107.2%   | 3.4%    | n.a.    | -12.8%                    | 55.3%   | 531.9% |
|                             | 2y CAGR (2024e - 2026e) | n.a.     | n.a.    | n.a.    | 74.0%                     | n.a.    | 99.0%  |
|                             | EBIT/Revenues           | 0.2%     | 11.5%   | 1.1%    | n.a.                      | 4.3%    | 3.8%   |
|                             | Net Profit              | (28.4)   | 300.4   | 29.0    | (7.2)                     |         | 0.2    |
|                             | Net Profit growth       | 54.1%    | 14.5%   | n.a.    | -15.9%                    | 34.3%   | 171.3% |
|                             | 2y CAGR (2024e - 2026e) | n.a.     | n.a.    | n.a.    | 60.1%                     | n.a.    | n.a.   |
|                             | CAPEX/Sales %           | 7.0%     | 2.9%    | 1.7%    | 1.4%                      | 3.8%    | 0.6%   |
|                             | Free Cash Flow          | 11.4     | 322.5   | 1.3     | (6.2)                     |         | (0.8)  |
| Net financial debt          | 562.2                   | n.a.     | (340.6) | (7.2)   |                           | 3.8     |        |
| ND/EBITDA (x)               | 5.3                     | n.a.     | n.a.    | n.a.    | 5.3                       | 10.0    |        |
| Pay-out                     | 0.0%                    | 11.2%    | 0.0%    | n.a.    | 3.7%                      | 0.0%    |        |
| Multiples and Ratios        | P/E (x)                 | n.a.     | 11.6    | 93.2    | n.a.                      | 52.4    | 65.0   |
|                             | P/BV (x)                | 5.2      | 1.9     | 6.0     | n.a.                      | 4.4     | 8.8    |
|                             | EV/Revenues (x)         | 1.1      | 1.2     | 0.7     | 1.1                       | 1.0     | 1.3    |
|                             | EV/EBITDA (x)           | 10.1     | 8.6     | 30.3    | n.a.                      | 16.3    | 47.4   |
|                             | EV/EBIT (x)             | n.a.     | 10.7    | n.a.    | n.a.                      | 10.7    | 33.1   |
|                             | ROE                     | n.a.     | 16.3    | 6.5     | n.a.                      | 11.4    | 14.3   |
|                             | FCF Yield (%)           | 2.2      | 9.0     | 0.0     | n.a.                      | 3.8     | n.a.   |
|                             | DPS                     | 0.00     | 0.83    | 0.00    | n.a.                      | 0.28    | 0.00   |
|                             | Dvd Yield               | 0.0%     | 0.9%    | 0.0%    | n.a.                      | 0.3%    | 0.0%   |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019  | 2020    | 2021    | 2022   | 2023   | 2024e  | 2025e  | 2026e  | 13-23 | 23-26e | CAGR |
|---------------------------------|------|------|------|------|------|------|-------|---------|---------|--------|--------|--------|--------|--------|-------|--------|------|
| Total Revenues                  |      |      |      |      |      |      | 0.3   | 2.3     | 4.7     | 6.1    | 10.2   | 14.0   | 18.8   | 24.2   | n.a.  | 33.3%  |      |
| Total Revenues growth           |      |      |      |      |      |      | n.a.  | 613.8%  | 107.3%  | 29.3%  | 68.7%  | 37.3%  | 34.3%  | 28.6%  | n.a.  | n.a.   |      |
| EBITDA                          |      |      |      |      |      |      | (0.6) | (1.2)   | (1.7)   | (2.1)  | (0.1)  | 0.6    | 1.1    | 2.2    | n.a.  | n.a.   |      |
| EBITDA growth                   |      |      |      |      |      |      | n.a.  | -108.0% | -50.1%  | -19.6% | 95.8%  | 760.1% | 91.6%  | 104.4% | n.a.  | n.a.   |      |
| EBITDA/Sales                    |      |      |      |      |      |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.   | 4.1%   | 5.8%   | 9.3%   | n.a.  | n.a.   |      |
| Net Profit                      |      |      |      |      |      |      | (0.4) | (0.6)   | (1.3)   | (1.9)  | (0.3)  | 0.2    | 0.6    | 1.5    | n.a.  | 90.5%  |      |
| Net Profit growth               |      |      |      |      |      |      | n.a.  | -54.8%  | -130.6% | -44.7% | 84.3%  | 171.3% | 181.1% | 145.1% | n.a.  | n.a.   |      |
| Adjusted number shares (Mn)     |      |      |      |      |      |      | -     | -       | 8.5     | 9.1    | 9.7    | 10.0   | 10.1   | 10.1   | n.a.  | n.a.   |      |
| EPS (EUR)                       |      |      |      |      |      |      | n.a.  | n.a.    | -0.16   | -0.21  | -0.03  | 0.02   | 0.06   | 0.15   | n.a.  | 88.9%  |      |
| EPS growth                      |      |      |      |      |      |      | n.a.  | n.a.    | n.a.    | -35.4% | 85.3%  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.   |      |
| Ord. EPS (EUR)                  |      |      |      |      |      |      | n.a.  | n.a.    | -0.15   | -0.25  | -0.05  | 0.00   | 0.06   | 0.15   | n.a.  | 68.3%  |      |
| Ord. EPS growth                 |      |      |      |      |      |      | n.a.  | n.a.    | n.a.    | -63.9% | 78.6%  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.   |      |
| CAPEX                           |      |      |      |      |      |      | (0.0) | (0.1)   | (0.1)   | (0.1)  | (0.0)  | (0.1)  | (0.2)  | (0.4)  | n.a.  | n.a.   |      |
| CAPEX/Sales %                   |      |      |      |      |      |      | 11.8% | 2.7%    | 2.8%    | 1.0%   | 0.1%   | 0.6%   | 1.3%   | 1.8%   | n.a.  | n.a.   |      |
| Free Cash Flow                  |      |      |      |      |      |      | (0.8) | (1.6)   | (3.0)   | (3.2)  | (0.4)  | (0.8)  | (0.4)  | 0.6    | n.a.  | 51.0%  |      |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.   | 6.5x   | 3.8x   | 1.6x   | n.a.  | n.a.   |      |
| P/E (x)                         |      |      |      |      |      |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.   | 65.0x  | 23.2x  | 9.5x   | n.a.  | n.a.   |      |
| EV/Sales (x)                    |      |      |      |      |      |      | n.a.  | n.a.    | 0.19x   | 0.42x  | 3.60x  | 1.26x  | 0.94x  | 0.73x  | n.a.  | n.a.   |      |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      |      | 0.4x  | 0.1x    | n.a.    | n.a.   | n.a.   | 30.9x  | 16.1x  | 7.9x   | n.a.  | n.a.   |      |
| Absolute performance            |      |      |      |      |      |      | n.a.  | n.a.    | n.a.    | -45.9% | -32.1% | -2.1%  |        |        | n.a.  | n.a.   |      |
| Relative performance vs Ibx 35  |      |      |      |      |      |      | n.a.  | n.a.    | n.a.    | -42.7% | -44.7% | -12.7% |        |        | n.a.  | n.a.   |      |

(1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Energy Solar Tech**, is a renewable energy company (founded in 2020) that offers its customers energy generation and efficiency technologies through a range of energy outsourcing solutions under the 'Energy as a Service' (EaaS). ETC has traded on BME Growth since 2022. Currently, ETC gets 100% of sales from Spain

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**2023: sharp growth via M&A...** with revenue of EUR 52.6Mn 2023 (vs EUR 13.3Mn in 2022) leading to a 3.3-fold increase in recurring EBITDA from 2022 to EUR 8.9Mn (vs EUR 2.7Mn in 2022). This was thanks to the acquisition of the remaining 49% of Valdelugo wind farm and 100% of the engineering firm, Sarpel. And all with an extremely sound balance sheet (net debt: EUR 13.0Mn; ND/equity 0.3x).

**...which should continue in 2024e** thanks to: (i) the vertical integration strategy (business diversification) and (ii) the focus on the generation business (which will push up ND to EUR 73.3Mn in 2024e, ND/recurring EBITDA of 6x as this is a capital-intensive business). Therefore, we estimate revenue of EUR 67.0Mn in 2024e and recurring EBITDA of EUR 11.6Mn, which will lift operating CF to EUR 10.9Mn (vs EUR 7.8Mn in 2023).

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Energy as a Service (EaaS) model.** ETC builds (and maintains) the asset on the customer's premises —ETC retains ownership— and then sells all the power generated to that customer. This produces recurring revenue, with high switching costs for customers once the asset is installed, which significantly mitigates business or churn risk.

**Control of the entire value chain.** ETC pursues a vertical integration strategy, enabling it to control from development and construction through to operation and maintenance of wind and photovoltaic (PV) projects. This helps create synergies and diversifies the business mix (2023 revenue: 22% outsourcing, 68% engineering and 9% generation vs 100% outsourcing in 2022).

**Focus on wind and solar PV generation,** acquiring and building generation assets it then owns (higher margins and operating CF), raising the group's hybrid generation capacity. We expect generation's share of the revenue mix to increase from 9% in 2023 to c.27% in 2026e.

**In short, 2024e-2026e is "key" to see how big the leap in scale can be.** All eyes should focus on how the business business mix shifts towards higher-margin business lines and on operating CF (which looks set to soar from EUR 7.8Mn in 2023 a EUR 27.7Mn in 2026e). And is extremely dependent on how quickly the company executes the generation business pipeline. This would push up ND to EUR 88Mn in 2025e (ND/recurring EBITDA of 4.0x). All of this is framed by low risk, as leverage will increase "hand in hand" with growth in the generation business. The other businesses don't need debt to grow.

## RISKS: WHAT TO KEEP AN EYE ON?

**Delays in commissioning or in the acquisition of (wind and PV) farms** would have a significant impact on projected revenue and profitability (and therefore cash generation) for the forecast period. And would push back this step-up in scale. This implies a serious risk of downward revision to our estimates.

**Geographic concentration,** with 100% of revenue in 2023 from Spain. This makes ETC particularly sensitive to regulation, trends in energy prices, and sector and economic circumstances in Spain.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**And now what?** After the sharp correction in the share price in recent months (FTE -12m: -55.8%, -64.0% vs Ibex 35, -56.0% vs sector), our 2024e estimates (which factor in strong revenue growth and margin expansions) put the stock on EV/recurring EBITDA 2024e and 2025e multiples of 8.0x and 4.2x, respectively. Earnings in 2024e (above all in 2H) should be key to giving insight into the change in the revenue mix and the higher weight of the generation business. And this should accelerate in 2025e. Although sector momentum is blatantly negative and nothing in the short term should help, the jump in EBITDA 2025e could start being priced in before the end of 2024.

### Market Data

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 80.5               | 87.6  |
| EV (Mn EUR and USD)            | 92.5               | 100.6 |
| Shares Outstanding (Mn)        | 26.8               |       |
| -12m (Max/Med/Min EUR)         | 7.18 / 4.99 / 2.87 |       |
| Daily Avg volume (-12m Mn EUR) | 0.05               |       |
| Rotation <sup>(1)</sup>        | 16.7               |       |
| Factset / Bloomberg            | ETC-ES / ETC SM    |       |
| Close fiscal year              | 31-Dec             |       |

### Shareholders Structure (%)<sup>(3)</sup>

|                          |      |
|--------------------------|------|
| Alberto Hernández Poza   | 21.1 |
| Erbienergía Inversiones  | 12.6 |
| José Abel Martín Sánchez | 10.6 |
| Alberto Torregó López    | 10.6 |
| Free Float               | 44.6 |

### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 25.2  | 26.8  | 26.8  | 26.8  |
| Total Revenues                      | 52.6  | 67.0  | 87.8  | 107.2 |
| Rec. EBITDA                         | 8.9   | 11.6  | 21.8  | 28.1  |
| % growth                            | 229.0 | 30.6  | 88.7  | 28.6  |
| % Rec. EBITDA/Rev.                  | 16.9  | 17.3  | 24.9  | 26.2  |
| % Inc. EBITDA sector <sup>(2)</sup> | 18.4  | 8.9   | 5.0   | 2.6   |
| Net Profit                          | 2.8   | 0.8   | 7.1   | 10.3  |
| EPS (EUR)                           | 0.11  | 0.03  | 0.26  | 0.38  |
| % growth                            | 16.6  | -72.7 | 757.9 | 45.1  |
| Ord. EPS (EUR)                      | 0.12  | 0.03  | 0.26  | 0.38  |
| % growth                            | 13.8  | -74.2 | 757.9 | 45.1  |
| Rec. Free Cash Flow                 | 0.9   | -47.1 | -14.9 | -10.0 |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 13.0  | 73.3  | 88.2  | 98.3  |
| ND/Rec. EBITDA (x)                  | 1.5   | 6.3   | 4.0   | 3.5   |
| ROE (%)                             | 7.9   | 1.7   | 13.7  | 17.0  |
| ROCE (%)                            | 9.6   | 4.2   | 8.1   | 9.4   |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 26.6 | 97.4 | 11.4 | 7.8  |
| Ord. P/E           | 25.1 | 97.4 | 11.4 | 7.8  |
| P/BV               | 1.7  | 1.7  | 1.5  | 1.2  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 1.76 | 1.38 | 1.05 | 0.86 |
| EV/Rec. EBITDA     | 10.4 | 8.0  | 4.2  | 3.3  |
| EV/EBIT            | 17.1 | 19.6 | 6.9  | 5.1  |
| FCF Yield (%)      | 1.1  | n.a. | n.a. | n.a. |

### Historical behavior (base 100)



| (%)      | -1m   | -3m   | -12m  | -5Y  |
|----------|-------|-------|-------|------|
| Absolute | -11.8 | -28.4 | -55.8 | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Utilities.

(3) Others: Treasury Stock 0.5%



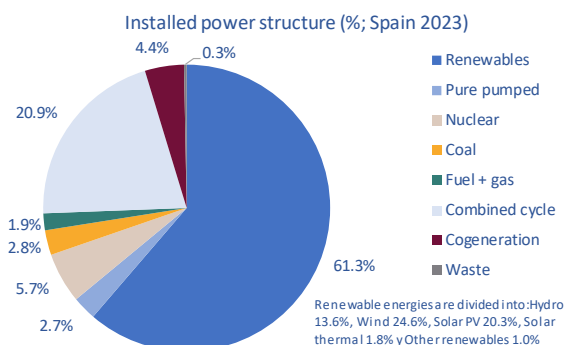
Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         | CAGR         |              |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| Intangible assets                            | -            | -             | -             | 0.1           | 0.2           | 0.7           | 0.9           | 0.8           |              |              |
| Fixed assets                                 | 1.0          | 5.8           | 11.1          | 33.1          | 95.8          | 119.9         | 142.6         |               |              |              |
| Other Non Current Assets                     | 0.0          | 0.0           | 8.4           | 0.1           | 0.1           | 0.1           | 0.1           |               |              |              |
| Financial Investments                        | 0.0          | 0.1           | 0.7           | 1.2           | 1.2           | 1.3           | 1.3           |               |              |              |
| Goodwill & Other Intangibles                 | 0.1          | 0.1           | 0.4           | 24.9          | 22.1          | 19.4          | 16.6          |               |              |              |
| Current assets                               | 0.2          | 0.9           | 2.2           | 19.3          | 19.6          | 25.4          | 30.9          |               |              |              |
| <b>Total assets</b>                          | <b>1.4</b>   | <b>7.0</b>    | <b>22.8</b>   | <b>78.9</b>   | <b>139.6</b>  | <b>166.9</b>  | <b>192.2</b>  |               |              |              |
| Equity                                       | 1.7          | 5.9           | 24.2          | 47.4          | 48.2          | 55.3          | 65.6          |               |              |              |
| Minority Interests                           | -            | -             | -             | 0.1           | 0.0           | (0.0)         | (0.1)         |               |              |              |
| Provisions & Other L/T Liabilities           | -            | -             | 0.0           | 0.1           | 0.1           | 0.1           | 0.1           |               |              |              |
| Other Non Current Liabilities                | -            | -             | -             | -             | -             | -             | -             |               |              |              |
| Net financial debt                           | (0.5)        | 0.6           | (3.8)         | 13.0          | 73.3          | 88.2          | 98.3          |               |              |              |
| Current Liabilities                          | 0.1          | 0.5           | 2.3           | 18.3          | 17.9          | 23.3          | 28.4          |               |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>1.4</b>   | <b>7.0</b>    | <b>22.8</b>   | <b>78.9</b>   | <b>139.6</b>  | <b>166.9</b>  | <b>192.2</b>  |               |              |              |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b>  | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b>  | <b>2026e</b>  | <b>CAGR</b>  |              |
| <b>Total Revenues</b>                        | <b>0.3</b>   | <b>4.2</b>    | <b>13.3</b>   | <b>52.6</b>   | <b>67.0</b>   | <b>87.8</b>   | <b>107.2</b>  | <i>n.a.</i>   | <i>26.8%</i> |              |
| <i>Total Revenues growth</i>                 | <i>n.a.</i>  | <i>n.a.</i>   | <i>213.7%</i> | <i>296.1%</i> | <i>27.5%</i>  | <i>30.9%</i>  | <i>22.1%</i>  |               |              |              |
| COGS   | (0.1)        | (3.3)         | (8.8)         | (31.6)        | (42.2)        | (51.8)        | (63.2)        |               |              |              |
| <b>Gross Margin</b>                          | <b>0.3</b>   | <b>1.0</b>    | <b>4.5</b>    | <b>21.0</b>   | <b>24.8</b>   | <b>36.0</b>   | <b>44.0</b>   | <i>n.a.</i>   | <i>28.0%</i> |              |
| <i>Gross Margin/Revenues</i>                 | <i>78.0%</i> | <i>22.5%</i>  | <i>34.1%</i>  | <i>39.9%</i>  | <i>37.0%</i>  | <i>41.0%</i>  | <i>41.0%</i>  |               |              |              |
| Personnel Expenses                           | (0.1)        | (0.3)         | (1.0)         | (7.3)         | (8.0)         | (8.4)         | (9.2)         |               |              |              |
| Other Operating Expenses                     | (0.1)        | (0.3)         | (0.8)         | (4.8)         | (5.2)         | (5.8)         | (6.6)         |               |              |              |
| <b>Recurrent EBITDA</b>                      | <b>0.0</b>   | <b>0.3</b>    | <b>2.7</b>    | <b>8.9</b>    | <b>11.6</b>   | <b>21.8</b>   | <b>28.1</b>   | <i>n.a.</i>   | <i>46.9%</i> |              |
| <i>Recurrent EBITDA growth</i>               | <i>n.a.</i>  | <i>942.1%</i> | <i>821.5%</i> | <i>229.0%</i> | <i>30.6%</i>  | <i>88.7%</i>  | <i>28.6%</i>  |               |              |              |
| <i>Rec. EBITDA/Revenues</i>                  | <i>8.0%</i>  | <i>6.9%</i>   | <i>20.3%</i>  | <i>16.9%</i>  | <i>17.3%</i>  | <i>24.9%</i>  | <i>26.2%</i>  |               |              |              |
| Restructuring Expense & Other non-rec.       | (0.0)        | -             | (0.2)         | -             | -             | -             | -             |               |              |              |
| <b>EBITDA</b>                                | <b>0.0</b>   | <b>0.3</b>    | <b>2.5</b>    | <b>8.9</b>    | <b>11.6</b>   | <b>21.8</b>   | <b>28.1</b>   | <i>n.a.</i>   | <i>46.9%</i> |              |
| Depreciation & Provisions                    | (0.0)        | (0.2)         | (0.5)         | (4.1)         | (7.7)         | (9.3)         | (10.9)        |               |              |              |
| Capitalized Expense                          | -            | 0.2           | 0.5           | 0.7           | 0.8           | 0.8           | 0.8           |               |              |              |
| Rentals (IFRS 16 impact)                     | -            | -             | -             | -             | -             | -             | -             |               |              |              |
| <b>EBIT</b>                                  | <b>(0.0)</b> | <b>0.3</b>    | <b>2.5</b>    | <b>5.4</b>    | <b>4.7</b>    | <b>13.4</b>   | <b>18.0</b>   | <i>n.a.</i>   | <i>49.2%</i> |              |
| <i>EBIT growth</i>                           | <i>n.a.</i>  | <i>n.a.</i>   | <i>804.8%</i> | <i>117.1%</i> | <i>-12.9%</i> | <i>183.2%</i> | <i>34.6%</i>  |               |              |              |
| <i>EBIT/Revenues</i>                         | <i>n.a.</i>  | <i>6.5%</i>   | <i>18.8%</i>  | <i>10.3%</i>  | <i>7.0%</i>   | <i>15.2%</i>  | <i>16.8%</i>  |               |              |              |
| Impact of Goodwill & Others                  | -            | -             | -             | -             | -             | -             | -             |               |              |              |
| Net Financial Result                         | (0.0)        | (0.0)         | (0.1)         | (1.1)         | (3.8)         | (4.6)         | (5.2)         |               |              |              |
| Income by the Equity Method                  | -            | -             | 0.1           | 0.0           | 0.0           | 0.0           | 0.0           |               |              |              |
| <b>Ordinary Profit</b>                       | <b>(0.0)</b> | <b>0.2</b>    | <b>2.5</b>    | <b>4.3</b>    | <b>1.0</b>    | <b>8.8</b>    | <b>12.8</b>   | <i>n.a.</i>   | <i>43.4%</i> |              |
| <i>Ordinary Profit Growth</i>                | <i>n.a.</i>  | <i>709.2%</i> | <i>955.0%</i> | <i>74.2%</i>  | <i>-77.9%</i> | <i>817.2%</i> | <i>45.5%</i>  |               |              |              |
| Extraordinary Results                        | -            | -             | -             | -             | -             | -             | -             |               |              |              |
| <b>Profit Before Tax</b>                     | <b>(0.0)</b> | <b>0.2</b>    | <b>2.5</b>    | <b>4.3</b>    | <b>1.0</b>    | <b>8.8</b>    | <b>12.8</b>   | <i>n.a.</i>   | <i>43.4%</i> |              |
| Tax Expense                                  | (0.0)        | (0.0)         | (0.3)         | (1.5)         | (0.2)         | (1.8)         | (2.6)         |               |              |              |
| <i>Effective Tax Rate</i>                    | <i>n.a.</i>  | <i>10.6%</i>  | <i>10.7%</i>  | <i>34.0%</i>  | <i>20.0%</i>  | <i>20.0%</i>  | <i>20.0%</i>  |               |              |              |
| Minority Interests                           | -            | -             | -             | (0.0)         | 0.1           | 0.1           | 0.1           |               |              |              |
| Discontinued Activities                      | -            | -             | -             | -             | -             | -             | -             |               |              |              |
| <b>Net Profit</b>                            | <b>(0.0)</b> | <b>0.2</b>    | <b>2.2</b>    | <b>2.8</b>    | <b>0.8</b>    | <b>7.1</b>    | <b>10.3</b>   | <i>n.a.</i>   | <i>53.7%</i> |              |
| <i>Net Profit growth</i>                     | <i>n.a.</i>  | <i>544.8%</i> | <i>954.3%</i> | <i>27.6%</i>  | <i>-70.9%</i> | <i>757.9%</i> | <i>45.1%</i>  |               |              |              |
| <b>Ordinary Net Profit</b>                   | <b>(0.0)</b> | <b>0.2</b>    | <b>2.4</b>    | <b>3.0</b>    | <b>0.8</b>    | <b>7.1</b>    | <b>10.3</b>   | <i>n.a.</i>   | <i>50.7%</i> |              |
| <i>Ordinary Net Profit growth</i>            | <i>n.a.</i>  | <i>649.8%</i> | <i>n.a.</i>   | <i>24.6%</i>  | <i>-72.5%</i> | <i>757.9%</i> | <i>45.1%</i>  |               |              |              |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b>  | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b>  | <b>2026e</b>  | <b>CAGR</b>  |              |
| <b>Recurrent EBITDA</b>                      |              |               |               |               |               | <b>11.6</b>   | <b>21.8</b>   | <b>28.1</b>   | <i>n.a.</i>  | <i>46.9%</i> |
| Rentals (IFRS 16 impact)                     |              |               |               |               |               | -             | -             | -             |              |              |
| Working Capital Increase                     |              |               |               |               |               | (0.7)         | (0.4)         | (0.4)         |              |              |
| <b>Recurrent Operating Cash Flow</b>         |              |               |               |               |               | <b>10.9</b>   | <b>21.4</b>   | <b>27.7</b>   | <i>n.a.</i>  | <i>52.7%</i> |
| CAPEX  |              |               |               |               |               | (54.0)        | (30.0)        | (30.0)        |              |              |
| Net Financial Result affecting the Cash Flow |              |               |               |               |               | (3.8)         | (4.6)         | (5.2)         |              |              |
| Tax Expense                                  |              |               |               |               |               | (0.2)         | (1.8)         | (2.6)         |              |              |
| <b>Recurrent Free Cash Flow</b>              |              |               |               |               |               | <b>(47.1)</b> | <b>(14.9)</b> | <b>(10.0)</b> | <i>41.5%</i> | <i>n.a.</i>  |
| Restructuring Expense & Other non-rec.       |              |               |               |               |               | -             | -             | -             |              |              |
| - Acquisitions / + Divestures of assets      |              |               |               |               |               | (13.3)        | -             | -             |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |               |               |               |               | -             | -             | -             |              |              |
| <b>Free Cash Flow</b>                        |              |               |               |               |               | <b>(60.3)</b> | <b>(14.9)</b> | <b>(10.0)</b> | <i>n.a.</i>  | <i>36.1%</i> |
| Capital Increase                             |              |               |               |               |               | -             | -             | -             |              |              |
| Dividends                                    |              |               |               |               |               | -             | -             | -             |              |              |
| <b>Net Debt Variation</b>                    |              |               |               |               |               | <b>60.3</b>   | <b>14.9</b>   | <b>10.0</b>   |              |              |

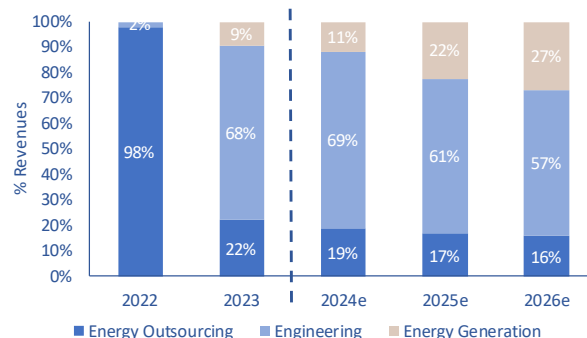


**The company in 8 charts**

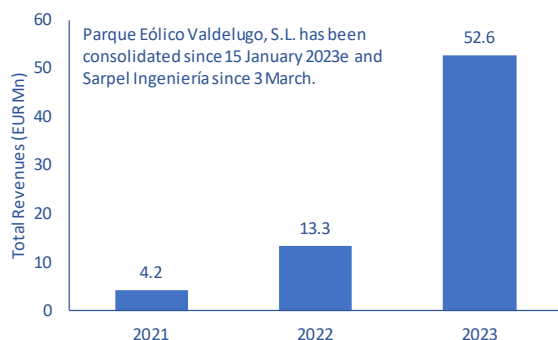
**Renewable energies in Spain: wind and solar PV are winning technologies in a growing sector**



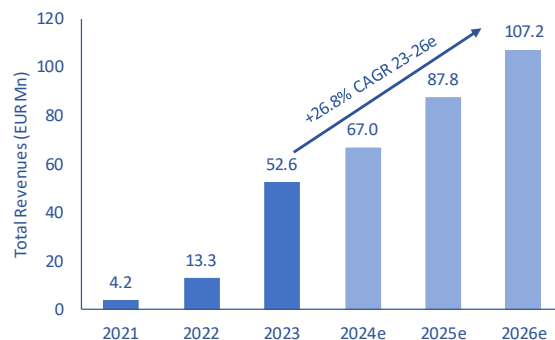
**ETC: a vertically integrated renewable energy company (with three business lines)**



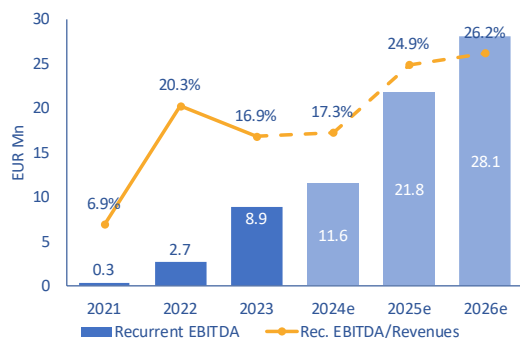
**In 2023, the company has acquired several (wind and solar PV) generation assets and an engineering firm...**



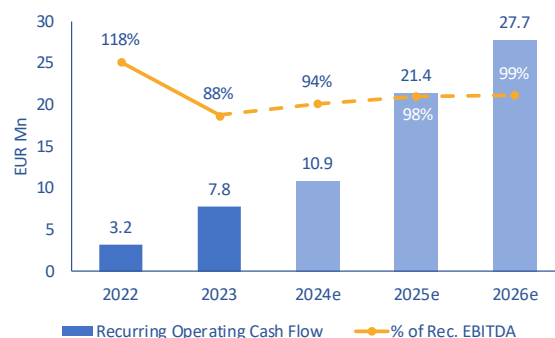
**... which has driven a sharp step-up in scale and a change in the business mix**



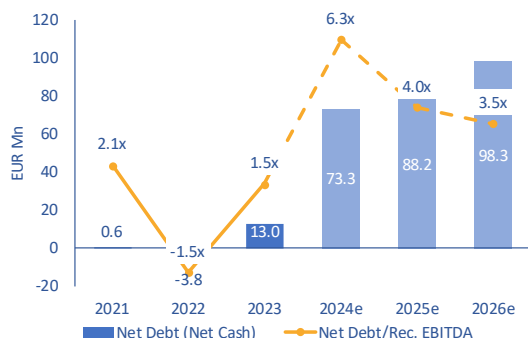
**The outlook is for strong growth in recurring EBITDA (+47% CAGR 23-26e) ...**



**... lifting recurring operating cash flow (OCF) generation to EUR 27.7Mn in 2026e**



**Debt will increase with the development and construction of the wind and solar PV project pipeline**



**In 2024e, ETC shares should rally after falling over the past few months**



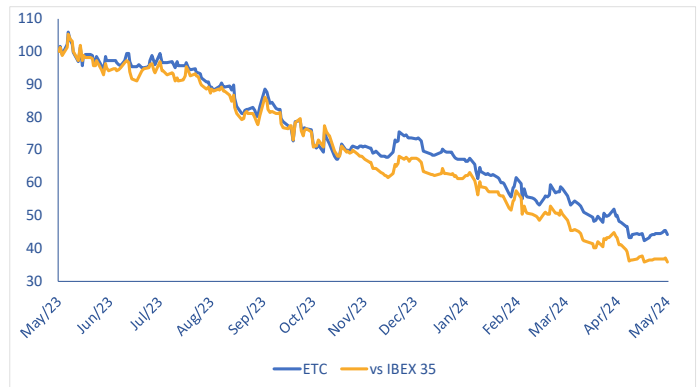


**Evolution of the share price**

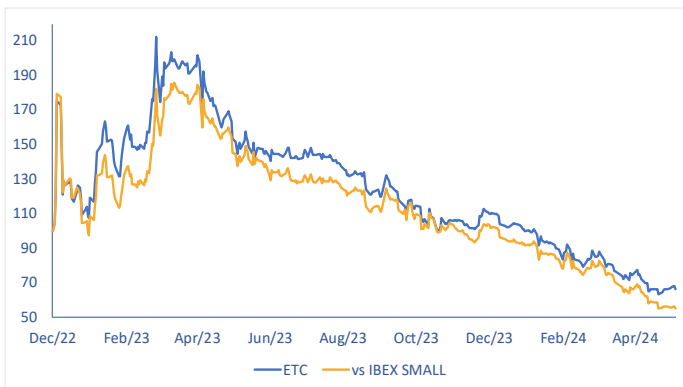
**Historical behavior vs Ibex 35 (base 100)**



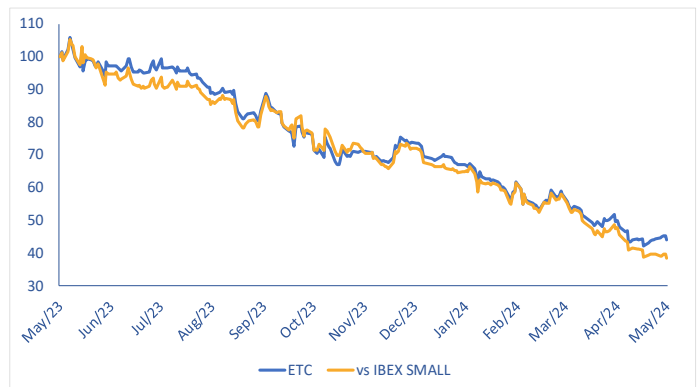
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



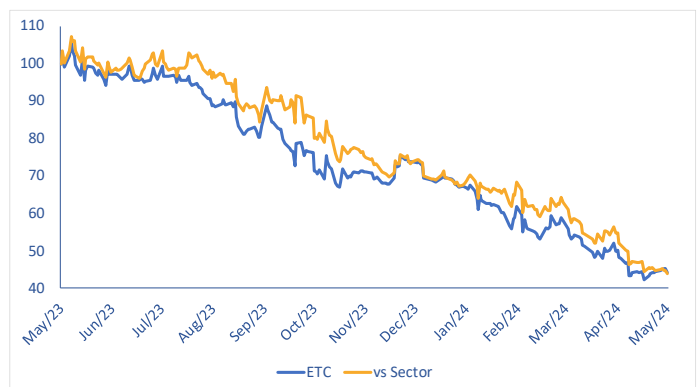
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Utilities

| Stock performance (%)                     | -1m   | -3m   | -12m  | YTD   | -3Y  | -5Y  |
|---|-------|-------|-------|-------|------|------|
| Absolute                                  | -11.8 | -28.4 | -55.8 | -35.3 | n.a. | n.a. |
| <b>vs Market</b>                          |       |       |       |       |      |      |
| vs Ibex 35                                | -17.2 | -37.5 | -64.0 | -42.3 | n.a. | n.a. |
| vs Euro STOXX 50                          | -14.4 | -32.6 | -62.3 | -42.3 | n.a. | n.a. |
| <b>vs Small Cap References</b>            |       |       |       |       |      |      |
| vs Ibex Small Cap Index                   | -19.2 | -37.4 | -61.4 | -41.9 | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -16.4 | -33.7 | -57.9 | -40.0 | n.a. | n.a. |
| vs MSCI Europe Micro Cap                  | -16.8 | -33.3 | -57.0 | -38.8 | n.a. | n.a. |
| <b>vs Sector</b>                          |       |       |       |       |      |      |
| vs Stoxx Europe 600 Utilities             | -19.9 | -35.6 | -56.0 | -36.2 | n.a. | n.a. |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

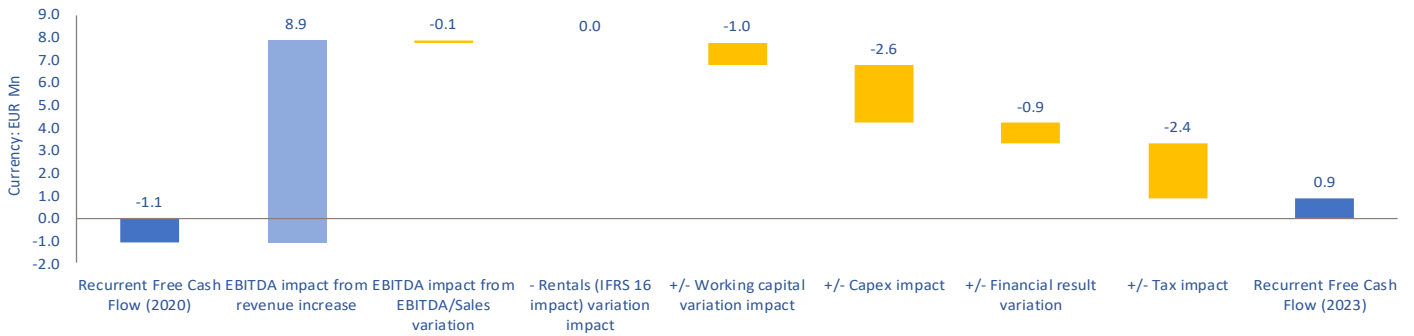
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021           | 2022           | 2023           | 2024e         | 2025e         | 2026e         | CAGR         |               |
|---|--------------|----------------|----------------|----------------|---------------|---------------|---------------|--------------|---------------|
|   |              |                |                |                |               |               |               | 20-23        | 23-26e        |
| <b>Recurrent EBITDA</b>   | <b>0.0</b>   | <b>0.3</b>     | <b>2.7</b>     | <b>8.9</b>     | <b>11.6</b>   | <b>21.8</b>   | <b>28.1</b>   | <i>n.a.</i>  | <b>46.9%</b>  |
| <i>Recurrent EBITDA growth</i>  | <i>n.a.</i>  | <i>942.1%</i>  | <i>821.5%</i>  | <i>229.0%</i>  | <i>30.6%</i>  | <i>88.7%</i>  | <i>28.6%</i>  |              |               |
| <i>Rec. EBITDA/Revenues</i>   | <i>8.0%</i>  | <i>6.9%</i>    | <i>20.3%</i>   | <i>16.9%</i>   | <i>17.3%</i>  | <i>24.9%</i>  | <i>26.2%</i>  |              |               |
| - Rentals (IFRS 16 impact)  | -            | -              | -              | -              | -             | -             | -             |              |               |
| +/- Working Capital increase  | (0.1)        | (0.3)          | 0.5            | (1.1)          | (0.7)         | (0.4)         | (0.4)         |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(0.1)</b> | <b>(0.0)</b>   | <b>3.2</b>     | <b>7.8</b>     | <b>10.9</b>   | <b>21.4</b>   | <b>27.7</b>   | <i>n.a.</i>  | <b>52.7%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | <i>n.a.</i>  | <i>77.1%</i>   | <i>n.a.</i>    | <i>145.3%</i>  | <i>40.0%</i>  | <i>96.8%</i>  | <i>29.3%</i>  |              |               |
| <i>Rec. Operating Cash Flow / Sales</i>   | <i>n.a.</i>  | <i>n.a.</i>    | <i>23.9%</i>   | <i>14.8%</i>   | <i>16.2%</i>  | <i>24.4%</i>  | <i>25.8%</i>  |              |               |
| - CAPEX   | (1.0)        | (5.0)          | (6.5)          | (3.6)          | (54.0)        | (30.0)        | (30.0)        |              |               |
| - Net Financial Result affecting Cash Flow  | (0.0)        | (0.0)          | (0.1)          | (0.9)          | (3.8)         | (4.6)         | (5.2)         |              |               |
| - Taxes   | (0.0)        | (0.0)          | -              | (2.4)          | (0.2)         | (1.8)         | (2.6)         |              |               |
| <b>= Recurrent Free Cash Flow</b>   | <b>(1.1)</b> | <b>(5.1)</b>   | <b>(3.4)</b>   | <b>0.9</b>     | <b>(47.1)</b> | <b>(14.9)</b> | <b>(10.0)</b> | <b>41.5%</b> | <i>n.a.</i>   |
| <i>Rec. Free Cash Flow growth</i>   | <i>n.a.</i>  | <i>-371.8%</i> | <i>32.7%</i>   | <i>126.2%</i>  | <i>n.a.</i>   | <i>68.3%</i>  | <i>32.6%</i>  |              |               |
| <i>Rec. Free Cash Flow / Revenues</i>   | <i>n.a.</i>  | <i>n.a.</i>    | <i>n.a.</i>    | <i>1.7%</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |
| - Restructuring expenses & others   | -            | -              | -              | -              | -             | -             | -             |              |               |
| - Acquisitions / + Divestments  | 0.0          | (0.3)          | (9.2)          | (39.3)         | (13.3)        | -             | -             |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -              | -              | -              | -             | -             | -             |              |               |
| <b>= Free Cash Flow</b>   | <b>(1.0)</b> | <b>(5.4)</b>   | <b>(12.6)</b>  | <b>(38.4)</b>  | <b>(60.3)</b> | <b>(14.9)</b> | <b>(10.0)</b> | <i>n.a.</i>  | <b>36.1%</b>  |
| <i>Free Cash Flow growth</i>  | <i>n.a.</i>  | <i>-415.3%</i> | <i>-134.4%</i> | <i>-205.8%</i> | <i>-56.9%</i> | <i>75.3%</i>  | <i>32.6%</i>  |              |               |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | <i>n.a.</i>  | <i>n.a.</i>    | <i>n.a.</i>    | <i>1.1%</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | <i>n.a.</i>  | <i>n.a.</i>    | <i>n.a.</i>    | <i>n.a.</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |                |                |                |               |               |               |              |               |
|   | <b>2020</b>  | <b>2021</b>    | <b>2022</b>    | <b>2023</b>    | <b>2024e</b>  | <b>2025e</b>  | <b>2026e</b>  |              |               |
| <b>Recurrent FCF(FY - 1)</b>  | -            | (1.1)          | (5.1)          | (3.4)          | 0.9           | (47.1)        | (14.9)        |              |               |
| EBITDA impact from revenue increase   | n.a.         | 0.3            | 0.6            | 8.0            | 2.4           | 3.6           | 4.8           |              |               |
| EBITDA impact from EBITDA/Sales variation   | n.a.         | (0.0)          | 1.8            | (1.8)          | 0.3           | 6.7           | 1.4           |              |               |
| <b>= Recurrent EBITDA variation</b>   | <b>n.a.</b>  | <b>0.3</b>     | <b>2.4</b>     | <b>6.2</b>     | <b>2.7</b>    | <b>10.3</b>   | <b>6.3</b>    |              |               |
| - Rentals (IFRS 16 impact) variation impact   | -            | -              | -              | -              | -             | -             | -             |              |               |
| +/- Working capital variation impact  | (0.1)        | (0.2)          | 0.8            | (1.6)          | 0.4           | 0.3           | 0.0           |              |               |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(0.1)</b> | <b>0.0</b>     | <b>3.2</b>     | <b>4.6</b>     | <b>3.1</b>    | <b>10.5</b>   | <b>6.3</b>    |              |               |
| +/- CAPEX impact  | (1.0)        | (4.0)          | (1.5)          | 2.9            | (50.4)        | 24.0          | -             |              |               |
| +/- Financial result variation  | (0.0)        | (0.0)          | (0.1)          | (0.8)          | (2.9)         | (0.8)         | (0.6)         |              |               |
| +/- Tax impact  | (0.0)        | (0.0)          | 0.0            | (2.4)          | 2.2           | (1.6)         | (0.8)         |              |               |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(1.1)</b> | <b>(4.0)</b>   | <b>1.7</b>     | <b>4.3</b>     | <b>(48.0)</b> | <b>32.2</b>   | <b>4.9</b>    |              |               |
| <b>Recurrent Free Cash Flow</b>   | <b>(1.1)</b> | <b>(5.1)</b>   | <b>(3.4)</b>   | <b>0.9</b>     | <b>(47.1)</b> | <b>(14.9)</b> | <b>(10.0)</b> |              |               |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |                |                |                |               |               |               |              |               |
|   | <b>2020</b>  | <b>2021</b>    | <b>2022</b>    | <b>2023</b>    | <b>2024e</b>  | <b>2025e</b>  | <b>2026e</b>  | CAGR         |               |
| <b>EBIT</b>   | <b>(0.0)</b> | <b>0.3</b>     | <b>2.5</b>     | <b>5.4</b>     | <b>4.7</b>    | <b>13.4</b>   | <b>18.0</b>   | <i>n.a.</i>  | <b>49.2%</b>  |
| * <i>Theoretical Tax rate</i>   | <i>0.0%</i>  | <i>10.6%</i>   | <i>10.7%</i>   | <i>30.0%</i>   | <i>20.0%</i>  | <i>20.0%</i>  | <i>20.0%</i>  |              |               |
| = Taxes (pre- Net Financial Result)   | -            | (0.0)          | (0.3)          | (1.6)          | (0.9)         | (2.7)         | (3.6)         |              |               |
| <b>Recurrent EBITDA</b>   | <b>0.0</b>   | <b>0.3</b>     | <b>2.7</b>     | <b>8.9</b>     | <b>11.6</b>   | <b>21.8</b>   | <b>28.1</b>   | <i>n.a.</i>  | <b>46.9%</b>  |
| - Rentals (IFRS 16 impact)  | -            | -              | -              | -              | -             | -             | -             |              |               |
| +/- Working Capital increase  | (0.1)        | (0.3)          | 0.5            | (1.1)          | (0.7)         | (0.4)         | (0.4)         |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(0.1)</b> | <b>(0.0)</b>   | <b>3.2</b>     | <b>7.8</b>     | <b>10.9</b>   | <b>21.4</b>   | <b>27.7</b>   | <i>n.a.</i>  | <b>52.7%</b>  |
| - CAPEX   | (1.0)        | (5.0)          | (6.5)          | (3.6)          | (54.0)        | (30.0)        | (30.0)        |              |               |
| - Taxes (pre- Financial Result)   | -            | (0.0)          | (0.3)          | (1.6)          | (0.9)         | (2.7)         | (3.6)         |              |               |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(1.1)</b> | <b>(5.0)</b>   | <b>(3.6)</b>   | <b>2.6</b>     | <b>(44.1)</b> | <b>(11.2)</b> | <b>(5.9)</b>  | <b>64.7%</b> | <b>-62.1%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | <i>n.a.</i>  | <i>-377.6%</i> | <i>29.4%</i>   | <i>173.2%</i>  | <i>n.a.</i>   | <i>74.5%</i>  | <i>47.7%</i>  |              |               |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | <i>n.a.</i>  | <i>n.a.</i>    | <i>n.a.</i>    | <i>4.9%</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |
| - Acquisitions / + Divestments  | 0.0          | (0.3)          | (9.2)          | (39.3)         | (13.3)        | -             | -             |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -              | -              | -              | -             | -             | -             |              |               |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(1.0)</b> | <b>(5.3)</b>   | <b>(12.7)</b>  | <b>(36.7)</b>  | <b>(57.3)</b> | <b>(11.2)</b> | <b>(5.9)</b>  | <i>n.a.</i>  | <b>45.7%</b>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | <i>n.a.</i>  | <i>-422.0%</i> | <i>-138.2%</i> | <i>-188.7%</i> | <i>-56.0%</i> | <i>80.4%</i>  | <i>47.7%</i>  |              |               |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | <i>n.a.</i>  | <i>n.a.</i>    | <i>n.a.</i>    | <i>2.8%</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | <i>n.a.</i>  | <i>n.a.</i>    | <i>n.a.</i>    | <i>n.a.</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |



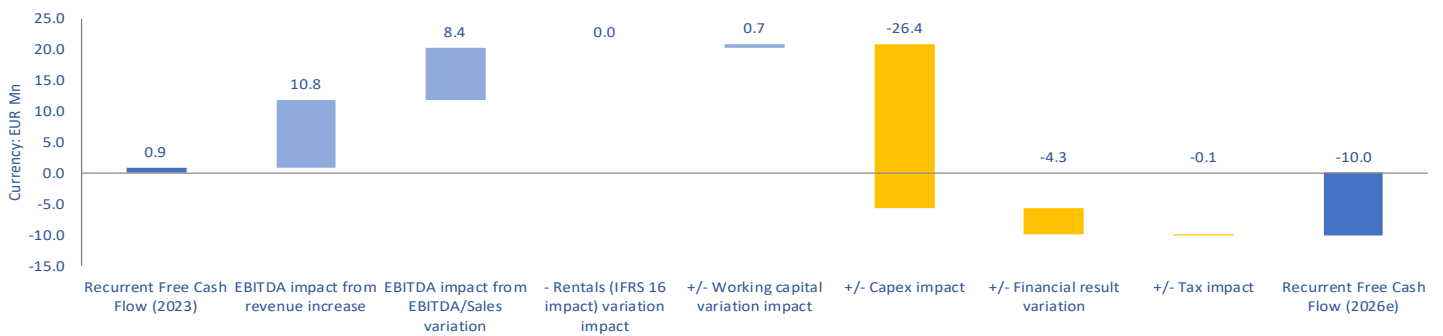


## Free Cash Flow (II)

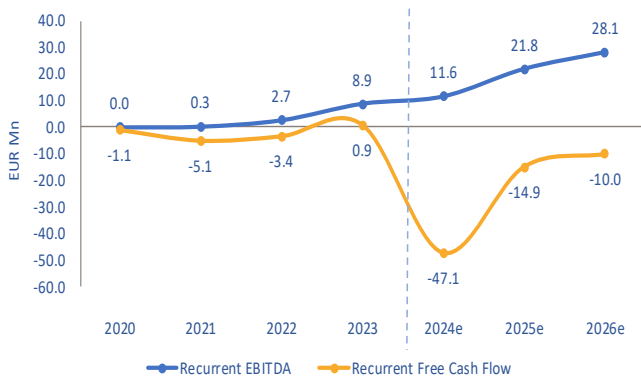
### Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





Valuation inputs

Inputs for the DCF Valuation Approach

|                                | 2024e  | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|--------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (57.3) | (11.2)                              | (5.9) | n.a.                          |           |            |
| Market Cap                     | 80.5   | At the date of this report          |       |                               |           |            |
| Net financial debt             | 13.0   | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |        |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 7.0%   | Net debt cost                       |       |                               | 6.8%      | 7.3%       |
| Tax rate (T)                   | 20.0%  | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 5.6%   | Kd = Cost of Net Debt * (1-T)       |       |                               | 5.4%      | 5.8%       |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%   | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2    | B (own estimate)                    |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5%  | Ke = Rf + (R * B)                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 86.1%  | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 13.9%  | D                                   |       |                               | =         | =          |
| WACC                           | 9.8%   | WACC = Kd * D + Ke * E              |       |                               | 8.8%      | 10.9%      |
| G "Fair"                       | 2.0%   |                                     |       |                               | 2.0%      | 1.5%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 80.5        |                  |
| + Minority Interests                 | 0.1         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0.1         | 12m Results 2023 |
| + Net financial debt                 | 13.0        | 12m Results 2023 |
| - Financial Investments              | 1.2         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>92.5</b> |                  |

Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022  | 2023 |
|----------------------|-------|-------|------|-------|------|
| ROCE (evolution -5y) | n.a.  | n.a.  | 6.5% | 17.1% | 9.6% |
|                      | 2023  | 2026e |      |       |      |
| ROCE - WACC          | -0.2% | -0.4% |      |       |      |
| FCF Yield - WACC     | -8.7% | n.a.  |      |       |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

Free Cash Flow sensitivity analysis (2025e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 27.4%            | 24.0       | 3.8x          |
| Central  | 24.9%            | 21.8       | 4.2x          |
| Min      | 22.4%            | 19.7       | 4.7x          |

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |        |        |
|-----------------|-----------------|--------|--------|
| EBITDA 25e      | 30.8%           | 34.2%  | 37.6%  |
| 24.0            | (9.7)           | (12.7) | (15.7) |
| 21.8            | (11.9)          | (14.9) | (17.9) |
| 19.7            | (14.1)          | (17.1) | (20.1) |

Main Corporate Governance indicators

| KPI                                  | 2021 | 2022  | 2023  |
|--------------------------------------|------|-------|-------|
| % of independent directors           | n.a. | 66.7% | 57.1% |
| % of proprietary directors           | n.a. | 33.3% | 42.9% |
| % of executive directors             | n.a. | 0.0%  | 0.0%  |
| % of other directors                 | n.a. | 0.0%  | 0.0%  |
| % of women on the board of directors | n.a. | 0.0%  | 0.0%  |
| % of women out of total workforce    | n.a. | 30.0% | 14.5% |
| Board remuneration/staff cost        | n.a. | 19.0% | 4.7%  |



## Main peers 2024e

|                             |                         | Comparables EE. UU |           |           |          | Comparables España |                 |         |         |        |
|-----------------------------|-------------------------|--------------------|-----------|-----------|----------|--------------------|-----------------|---------|---------|--------|
| EUR Mn                      |                         | Ameresco           | Sunnova   | Sunrun    | Sunpower | Average            | Greening Energy | Holaluz | Average | ETC    |
| Market data                 | Ticker (Factset)        | AMRC-US            | NOVA-US   | RUN-US    | SPWR-US  |                    | GGR-ES          | HLZ-ES  |         | ETC-ES |
|                             | Country                 | USA                | USA       | USA       | USA      |                    | Spain           | Spain   |         | Spain  |
|                             | Market cap              | 1,316.2            | 478.8     | 2,423.3   | 459.8    |                    | 171.1           | 29.4    |         | 80.5   |
|                             | Enterprise value (EV)   | 2,740.8            | 8,058.9   | 13,769.3  | 727.4    |                    | 185.1           | 56.5    |         | 92.5   |
|                             | Total Revenues          | 1,516.0            | 826.4     | 2,002.5   | 1,343.7  |                    | 173.0           | 510.8   |         | 67.0   |
| Basic financial information | Total Revenues growth   | 19.9%              | 24.7%     | -3.6%     | -13.3%   | 6.9%               | 295.0%          | -44.5%  | 125.2%  | 27.5%  |
|                             | 2y CAGR (2024e - 2026e) | 11.3%              | 24.8%     | 17.2%     | 11.5%    | 16.2%              | 22.3%           | -8.2%   | 7.1%    | 26.4%  |
|                             | EBITDA                  | 205.4              | 323.2     | (31.5)    | (21.6)   |                    | 20.3            | 20.9    |         | 11.6   |
|                             | EBITDA growth           | 48.1%              | 902.0%    | 87.4%     | 81.5%    | 279.8%             | 619.1%          | n.a.    | 619.1%  | 30.6%  |
|                             | 2y CAGR (2024e - 2026e) | 20.9%              | 31.3%     | n.a.      | n.a.     | 26.1%              | 35.4%           | 20.6%   | 28.0%   | 55.8%  |
|                             | EBITDA/Revenues         | 13.5%              | 39.1%     | n.a.      | n.a.     | 26.3%              | 11.7%           | 4.1%    | 7.9%    | 17.3%  |
|                             | EBIT                    | 123.1              | (131.2)   | (639.5)   | (99.9)   |                    | 15.0            | 4.7     |         | 4.7    |
|                             | EBIT growth             | 58.1%              | 38.1%     | 15.2%     | 39.5%    | 37.7%              | 452.2%          | 184.6%  | 318.4%  | -12.9% |
|                             | 2y CAGR (2024e - 2026e) | 31.5%              | 55.9%     | 3.8%      | 48.0%    | 34.8%              | 37.8%           | n.a.    | 37.8%   | 95.2%  |
|                             | EBIT/Revenues           | 8.1%               | n.a.      | n.a.      | n.a.     | 8.1%               | 8.7%            | 0.9%    | 4.8%    | 7.0%   |
|                             | Net Profit              | 63.6               | (283.5)   | (238.9)   | (112.3)  |                    | 8.4             | 0.5     |         | 0.8    |
|                             | Net Profit growth       | 10.9%              | 26.2%     | 83.8%     | 46.2%    | 41.8%              | 275.7%          | 109.8%  | 192.8%  | -70.9% |
|                             | 2y CAGR (2024e - 2026e) | 47.5%              | 1.8%      | -7.0%     | 69.6%    | 28.0%              | 49.6%           | n.a.    | 49.6%   | n.a.   |
|                             | CAPEX/Sales %           | 0.3%               | 297.8%    | 118.8%    | 2.5%     | 104.8%             | 40.0%           | 0.4%    | 20.2%   | 80.5%  |
|                             | Free Cash Flow          | 171.3              | (2,320.8) | (2,805.3) | (84.4)   |                    | (70.7)          | n.a.    |         | (60.3) |
|                             | Net financial debt      | 1,274.8            | 8,209.3   | 10,879.5  | 199.9    |                    | 68.8            | 59.0    |         | 73.3   |
|                             | ND/EBITDA (x)           | 6.2                | 25.4      | n.a.      | n.a.     | 15.8               | 3.4             | 2.8     | 3.1     | 6.3    |
| Pay-out                     | 0.0%                    | 0.0%               | 0.0%      | 0.0%      | 0.0%     | 0.0%               | 0.0%            | 0.0%    | 0.0%    |        |
| Multiples and Ratios        | P/E (x)                 | 20.6               | n.a.      | n.a.      | n.a.     | 20.6               | 17.6            | 66.5    | 42.0    | 97.4   |
|                             | P/BV (x)                | 1.5                | 0.2       | 0.5       | 2.3      | 1.1                | n.a.            | n.a.    | n.a.    | 1.7    |
|                             | EV/Revenues (x)         | 1.8                | 9.8       | 6.9       | 0.5      | 4.7                | 1.1             | 0.1     | 0.6     | 1.4    |
|                             | EV/EBITDA (x)           | 13.3               | 24.9      | n.a.      | n.a.     | 19.1               | 9.1             | 2.7     | 5.9     | 8.0    |
|                             | EV/EBIT (x)             | 22.3               | n.a.      | n.a.      | n.a.     | 22.3               | 12.3            | 12.0    | 12.2    | 19.6   |
|                             | ROE                     | 7.2                | n.a.      | n.a.      | n.a.     | 7.2                | n.a.            | n.a.    | n.a.    | 1.7    |
|                             | FCF Yield (%)           | 13.0               | n.a.      | n.a.      | n.a.     | 13.0               | n.a.            | n.a.    | n.a.    | n.a.   |
|                             | DPS                     | 0.00               | 0.00      | 0.00      | 0.00     | 0.00               | 0.00            | 0.00    | 0.00    | 0.00   |
|                             | Dvd Yield               | 0.0%               | 0.0%      | 0.0%      | 0.0%     | 0.0%               | 0.0%            | 0.0%    | 0.0%    | 0.0%   |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Enerside (ENRS), is a fully integrated renewables platform (in transition towards a build-to-own model) specialised in solar photovoltaic energy. It currently has a pipeline of +7.3GW of solar photovoltaic projects at various stages of development distributed in Latam (Brazil and Chile) and Europe (Spain and Italy). Listed on BME Growth since March 2022.

**Market Data**

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 113.5              | 123.4 |
| EV (Mn EUR and USD)            | 160.4              | 174.5 |
| Shares Outstanding (Mn)        | 37.3               |       |
| -12m (Max/Med/Min EUR)         | 5.30 / 3.76 / 2.12 |       |
| Daily Avg volume (-12m Mn EUR) | 0.02               |       |
| Rotation <sup>(1)</sup>        | 5.1                |       |
| Factset / Bloomberg            | ENRS-ES / ENRS SM  |       |
| Close fiscal year              | 31-Dec             |       |

**Shareholders Structure (%)<sup>(3)</sup>**

|                  |      |
|------------------|------|
| Joatham Grange   | 19.2 |
| Antoni Gasch     | 19.0 |
| Tomás Casanovas  | 9.6  |
| Alejandro Alorda | 9.3  |
| Free Float       | 30.8 |

**Financials (Mn EUR)**

|                                     | 2023   | 2024e | 2025e | 2026e |
|-------------------------------------|--------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 37.3   | 37.3  | 37.3  | 37.3  |
| Total Revenues                      | 16.5   | 5.5   | 6.5   | 12.0  |
| Rec. EBITDA                         | -36.5  | -11.0 | -5.5  | -2.0  |
| % growth                            | -160.9 | 69.8  | 50.1  | 63.6  |
| % Rec. EBITDA/Rev.                  | n.a.   | n.a.  | n.a.  | n.a.  |
| % Inc. EBITDA sector <sup>(2)</sup> | 18.4   | 8.9   | 5.0   | 2.6   |
| Net Profit                          | -38.8  | -8.7  | 3.2   | 5.6   |
| EPS (EUR)                           | -1.04  | -0.23 | 0.09  | 0.15  |
| % growth                            | -182.1 | 77.5  | 136.4 | 76.0  |
| Ord. EPS (EUR)                      | -1.07  | -0.26 | -0.13 | -0.05 |
| % growth                            | -212.3 | 75.6  | 48.2  | 59.9  |
| Rec. Free Cash Flow                 | -37.4  | -23.1 | -27.2 | -28.4 |
| Pay-out (%)                         | 0.0    | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00   | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 47.6   | 58.7  | 67.8  | 78.2  |
| ND/Rec. EBITDA (x)                  | n.a.   | n.a.  | n.a.  | n.a.  |
| ROE (%)                             | n.a.   | n.a.  | n.a.  | 150.2 |
| ROCE (%)                            | n.a.   | n.a.  | 17.8  | 19.9  |

**Ratios & Multiples (x)**

|                    |      |      |      |       |
|--------------------|------|------|------|-------|
| P/E                | n.a. | n.a. | 35.7 | 20.3  |
| Ord. P/E           | n.a. | n.a. | n.a. | n.a.  |
| P/BV               | 17.5 | n.a. | n.a. | 17.4  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0   |
| EV/Sales           | 9.70 | n.a. | n.a. | 13.37 |
| EV/Rec. EBITDA     | n.a. | n.a. | n.a. | n.a.  |
| EV/EBIT            | n.a. | n.a. | 14.5 | 10.6  |
| FCF Yield (%)      | n.a. | n.a. | n.a. | n.a.  |

**Historical behavior (base 100)**


| (%)      | -1m  | -3m  | -12m  | -5Y  |
|----------|------|------|-------|------|
| Absolute | -4.4 | 32.2 | -38.7 | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Utilities.

(3) Others: Alternative Green Energy 6.3%, Javier García - Mateo 5.9%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**2023 earnings shaped by EPC.** Revenue in 2023: EUR 16.5Mn (-48% vs 2022 excl. EUR 2.7Mn of asset disposals). The drop is explained by the discontinuation of the construction/EPC business to focus on the generation business (as IPP) and asset rotation. EBIT was EUR -29.6Mn (vs EUR -14.1Mn in 2022) due (basically) to the aggressive pricing strategy in the EPC business.

**Estimated revenue in 2024e of EUR 5.5Mn...** with EUR 3.3Mn from construction/EPC and the remainder (EUR 2.2Mn) from generation. We estimate an impact from asset disposals (recognised as non-recurring income) of EUR 1.0Mn on profit or loss.

**...and EBIT of EUR -2.2Mn (with EUR 10Mn of capitalised costs)**, due to adaptation of the structure to the discontinuation of the construction/EPC business line. And to the transition in early days, without critical mass in operations) to the generation business.

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**In the midst of its transformation to IPP**, ENRS' business will go from one that until now has been dominated by the development of projects and the provision of EPC services for third parties, to a business model based on the development and construction of photovoltaic plants to maintain under ownership and so to operate as an independent power producer (IPP). Therefore, the development of the pipeline (e.g. environmental and government permits, signing of new energy supply agreements) is "crucial".

**With a total pipeline of 7.3GW.** In 1H23, ENRS completed the construction and connection of its first solar farms (20 MW) in Chile and Brazil. It currently has a pipeline of 7.3 GW of PV plants at various stages of development in Latam (Brazil, Chile; 57% of the pipeline) and Europe (Spain and Italy; 43%). Of the projects in the pipeline, 7% are in operation, 4% are under construction with operation "locked in", 39% have strong visibility, 23% are in an advanced stage and 27% in an early stage.

**Sector trending towards concentration and exposed to energy price volatility**, where a supply/demand timing mismatch (like now) causes prices to be volatile. This would speed up the sector's concentration.

**RISKS: WHAT TO KEEP AN EYE ON?**

**Extremely high debt.** At year-end 2023, ENRS' net debt stood at EUR 47.6Mn (vs. EUR 16.3Mn in 2022), leaving its NT/equity 2023 multiple at 7.3x. The company has signed a letter of intent for EUR 15Mn of debt refinancing. And since it is in the midst of a heavy investment process, additional financing requirements are highly likely, which could be met with solutions involving equity. This would imply heavy dilution.

**No ability to generate cash.** This will depend on: (i) the pace of development of the (resource and time intensive) generation pipeline, (ii) the (less recurring) asset rotation strategy and (iii) the process of adapting the structure to the discontinuation of the construction business.

**Longer-than-expected high interest rate environment**, which could affect valuations of the project pipeline (and selling prices of assets developed). And room to raise finance via debt.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Poor momentum for both the sector and ENRS.** Given the company's higher financial leverage, a capital increase "seems" to be the most likely means of financing, which would presumably have a considerable dilutive impact in the wake of the steep fall by the share price (ENRS -12M: -38.7%, -50.2% vs Ibx 35, -39.0% vs sector). 2024 is shaping up to be key for quantifying the impact of ENRS' strategic turnaround.



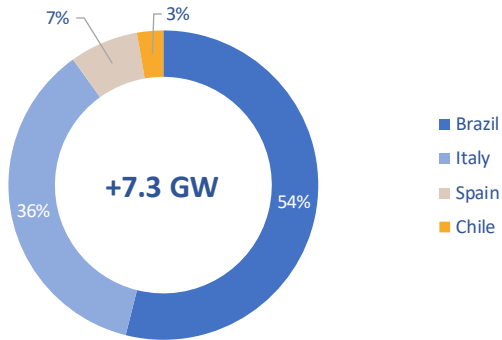
## Financial Projections

| <b>Balance Sheet (EUR Mn)</b>                | <b>2019</b> | <b>2020</b> | <b>2021</b>  | <b>2022</b>   | <b>2023</b>    | <b>2024e</b>  | <b>2025e</b>  | <b>2026e</b>  |              |               |
|--|-------------|-------------|--------------|---------------|----------------|---------------|---------------|---------------|--------------|---------------|
| Intangible assets                            |             |             | 0.1          | 0.2           | 0.5            | 10.5          | 20.5          | 30.5          |              |               |
| Fixed assets                                 |             |             | 0.6          | 21.3          | 29.2           | 32.0          | 34.6          | 37.7          |              |               |
| Other Non Current Assets                     |             |             | 1.1          | 3.6           | -              | -             | -             | -             |              |               |
| Financial Investments                        |             |             | 2.2          | 3.5           | 3.3            | 3.3           | 3.3           | 3.3           |              |               |
| Goodwill & Other Intangibles                 |             |             | -            | -             | -              | -             | -             | -             |              |               |
| Current assets                               |             |             | 12.5         | 47.8          | 41.0           | 18.9          | 19.2          | 20.4          |              |               |
| <b>Total assets</b>                          |             |             | <b>16.5</b>  | <b>76.4</b>   | <b>73.9</b>    | <b>64.7</b>   | <b>77.6</b>   | <b>91.9</b>   |              |               |
| Equity                                       |             |             | 8.2          | 44.2          | 6.5            | (2.2)         | 0.9           | 6.5           |              |               |
| Minority Interests                           |             |             | 0.0          | (0.0)         | (0.0)          | (0.0)         | (0.0)         | (0.0)         |              |               |
| Provisions & Other L/T Liabilities           |             |             | 0.2          | 1.2           | 2.7            | 2.7           | 2.7           | 2.7           |              |               |
| Other Non Current Liabilities                |             |             | -            | -             | -              | -             | -             | -             |              |               |
| Net financial debt                           |             |             | 2.1          | 16.3          | 47.6           | 58.7          | 67.8          | 78.2          |              |               |
| Current Liabilities                          |             |             | 6.0          | 14.7          | 17.2           | 5.6           | 6.1           | 4.5           |              |               |
| <b>Equity &amp; Total Liabilities</b>        |             |             | <b>16.5</b>  | <b>76.4</b>   | <b>73.9</b>    | <b>64.7</b>   | <b>77.6</b>   | <b>91.9</b>   |              |               |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b> | <b>2020</b> | <b>2021</b>  | <b>2022</b>   | <b>2023</b>    | <b>2024e</b>  | <b>2025e</b>  | <b>2026e</b>  | <b>CAGR</b>  |               |
| <b>Total Revenues</b>                        |             |             | <b>8.4</b>   | <b>31.9</b>   | <b>16.5</b>    | <b>5.5</b>    | <b>6.5</b>    | <b>12.0</b>   | <b>40.4%</b> | <b>-10.1%</b> |
| <i>Total Revenues growth</i>                 |             |             | <i>n.a.</i>  | <i>281.0%</i> | <i>-48.2%</i>  | <i>-66.9%</i> | <i>18.9%</i>  | <i>84.6%</i>  |              |               |
| OPEX   |             |             | (7.9)        | (45.9)        | (53.0)         | (16.5)        | (12.0)        | (14.0)        |              |               |
| <b>Recurrent EBITDA</b>                      |             |             | <b>0.5</b>   | <b>(14.0)</b> | <b>(36.5)</b>  | <b>(11.0)</b> | <b>(5.5)</b>  | <b>(2.0)</b>  | <i>n.a.</i>  | <b>62.0%</b>  |
| <i>Recurrent EBITDA growth</i>               |             |             | <i>n.a.</i>  | <i>n.a.</i>   | <i>-160.9%</i> | <i>69.8%</i>  | <i>50.1%</i>  | <i>63.6%</i>  |              |               |
| <i>Rec. EBITDA/Revenues</i>                  |             |             | <i>6.0%</i>  | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |
| Restructuring Expense & Other non-rec.       |             |             | (0.3)        | (2.3)         | 2.9            | 1.0           | 9.0           | 9.0           |              |               |
| <b>EBITDA</b>                                |             |             | <b>0.2</b>   | <b>(16.3)</b> | <b>(33.6)</b>  | <b>(10.0)</b> | <b>3.5</b>    | <b>7.0</b>    | <i>n.a.</i>  | <b>30.2%</b>  |
| Depreciation & Provisions                    |             |             | (0.1)        | (2.8)         | (4.0)          | (2.2)         | (2.4)         | (1.9)         |              |               |
| Capitalized Expense                          |             |             | -            | 4.9           | 8.0            | 10.0          | 10.0          | 10.0          |              |               |
| Rentals (IFRS 16 impact)                     |             |             | -            | -             | -              | -             | -             | -             |              |               |
| <b>EBIT</b>                                  |             |             | <b>0.2</b>   | <b>(14.1)</b> | <b>(29.6)</b>  | <b>(2.2)</b>  | <b>11.1</b>   | <b>15.1</b>   | <i>n.a.</i>  | <b>35.9%</b>  |
| <i>EBIT growth</i>                           |             |             | <i>n.a.</i>  | <i>n.a.</i>   | <i>-109.1%</i> | <i>92.6%</i>  | <i>602.4%</i> | <i>37.0%</i>  |              |               |
| <i>EBIT/Revenues</i>                         |             |             | <i>2.2%</i>  | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   |              |               |
| Impact of Goodwill & Others                  |             |             | -            | -             | -              | -             | -             | -             |              |               |
| Net Financial Result                         |             |             | (0.3)        | (0.9)         | (7.3)          | (6.5)         | (7.1)         | (8.2)         |              |               |
| Income by the Equity Method                  |             |             | -            | -             | -              | -             | -             | -             |              |               |
| <b>Ordinary Profit</b>                       |             |             | <b>(0.1)</b> | <b>(15.1)</b> | <b>(36.9)</b>  | <b>(8.7)</b>  | <b>4.0</b>    | <b>7.0</b>    | <i>n.a.</i>  | <b>29.8%</b>  |
| <i>Ordinary Profit Growth</i>                |             |             | <i>n.a.</i>  | <i>n.a.</i>   | <i>-144.9%</i> | <i>76.4%</i>  | <i>145.5%</i> | <i>76.0%</i>  |              |               |
| Extraordinary Results                        |             |             | -            | -             | -              | -             | -             | -             |              |               |
| <b>Profit Before Tax</b>                     |             |             | <b>(0.1)</b> | <b>(15.1)</b> | <b>(36.9)</b>  | <b>(8.7)</b>  | <b>4.0</b>    | <b>7.0</b>    | <i>n.a.</i>  | <b>29.8%</b>  |
| Tax Expense                                  |             |             | (0.2)        | 1.4           | (1.9)          | -             | (0.8)         | (1.4)         |              |               |
| <i>Effective Tax Rate</i>                    |             |             | <i>n.a.</i>  | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>   | <i>20.0%</i>  | <i>20.0%</i>  |              |               |
| Minority Interests                           |             |             | (0.0)        | 0.0           | 0.0            | -             | -             | -             |              |               |
| Discontinued Activities                      |             |             | -            | -             | -              | -             | -             | -             |              |               |
| <b>Net Profit</b>                            |             |             | <b>(0.3)</b> | <b>(13.7)</b> | <b>(38.8)</b>  | <b>(8.7)</b>  | <b>3.2</b>    | <b>5.6</b>    | <i>n.a.</i>  | <b>28.9%</b>  |
| <i>Net Profit growth</i>                     |             |             | <i>n.a.</i>  | <i>n.a.</i>   | <i>-182.8%</i> | <i>77.5%</i>  | <i>136.4%</i> | <i>76.0%</i>  |              |               |
| <b>Ordinary Net Profit</b>                   |             |             | <b>0.2</b>   | <b>(12.7)</b> | <b>(39.8)</b>  | <b>(9.7)</b>  | <b>(5.0)</b>  | <b>(2.0)</b>  | <i>n.a.</i>  | <b>63.0%</b>  |
| <i>Ordinary Net Profit growth</i>            |             |             | <i>n.a.</i>  | <i>n.a.</i>   | <i>-213.1%</i> | <i>75.6%</i>  | <i>48.2%</i>  | <i>59.9%</i>  |              |               |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b> | <b>2020</b> | <b>2021</b>  | <b>2022</b>   | <b>2023</b>    | <b>2024e</b>  | <b>2025e</b>  | <b>2026e</b>  | <b>CAGR</b>  |               |
| <b>Recurrent EBITDA</b>                      |             |             |              |               |                | <b>(11.0)</b> | <b>(5.5)</b>  | <b>(2.0)</b>  | <i>n.a.</i>  | <b>62.0%</b>  |
| Rentals (IFRS 16 impact)                     |             |             |              |               |                | -             | -             | -             |              |               |
| Working Capital Increase                     |             |             |              |               |                | 10.4          | 0.2           | (2.8)         |              |               |
| <b>Recurrent Operating Cash Flow</b>         |             |             |              |               |                | <b>-0.6</b>   | <b>-5.3</b>   | <b>-4.8</b>   | <i>n.a.</i>  | <b>43.7%</b>  |
| CAPEX  |             |             |              |               |                | (16.0)        | (14.0)        | (14.0)        |              |               |
| Net Financial Result affecting the Cash Flow |             |             |              |               |                | (6.5)         | (7.1)         | (8.2)         |              |               |
| Tax Expense                                  |             |             |              |               |                | -             | (0.8)         | (1.4)         |              |               |
| <b>Recurrent Free Cash Flow</b>              |             |             |              |               |                | <b>(23.1)</b> | <b>(27.2)</b> | <b>(28.4)</b> | <i>n.a.</i>  | <b>8.7%</b>   |
| Restructuring Expense & Other non-rec.       |             |             |              |               |                | -             | -             | -             |              |               |
| - Acquisitions / + Divestures of assets      |             |             |              |               |                | 11.0          | 9.0           | 9.0           |              |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |             |              |               |                | 1.0           | 9.0           | 9.0           |              |               |
| <b>Free Cash Flow</b>                        |             |             |              |               |                | <b>(11.1)</b> | <b>(9.2)</b>  | <b>(10.4)</b> | <i>n.a.</i>  | <b>30.6%</b>  |
| Capital Increase                             |             |             |              |               |                | -             | -             | -             |              |               |
| Dividends                                    |             |             |              |               |                | -             | -             | -             |              |               |
| <b>Net Debt Variation</b>                    |             |             |              |               |                | <b>11.1</b>   | <b>9.2</b>    | <b>10.4</b>   |              |               |

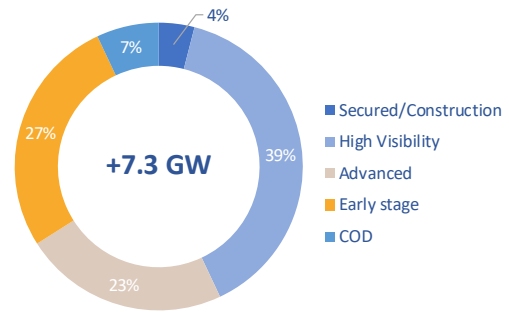


**The company in 8 charts**

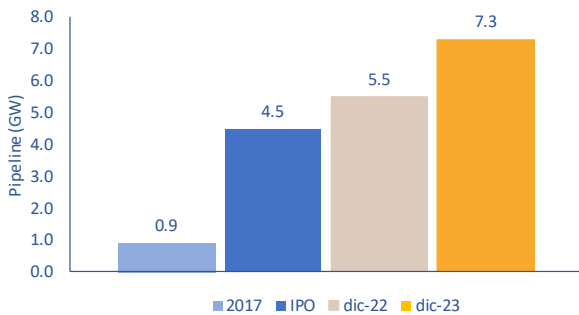
**A company that has completed its transformation to IPP and geographically diversified pipeline of +7.3 GW**



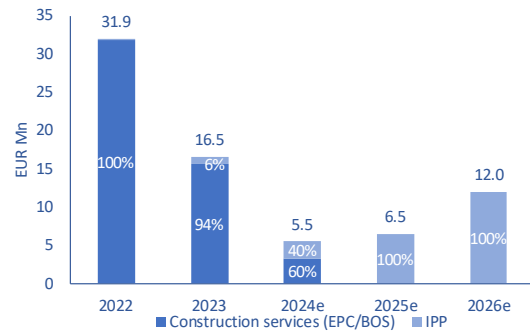
**That has connected 20MW in Brazil and Chile. And RTB expected for c. 60% of the pipeline in 2025-2026**



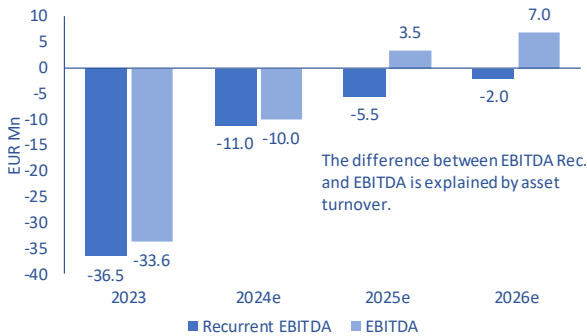
**In other words, since 2017 it has increased its pipeline GW eightfold (+2.8GW vs IPO).**



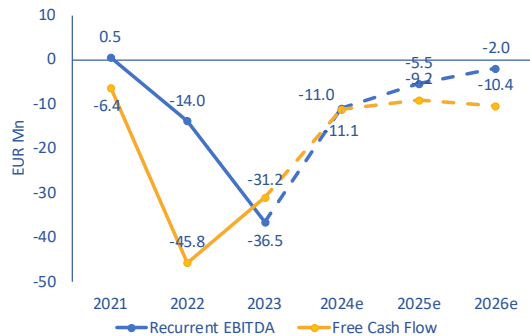
**In 2025e, the generation business (IPP) looks set to represent c. 100% of revenue**



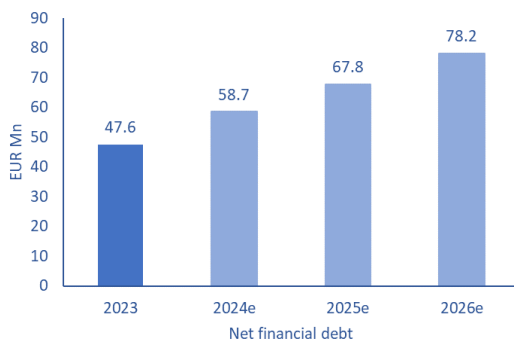
**This should enable ENRS to generate recurring EBITDA of c. EUR 7.0Mn in 2026e**



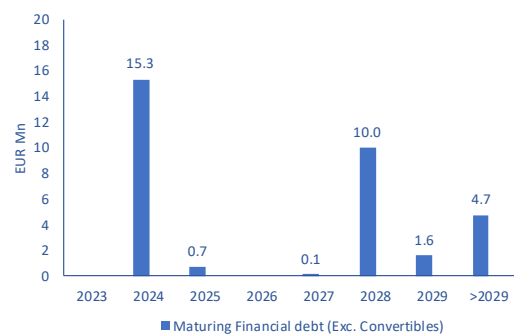
**Which, combine with the high CAPEX for development and construction of the pipeline will affect cash generation**



**Driving net debt to EUR 78Mn in 2026e**



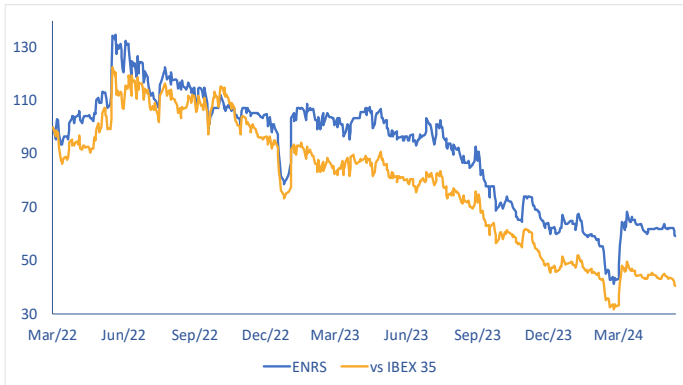
**With the following maturities of financial debt at the end of 2023**



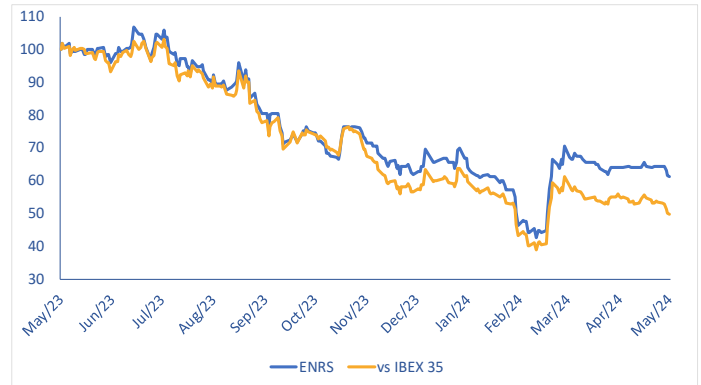


## Evolution of the share price

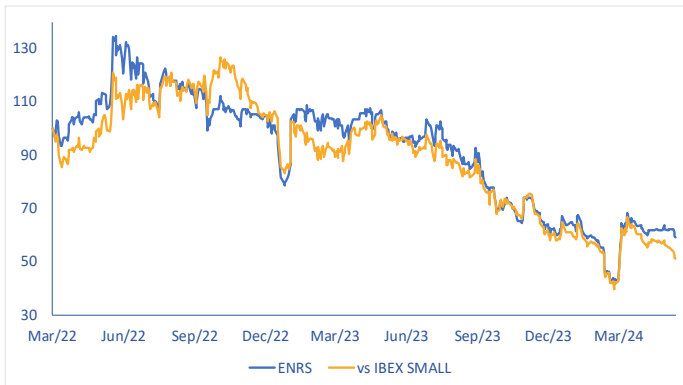
**Historical behavior vs Ibex 35 (base 100)**



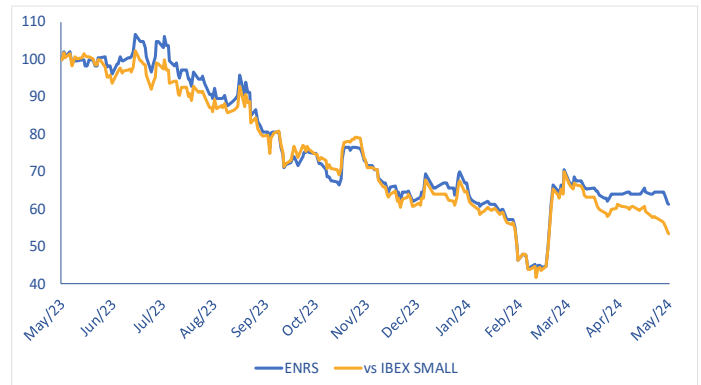
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Utilities

| Stock performance (%)                     | -1m   | -3m  | -12m  | YTD   | -3Y  | -5Y  |
|---|-------|------|-------|-------|------|------|
| Absolute                                  | -4.4  | 32.2 | -38.7 | -7.0  | n.a. | n.a. |
| <b>vs Market</b>                          |       |      |       |       |      |      |
| vs Ibex 35                                | -10.3 | 15.4 | -50.2 | -17.1 | n.a. | n.a. |
| vs Euro STOXX 50                          | -7.2  | 24.4 | -47.7 | -17.0 | n.a. | n.a. |
| <b>vs Small Cap References</b>            |       |      |       |       |      |      |
| vs Ibex Small Cap Index                   | -12.5 | 15.6 | -46.5 | -16.5 | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -9.4  | 22.4 | -41.7 | -13.7 | n.a. | n.a. |
| vs MSCI Europe Micro Cap                  | -9.9  | 23.1 | -40.5 | -12.0 | n.a. | n.a. |
| <b>vs Sector</b>                          |       |      |       |       |      |      |
| vs Stoxx Europe 600 Utilities             | -13.2 | 18.9 | -39.0 | -8.3  | n.a. | n.a. |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

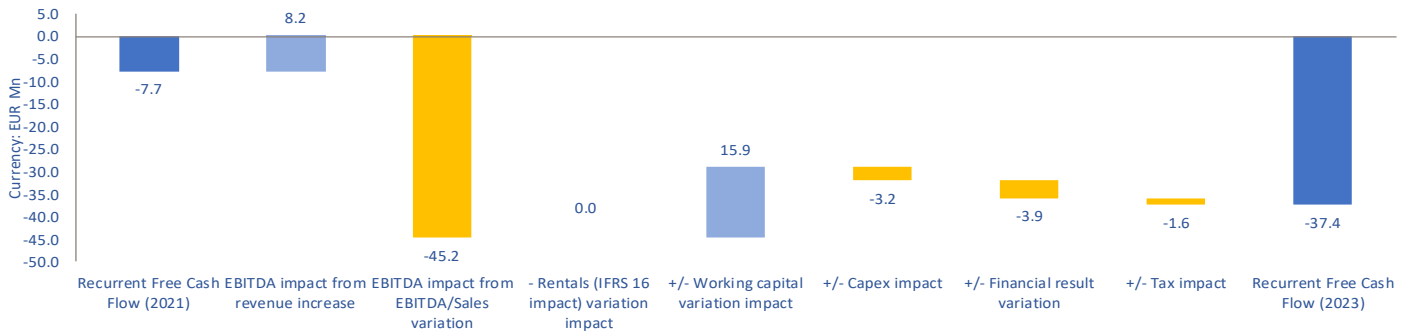
| A) Cash Flow Analysis (EUR Mn)  | 2020 | 2021  | 2022    | 2023    | 2024e  | 2025e   | 2026e  | CAGR  |        |
|---|------|-------|---------|---------|--------|---------|--------|-------|--------|
|   |      |       |         |         |        |         |        | 21-23 | 23-26e |
| <b>Recurrent EBITDA</b>   |      | 0.5   | (14.0)  | (36.5)  | (11.0) | (5.5)   | (2.0)  | n.a.  | 62.0%  |
| <i>Recurrent EBITDA growth</i>  |      | n.a.  | n.a.    | -160.9% | 69.8%  | 50.1%   | 63.6%  |       |        |
| <i>Rec. EBITDA/Revenues</i>   |      | 6.0%  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |
| - Rentals (IFRS 16 impact)  |      | -     | -       | -       | -      | -       | -      |       |        |
| +/- Working Capital increase  |      | (6.5) | (26.6)  | 9.4     | 10.4   | 0.2     | (2.8)  |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      | (6.0) | (40.6)  | (27.1)  | (0.6)  | (5.3)   | (4.8)  | n.a.  | 43.7%  |
| <i>Rec. Operating Cash Flow growth</i>  |      | n.a.  | -574.2% | 33.3%   | 97.8%  | -778.8% | 8.1%   |       |        |
| <i>Rec. Operating Cash Flow / Sales</i>   |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |
| - CAPEX   |      | (1.1) | (18.6)  | (4.2)   | (16.0) | (14.0)  | (14.0) |       |        |
| - Net Financial Result affecting Cash Flow  |      | (0.3) | (0.9)   | (4.2)   | (6.5)  | (7.1)   | (8.2)  |       |        |
| - Taxes   |      | (0.3) | 1.4     | (1.9)   | -      | (0.8)   | (1.4)  |       |        |
| <b>= Recurrent Free Cash Flow</b>   |      | (7.7) | (58.8)  | (37.4)  | (23.1) | (27.2)  | (28.4) | n.a.  | 8.7%   |
| <i>Rec. Free Cash Flow growth</i>   |      | n.a.  | -665.0% | 36.4%   | 38.1%  | -17.5%  | -4.6%  |       |        |
| <i>Rec. Free Cash Flow / Revenues</i>   |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |
| - Restructuring expenses & others   |      | -     | -       | -       | -      | -       | -      |       |        |
| - Acquisitions / + Divestments  |      | 1.2   | (1.3)   | 0.2     | 11.0   | 9.0     | 9.0    |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      | -     | 14.3    | 6.0     | 1.0    | 9.0     | 9.0    |       |        |
| <b>= Free Cash Flow</b>   |      | (6.4) | (45.8)  | (31.2)  | (11.1) | (9.2)   | (10.4) | n.a.  | 30.6%  |
| <i>Free Cash Flow growth</i>  |      | n.a.  | -610.9% | 32.0%   | 64.3%  | 17.7%   | -13.7% |       |        |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |      |       |         |         |        |         |        |       |        |
|   | 2020 | 2021  | 2022    | 2023    | 2024e  | 2025e   | 2026e  | CAGR  |        |
| <b>Recurrent FCF(FY - 1)</b>  |      | -     | (7.7)   | (58.8)  | (37.4) | (23.1)  | (27.2) |       |        |
| EBITDA impact from revenue increase   |      | n.a.  | 1.4     | 6.7     | 24.4   | (2.1)   | (4.7)  |       |        |
| EBITDA impact from EBITDA/Sales variation   |      | n.a.  | (15.9)  | (29.3)  | 1.0    | 7.6     | 8.2    |       |        |
| <b>= Recurrent EBITDA variation</b>   |      | n.a.  | (14.5)  | (22.5)  | 25.5   | 5.5     | 3.5    |       |        |
| - Rentals (IFRS 16 impact) variation impact   |      | -     | -       | -       | -      | -       | -      |       |        |
| +/- Working capital variation impact  |      | (6.5) | (20.1)  | 36.0    | 1.0    | (10.2)  | (3.1)  |       |        |
| <b>= Recurrent Operating Cash Flow variation</b>                                    |      | (6.5) | (34.6)  | 13.5    | 26.5   | (4.7)   | 0.4    |       |        |
| +/- CAPEX impact  |      | (1.1) | (17.5)  | 14.3    | (11.8) | 2.0     | -      |       |        |
| +/- Financial result variation  |      | (0.3) | (0.7)   | (3.3)   | (2.3)  | (0.6)   | (1.1)  |       |        |
| +/- Tax impact  |      | (0.3) | 1.6     | (3.2)   | 1.9    | (0.8)   | (0.6)  |       |        |
| <b>= Recurrent Free Cash Flow variation</b>   |      | (8.2) | (51.1)  | 21.4    | 14.3   | (4.0)   | (1.3)  |       |        |
| <b>Recurrent Free Cash Flow</b>   |      | (8.2) | (58.8)  | (37.4)  | (23.1) | (27.2)  | (28.4) |       |        |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |      |       |         |         |        |         |        |       |        |
|   | 2020 | 2021  | 2022    | 2023    | 2024e  | 2025e   | 2026e  | CAGR  |        |
| <b>EBIT</b>   |      | 0.2   | (14.1)  | (29.6)  | (2.2)  | 11.1    | 15.1   | n.a.  | 35.9%  |
| * <i>Theoretical Tax rate</i>   |      | 0.0%  | 0.0%    | 0.0%    | 0.0%   | 0.0%    | 0.0%   |       |        |
| = Taxes (pre- Net Financial Result)   |      | -     | -       | -       | -      | -       | -      |       |        |
| <b>Recurrent EBITDA</b>   |      | 0.5   | (14.0)  | (36.5)  | (11.0) | (5.5)   | (2.0)  | n.a.  | 62.0%  |
| - Rentals (IFRS 16 impact)  |      | -     | -       | -       | -      | -       | -      |       |        |
| +/- Working Capital increase  |      | (6.5) | (26.6)  | 9.4     | 10.4   | 0.2     | (2.8)  |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      | (6.0) | (40.6)  | (27.1)  | (0.6)  | (5.3)   | (4.8)  | n.a.  | 43.7%  |
| - CAPEX   |      | (1.1) | (18.6)  | (4.2)   | (16.0) | (14.0)  | (14.0) |       |        |
| - Taxes (pre- Financial Result)   |      | -     | -       | -       | -      | -       | -      |       |        |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     |      | (7.1) | (59.2)  | (31.3)  | (16.6) | (19.3)  | (18.8) | n.a.  | 15.6%  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     |      | n.a.  | -731.5% | 47.1%   | 47.0%  | -16.1%  | 2.2%   |       |        |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |
| - Acquisitions / + Divestments  |      | 1.2   | (1.3)   | 0.2     | 11.0   | 9.0     | 9.0    |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      | -     | 14.3    | 6.0     | 1.0    | 9.0     | 9.0    |       |        |
| <b>= Free Cash Flow "To the Firm"</b>   |      | (5.9) | (46.2)  | (25.1)  | (4.6)  | (1.3)   | (0.8)  | n.a.  | 67.8%  |
| <i>Free Cash Flow (To the Firm) growth</i>  |      | n.a.  | -686.4% | 45.7%   | 81.7%  | 72.4%   | 33.6%  |       |        |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  |      | n.a.  | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   |       |        |



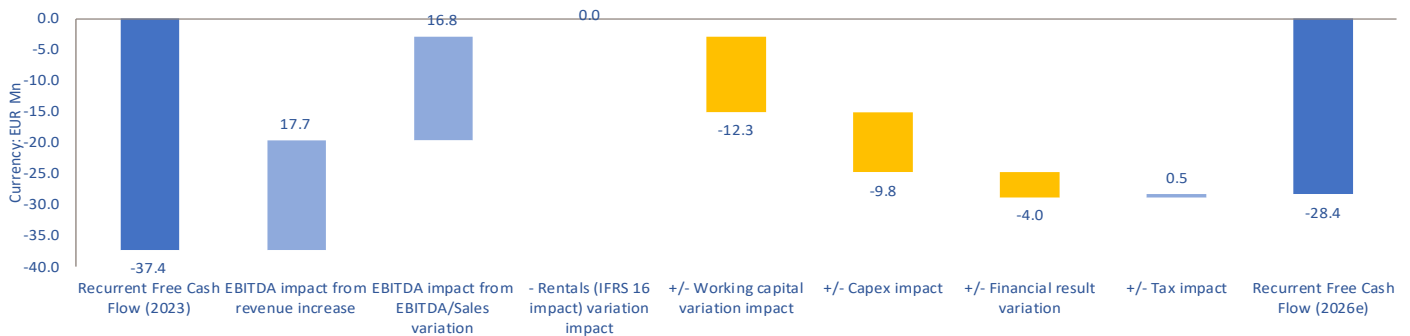


## Free Cash Flow (II)

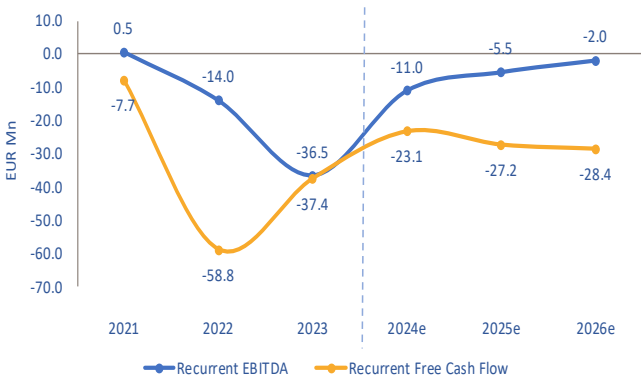
### Recurrent Free Cash Flow accumulated variation analysis (2021 - 2023)



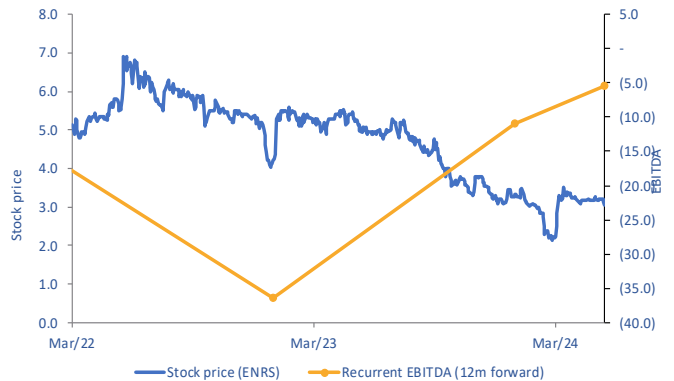
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | (4.6) | (1.3)                               | (0.8) | n.a.                          |           |            |  |
| Market Cap                     | 113.5 | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 47.6  | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 6.0%  | Net debt cost                       |       |                               | 5.8%      | 6.3%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.8%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 4.6%      | 5.0%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.2   | B (own estimate)                    |       |                               | 1.1       | 1.3        |  |
| Cost of Equity                 | 10.5% | Ke = Rf + (R * B)                   |       |                               | 9.3%      | 11.7%      |  |
| Equity / (Equity + Net Debt)   | 70.5% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 29.5% | D                                   |       |                               | =         | =          |  |
| WACC                           | 8.8%  | WACC = Kd * D + Ke * E              |       |                               | 7.9%      | 9.7%       |  |
| G "Fair"                       | 2.5%  |                                     |       |                               | 2.0%      | 2.0%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 113.5        |                  |
| + Minority Interests                 | (0.0)        | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 2.7          | 12m Results 2023 |
| + Net financial debt                 | 47.6         | 12m Results 2023 |
| - Financial Investments              | 3.3          | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>160.4</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020  | 2021 | 2022 | 2023 |
|----------------------|------|-------|------|------|------|
| ROCE (evolution -5y) | n.a. | n.a.  | n.a. | n.a. | n.a. |
|                      | 2023 | 2026e |      |      |      |
| ROCE - WACC          | n.a. | 11.1% |      |      |      |
| FCF Yield - WACC     | n.a. | n.a.  |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | -93.1%           | (6.1)      | -26.5x        |
| Central  | -84.6%           | (5.5)      | -29.2x        |
| Min      | -76.1%           | (4.9)      | -32.4x        |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |        |        |
|-----------------|-----------------|--------|--------|
| EBITDA 25e      | 193.9%          | 215.4% | 236.9% |
| (6.1)           | (26.3)          | (27.7) | (29.1) |
| (5.5)           | (25.8)          | (27.2) | (28.6) |
| (4.9)           | (25.2)          | (26.6) | (28.0) |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 28.6% | 25.0% | 37.5% |
| % of proprietary directors           | 71.4% | 75.0% | 62.5% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 12.5% | 25.0% | 25.0% |
| % of women out of total workforce    | 32.0% | 17.0% | 24.0% |
| Board remuneration/staff cost        | 8.2%  | 2.8%  | 4.2%  |



**Main peers 2024e**

|                             |                         | Renewable Energy companies in Spain |          |         |           | Renewable energy companies |         |          |           |         |         |
|-----------------------------|-------------------------|-------------------------------------|----------|---------|-----------|----------------------------|---------|----------|-----------|---------|---------|
| EUR Mn                      |                         | Solaria                             | Grenergy | Ecoener | Average   | Neoen                      | Voltaia | Scatec   | Greenvolt | Average | ENRS    |
| Market data                 | Ticker (Factset)        | SLR-ES                              | GRE-ES   | ENER-ES |           | NEOEN-FR                   | VLTA-FR | SCATC-NO | GVOLT-PT  |         | ENRS-ES |
|                             | Country                 | Spain                               | Spain    | Spain   |           | France                     | France  | Norway   | Portugal  |         | Spain   |
|                             | Market cap              | 1,377.0                             | 867.8    | 216.4   |           | 4,505.3                    | 1,166.1 | 1,038.1  | 1,157.9   |         | 113.5   |
|                             | Enterprise value (EV)   | 2,360.7                             | 1,458.9  | 482.4   |           | 7,524.1                    | 2,818.3 | 3,330.8  | 2,156.1   |         | 160.4   |
| Basic financial information | Total Revenues          | 249.3                               | 434.1    | 95.8    |           | 648.0                      | 565.3   | 522.2    | 539.2     |         | 5.5     |
|                             | Total Revenues growth   | 30.3%                               | 142.3%   | 49.6%   | 74.1%     | 23.6%                      | 14.2%   | 78.7%    | 55.9%     | 43.1%   | -66.9%  |
|                             | 2y CAGR (2024e - 2026e) | 30.1%                               | 30.7%    | 31.8%   | 30.9%     | 28.5%                      | 14.9%   | 7.0%     | 25.1%     | 18.9%   | 48.2%   |
|                             | EBITDA                  | 216.0                               | 123.7    | 56.1    |           | 542.1                      | 256.4   | 368.6    | 197.1     |         | (10.0)  |
|                             | EBITDA growth           | 8.0%                                | 19.6%    | 68.0%   | 31.8%     | 27.9%                      | 6.7%    | 91.0%    | 188.3%    | 78.5%   | 70.1%   |
|                             | 2y CAGR (2024e - 2026e) | 27.7%                               | 51.1%    | 41.3%   | 40.0%     | 24.1%                      | 19.4%   | 8.8%     | 33.5%     | 21.4%   | 64.2%   |
|                             | EBITDA/Revenues         | 86.6%                               | 28.5%    | 58.6%   | 57.9%     | 83.7%                      | 45.4%   | 70.6%    | 36.6%     | 59.0%   | n.a.    |
|                             | EBIT                    | 170.2                               | 98.2     | 36.6    |           | 321.7                      | 146.5   | 252.4    | 132.2     |         | (2.2)   |
|                             | EBIT growth             | 0.9%                                | 14.8%    | 86.7%   | 34.1%     | 29.7%                      | 7.2%    | 114.6%   | 816.4%    | 242.0%  | 92.6%   |
|                             | 2y CAGR (2024e - 2026e) | 27.0%                               | 46.8%    | 47.8%   | 40.5%     | 27.6%                      | 34.0%   | 11.1%    | 39.4%     | 28.0%   | n.a.    |
|                             | EBIT/Revenues           | 68.3%                               | 22.6%    | 38.3%   | 43.0%     | 49.6%                      | 25.9%   | 48.3%    | 24.5%     | 37.1%   | n.a.    |
|                             | Net Profit              | 99.4                                | 53.0     | 19.3    |           | 84.6                       | 16.1    | 91.3     | 58.5      |         | (8.7)   |
|                             | Net Profit growth       | -7.6%                               | 3.9%     | 75.4%   | 23.9%     | -43.7%                     | -45.8%  | 69.2%    | 677.9%    | 164.4%  | 77.5%   |
|                             | 2y CAGR (2024e - 2026e) | 26.4%                               | 40.2%    | 45.1%   | 37.2%     | 36.6%                      | 84.4%   | -7.8%    | 51.1%     | 41.1%   | 62.5%   |
|                             | CAPEX/Sales %           | 147.3%                              | 86.1%    | 148.5%  | 127.3%    | 247.9%                     | 75.0%   | 59.3%    | 124.4%    | 126.7%  | 292.7%  |
| Free Cash Flow              | (249.3)                 | (245.3)                             | (81.5)   |         | (1,217.5) | (268.6)                    | 31.7    | (463.1)  |           | (11.1)  |         |
| Net financial debt          | 1,271.7                 | 773.3                               | 389.7    |         | 4,280.0   | 1,819.9                    | 2,129.2 | 1,040.7  |           | 58.7    |         |
| ND/EBITDA (x)               | 5.9                     | 6.3                                 | 6.9      | 6.4     | 7.9       | 7.1                        | 5.8     | 5.3      | 6.5       | n.a.    |         |
| Pay-out                     | 0.0%                    | 0.0%                                | 0.0%     | 0.0%    | 27.5%     | 50.5%                      | 1.8%    | 0.0%     | 20.0%     | 0.0%    |         |
| Multiples and Ratios        | P/E (x)                 | 13.8                                | 16.3     | 11.2    | 13.8      | 53.4                       | 78.9    | 16.5     | 21.5      | 42.6    | n.a.    |
|                             | P/BV (x)                | 2.4                                 | 2.3      | 1.5     | 2.1       | 1.6                        | 0.9     | 1.1      | 2.2       | 1.5     | n.a.    |
|                             | EV/Revenues (x)         | 9.5                                 | 3.4      | 5.0     | 6.0       | 11.6                       | 5.0     | 6.4      | 4.0       | 6.7     | n.a.    |
|                             | EV/EBITDA (x)           | 10.9                                | 11.8     | 8.6     | 10.4      | 13.9                       | 11.0    | 9.0      | 10.9      | 11.2    | n.a.    |
|                             | EV/EBIT (x)             | 13.9                                | 14.9     | 13.2    | 14.0      | 23.4                       | 19.2    | 13.2     | 16.3      | 18.0    | n.a.    |
|                             | ROE                     | 17.1                                | 14.3     | 13.5    | 14.9      | 3.1                        | 1.2     | 6.4      | 10.3      | 5.2     | n.a.    |
|                             | FCF Yield (%)           | n.a.                                | n.a.     | n.a.    | n.a.      | n.a.                       | n.a.    | 3.1      | n.a.      | 3.1     | n.a.    |
|                             | DPS                     | 0.00                                | 0.00     | 0.00    | 0.00      | 0.17                       | 0.06    | 0.01     | 0.00      | 0.06    | 0.00    |
|                             | Dvd Yield               | 0.0%                                | 0.0%     | 0.0%    | 0.0%      | 0.6%                       | 0.7%    | 0.2%     | 0.0%      | 0.4%    | 0.0%    |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Ercros (ECR) is an industrial group manufacturing chemical products that operates through 3 divisions: (i) basic chemicals, (ii) intermediate chemicals and (iii) pharmaceuticals. The core activity is the production of chlorine-caustic soda, ECR being the main producer in Spain (60% of total installed capacity) and among the top 10 at the European level.

**Market Data**

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 320.0              | 348.1 |
| EV (Mn EUR and USD)            | 373.5              | 406.2 |
| Shares Outstanding (Mn)        | 91.4               |       |
| -12m (Max/Med/Min EUR)         | 3.59 / 2.99 / 2.28 |       |
| Daily Avg volume (-12m Mn EUR) | 0.37               |       |
| Rotation <sup>(1)</sup>        | 29.8               |       |
| Factset / Bloomberg            | ECR-ES / ECR SM    |       |
| Close fiscal year              | 31-Dec             |       |

**Shareholders Structure (%)**

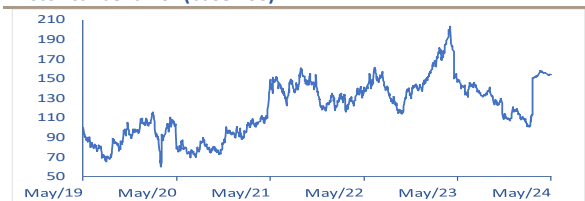
|                                 |      |
|---------------------------------|------|
| Joan Casas Galofre              | 6.0  |
| Victor Manuel Rodríguez Martin  | 6.1  |
| Dimensional Fund Advisors, L.P. | 5.0  |
| Montserrat Garcia Pruns         | 3.6  |
| Free Float                      | 79.3 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 93.8  | 91.4  | 91.4  | 91.4  |
| Total Revenues                      | 755.4 | 763.7 | 805.7 | 822.1 |
| Rec. EBITDA                         | 47.1  | 57.4  | 69.7  | 73.9  |
| % growth                            | -66.8 | 21.8  | 21.5  | 6.0   |
| % Rec. EBITDA/Rev.                  | 6.2   | 7.5   | 8.7   | 9.0   |
| % Inc. EBITDA sector <sup>(2)</sup> | -25.0 | 9.7   | 12.7  | 7.8   |
| Net Profit                          | 27.6  | 18.2  | 27.8  | 31.0  |
| EPS (EUR)                           | 0.29  | 0.20  | 0.30  | 0.34  |
| % growth                            | -56.0 | -32.3 | 52.5  | 11.7  |
| Ord. EPS (EUR)                      | 0.09  | 0.20  | 0.30  | 0.34  |
| % growth                            | -89.8 | 111.4 | 52.5  | 11.7  |
| Rec. Free Cash Flow                 | 11.4  | 11.6  | 16.9  | 20.1  |
| Pay-out (%)                         | 22.0  | 24.0  | 24.0  | 24.0  |
| DPS (EUR)                           | 0.06  | 0.05  | 0.07  | 0.08  |
| Net financial debt                  | 80.8  | 78.0  | 69.1  | 58.9  |
| ND/Rec. EBITDA (x)                  | 1.7   | 1.4   | 1.0   | 0.8   |
| ROE (%)                             | 7.6   | 4.9   | 7.3   | 7.7   |
| ROCE (%)                            | 2.8   | 4.5   | 6.4   | 6.9   |

**Ratios & Multiples (x)**

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | 11.9 | 17.6  | 11.5  | 10.3  |
| Ord. P/E           | 37.2 | 17.6  | 11.5  | 10.3  |
| P/BV               | 0.9  | 0.9   | 0.8   | 0.8   |
| Dividend Yield (%) | 1.8  | 1.4   | 2.1   | 2.3   |
| EV/Sales           | 0.49 | 0.49  | 0.46  | 0.45  |
| EV/Rec. EBITDA     | 7.9  | 6.5   | 5.4   | 5.1   |
| EV/EBIT            | 28.6 | 14.0  | 9.8   | 8.9   |
| FCF Yield (%)      | 3.6  | 3.6   | 5.3   | 6.3   |

**Historical behavior (base 100)**


|          | (%) | -1m  | -3m  | -12m | -5Y  |
|----------|-----|------|------|------|------|
| Absolute |     | -1.1 | 52.8 | 4.7  | 54.2 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Chemicals.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**Bondalti has launched takeover bid for 100% of ERC.** Bondalti Iberica (wholly owned by Portuguese industrial group Bondalti Capital, with operations in the industrial chemicals sector) has launched a takeover bid (5 March) for all shares of ECR at a price of EUR 3.6/share (EUR 329Mn), representing a premium of 41% over the pre-bid closing price (4 March; EUR 2.56). It is an all-cash offer. The deal requires acceptance of at least 75% of the share capital. If this threshold is not met, Bondalti will either (i) keep the ECR shares listed or (ii) launch another bid.

**2023: sector trough, where it could stay through 1H24.** The sector's poor situation was evident in 2023 (e.g. drop in manufacturing PMI, slower industry destocking process than usual), reflecting extremely soft demand. Although we expect sector momentum to remain weak in 1H24e, demand should start to recover in 2H24e. However, this hasn't been priced in by the market.

**2024: flat revenue growth with an improvement in Rec EBITDA.** We expect revenues to reach EUR 763.7Mn (+1.1% vs 2022). With Recurring EBITDA of EUR 57.4Mn (vs EUR 47.1Mn in 2022). In other words, a Rec. EBITDA margin of 7.5% (in line with that seen in 1Q24) and +1.3p.p. vs. 2022.

**TAKEOVER BID BY BONDALTI: ¿CUÁL ES NUESTRA OPINIÓN?**

**¿What is the timing of the bid?** After the sharp correction by the share price (to 4 May, before the bid, ECR's trailing 12-month performance: -36.3%; -40.2% vs Ibx 35, -39.0% vs sector), our estimates for 2024e (1H24 affected by sector headwinds) put the company trading at an EV/EBITDA multiple of 4.7x (pre-takeover) vs 7.3x for its European comps (current multiple). The bid price equates to an implicit EV/EBITDA multiple of 6.4x (-12.5% vs sector). Put another way, the premium offered (c. 41%) is below the sector multiple (at the cyclical "trough").

**¿What does the valuation by market multiples tells us?** Applying a 7.3x multiple to recurring EBITDA 2024e we obtain a price per share of EUR 4.2 (+15.9% vs the offer), which means that the takeover bid isn't even reflecting ECR's market value at the bottom of the cycle (and the company's earnings). So, no premium to the sector multiple. ECR's EBITDA 2023 was 1/3 that of 2022... The takeover bid comes, literally and objectively, at the cyclical "trough". So, no premium to the sector multiple.

**And intrinsic valuation?** Assuming normalised recurring FCF (see pg. 3 here), i.e. in a mid-cycle year, we obtain a price of EUR 4.7/share (+29.6% vs the offer price). That would be ECR's real value based on its FCF generation potential during a mid-cycle year (neither a "peak" nor a "trough"). The price offered is well below ECR's intrinsic value. This suggests that the takeover was made considering the cyclical trough in 2023 and the start of 2024.

**In short, the offer price is below ECR'S intrinsic value.** Simply and straightforward, the price offered: (i) "mathematically" implies a premium (+41%), resulting from the share's strong underperformance, (ii) is below the market multiple of comps (no premium in terms of EV/EBITDA 2024e) and (iii) is well below ECR's intrinsic/underlying value based on its FCF generative ability. In other words, analysed with a clear head, the numbers indicate that the bid price is low. It highlights the fact that ERC (pre-announcement) was trading well below its comps. And that its 2024e earnings are not priced in.

**WHAT ARE THE NEXT STEPS IN THE BID PROCESS?**

**The offer is currently pending approval by the Spanish, Portuguese and European competition authorities.** These would be the steps prior to the CNMV's acceptance of the offer. We do not expect the resolution of the takeover bid until (at least) October 2024. The share price will presumably remain "glued" to Bondalti's offer (3.6 EUR/share) for the next 5-6 months.



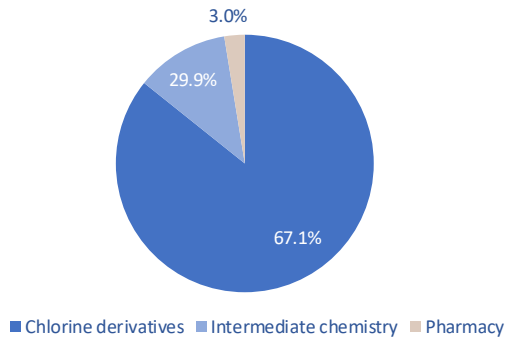
## Financial Projections

| <b>Balance Sheet (EUR Mn)</b>                | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>    | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b>  |               |               |
|--|---------------|---------------|---------------|----------------|---------------|---------------|--------------|---------------|---------------|---------------|
| Intangible assets                            | 19.7          | 16.1          | 17.7          | 31.3           | 29.2          | 30.2          | 31.1         | 32.1          |               |               |
| Fixed assets                                 | 296.9         | 311.3         | 324.5         | 341.5          | 345.1         | 350.4         | 356.3        | 363.6         |               |               |
| Other Non Current Assets                     | 40.3          | 38.9          | 35.7          | 34.4           | 40.6          | 40.6          | 40.6         | 40.6          |               |               |
| Financial Investments                        | 42.7          | 28.8          | 29.0          | 39.2           | 57.0          | 58.6          | 60.2         | 61.8          |               |               |
| Goodwill & Other Intangibles                 | -             | -             | -             | -              | -             | -             | -            | -             |               |               |
| Current assets                               | 184.5         | 148.6         | 248.9         | 239.9          | 170.2         | 181.2         | 190.1        | 193.6         |               |               |
| <b>Total assets</b>                          | <b>584.1</b>  | <b>543.6</b>  | <b>655.8</b>  | <b>686.2</b>   | <b>642.1</b>  | <b>661.0</b>  | <b>678.3</b> | <b>691.8</b>  |               |               |
| Equity                                       | 292.1         | 284.2         | 331.6         | 360.7          | 363.1         | 372.5         | 392.3        | 413.3         |               |               |
| Minority Interests                           | -             | -             | -             | -              | -             | -             | -            | -             |               |               |
| Provisions & Other L/T Liabilities           | 62.2          | 55.8          | 67.6          | 86.6           | 83.6          | 83.6          | 83.6         | 83.6          |               |               |
| Other Non Current Liabilities                | 13.4          | 9.1           | 6.2           | 12.3           | 9.3           | 9.3           | 9.3          | 9.3           |               |               |
| Net financial debt                           | 96.8          | 75.7          | 59.6          | 62.8           | 80.8          | 78.0          | 69.1         | 58.9          |               |               |
| Current Liabilities                          | 119.6         | 118.8         | 190.8         | 163.8          | 105.3         | 117.6         | 124.1        | 126.6         |               |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>584.1</b>  | <b>543.6</b>  | <b>655.8</b>  | <b>686.2</b>   | <b>642.1</b>  | <b>661.0</b>  | <b>678.3</b> | <b>691.8</b>  |               |               |
|  |               |               |               |                |               |               |              |               | <b>CAGR</b>   |               |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>    | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b>  | <b>19-23</b>  | <b>23-26e</b> |
| <b>Total Revenues</b>                        | <b>677.9</b>  | <b>579.3</b>  | <b>811.8</b>  | <b>1,052.5</b> | <b>755.4</b>  | <b>763.7</b>  | <b>805.7</b> | <b>822.1</b>  | <b>2.7%</b>   | <b>2.9%</b>   |
| <i>Total Revenues growth</i>                 | <i>0.1%</i>   | <i>-14.6%</i> | <i>40.1%</i>  | <i>29.6%</i>   | <i>-28.2%</i> | <i>1.1%</i>   | <i>5.5%</i>  | <i>2.0%</i>   |               |               |
| COGS   | (439.3)       | (348.3)       | (525.5)       | (692.6)        | (494.7)       | (492.6)       | (517.3)      | (527.0)       |               |               |
| <b>Gross Margin</b>                          | <b>238.6</b>  | <b>230.9</b>  | <b>286.3</b>  | <b>359.9</b>   | <b>260.8</b>  | <b>271.1</b>  | <b>288.5</b> | <b>295.1</b>  | <b>2.2%</b>   | <b>4.2%</b>   |
| <i>Gross Margin/Revenues</i>                 | <i>35.2%</i>  | <i>39.9%</i>  | <i>35.3%</i>  | <i>34.2%</i>   | <i>34.5%</i>  | <i>35.5%</i>  | <i>35.8%</i> | <i>35.9%</i>  |               |               |
| Personnel Expenses                           | (83.1)        | (84.3)        | (83.6)        | (89.6)         | (91.6)        | (92.5)        | (93.7)       | (94.7)        |               |               |
| Other Operating Expenses                     | (97.5)        | (98.4)        | (109.4)       | (128.2)        | (122.0)       | (121.2)       | (125.0)      | (126.5)       |               |               |
| <b>Recurrent EBITDA</b>                      | <b>58.0</b>   | <b>48.2</b>   | <b>93.3</b>   | <b>142.1</b>   | <b>47.1</b>   | <b>57.4</b>   | <b>69.7</b>  | <b>73.9</b>   | <b>-5.1%</b>  | <b>16.2%</b>  |
| <i>Recurrent EBITDA growth</i>               | <i>-9.7%</i>  | <i>-16.9%</i> | <i>93.4%</i>  | <i>52.3%</i>   | <i>-66.8%</i> | <i>21.8%</i>  | <i>21.5%</i> | <i>6.0%</i>   |               |               |
| <i>Rec. EBITDA/Revenues</i>                  | <i>8.6%</i>   | <i>8.3%</i>   | <i>11.5%</i>  | <i>13.5%</i>   | <i>6.2%</i>   | <i>7.5%</i>   | <i>8.7%</i>  | <i>9.0%</i>   |               |               |
| Restructuring Expense & Other non-rec.       | 4.4           | (0.9)         | (0.4)         | (20.2)         | (3.8)         | -             | -            | -             |               |               |
| <b>EBITDA</b>                                | <b>62.4</b>   | <b>47.3</b>   | <b>92.9</b>   | <b>121.9</b>   | <b>43.3</b>   | <b>57.4</b>   | <b>69.7</b>  | <b>73.9</b>   | <b>-8.7%</b>  | <b>19.5%</b>  |
| Depreciation & Provisions                    | (25.1)        | (27.4)        | (25.2)        | (23.4)         | (23.5)        | (24.7)        | (25.1)       | (25.6)        |               |               |
| Capitalized Expense                          | 0.9           | 2.3           | 0.5           | 0.8            | 1.0           | 1.0           | 1.0          | 1.0           |               |               |
| Rentals (IFRS 16 impact)                     | (7.1)         | (7.3)         | (6.3)         | (7.1)          | (7.8)         | (7.1)         | (7.3)        | (7.4)         |               |               |
| <b>EBIT</b>                                  | <b>31.2</b>   | <b>14.9</b>   | <b>61.8</b>   | <b>92.2</b>    | <b>13.0</b>   | <b>26.6</b>   | <b>38.3</b>  | <b>41.9</b>   | <b>-19.6%</b> | <b>47.6%</b>  |
| <i>EBIT growth</i>                           | <i>-27.8%</i> | <i>-52.1%</i> | <i>314.0%</i> | <i>49.0%</i>   | <i>-85.9%</i> | <i>104.1%</i> | <i>43.9%</i> | <i>9.5%</i>   |               |               |
| <i>EBIT/Revenues</i>                         | <i>4.6%</i>   | <i>2.6%</i>   | <i>7.6%</i>   | <i>8.8%</i>    | <i>1.7%</i>   | <i>3.5%</i>   | <i>4.8%</i>  | <i>5.1%</i>   |               |               |
| Impact of Goodwill & Others                  | -             | -             | -             | -              | -             | -             | -            | -             |               |               |
| Net Financial Result                         | (6.5)         | (8.5)         | (3.1)         | (5.1)          | (9.6)         | (5.4)         | (5.2)        | (4.7)         |               |               |
| Income by the Equity Method                  | 0.4           | 0.5           | 0.6           | 0.9            | 1.6           | 1.6           | 1.6          | 1.6           |               |               |
| <b>Ordinary Profit</b>                       | <b>25.1</b>   | <b>7.0</b>    | <b>59.3</b>   | <b>88.0</b>    | <b>5.0</b>    | <b>22.8</b>   | <b>34.7</b>  | <b>38.8</b>   | <b>-33.1%</b> | <b>97.5%</b>  |
| <i>Ordinary Profit Growth</i>                | <i>-34.0%</i> | <i>-72.2%</i> | <i>749.1%</i> | <i>48.3%</i>   | <i>-94.3%</i> | <i>352.1%</i> | <i>52.5%</i> | <i>11.7%</i>  |               |               |
| Extraordinary Results                        | (2.5)         | -             | -             | -              | -             | -             | -            | -             |               |               |
| <b>Profit Before Tax</b>                     | <b>22.6</b>   | <b>7.0</b>    | <b>59.3</b>   | <b>88.0</b>    | <b>5.0</b>    | <b>22.8</b>   | <b>34.7</b>  | <b>38.8</b>   | <b>-31.3%</b> | <b>97.5%</b>  |
| Tax Expense                                  | 8.4           | (0.7)         | (9.9)         | (17.3)         | 23.8          | (4.6)         | (6.9)        | (7.8)         |               |               |
| <i>Effective Tax Rate</i>                    | <i>n.a.</i>   | <i>10.4%</i>  | <i>16.7%</i>  | <i>19.7%</i>   | <i>n.a.</i>   | <i>20.0%</i>  | <i>20.0%</i> | <i>20.0%</i>  |               |               |
| Minority Interests                           | -             | -             | -             | -              | -             | -             | -            | -             |               |               |
| Discontinued Activities                      | -             | -             | (6.1)         | (7.7)          | (1.2)         | -             | -            | -             |               |               |
| <b>Net Profit</b>                            | <b>31.0</b>   | <b>6.3</b>    | <b>43.3</b>   | <b>63.0</b>    | <b>27.6</b>   | <b>18.2</b>   | <b>27.8</b>  | <b>31.0</b>   | <b>-2.9%</b>  | <b>4.0%</b>   |
| <i>Net Profit growth</i>                     | <i>-30.8%</i> | <i>-79.8%</i> | <i>592.0%</i> | <i>45.5%</i>   | <i>-56.2%</i> | <i>-34.0%</i> | <i>52.5%</i> | <i>11.7%</i>  |               |               |
| <b>Ordinary Net Profit</b>                   | <b>20.7</b>   | <b>7.1</b>    | <b>49.7</b>   | <b>86.9</b>    | <b>8.8</b>    | <b>18.2</b>   | <b>27.8</b>  | <b>31.0</b>   | <b>-19.2%</b> | <b>52.0%</b>  |
| <i>Ordinary Net Profit growth</i>            | <i>-40.9%</i> | <i>-65.8%</i> | <i>603.6%</i> | <i>74.7%</i>   | <i>-89.8%</i> | <i>106.1%</i> | <i>52.5%</i> | <i>11.7%</i>  |               |               |
|  |               |               |               |                |               |               |              |               | <b>CAGR</b>   |               |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>    | <b>2023</b>   | <b>2024e</b>  | <b>2025e</b> | <b>2026e</b>  | <b>19-23</b>  | <b>23-26e</b> |
| <b>Recurrent EBITDA</b>                      |               |               |               |                |               | <b>57.4</b>   | <b>69.7</b>  | <b>73.9</b>   | <b>-5.1%</b>  | <b>16.2%</b>  |
| Rentals (IFRS 16 impact)                     |               |               |               |                |               | (7.1)         | (7.3)        | (7.4)         |               |               |
| Working Capital Increase                     |               |               |               |                |               | 1.3           | (2.4)        | (1.0)         |               |               |
| <b>Recurrent Operating Cash Flow</b>         |               |               |               |                |               | <b>51.6</b>   | <b>60.0</b>  | <b>65.6</b>   | <b>-10.9%</b> | <b>9.3%</b>   |
| CAPEX  |               |               |               |                |               | (30.0)        | (31.0)       | (33.0)        |               |               |
| Net Financial Result affecting the Cash Flow |               |               |               |                |               | (5.4)         | (5.2)        | (4.7)         |               |               |
| Tax Expense                                  |               |               |               |                |               | (4.6)         | (6.9)        | (7.8)         |               |               |
| <b>Recurrent Free Cash Flow</b>              |               |               |               |                |               | <b>11.6</b>   | <b>16.9</b>  | <b>20.1</b>   | <b>-19.2%</b> | <b>20.9%</b>  |
| Restructuring Expense & Other non-rec.       |               |               |               |                |               | -             | -            | -             |               |               |
| - Acquisitions / + Divestures of assets      |               |               |               |                |               | -             | -            | -             |               |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |               |               |               |                |               | -             | -            | -             |               |               |
| <b>Free Cash Flow</b>                        |               |               |               |                |               | <b>11.6</b>   | <b>16.9</b>  | <b>20.1</b>   | <b>-26.4%</b> | <b>46.7%</b>  |
| Capital Increase                             |               |               |               |                |               | -             | (3.0)        | (5.0)         |               |               |
| Dividends                                    |               |               |               |                |               | (8.8)         | (5.0)        | (5.0)         |               |               |
| <b>Net Debt Variation</b>                    |               |               |               |                |               | <b>(2.8)</b>  | <b>(8.9)</b> | <b>(10.1)</b> |               |               |

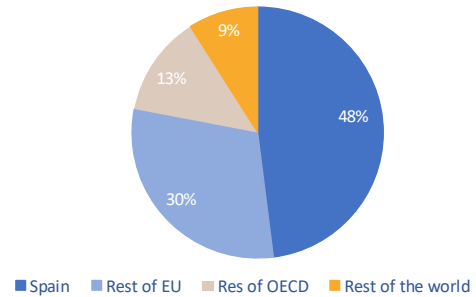


## The company in 8 charts

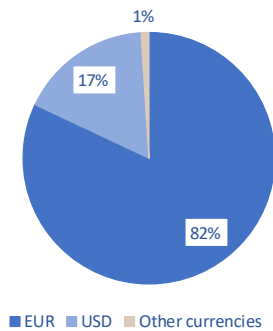
**High exposure to the industrial cycle, especially through its chlorine derivatives business (% of EBITDA 2023)**



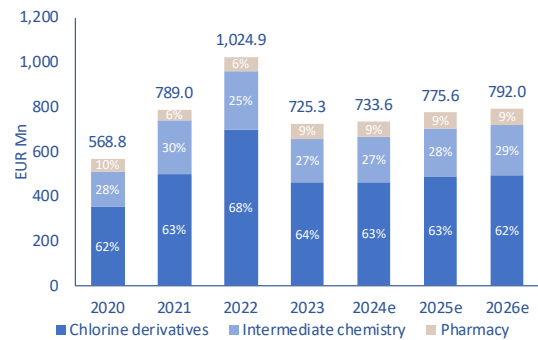
**With 52% of sales coming from outside Spain in 2023**



**Although 82% of the sales were in EUR and 17% in USD in 2023**

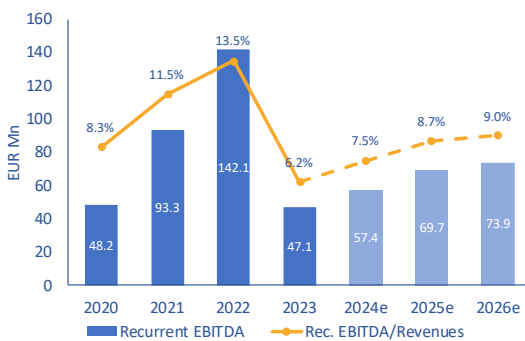


**After record results in 2022, in 2023 we witnessed lower activity, which should start to recover in 2H24.**

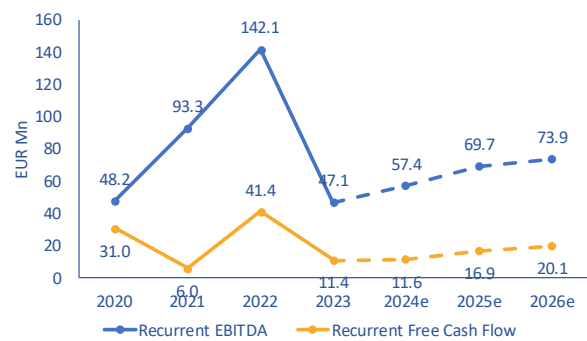


Note: excludes other revenue.

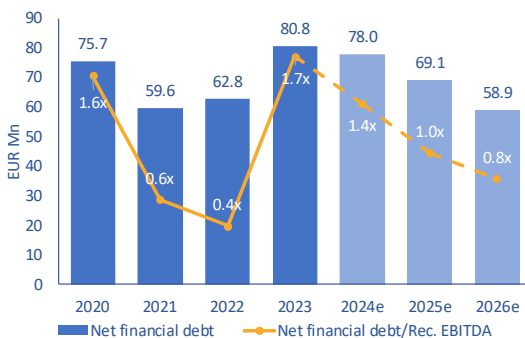
**Lower energy costs and business growth should enable ERC to keep its EBITDA margin > 7%**



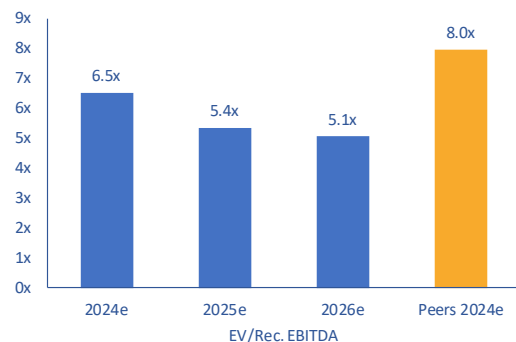
**And despite high CAPEX, the ability to generate FCF should remain positive**



**A very robust balance sheet (ND/EBITDA 2024e: 1.4x)**



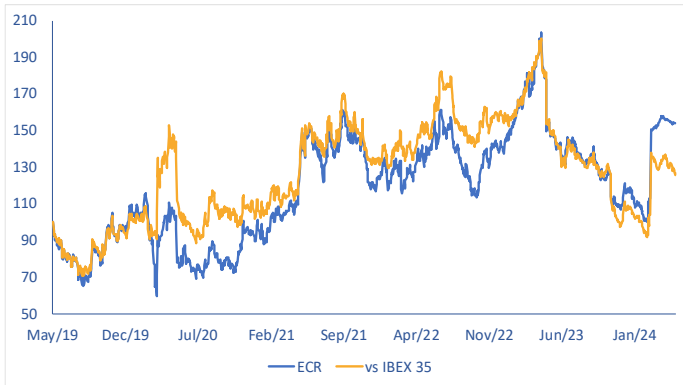
**Trading at relatively low multiples (EV/EBITDA 2024e: 6.5x)**





## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Chemicals

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y  |
|---|------|------|-------|------|-------|------|
| <b>Absolute</b>                           | -1.1 | 52.8 | 4.7   | 32.6 | 3.3   | 54.2 |
| <b>vs Market</b>                          |      |      |       |      |       |      |
| vs Ibex 35                                | -7.2 | 33.4 | -14.8 | 18.2 | -16.5 | 26.3 |
| vs Euro STOXX 50                          | -4.1 | 43.8 | -10.6 | 18.4 | -18.3 | 4.3  |
| <b>vs Small Cap References</b>            |      |      |       |      |       |      |
| vs Ibex Small Cap Index                   | -9.5 | 33.7 | -8.6  | 19.1 | 1.0   | 18.3 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -6.3 | 41.5 | -0.3  | 23.0 | 11.7  | 27.6 |
| vs MSCI Europe Micro Cap                  | -6.8 | 42.4 | 1.7   | 25.4 | 26.7  | 28.6 |
| <b>vs Sector</b>                          |      |      |       |      |       |      |
| vs Stoxx Europe 600 Chemicals             | -0.3 | 46.4 | -2.3  | 31.9 | -2.5  | 8.9  |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

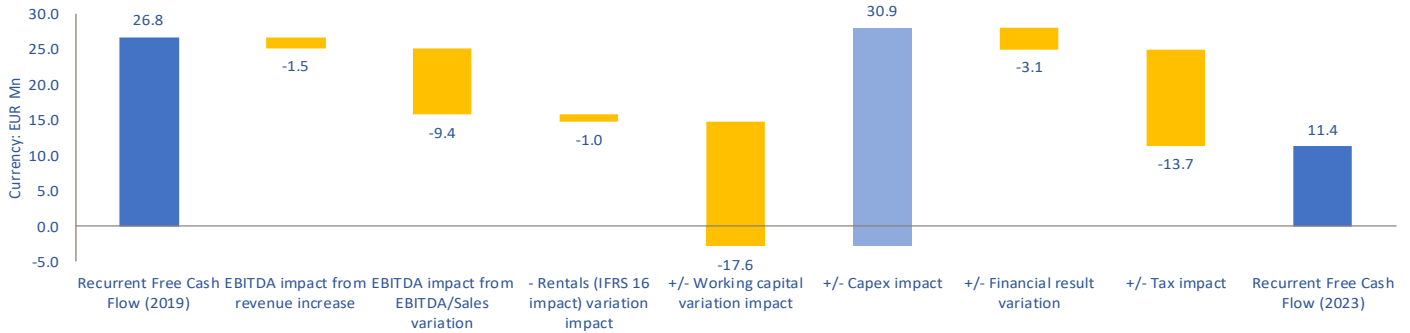
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021          | 2022         | 2023          | 2024e       | 2025e       | 2026e       | CAGR          |              |
|---|--------------|---------------|--------------|---------------|-------------|-------------|-------------|---------------|--------------|
|   |              |               |              |               |             |             |             | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>48.2</b>  | <b>93.3</b>   | <b>142.1</b> | <b>47.1</b>   | <b>57.4</b> | <b>69.7</b> | <b>73.9</b> | <b>-0.8%</b>  | <b>16.2%</b> |
| <i>Recurrent EBITDA growth</i>  | -16.9%       | 93.4%         | 52.3%        | -66.8%        | 21.8%       | 21.5%       | 6.0%        |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 8.3%         | 11.5%         | 13.5%        | 6.2%          | 7.5%        | 8.7%        | 9.0%        |               |              |
| - Rentals (IFRS 16 impact)  | (7.3)        | (6.3)         | (7.1)        | (8.1)         | (7.1)       | (7.3)       | (7.4)       |               |              |
| +/- Working Capital increase  | 35.0         | (28.3)        | (18.0)       | 11.2          | 1.3         | (2.4)       | (1.0)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>76.0</b>  | <b>58.7</b>   | <b>117.0</b> | <b>50.2</b>   | <b>51.6</b> | <b>60.0</b> | <b>65.6</b> | <b>-12.9%</b> | <b>9.3%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | -4.8%        | -22.7%        | 99.4%        | -57.1%        | 2.7%        | 16.3%       | 9.3%        |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 13.1%        | 7.2%          | 11.1%        | 6.6%          | 6.8%        | 7.4%        | 8.0%        |               |              |
| - CAPEX   | (35.8)       | (39.6)        | (53.2)       | (24.0)        | (30.0)      | (31.0)      | (33.0)      |               |              |
| - Net Financial Result affecting Cash Flow  | (8.5)        | (3.1)         | (5.1)        | (9.6)         | (5.4)       | (5.2)       | (4.7)       |               |              |
| - Taxes   | (0.7)        | (9.9)         | (17.3)       | (5.3)         | (4.6)       | (6.9)       | (7.8)       |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>31.0</b>  | <b>6.0</b>    | <b>41.4</b>  | <b>11.4</b>   | <b>11.6</b> | <b>16.9</b> | <b>20.1</b> | <b>-28.4%</b> | <b>20.9%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 15.8%        | -80.5%        | 585.0%       | -72.5%        | 2.1%        | 45.4%       | 19.0%       |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 5.4%         | 0.7%          | 3.9%         | 1.5%          | 1.5%        | 2.1%        | 2.4%        |               |              |
| - Restructuring expenses & others   | -            | -             | -            | (1.2)         | -           | -           | -           |               |              |
| - Acquisitions / + Divestments  | -            | -             | -            | -             | -           | -           | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 4.2          | 16.5          | (22.0)       | (3.8)         | -           | -           | -           |               |              |
| <b>= Free Cash Flow</b>   | <b>35.2</b>  | <b>22.6</b>   | <b>19.4</b>  | <b>6.4</b>    | <b>11.6</b> | <b>16.9</b> | <b>20.1</b> | <b>-43.4%</b> | <b>46.7%</b> |
| <i>Free Cash Flow growth</i>  | 62.1%        | -35.9%        | -14.0%       | -67.2%        | 82.3%       | 45.4%       | 19.0%       |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 9.7%         | 1.9%          | 12.9%        | 3.6%          | 3.6%        | 5.3%        | 6.3%        |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 11.0%        | 7.1%          | 6.1%         | 2.0%          | 3.6%        | 5.3%        | 6.3%        |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |               |              |               |             |             |             |               |              |
|   | 2020         | 2021          | 2022         | 2023          | 2024e       | 2025e       | 2026e       | CAGR          |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>26.8</b>  | <b>31.0</b>   | <b>6.0</b>   | <b>41.4</b>   | <b>11.4</b> | <b>11.6</b> | <b>16.9</b> |               |              |
| EBITDA impact from revenue increase   | (8.4)        | 19.4          | 27.7         | (40.1)        | 0.5         | 3.2         | 1.4         |               |              |
| EBITDA impact from EBITDA/Sales variation   | (1.4)        | 25.7          | 21.1         | (54.9)        | 9.8         | 9.2         | 2.8         |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(9.8)</b> | <b>45.1</b>   | <b>48.8</b>  | <b>(95.0)</b> | <b>10.3</b> | <b>12.4</b> | <b>4.2</b>  |               |              |
| - Rentals (IFRS 16 impact) variation impact   | (0.2)        | 1.0           | (0.8)        | (1.0)         | 1.0         | (0.2)       | (0.1)       |               |              |
| +/- Working capital variation impact  | 6.2          | (63.3)        | 10.3         | 29.2          | (9.9)       | (3.7)       | 1.5         |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(3.8)</b> | <b>(17.3)</b> | <b>58.3</b>  | <b>(66.8)</b> | <b>1.4</b>  | <b>8.4</b>  | <b>5.6</b>  |               |              |
| +/- CAPEX impact  | 19.2         | (3.8)         | (13.6)       | 29.2          | (6.0)       | (1.0)       | (2.0)       |               |              |
| +/- Financial result variation  | (2.0)        | 5.3           | (1.9)        | (4.5)         | 4.2         | 0.3         | 0.4         |               |              |
| +/- Tax impact  | (9.1)        | (9.2)         | (7.4)        | 12.0          | 0.7         | (2.4)       | (0.8)       |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>4.2</b>   | <b>(24.9)</b> | <b>35.4</b>  | <b>(30.0)</b> | <b>0.2</b>  | <b>5.3</b>  | <b>3.2</b>  |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>31.0</b>  | <b>6.0</b>    | <b>41.4</b>  | <b>11.4</b>   | <b>11.6</b> | <b>16.9</b> | <b>20.1</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |               |              |               |             |             |             |               |              |
|   | 2020         | 2021          | 2022         | 2023          | 2024e       | 2025e       | 2026e       | CAGR          |              |
| <b>EBIT</b>   | <b>14.9</b>  | <b>61.8</b>   | <b>92.2</b>  | <b>13.0</b>   | <b>26.6</b> | <b>38.3</b> | <b>41.9</b> | <b>-4.4%</b>  | <b>47.6%</b> |
| * <i>Theoretical Tax rate</i>   | 10.4%        | 16.7%         | 19.7%        | 0.0%          | 20.0%       | 20.0%       | 20.0%       |               |              |
| = Taxes (pre- Net Financial Result)   | (1.6)        | (10.3)        | (18.1)       | -             | (5.3)       | (7.7)       | (8.4)       |               |              |
| <b>Recurrent EBITDA</b>   | <b>48.2</b>  | <b>93.3</b>   | <b>142.1</b> | <b>47.1</b>   | <b>57.4</b> | <b>69.7</b> | <b>73.9</b> | <b>-0.8%</b>  | <b>16.2%</b> |
| - Rentals (IFRS 16 impact)  | (7.3)        | (6.3)         | (7.1)        | (8.1)         | (7.1)       | (7.3)       | (7.4)       |               |              |
| +/- Working Capital increase  | 35.0         | (28.3)        | (18.0)       | 11.2          | 1.3         | (2.4)       | (1.0)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>76.0</b>  | <b>58.7</b>   | <b>117.0</b> | <b>50.2</b>   | <b>51.6</b> | <b>60.0</b> | <b>65.6</b> | <b>-12.9%</b> | <b>9.3%</b>  |
| - CAPEX   | (35.8)       | (39.6)        | (53.2)       | (24.0)        | (30.0)      | (31.0)      | (33.0)      |               |              |
| - Taxes (pre- Financial Result)   | (1.6)        | (10.3)        | (18.1)       | -             | (5.3)       | (7.7)       | (8.4)       |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>38.6</b>  | <b>8.8</b>    | <b>45.7</b>  | <b>26.2</b>   | <b>16.3</b> | <b>21.4</b> | <b>24.2</b> | <b>-12.1%</b> | <b>-2.6%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 55.4%        | -77.3%        | 421.5%       | -42.6%        | -37.9%      | 31.1%       | 13.5%       |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 6.7%         | 1.1%          | 4.3%         | 3.5%          | 2.1%        | 2.7%        | 2.9%        |               |              |
| - Acquisitions / + Divestments  | -            | -             | -            | -             | -           | -           | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 4.2          | 16.5          | (22.0)       | (3.8)         | -           | -           | -           |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>42.9</b>  | <b>25.3</b>   | <b>23.7</b>  | <b>22.4</b>   | <b>16.3</b> | <b>21.4</b> | <b>24.2</b> | <b>-19.4%</b> | <b>2.6%</b>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | 116.3%       | -41.0%        | -6.5%        | -5.2%         | -27.4%      | 31.1%       | 13.5%       |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 10.3%        | 2.3%          | 12.2%        | 7.0%          | 4.4%        | 5.7%        | 6.5%        |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 11.5%        | 6.8%          | 6.3%         | 6.0%          | 4.4%        | 5.7%        | 6.5%        |               |              |



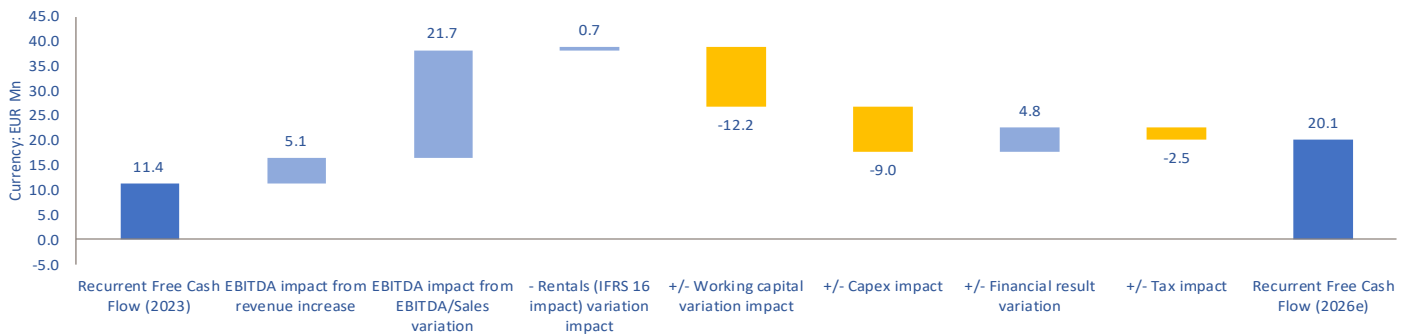


## Free Cash Flow (II)

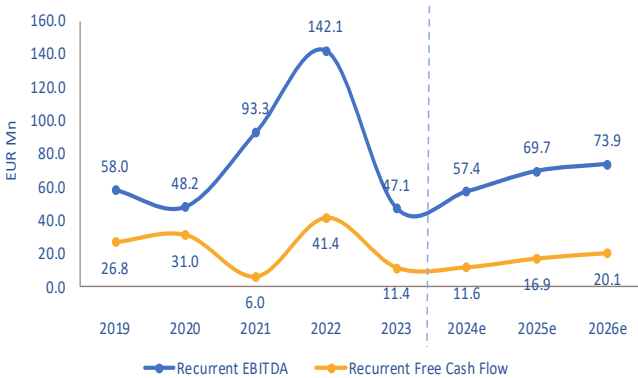
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



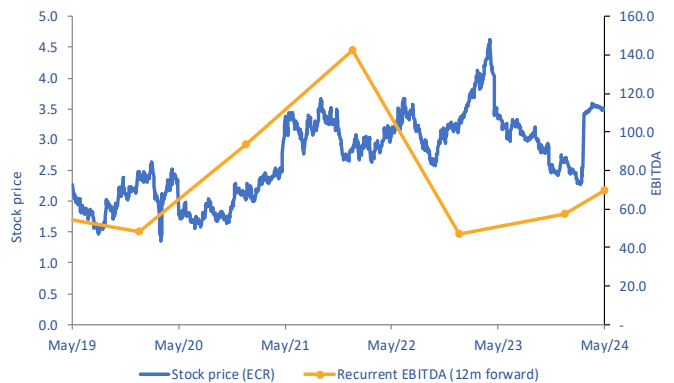
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                   | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 16.3  | 21.4                                    | 24.2  | n.a.                          |           |            |
| Market Cap                     | 320.0 | At the date of this report              |       |                               |           |            |
| Net financial debt             | 96.3  | Debt net of Cash (3m Results 2024)      |       |                               |           |            |
|                                |       |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 4.5%  | Net debt cost                           |       |                               | 4.3%      | 4.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 3.6%  | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 3.4%      | 3.8%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                        |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                        |       |                               | 1.1       | 1.2        |
| Cost of Equity                 | 10.5% | $K_e = R_f + (R * B)$                   |       |                               | 9.3%      | 11.1%      |
| Equity / (Equity + Net Debt)   | 76.9% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 23.1% | D                                       |       |                               | =         | =          |
| WACC                           | 8.9%  | $WACC = K_d * D + K_e * E$              |       |                               | 7.9%      | 9.4%       |
| G "Fair"                       | 1.5%  |   |       |                               | 2.0%      | 1.0%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 320.0        |                  |
| + Minority Interests                 | -            | 3m Results 2024  |
| + Provisions & Other L/T Liabilities | 23.6         | 12m Results 2023 |
| + Net financial debt                 | 96.3         | 3m Results 2024  |
| - Financial Investments              | 66.5         | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>373.5</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021  | 2022  | 2023 |
|----------------------|-------|-------|-------|-------|------|
| ROCE (evolution -5y) | 7.6%  | 3.4%  | 12.6% | 16.4% | 2.8% |
|                      | 2023  | 2026e |       |       |      |
| ROCE - WACC          | -6.1% | -2.0% |       |       |      |
| FCF Yield - WACC     | -5.3% | -2.6% |       |       |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 9.1%             | 73.0       | 5.1x          |
| Central  | 8.7%             | 69.7       | 5.4x          |
| Min      | 8.3%             | 66.5       | 5.6x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|------|------|----------|--------------------|------|------|
| EBITDA 25e      | 3.4%            | 3.8% | 4.2% |          | Max                | 7.3% | 6.3% |
| 73.0            | 23.4            | 20.1 | 16.9 | Central  | 6.3%               | 5.3% | 4.3% |
| 69.7            | 20.1            | 16.9 | 13.7 | Min      | 5.3%               | 4.3% | 3.3% |
| 66.5            | 16.9            | 13.7 | 10.5 |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 33.3% | 33.3% | 33.3% |
| % of proprietary directors           | 16.7% | 16.7% | 16.7% |
| % of executive directors             | 16.7% | 16.7% | 16.7% |
| % of other directors                 | 33.3% | 33.3% | 33.3% |
| % of women on the board of directors | 33.3% | 33.3% | 33.3% |
| % of women out of total workforce    | 17.2% | 17.7% | 18.3% |
| Board remuneration/staff cost        | 0.9%  | 1.1%  | 1.0%  |



FacePhi (FACE) is a Spanish tech company based in Alicante and with offices in South Korea, Uruguay and the UK. It specialises in the development and marketing of software for identity authentication via digital onboarding solutions and biometric authentication. It is present in Latam (today its main market; c. 95% of 2023 revenue) and has a strong position in the financial sector..

**Market Data**

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 44.4               | 48.3 |
| EV (Mn EUR and USD)            | 50.2               | 54.6 |
| Shares Outstanding (Mn)        | 21.9               |      |
| -12m (Max/Med/Min EUR)         | 2.88 / 2.29 / 1.79 |      |
| Daily Avg volume (-12m Mn EUR) | 0.07               |      |
| Rotation <sup>(1)</sup>        | 38.0               |      |
| Factset / Bloomberg            | FACE-ES / FACE SM  |      |
| Close fiscal year              | 31-Dec             |      |

**Shareholders Structure (%)<sup>(3)</sup>**

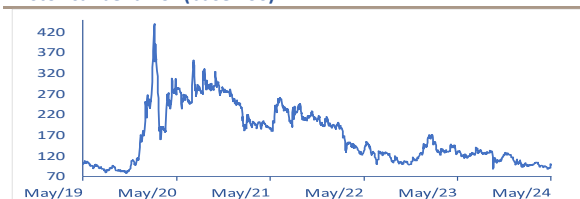
|                            |      |
|----------------------------|------|
| Nice&Green                 | 12.5 |
| Hamco                      | 7.2  |
| Javier Mira Miró           | 5.2  |
| Juan Alfonso Ortiz Company | 5.0  |
| Free Float                 | 65.7 |

**Financials (Mn EUR)**

|                                     | 2023   | 2024e | 2025e | 2026e |
|-------------------------------------|--------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 19.0   | 21.8  | 21.9  | 21.9  |
| Total Revenues                      | 25.2   | 37.0  | 43.0  | 49.8  |
| Rec. EBITDA                         | -3.9   | 2.7   | 4.0   | 5.8   |
| % growth                            | -905.7 | 168.8 | 48.0  | 46.0  |
| % Rec. EBITDA/Rev.                  | n.a.   | 7.3   | 9.3   | 11.7  |
| % Inc. EBITDA sector <sup>(2)</sup> | 17.8   | 9.4   | 21.0  | 12.5  |
| Net Profit                          | -3.3   | 0.9   | 2.1   | 3.6   |
| EPS (EUR)                           | -0.17  | 0.04  | 0.10  | 0.17  |
| % growth                            | -372.1 | 124.4 | 126.2 | 71.9  |
| Ord. EPS (EUR)                      | -0.25  | 0.04  | 0.10  | 0.17  |
| % growth                            | -349.5 | 116.9 | 126.2 | 71.9  |
| Rec. Free Cash Flow                 | -6.1   | -0.8  | 0.0   | 1.5   |
| Pay-out (%)                         | 0.0    | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00   | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 10.3   | 6.1   | 6.1   | 4.6   |
| ND/Rec. EBITDA (x)                  | n.a.   | 2.3   | 1.5   | 0.8   |
| ROE (%)                             | n.a.   | 4.0   | 7.8   | 12.1  |
| ROCE (%)                            | n.a.   | 4.2   | 7.2   | 11.0  |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | 47.8 | 21.1 | 12.3 |
| Ord. P/E           | n.a. | 47.8 | 21.1 | 12.3 |
| P/BV               | 2.2  | 1.7  | 1.6  | 1.4  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 1.99 | 1.36 | 1.17 | 1.01 |
| EV/Rec. EBITDA     | n.a. | 18.6 | 12.5 | 8.6  |
| EV/EBIT            | n.a. | 30.3 | 16.5 | 10.3 |
| FCF Yield (%)      | n.a. | n.a. | 0.0  | 3.4  |

**Historical behavior (base 100)**


|          | (%) | -1m | -3m | -12m  | -5Y  |
|----------|-----|-----|-----|-------|------|
| Absolute |     | 7.4 | 4.4 | -21.9 | -0.5 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Technology.

(3) Others: Salvador Martí Varó 4.4%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**Double-digit revenue growth in 2023** to EUR 25.2Mn (+12.5% vs 2022). Despite the fact that c.EUR 5.0Mn of revenue has been deferred to 1H24 for accounting reasons. However, the sharp growth in overhead weighed heavily on recurring EBITDA, which was negative by EUR 3.9Mn (vs EUR 0.5Mn in 2022).

**2024e: big jump forecast in revenue to EUR 37Mn (excl. capitalised costs)**, thanks to: (i) the revenue deferred to 1H24 (seasonally, the weaker half); (ii) positioning of the subsidiaries in LATAM and EMEA; and (iii) the ability to retain customers (high switching costs).

**Along with a big improvement in profitability**, thanks the operational gearing over a structure already in place (as was visible in 2H23). Our estimates call for recurring EBITDA 2024e of EUR 2.7Mn, implying a margin of 7.3% (compared to breakeven or losses in recent years).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Consolidation of new markets.** Through alliances with partners for the sale of FACE solutions. Its position in LATAM is already well established. Growth in EMEA and APAC are the key revenue drivers.

**Proprietary product development.** With an integrated “plug and play” model with Facephi Identity Platform, which boosts business scalability (providing faster and more effective implementation at the client) and generates recurring revenue. In 2023, FACE launched new products on the market and offered new features (e.g. behavioural biometrics and ID wallet).

**Strategic alliance with HAMCO.** HAMCO is taking an equity interest in FACE for EUR 5Mn at a conversion price of EUR 2.95 per share (1.7Mn shares, c.8% of the total currently outstanding). HAMCO will distribute FACE’s products, services and technology exclusively in APAC. The licensing model will be based on a revenue sharing agreement.

**The key lies with the ability to unlock profits in the coming years.** We think the margin improvement observed in 2H23 has further to go and should be visible in 2024e. Specifically, we are forecasting an EBITDA margin of 9.3% in 2025e (vs 7% in 2024e and negative in 2023), thanks to operational gearing.

**RISKS: WHAT TO KEEP AN EYE ON?**

**Working capital management.** FACE’s business has a high working capital requirement (working capital/sales ratio of c.45% in 2023), with a large portion of receivables falling due over one year (EUR 7.1Mn at year-end 2023; c.35% of the total vs EUR 5.2Mn at year-end 2022; 30% of the total).

**Net debt and dilution risk.** FACE ended 2023 with net debt of EUR 10Mn. We expect this level to fall to c. EUR 6.1Mn in 2025e thanks to the equity investment by HAMCO. However, we would not rule out additional equity issues (and dilution) to cover the company’s financing needs.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**All eyes should be on margins.** The company has invested heavily in overhead and its projections are demanding. Our 2024e estimates imply an EV/revenue multiple of 1.4x. And our 2025e estimates imply an EV/EBITDA multiple of 12.5x.



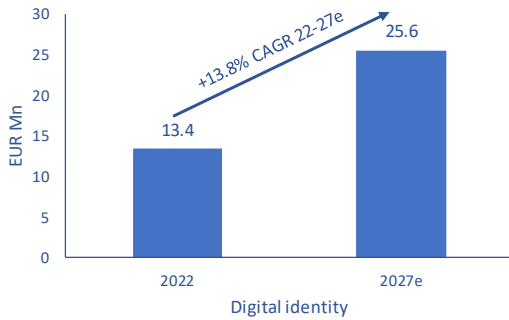
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |              |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 1.6         | 4.1          | 5.1          | 7.6          | 11.8         | 10.8         | 9.8          | 8.9          |               |              |
| Fixed assets                                 | 0.0         | 0.2          | 0.4          | 1.8          | 2.7          | 3.4          | 4.3          | 5.2          |               |              |
| Other Non Current Assets                     | 0.1         | 0.5          | 1.1          | 1.6          | 4.9          | 4.9          | 4.9          | 4.9          |               |              |
| Financial Investments                        | 0.7         | 0.2          | 0.2          | 0.2          | 0.1          | 0.1          | 0.1          | 0.1          |               |              |
| Goodwill & Other Intangibles                 | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Current assets                               | 8.3         | 4.6          | 9.8          | 18.8         | 23.3         | 30.4         | 35.1         | 40.1         |               |              |
| <b>Total assets</b>                          | <b>10.7</b> | <b>9.5</b>   | <b>16.6</b>  | <b>29.9</b>  | <b>42.8</b>  | <b>49.6</b>  | <b>54.3</b>  | <b>59.3</b>  |               |              |
| Equity                                       | 4.4         | 7.0          | 8.7          | 15.2         | 20.0         | 26.0         | 28.1         | 31.7         |               |              |
| Minority Interests                           | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Provisions & Other L/T Liabilities           | 0.1         | 0.1          | 0.1          | 0.2          | 0.5          | 0.5          | 0.5          | 0.5          |               |              |
| Other Non Current Liabilities                | -           | -            | -            | 0.1          | -            | -            | -            | -            |               |              |
| Net financial debt                           | 2.7         | 0.5          | 4.7          | 9.0          | 10.3         | 6.1          | 6.1          | 4.6          |               |              |
| Current Liabilities                          | 3.6         | 1.8          | 3.1          | 5.4          | 11.9         | 17.0         | 19.6         | 22.5         |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>10.7</b> | <b>9.5</b>   | <b>16.6</b>  | <b>29.9</b>  | <b>42.8</b>  | <b>49.6</b>  | <b>54.3</b>  | <b>59.3</b>  |               |              |
| P&L (EUR Mn)                                 | 2019        | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Total Revenues</b>                        | <b>8.2</b>  | <b>7.3</b>   | <b>13.2</b>  | <b>22.4</b>  | <b>25.2</b>  | <b>37.0</b>  | <b>43.0</b>  | <b>49.8</b>  | <b>32.4%</b>  | <b>25.5%</b> |
| <i>Total Revenues growth</i>                 | 82.7%       | -11.3%       | 81.4%        | 69.9%        | 12.5%        | 46.9%        | 16.0%        | 16.0%        |               |              |
| COGS   | (1.1)       | (1.4)        | (1.9)        | (3.2)        | (3.4)        | (5.0)        | (6.0)        | (7.0)        |               |              |
| <b>Gross Margin</b>                          | <b>7.1</b>  | <b>5.9</b>   | <b>11.3</b>  | <b>19.2</b>  | <b>21.8</b>  | <b>32.0</b>  | <b>36.9</b>  | <b>42.8</b>  | <b>32.4%</b>  | <b>25.2%</b> |
| <i>Gross Margin/Revenues</i>                 | 86.6%       | 80.7%        | 85.8%        | 85.8%        | 86.6%        | 86.5%        | 86.0%        | 86.0%        |               |              |
| Personnel Expenses                           | (1.9)       | (3.2)        | (6.2)        | (11.0)       | (13.6)       | (15.5)       | (17.4)       | (19.5)       |               |              |
| Other Operating Expenses                     | (2.8)       | (3.0)        | (5.6)        | (7.7)        | (12.2)       | (13.8)       | (15.5)       | (17.5)       |               |              |
| <b>Recurrent EBITDA</b>                      | <b>2.4</b>  | <b>(0.4)</b> | <b>(0.4)</b> | <b>0.5</b>   | <b>(3.9)</b> | <b>2.7</b>   | <b>4.0</b>   | <b>5.8</b>   | <b>-38.1%</b> | <b>51.6%</b> |
| <i>Recurrent EBITDA growth</i>               | n.a.        | -114.7%      | -13.2%       | 221.7%       | -905.7%      | 168.8%       | 48.0%        | 46.0%        |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | 29.3%       | n.a.         | n.a.         | 2.2%         | n.a.         | 7.3%         | 9.3%         | 11.7%        |               |              |
| Restructuring Expense & Other non-rec.       | (0.6)       | (0.4)        | (1.2)        | (0.7)        | (1.3)        | -            | -            | -            |               |              |
| <b>EBITDA</b>                                | <b>1.8</b>  | <b>(0.7)</b> | <b>(1.6)</b> | <b>(0.2)</b> | <b>(5.2)</b> | <b>2.7</b>   | <b>4.0</b>   | <b>5.8</b>   | <b>-48.9%</b> | <b>46.2%</b> |
| Depreciation & Provisions                    | (0.5)       | (0.7)        | (1.2)        | (1.8)        | (4.4)        | (5.2)        | (5.1)        | (5.1)        |               |              |
| Capitalized Expense                          | 0.6         | 1.1          | 2.2          | 3.8          | 4.2          | 4.2          | 4.2          | 4.2          |               |              |
| Rentals (IFRS 16 impact)                     | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>EBIT</b>                                  | <b>1.9</b>  | <b>(0.4)</b> | <b>(0.6)</b> | <b>1.7</b>   | <b>(5.4)</b> | <b>1.7</b>   | <b>3.0</b>   | <b>4.9</b>   | <b>-48.0%</b> | <b>42.7%</b> |
| <i>EBIT growth</i>                           | 112.4%      | -119.0%      | -65.0%       | 390.1%       | -408.3%      | 130.8%       | 82.9%        | 61.1%        |               |              |
| <i>EBIT/Revenues</i>                         | 23.4%       | n.a.         | n.a.         | 7.8%         | n.a.         | 4.5%         | 7.1%         | 9.8%         |               |              |
| Impact of Goodwill & Others                  | -           | -            | -            | -            | 1.0          | -            | -            | -            |               |              |
| Net Financial Result                         | (0.2)       | (1.6)        | (0.3)        | (0.7)        | (1.7)        | (0.5)        | (0.4)        | (0.4)        |               |              |
| Income by the Equity Method                  | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Ordinary Profit</b>                       | <b>1.7</b>  | <b>(2.0)</b> | <b>(0.9)</b> | <b>1.0</b>   | <b>(6.1)</b> | <b>1.2</b>   | <b>2.6</b>   | <b>4.5</b>   | <b>-53.4%</b> | <b>40.0%</b> |
| <i>Ordinary Profit Growth</i>                | 102.7%      | -217.0%      | 57.4%        | 220.2%       | -690.4%      | 119.2%       | 126.7%       | 71.9%        |               |              |
| Extraordinary Results                        | 0.0         | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>1.7</b>  | <b>(2.0)</b> | <b>(0.9)</b> | <b>1.0</b>   | <b>(6.1)</b> | <b>1.2</b>   | <b>2.6</b>   | <b>4.5</b>   | <b>-53.3%</b> | <b>40.0%</b> |
| Tax Expense                                  | (0.4)       | 0.1          | 0.3          | 0.1          | 2.7          | (0.2)        | (0.5)        | (0.9)        |               |              |
| <i>Effective Tax Rate</i>                    | 25.0%       | n.a.         | n.a.         | n.a.         | n.a.         | 20.0%        | 20.0%        | 20.0%        |               |              |
| Minority Interests                           | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Discontinued Activities                      | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>1.3</b>  | <b>(1.9)</b> | <b>(0.6)</b> | <b>1.1</b>   | <b>(3.3)</b> | <b>0.9</b>   | <b>2.1</b>   | <b>3.6</b>   | <b>-46.2%</b> | <b>45.7%</b> |
| <i>Net Profit growth</i>                     | 10.4%       | -243.9%      | 70.1%        | 299.8%       | -399.1%      | 128.0%       | 126.7%       | 71.9%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>1.7</b>  | <b>(1.6)</b> | <b>0.3</b>   | <b>1.7</b>   | <b>(4.8)</b> | <b>0.9</b>   | <b>2.1</b>   | <b>3.6</b>   | <b>-47.5%</b> | <b>40.2%</b> |
| <i>Ordinary Net Profit growth</i>            | 526.1%      | -192.6%      | 119.9%       | 442.4%       | -374.2%      | 119.4%       | 126.7%       | 71.9%        |               |              |
| Cash Flow (EUR Mn)                           | 2019        | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Recurrent EBITDA</b>                      |             |              |              |              |              | <b>2.7</b>   | <b>4.0</b>   | <b>5.8</b>   | <b>-38.1%</b> | <b>51.6%</b> |
| Rentals (IFRS 16 impact)                     |             |              |              |              |              | -            | -            | -            |               |              |
| Working Capital Increase                     |             |              |              |              |              | (2.1)        | (2.2)        | (2.1)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |             |              |              |              |              | <b>0.6</b>   | <b>1.8</b>   | <b>3.8</b>   | <b>n.a.</b>   | <b>58.4%</b> |
| CAPEX  |             |              |              |              |              | (0.7)        | (0.9)        | (1.0)        |               |              |
| Net Financial Result affecting the Cash Flow |             |              |              |              |              | (0.5)        | (0.4)        | (0.4)        |               |              |
| Tax Expense                                  |             |              |              |              |              | (0.2)        | (0.5)        | (0.9)        |               |              |
| <b>Recurrent Free Cash Flow</b>              |             |              |              |              |              | <b>(0.8)</b> | <b>0.0</b>   | <b>1.5</b>   | <b>-29.6%</b> | <b>31.0%</b> |
| Restructuring Expense & Other non-rec.       |             |              |              |              |              | -            | -            | -            |               |              |
| - Acquisitions / + Divestures of assets      |             |              |              |              |              | -            | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |              |              |              |              | -            | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |             |              |              |              |              | <b>(0.8)</b> | <b>0.0</b>   | <b>1.5</b>   | <b>-37.0%</b> | <b>29.0%</b> |
| Capital Increase                             |             |              |              |              |              | 5.0          | -            | -            |               |              |
| Dividends                                    |             |              |              |              |              | -            | -            | -            |               |              |
| <b>Net Debt Variation</b>                    |             |              |              |              |              | <b>(4.2)</b> | <b>(0.0)</b> | <b>(1.5)</b> |               |              |



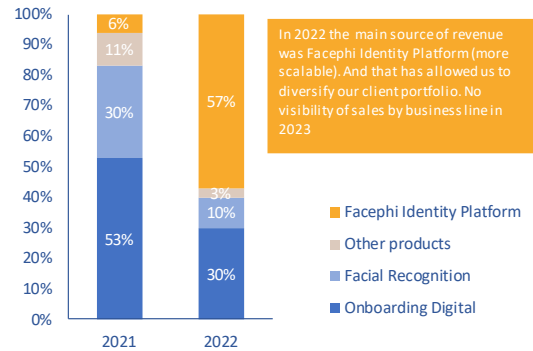
**The company in 8 charts**

**Digital identity: a market with strong growth potential worldwide (+13.8% CAGR 22-27e)**

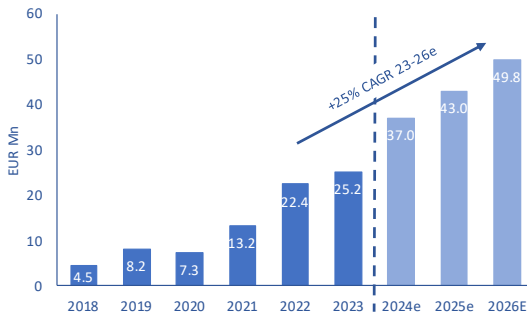


Sources: Marketsandmarkets

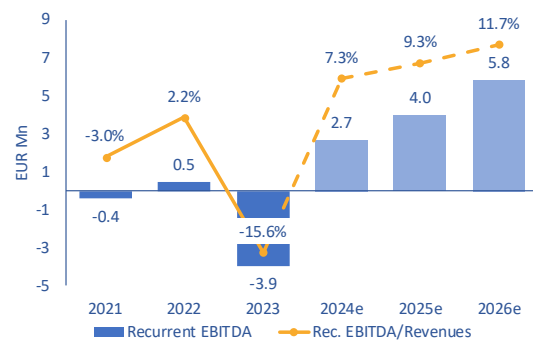
**FACE: shift from on-premise offering to SaaS and Plug & Play model to reduce development time**



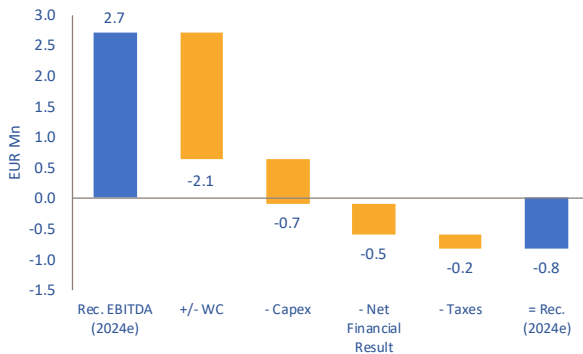
**With capacity to deliver high double-digit revenue growth (+25% CAGR 23-26e)**



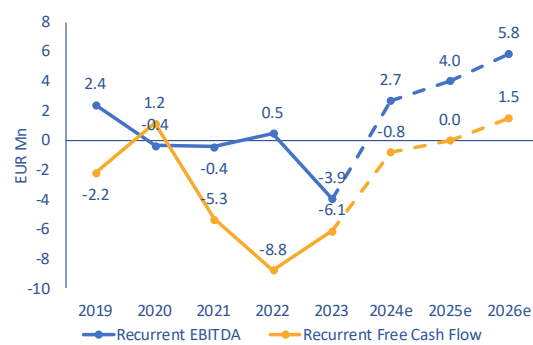
**Operational gearing leaves scope for significant improvement in recurring EBITDA margin (7.3% in 2024e)**



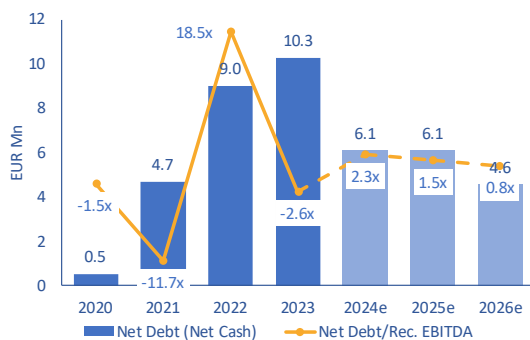
**Working capital management could continue to considerably impact FCF...**



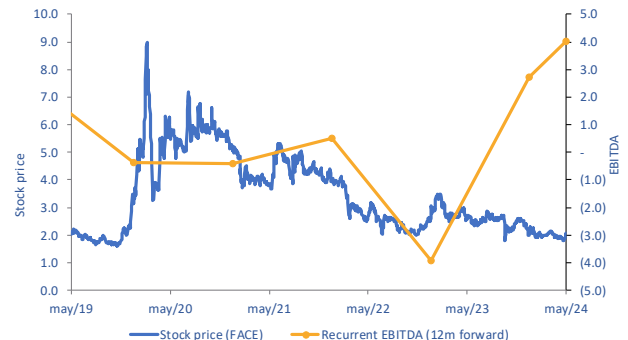
**... preventing positive recurring cash flow generation until at least 2026e**



**We estimate that net debt will reach EUR 4.6Mn in 2026e, leaving a ND/recurring EBITDA multiple of 0.8x**



**2024e could be a crucial year for demonstrating the business' ability to become more profitable**



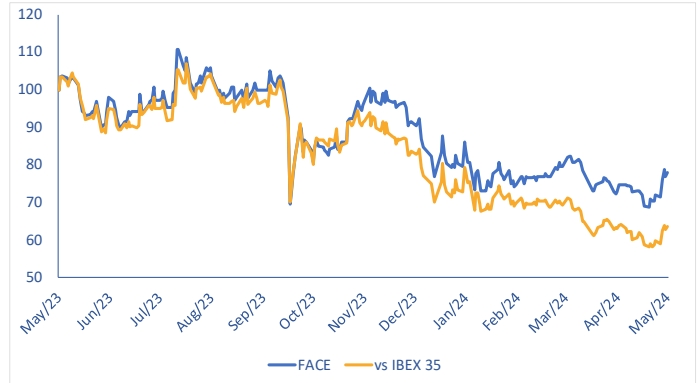


## Evolution of the share price

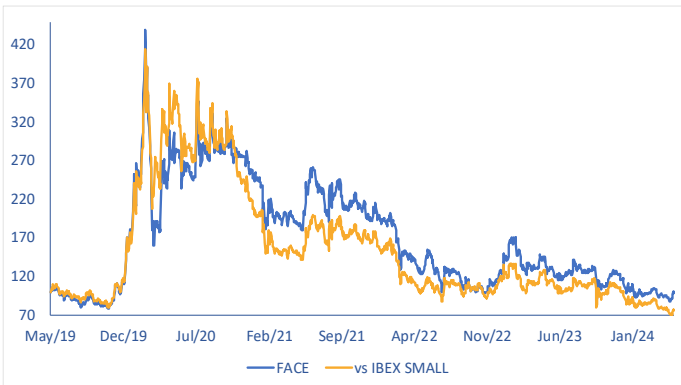
**Historical behavior vs Ibex 35 (base 100)**



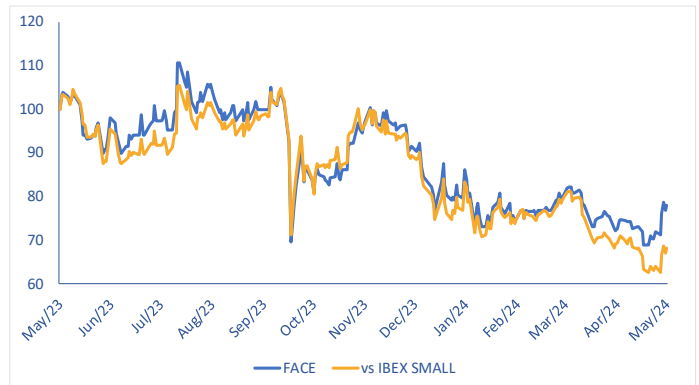
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



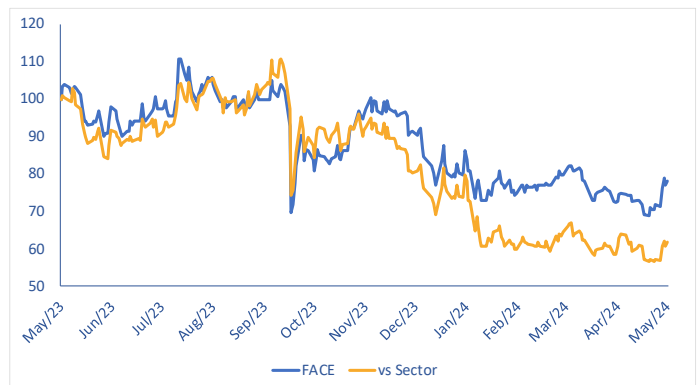
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Technology

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD   | -3Y   | -5Y   |
|---|------|------|-------|-------|-------|-------|
| Absolute                                  | 7.4  | 4.4  | -21.9 | 1.5   | -47.4 | -0.5  |
| <b>vs Market</b>                          |      |      |       |       |       |       |
| vs Ibex 35                                | 0.8  | -8.9 | -36.5 | -9.5  | -57.5 | -18.5 |
| vs Euro STOXX 50                          | 4.2  | -1.8 | -33.3 | -9.4  | -58.4 | -32.7 |
| <b>vs Small Cap References</b>            |      |      |       |       |       |       |
| vs Ibex Small Cap Index                   | -1.7 | -8.7 | -31.8 | -8.8  | -48.6 | -23.6 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 1.8  | -3.4 | -25.7 | -5.8  | -43.1 | -17.7 |
| vs MSCI Europe Micro Cap                  | 1.2  | -2.8 | -24.2 | -4.0  | -35.5 | -17.0 |
| <b>vs Sector</b>                          |      |      |       |       |       |       |
| vs Stoxx Europe 600 Technology            | 1.9  | 3.2  | -38.2 | -10.5 | -59.4 | -44.5 |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

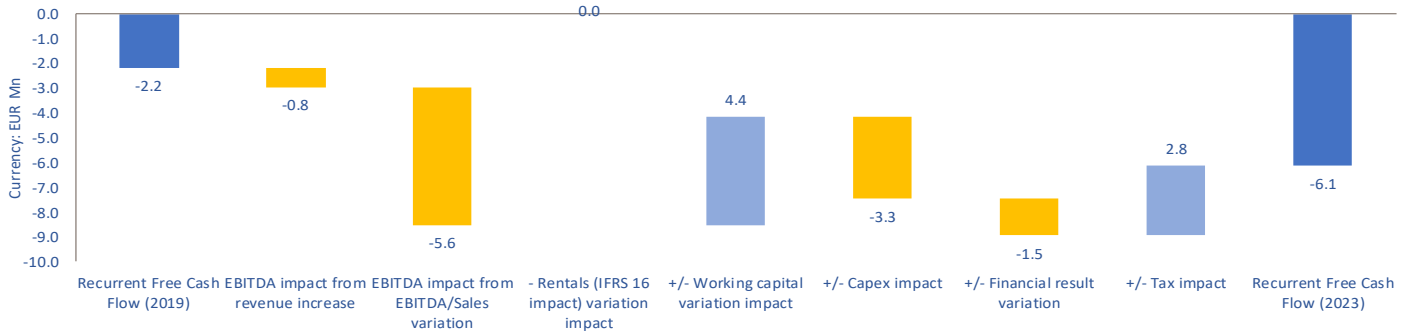
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023          | 2024e        | 2025e        | 2026e      | CAGR          |              |
|---|--------------|--------------|--------------|---------------|--------------|--------------|------------|---------------|--------------|
|   |              |              |              |               |              |              |            | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | (0.4)        | (0.4)        | 0.5          | (3.9)         | 2.7          | 4.0          | 5.8        | n.a.          | 51.6%        |
| <i>Recurrent EBITDA growth</i>  | -114.7%      | -13.2%       | 221.7%       | -905.7%       | 168.8%       | 48.0%        | 46.0%      |               |              |
| <i>Rec. EBITDA/Revenues</i>   | n.a.         | n.a.         | 2.2%         | n.a.          | 7.3%         | 9.3%         | 11.7%      |               |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -             | -            | -            | -          |               |              |
| +/- Working Capital increase  | 2.0          | (3.9)        | (6.7)        | 2.0           | (2.1)        | (2.2)        | (2.1)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>1.6</b>   | <b>(4.3)</b> | <b>(6.2)</b> | <b>(1.9)</b>  | <b>0.6</b>   | <b>1.8</b>   | <b>3.8</b> | <b>-46.9%</b> | <b>58.4%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | n.a.         | -361.4%      | -43.8%       | 68.9%         | 133.5%       | 180.0%       | 109.9%     |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 22.6%        | n.a.         | n.a.         | n.a.          | 1.7%         | 4.2%         | 7.6%       |               |              |
| - CAPEX   | (0.3)        | (0.3)        | (1.9)        | (5.3)         | (0.7)        | (0.9)        | (1.0)      |               |              |
| - Net Financial Result affecting Cash Flow  | 0.0          | (0.4)        | (0.7)        | (1.7)         | (0.5)        | (0.4)        | (0.4)      |               |              |
| - Taxes   | (0.2)        | (0.3)        | 0.1          | 2.7           | (0.2)        | (0.5)        | (0.9)      |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>1.2</b>   | <b>(5.3)</b> | <b>(8.8)</b> | <b>(6.1)</b>  | <b>(0.8)</b> | <b>0.0</b>   | <b>1.5</b> | <b>-93.6%</b> | <b>31.0%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 153.7%       | -558.0%      | -64.6%       | 30.2%         | 86.5%        | 102.3%       | n.a.       |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 16.0%        | n.a.         | n.a.         | n.a.          | n.a.         | 0.0%         | 3.1%       |               |              |
| - Restructuring expenses & others   | (0.4)        | (1.1)        | (0.7)        | (1.3)         | -            | -            | -          |               |              |
| - Acquisitions / + Divestments  | (2.1)        | -            | -            | -             | -            | -            | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | (0.4)        | -            | (0.3)        | (3.0)         | -            | -            | -          |               |              |
| <b>= Free Cash Flow</b>   | <b>(1.7)</b> | <b>(6.4)</b> | <b>(9.7)</b> | <b>(10.4)</b> | <b>(0.8)</b> | <b>0.0</b>   | <b>1.5</b> | <b>-81.5%</b> | <b>29.0%</b> |
| <i>Free Cash Flow growth</i>  | 41.1%        | -269.3%      | -51.6%       | -6.9%         | 92.1%        | 102.3%       | n.a.       |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 2.6%         | n.a.         | n.a.         | n.a.          | n.a.         | 0.0%         | 3.4%       |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.         | n.a.         | n.a.         | n.a.          | n.a.         | 0.0%         | 3.4%       |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |               |              |              |            |               |              |
|   | 2020         | 2021         | 2022         | 2023          | 2024e        | 2025e        | 2026e      |               |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(2.2)</b> | <b>1.2</b>   | <b>(5.3)</b> | <b>(8.8)</b>  | <b>(6.1)</b> | <b>(0.8)</b> | <b>0.0</b> |               |              |
| EBITDA impact from revenue increase   | (0.3)        | (0.3)        | (0.3)        | 0.1           | (1.8)        | 0.4          | 0.6        |               |              |
| EBITDA impact from EBITDA/Sales variation   | (2.5)        | 0.2          | 1.2          | (4.5)         | 8.5          | 0.9          | 1.2        |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(2.8)</b> | <b>(0.0)</b> | <b>0.9</b>   | <b>(4.4)</b>  | <b>6.6</b>   | <b>1.3</b>   | <b>1.8</b> |               |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -            | -             | -            | -            | -          |               |              |
| +/- Working capital variation impact  | 4.4          | (5.9)        | (2.8)        | 8.7           | (4.1)        | (0.1)        | 0.1        |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>1.6</b>   | <b>(5.9)</b> | <b>(1.9)</b> | <b>4.3</b>    | <b>2.6</b>   | <b>1.2</b>   | <b>2.0</b> |               |              |
| +/- CAPEX impact  | 1.6          | 0.0          | (1.6)        | (3.3)         | 4.5          | (0.1)        | (0.1)      |               |              |
| +/- Financial result variation  | 0.3          | (0.4)        | (0.3)        | (1.0)         | 1.2          | 0.1          | 0.0        |               |              |
| +/- Tax impact  | (0.1)        | (0.1)        | 0.4          | 2.7           | (3.0)        | (0.3)        | (0.4)      |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>3.3</b>   | <b>(6.5)</b> | <b>(3.4)</b> | <b>2.6</b>    | <b>5.3</b>   | <b>0.8</b>   | <b>1.5</b> |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>1.2</b>   | <b>(5.3)</b> | <b>(8.8)</b> | <b>(6.1)</b>  | <b>(0.8)</b> | <b>0.0</b>   | <b>1.5</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |               |              |              |            |               |              |
|   | 2020         | 2021         | 2022         | 2023          | 2024e        | 2025e        | 2026e      | CAGR          |              |
| <b>EBIT</b>   | <b>(0.4)</b> | <b>(0.6)</b> | <b>1.7</b>   | <b>(5.4)</b>  | <b>1.7</b>   | <b>3.0</b>   | <b>4.9</b> | <b>n.a.</b>   | <b>42.7%</b> |
| * Theoretical Tax rate  | 0.0%         | 0.0%         | 0.0%         | 0.0%          | 20.0%        | 20.0%        | 20.0%      |               |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | -            | -             | (0.3)        | (0.6)        | (1.0)      |               |              |
| <b>Recurrent EBITDA</b>   | <b>(0.4)</b> | <b>(0.4)</b> | <b>0.5</b>   | <b>(3.9)</b>  | <b>2.7</b>   | <b>4.0</b>   | <b>5.8</b> | <b>n.a.</b>   | <b>51.6%</b> |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -             | -            | -            | -          |               |              |
| +/- Working Capital increase  | 2.0          | (3.9)        | (6.7)        | 2.0           | (2.1)        | (2.2)        | (2.1)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>1.6</b>   | <b>(4.3)</b> | <b>(6.2)</b> | <b>(1.9)</b>  | <b>0.6</b>   | <b>1.8</b>   | <b>3.8</b> | <b>-46.9%</b> | <b>58.4%</b> |
| - CAPEX   | (0.3)        | (0.3)        | (1.9)        | (5.3)         | (0.7)        | (0.9)        | (1.0)      |               |              |
| - Taxes (pre- Financial Result)   | -            | -            | -            | -             | (0.3)        | (0.6)        | (1.0)      |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>1.3</b>   | <b>(4.6)</b> | <b>(8.1)</b> | <b>(7.2)</b>  | <b>(0.4)</b> | <b>0.3</b>   | <b>1.8</b> | <b>-95.3%</b> | <b>31.1%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 155.8%       | -449.2%      | -76.2%       | 11.5%         | 94.1%        | 180.4%       | 431.6%     |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 18.1%        | n.a.         | n.a.         | n.a.          | n.a.         | 0.8%         | 3.7%       |               |              |
| - Acquisitions / + Divestments  | (2.1)        | -            | -            | -             | -            | -            | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | (0.4)        | -            | (0.3)        | (3.0)         | -            | -            | -          |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(1.2)</b> | <b>(4.6)</b> | <b>(8.4)</b> | <b>(10.2)</b> | <b>(0.4)</b> | <b>0.3</b>   | <b>1.8</b> | <b>n.a.</b>   | <b>29.6%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | 52.8%        | -285.2%      | -81.7%       | -21.9%        | 95.8%        | 180.4%       | 431.6%     |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 2.6%         | n.a.         | n.a.         | n.a.          | n.a.         | 0.7%         | 3.6%       |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.         | n.a.         | n.a.         | n.a.          | n.a.         | 0.7%         | 3.6%       |               |              |



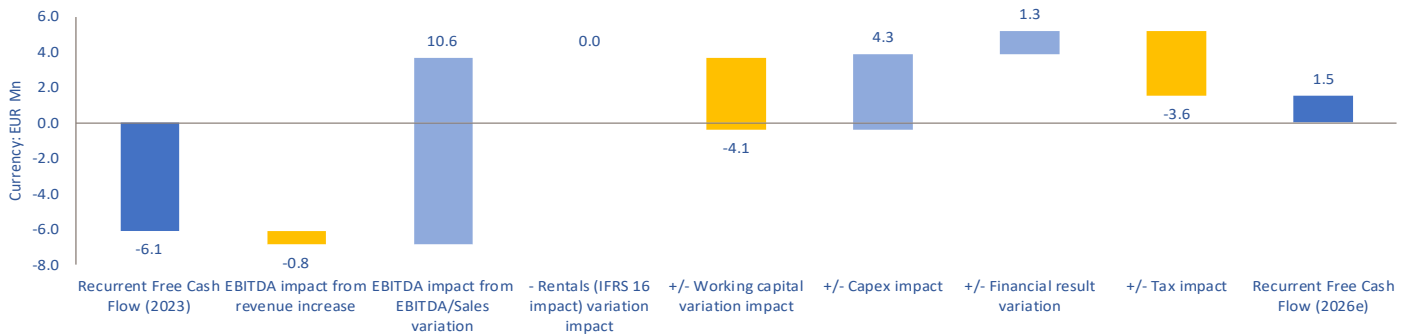


## Free Cash Flow (II)

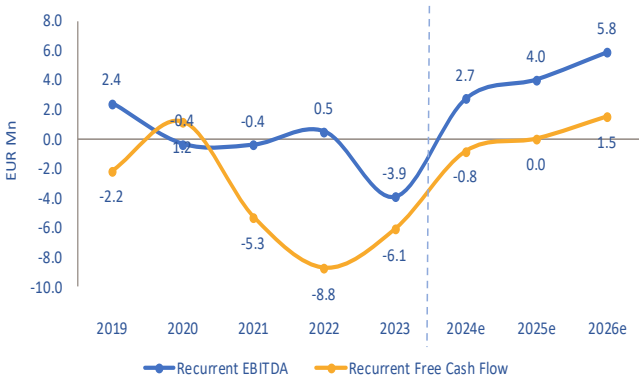
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                  | 2026e | Terminal Value <sup>(1)</sup> |            |
|--------------------------------|-------|--|-------|-------------------------------|------------|
| Free Cash Flow "To the Firm"   | (0.4) | 0.3                                    | 1.8   | n.a.                          |            |
| Market Cap                     | 44.4  | At the date of this report             |       |                               |            |
| Net financial debt             | 10.3  | Debt net of Cash (12m Results 2023)    |       |                               |            |
|                                |       |  |       | Best Case                     | Worst Case |
| Cost of Debt                   | 5.0%  | Net debt cost                          |       | 4.8%                          | 5.3%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                |       | =                             | =          |
| Net debt cost                  | 4.0%  | $Kd = \text{Cost of Net Debt} * (1-T)$ |       | 3.8%                          | 4.2%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)            |       | =                             | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                       |       | 5.5%                          | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                       |       | 1.1                           | 1.3        |
| Cost of Equity                 | 10.5% | $Ke = Rf + (R * B)$                    |       | 9.3%                          | 11.7%      |
| Equity / (Equity + Net Debt)   | 81.2% | E (Market Cap as equity value)         |       | =                             | =          |
| Net Debt / (Equity + Net Debt) | 18.8% | D                                      |       | =                             | =          |
| WACC                           | 9.2%  | $WACC = Kd * D + Ke * E$               |       | 8.3%                          | 10.3%      |
| G "Fair"                       | 2.5%  |  |       | 2.5%                          | 1.5%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 44.4        |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0.5         | 12m Results 2023 |
| + Net financial debt                 | 10.3        | 12m Results 2023 |
| - Financial Investments              | 0.1         | 12m Results 2023 |
| +/- Others <sup>(1)</sup>            | (4.9)       | See note         |
| <b>Enterprise Value (EV)</b>         | <b>50.2</b> |                  |

(1) Related to the book value (not actuarial) of deferred tax assets (EUR 4.9Mn)

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 27.3% | n.a.  | n.a. | 9.3% | n.a. |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | n.a.  | 1.7%  |      |      |      |
| FCF Yield - WACC     | n.a.  | -5.8% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 10.2%            | 4.4        | 11.4x         |
| Central  | 9.3%             | 4.0        | 12.5x         |
| Min      | 8.4%             | 3.6        | 13.9x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|-------|-------|----------|--------------------|------|------|
| EBITDA 25e      | 1.8%            | 2.0%  | 2.2%  |          | Max                | 1.1% | 0.9% |
| 4.4             | 0.5             | 0.4   | 0.3   | Central  | 0.2%               | 0.0% | n.a. |
| 4.0             | 0.1             | 0.0   | (0.1) | Min      | n.a.               | n.a. | n.a. |
| 3.6             | (0.3)           | (0.4) | (0.5) |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 60.0% | 60.0% | 60.0% |
| % of proprietary directors           | 20.0% | 20.0% | 20.0% |
| % of executive directors             | 20.0% | 20.0% | 20.0% |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 0.0%  | 0.0%  | 0.0%  |
| % of women out of total workforce    | 25.0% | 30.7% | 26.1% |
| Board remuneration/staff cost        | 4.1%  | 2.7%  | 2.9%  |



## Main peers 2024e

|                             |                         | Biometrics (Niche Players) |                             |                     |         |         | Companies with exposure to biometrics |                            |           |          |           | FACE    |         |
|-----------------------------|-------------------------|----------------------------|-----------------------------|---------------------|---------|---------|---------------------------------------|----------------------------|-----------|----------|-----------|---------|---------|
| EUR Mn                      |                         | Egis Technology            | Elan Microelectronics Corp. | Mitek Systems, Inc. | OneSpan | Secunet | Average                               | Diebold Nixdorf Technology | NEC       | NICE     | Synaptics | Average | FACE-ES |
| Market data                 | Ticker (Factset)        | 6462-TW                    | 2458-TW                     | MITK-US             | OSPN-US | YSN-DE  |                                       | DBD-US                     | 6701-JP   | NICE-IL  | SYNA-US   |         | FACE-ES |
|                             | Country                 | Taiwan                     | Taiwan                      | USA                 | USA     | Germany |                                       | USA                        | Japan     | Israel   | USA       |         | Spain   |
|                             | Market cap              | 502.2                      | 1,378.6                     | 561.0               | 458.5   | 942.5   |                                       | 1,538.5                    | 17,699.3  | 11,607.7 | 3,431.2   |         | 44.4    |
|                             | Enterprise value (EV)   | 622.0                      | 1,197.5                     | 580.8               | 404.3   | 916.0   |                                       | 2,196.3                    | 18,740.2  | 10,768.9 | 3,609.4   |         | 50.2    |
| Basic financial information | Total Revenues          | 129.3                      | 382.4                       | 167.4               | 222.3   | 401.7   |                                       | 3,524.3                    | 20,191.5  | 2,498.7  | 883.3     |         | 37.0    |
|                             | Total Revenues growth   | 17.8%                      | 11.1%                       | 5.5%                | 2.8%    | 2.0%    | 7.9%                                  | 1.9%                       | -1.8%     | 14.8%    | -29.1%    | -3.6%   | 46.9%   |
|                             | 2y CAGR (2024e - 2026e) | n.a.                       | 17.0%                       | 12.1%               | n.a.    | 8.6%    | 12.6%                                 | n.a.                       | 3.9%      | 11.0%    | 17.8%     | 10.9%   | 16.0%   |
|                             | EBITDA                  | (10.2)                     | 97.2                        | 41.3                | 48.8    | 63.6    |                                       | 405.5                      | 2,449.1   | 860.0    | 142.7     |         | 2.7     |
|                             | EBITDA growth           | 46.6%                      | 21.8%                       | -23.0%              | n.a.    | 10.0%   | 13.9%                                 | 53.4%                      | 9.1%      | 57.0%    | -51.4%    | 17.0%   | 152.0%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.                       | 24.2%                       | n.a.                | n.a.    | 12.2%   | 18.2%                                 | n.a.                       | 7.4%      | 12.4%    | 50.7%     | 23.5%   | 47.0%   |
|                             | EBITDA/Revenues         | n.a.                       | 25.4%                       | 24.7%               | 21.9%   | 15.8%   | 22.0%                                 | 11.5%                      | 12.1%     | 34.4%    | 16.2%     | 18.6%   | 7.3%    |
|                             | EBIT                    | (14.0)                     | 91.6                        | 7.0                 | 41.8    | 43.7    |                                       | 332.3                      | 1,375.4   | 762.3    | 115.9     |         | 1.7     |
|                             | EBIT growth             | 57.0%                      | 31.8%                       | -80.1%              | 493.7%  | 8.4%    | 102.2%                                | 139.1%                     | 21.2%     | 93.2%    | -17.0%    | 59.1%   | 130.8%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.                       | 25.3%                       | n.a.                | n.a.    | 17.1%   | 21.2%                                 | n.a.                       | 14.7%     | 14.0%    | 61.3%     | 30.0%   | 71.7%   |
|                             | EBIT/Revenues           | n.a.                       | 23.9%                       | 4.2%                | 18.8%   | 10.9%   | 14.5%                                 | 9.4%                       | 6.8%      | 30.5%    | 13.1%     | 15.0%   | 4.5%    |
|                             | Net Profit              | (3.0)                      | 81.9                        | 42.2                | 36.6    | 29.3    |                                       | 108.0                      | 909.0     | 648.2    | 78.6      |         | 0.9     |
|                             | Net Profit growth       | 85.4%                      | 34.0%                       | 471.4%              | 233.6%  | 0.6%    | 165.0%                                | -91.5%                     | 2.8%      | 109.3%   | 16.2%     | 9.2%    | 128.0%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.                       | 20.4%                       | 17.3%               | n.a.    | 17.3%   | 18.3%                                 | n.a.                       | 16.7%     | 12.9%    | 69.8%     | 33.2%   | 97.4%   |
|                             | CAPEX/Sales %           | n.a.                       | 2.6%                        | n.a.                | 4.5%    | 2.3%    | 3.1%                                  | 1.3%                       | 2.4%      | 1.7%     | 3.3%      | 2.2%    | -2.0%   |
| Free Cash Flow              | n.a.                    | 55.4                       | 46.0                        | 29.3                | 41.4    |         | 104.3                                 | 1,262.3                    | 611.1     | 72.9     |           | (0.8)   |         |
| Net financial debt          | (45.8)                  | (83.2)                     | 9.7                         | n.a.                | (40.7)  |         | 511.4                                 | (601.1)                    | (1,335.4) | 50.6     |           | 6.1     |         |
| ND/EBITDA (x)               | n.a.                    | (0.9)                      | 0.2                         | n.a.                | (0.6)   | (0.4)   | 1.3                                   | (0.2)                      | (1.6)     | 0.4      | (0.0)     | 2.3     |         |
| Pay-out                     | -192.9%                 | 76.5%                      | n.a.                        | n.a.                | 54.5%   | -20.6%  | 0.0%                                  | 23.9%                      | 0.2%      | n.a.     | 8.0%      | 0.0%    |         |
| Multiples and Ratios        | P/E (x)                 | n.a.                       | 15.9                        | 13.6                | 12.6    | 32.6    | 18.7                                  | 8.6                        | 19.2      | 18.4     | 43.4      | 22.4    | 47.8    |
|                             | P/BV (x)                | 2.0                        | 4.5                         | n.a.                | n.a.    | 6.4     | 4.3                                   | n.a.                       | 1.5       | 3.2      | 3.0       | 2.6     | 1.7     |
|                             | EV/Revenues (x)         | 4.8                        | 3.1                         | 3.5                 | 1.8     | 2.3     | 3.1                                   | 0.6                        | 0.9       | 4.3      | 4.1       | 2.5     | 1.4     |
|                             | EV/EBITDA (x)           | n.a.                       | 12.3                        | 14.1                | 8.3     | 14.4    | 12.3                                  | 5.4                        | 7.7       | 12.5     | 25.3      | 12.7    | 18.6    |
|                             | EV/EBIT (x)             | n.a.                       | 13.1                        | n.a.                | 9.7     | 21.0    | 14.6                                  | 6.6                        | 13.6      | 14.1     | 31.1      | 16.4    | 30.3    |
|                             | ROE                     | n.a.                       | 28.6                        | n.a.                | n.a.    | 19.5    | 24.0                                  | n.a.                       | 8.0       | 17.6     | 7.0       | 10.9    | 4.0     |
|                             | FCF Yield (%)           | n.a.                       | 4.0                         | 8.2                 | 6.4     | 4.4     | 5.8                                   | 6.8                        | 7.1       | 5.3      | 2.1       | 5.3     | n.a.    |
|                             | DPS                     | 0.08                       | 0.22                        | n.a.                | n.a.    | 2.47    | 0.92                                  | 0.00                       | 0.82      | 0.02     | n.a.      | 0.28    | 0.00    |
| Dvd Yield                   | 1.2%                    | 4.9%                       | n.a.                        | n.a.                | 1.7%    | 2.6%    | 0.0%                                  | 1.3%                       | 0.0%      | n.a.     | 0.4%      | 0.0%    |         |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**GAM** is a company specialising in services associated with machinery hire (it has a fleet of 40,000 pieces of equipment) with a revenue mix diversified by sector and a certain balance between generalist and specialist operator. With 80 branches in 9 countries, it is leader in the Iberian Peninsula (56 branches), where it obtains the bulk of its revenues (>75%), and Latam is the main destination for the company's exports (c.16%).

**Market Data**

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 133.9              | 145.6 |
| EV (Mn EUR and USD)            | 415.4              | 451.8 |
| Shares Outstanding (Mn)        | 94.6               |       |
| -12m (Max/Med/Min EUR)         | 1.52 / 1.34 / 1.18 |       |
| Daily Avg volume (-12m Mn EUR) | 0.03               |       |
| Rotation <sup>(1)</sup>        | 5.3                |       |
| Factset / Bloomberg            | GAM-ES / GAM SM    |       |
| Close fiscal year              | 31-Dec             |       |

**Shareholders Structure (%)**

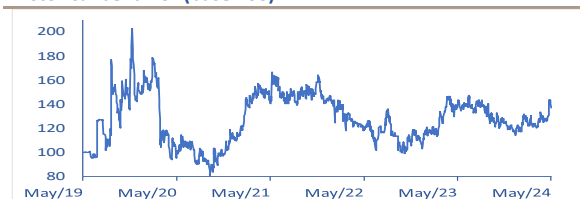
|                             |      |
|-----------------------------|------|
| Francisco Riberas y familia | 58.2 |
| Indumenta Pueri             | 10.6 |
| Banco Santander             | 4.5  |
| Pedro Luis Fernández        | 6.0  |
| Free Float                  | 20.7 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 94.2  | 94.6  | 94.6  | 94.6  |
| Total Revenues                      | 283.6 | 312.1 | 337.4 | 364.9 |
| Rec. EBITDA                         | 62.0  | 72.5  | 79.3  | 88.2  |
| % growth                            | 23.6  | 16.9  | 9.3   | 11.3  |
| % Rec. EBITDA/Rev.                  | 21.9  | 23.2  | 23.5  | 24.2  |
| % Inc. EBITDA sector <sup>(2)</sup> | 9.2   | 12.6  | 9.7   | 8.4   |
| Net Profit                          | 9.1   | 10.4  | 12.2  | 17.4  |
| EPS (EUR)                           | 0.10  | 0.11  | 0.13  | 0.18  |
| % growth                            | 17.7  | 14.4  | 16.9  | 43.0  |
| Ord. EPS (EUR)                      | 0.07  | 0.08  | 0.10  | 0.18  |
| % growth                            | 0.8   | 6.7   | 30.9  | 78.8  |
| Rec. Free Cash Flow                 | -46.0 | -25.0 | -7.4  | -0.3  |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 246.0 | 282.1 | 289.4 | 289.8 |
| ND/Rec. EBITDA (x)                  | 4.0   | 3.9   | 3.7   | 3.3   |
| ROE (%)                             | 9.3   | 9.7   | 10.3  | 13.1  |
| ROCE (%)                            | 6.3   | 5.8   | 5.8   | 6.5   |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 14.7 | 12.8 | 11.0 | 7.7  |
| Ord. P/E           | 19.2 | 18.0 | 13.7 | 7.7  |
| P/BV               | 1.3  | 1.2  | 1.1  | 0.9  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 1.46 | 1.33 | 1.23 | 1.14 |
| EV/Rec. EBITDA     | 6.7  | 5.7  | 5.2  | 4.7  |
| EV/EBIT            | 18.5 | 16.8 | 15.6 | 12.2 |
| FCF Yield (%)      | n.a. | n.a. | n.a. | n.a. |

**Historical behavior (base 100)**


| (%)      | -1m | -3m  | -12m | -5Y  |
|----------|-----|------|------|------|
| Absolute | 6.4 | 12.3 | -1.7 | 37.0 |

(1) Rotation is the % of the capitalisation traded - 12m.  
 (2) Sector: Stoxx Europe 600 Industrial Goods & Services.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**GAM's three business lines drove growth in 1Q24.** GAM reported consolidated revenue in 1Q24 of EUR 67.4Mn (+12.7% vs 1Q23, in line with our estimates). Notable was the growth in LATAM (+37%) thanks to the integration of M&A targets (17% of revenue in 1Q24 vs 14% in 1Q23), illustrating the room for the company to improve its operating performance (EBITDA margin 1Q24: +2p.p. vs 1Q23).

**2024e should see growth continue.** 1Q24 showcased GAM's ability to achieve a combination of organic and M&A-led growth (2023 acquisitions), which on our estimates could lead to revenue in 2024e of EUR 312.1Mn (+10.1% vs. 2023) and an EBITDA margin of 23.2% (EBITDA of EUR 72.5Mn; +1.3p.p. vs. 2023). However, we expect depreciation and amortisation charges and finance costs to continue to weigh on EBIT and on the company's bottom line.

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**High sector diversification.** GAM has tailored its offering to reduce the cyclicity of its business model. In 2023, GAM had exposure to more than 15 sectors (services — the sector with the highest weight— accounted for 14% of revenue and construction —the core business in 2008— for 6%).

**Strategic shift in business model** in a bid to mainstream its services in the company's business. The main drivers have been: i) entry into the long-term rental market; and ii) non-rental and CAPEX-free businesses (distribution, maintenance). These provide higher recurrence and reduce GAM's cyclicity. As things stand now, these two lines have a combined 62% share of the business mix (vs 32% in 2019).

**Increasing trend towards outsourcing rental services.** GAM enjoys leadership positions in the Iberian Peninsula (c.75% of revenue in 2023) and Latam. In both markets, rental utilisation ratios (vs purchasing) are expected to converge towards the penetration rates observed in Continental Europe and the U.S. (c.20pp higher).

**High single-digit growth driven by recurring and CAPEX-free businesses.** The outlook for GAM is upbeat. Greater business recurrence lends visibility (and reduces risk of downward revisions to estimates). On our estimates, revenue is set to grow at a CAGR 2023-2026e of 8.8% to EUR 364.9Mn in 2026e, raising the EBITDA margin to 24.2% in 2026e (+2.3p.p. vs. 2023; EBITDA 26e: EUR 88.2Mn). Development of the Reviver plant (repurposing of used machines) should lower the company's high investment requirement and improve its ROCE.

**RISKS: WHAT TO KEEP AN EYE ON?**

**High leverage.** Net debt at year-end 2023 stood at EUR 246Mn (ND/EBITDA 4.0x vs. c.2x for the sector), with a sharp increase in finance costs (+70% vs. 2022). As we see it, the current situation points to continued pressure on the bottom line and cash generation over both the short and medium terms. We estimate net debt of EUR 282.1Mn and finance costs of EUR 17.3Mn in 2024e (70% of EBIT 24e).

**Worse economic environment.** Despite GAM's increasingly diversified business model in recent years (less cycle), an economic downtrend would have an impact on the short-term rental business (38% of revenue).

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**A profitable growth story at low multiples.** The share price performance has been largely flat over the past year (-1.7% -12m) even though the company delivered significant growth in both revenue (+25.6%) and recurring EBITDA (+23.6%). GAM is trading at multiples that are not factoring in its growth prospects (or the lower risk of its business model). Our estimates for 2024e put the stock at a P/E of 12.8x and an EV/EBITDA of 5.7x (in line with the sector).



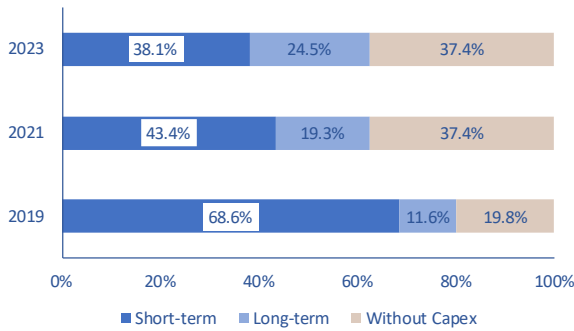
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | CAGR          |              |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 22.1         | 21.2         | 22.3         | 24.4         | 22.0         | 22.0          | 22.0         | 22.0         |               |              |
| Fixed assets                                 | 138.5        | 151.7        | 201.3        | 237.3        | 328.5        | 370.3         | 384.5        | 401.3        |               |              |
| Other Non Current Assets                     | 3.6          | 6.8          | 6.9          | 6.9          | 11.5         | 14.5          | 16.9         | 15.0         |               |              |
| Financial Investments                        | 0.9          | 3.6          | 3.8          | 5.7          | 2.2          | 2.2           | 2.2          | 2.2          |               |              |
| Goodwill & Other Intangibles                 | 16.4         | 19.8         | 20.5         | 25.4         | 28.5         | 28.5          | 28.5         | 28.5         |               |              |
| Current assets                               | 47.4         | 49.9         | 70.6         | 92.4         | 105.3        | 113.8         | 122.8        | 132.3        |               |              |
| <b>Total assets</b>                          | <b>228.9</b> | <b>253.0</b> | <b>325.3</b> | <b>392.0</b> | <b>498.1</b> | <b>551.4</b>  | <b>577.1</b> | <b>601.4</b> |               |              |
| Equity                                       | 51.1         | 81.9         | 84.5         | 93.5         | 101.9        | 112.4         | 124.5        | 142.0        |               |              |
| Minority Interests                           | 0.2          | 0.3          | 0.4          | 4.0          | 2.1          | 2.1           | 2.1          | 2.1          |               |              |
| Provisions & Other L/T Liabilities           | 8.2          | 13.7         | 30.7         | 39.2         | 52.3         | 52.3          | 52.3         | 52.3         |               |              |
| Other Non Current Liabilities                | 20.2         | 18.5         | 17.3         | 19.9         | 18.5         | 18.5          | 18.5         | 18.5         |               |              |
| Net financial debt                           | 121.9        | 108.6        | 147.5        | 179.5        | 246.0        | 282.1         | 289.4        | 289.8        |               |              |
| Current Liabilities                          | 27.4         | 30.0         | 44.9         | 55.8         | 77.3         | 84.1          | 90.2         | 96.8         |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>228.9</b> | <b>253.0</b> | <b>325.3</b> | <b>392.0</b> | <b>498.1</b> | <b>551.4</b>  | <b>577.1</b> | <b>601.4</b> |               |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | CAGR          |              |
| <b>Total Revenues</b>                        | <b>143.1</b> | <b>134.1</b> | <b>169.1</b> | <b>225.8</b> | <b>283.6</b> | <b>312.1</b>  | <b>337.4</b> | <b>364.9</b> | <b>18.7%</b>  | <b>8.8%</b>  |
| <i>Total Revenues growth</i>                 | 8.2%         | -6.3%        | 26.1%        | 33.5%        | 25.6%        | 10.1%         | 8.1%         | 8.1%         |               |              |
| COGS   | (40.2)       | (42.2)       | (60.1)       | (80.6)       | (105.5)      | (115.6)       | (125.4)      | (134.4)      |               |              |
| <b>Gross Margin</b>                          | <b>102.9</b> | <b>91.9</b>  | <b>109.0</b> | <b>145.2</b> | <b>178.1</b> | <b>196.5</b>  | <b>212.0</b> | <b>230.4</b> | <b>14.7%</b>  | <b>9.0%</b>  |
| <i>Gross Margin/Revenues</i>                 | 71.9%        | 68.5%        | 64.4%        | 64.3%        | 62.8%        | 63.0%         | 62.8%        | 63.2%        |               |              |
| Personnel Expenses                           | (39.5)       | (35.8)       | (43.1)       | (52.7)       | (68.0)       | (72.6)        | (77.6)       | (83.0)       |               |              |
| Other Operating Expenses                     | (29.5)       | (25.2)       | (29.5)       | (42.3)       | (48.1)       | (51.4)        | (55.1)       | (59.2)       |               |              |
| <b>Recurrent EBITDA</b>                      | <b>33.9</b>  | <b>30.9</b>  | <b>36.4</b>  | <b>50.2</b>  | <b>62.0</b>  | <b>72.5</b>   | <b>79.3</b>  | <b>88.2</b>  | <b>16.3%</b>  | <b>12.5%</b> |
| <i>Recurrent EBITDA growth</i>               | 25.7%        | -9.0%        | 18.0%        | 37.8%        | 23.6%        | 16.9%         | 9.3%         | 11.3%        |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | 23.7%        | 23.0%        | 21.5%        | 22.2%        | 21.9%        | 23.2%         | 23.5%        | 24.2%        |               |              |
| Restructuring Expense & Other non-rec.       | (1.1)        | (1.0)        | (0.7)        | -            | -            | -             | -            | -            |               |              |
| <b>EBITDA</b>                                | <b>32.8</b>  | <b>29.8</b>  | <b>35.7</b>  | <b>50.2</b>  | <b>62.0</b>  | <b>72.5</b>   | <b>79.3</b>  | <b>88.2</b>  | <b>17.3%</b>  | <b>12.5%</b> |
| Depreciation & Provisions                    | (21.7)       | (20.6)       | (20.0)       | (26.9)       | (33.4)       | (42.4)        | (46.5)       | (48.4)       |               |              |
| Capitalized Expense                          | 7.7          | 6.3          | 7.2          | 8.0          | 10.0         | 10.7          | 10.0         | 10.5         |               |              |
| Rentals (IFRS 16 impact)                     | (7.9)        | (8.1)        | (12.1)       | (14.3)       | (16.2)       | (16.2)        | (16.2)       | (16.2)       |               |              |
| <b>EBIT</b>                                  | <b>10.9</b>  | <b>7.5</b>   | <b>10.8</b>  | <b>17.0</b>  | <b>22.4</b>  | <b>24.7</b>   | <b>26.6</b>  | <b>34.1</b>  | <b>19.8%</b>  | <b>15.0%</b> |
| <i>EBIT growth</i>                           | 25.9%        | -30.8%       | 43.6%        | 56.8%        | 32.1%        | 10.2%         | 7.7%         | 28.2%        |               |              |
| <i>EBIT/Revenues</i>                         | 7.6%         | 5.6%         | 6.4%         | 7.5%         | 7.9%         | 7.9%          | 7.9%         | 9.4%         |               |              |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | 0.8          | -             | -            | -            |               |              |
| Net Financial Result                         | (13.0)       | (7.0)        | (7.5)        | (9.6)        | (16.3)       | (17.3)        | (16.9)       | (14.8)       |               |              |
| Income by the Equity Method                  | 0.7          | 0.3          | 0.2          | (0.3)        | 0.0          | 0.0           | 0.0          | 0.0          |               |              |
| <b>Ordinary Profit</b>                       | <b>(1.4)</b> | <b>0.8</b>   | <b>3.5</b>   | <b>7.1</b>   | <b>6.9</b>   | <b>7.4</b>    | <b>9.7</b>   | <b>19.4</b>  | <b>62.7%</b>  | <b>40.9%</b> |
| <i>Ordinary Profit Growth</i>                | 12.7%        | 161.2%       | 316.4%       | 101.8%       | -2.5%        | 7.5%          | 30.9%        | 98.7%        |               |              |
| Extraordinary Results                        | 44.9         | -            | -            | -            | -            | -             | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>43.5</b>  | <b>0.8</b>   | <b>3.5</b>   | <b>7.1</b>   | <b>6.9</b>   | <b>7.4</b>    | <b>9.7</b>   | <b>19.4</b>  | <b>-36.8%</b> | <b>40.9%</b> |
| Tax Expense                                  | (3.5)        | 0.3          | (0.8)        | 0.8          | 2.1          | 3.0           | 2.4          | (1.9)        |               |              |
| <i>Effective Tax Rate</i>                    | 8.0%         | n.a.         | 23.4%        | n.a.         | n.a.         | n.a.          | n.a.         | 10.0%        |               |              |
| Minority Interests                           | (0.0)        | (0.0)        | (0.1)        | (0.2)        | 0.0          | -             | -            | -            |               |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -             | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>40.0</b>  | <b>1.1</b>   | <b>2.6</b>   | <b>7.7</b>   | <b>9.1</b>   | <b>10.4</b>   | <b>12.2</b>  | <b>17.4</b>  | <b>-31.0%</b> | <b>24.3%</b> |
| <i>Net Profit growth</i>                     | n.a.         | -97.1%       | 130.4%       | 193.1%       | 17.7%        | 14.8%         | 16.9%        | 43.0%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>(0.3)</b> | <b>1.9</b>   | <b>3.2</b>   | <b>6.9</b>   | <b>6.9</b>   | <b>7.4</b>    | <b>9.7</b>   | <b>17.4</b>  | <b>n.a.</b>   | <b>35.8%</b> |
| <i>Ordinary Net Profit growth</i>            | -128.6%      | 795.1%       | 70.3%        | 118.1%       | 0.8%         | 7.1%          | 30.9%        | 78.8%        |               |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | CAGR          |              |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>72.5</b>   | <b>79.3</b>  | <b>88.2</b>  | <b>16.3%</b>  | <b>12.5%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | (6.7)         | (6.7)        | (6.7)        |               |              |
| Working Capital Increase                     |              |              |              |              |              | (1.7)         | (2.9)        | (2.8)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>64.2</b>   | <b>69.6</b>  | <b>78.7</b>  | <b>27.1%</b>  | <b>7.2%</b>  |
| CAPEX  |              |              |              |              |              | (71.9)        | (60.1)       | (64.2)       |               |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (17.3)        | (16.9)       | (14.8)       |               |              |
| Tax Expense                                  |              |              |              |              |              | -             | -            | -            |               |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>(25.0)</b> | <b>(7.4)</b> | <b>(0.3)</b> | <b>-80.9%</b> | <b>80.7%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | -             | -            | -            |               |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | (11.0)        | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -             | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>(36.0)</b> | <b>(7.4)</b> | <b>(0.3)</b> | <b>-34.8%</b> | <b>82.9%</b> |
| Capital Increase                             |              |              |              |              |              | -             | -            | -            |               |              |
| Dividends                                    |              |              |              |              |              | -             | -            | -            |               |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>36.0</b>   | <b>7.4</b>   | <b>0.3</b>   |               |              |

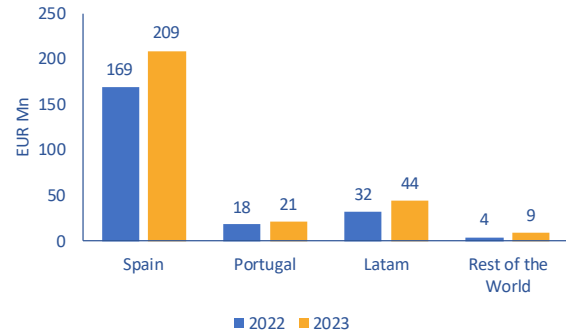


## The company in 8 charts

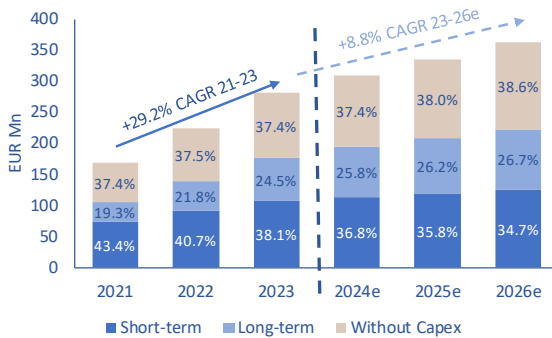
**GAM has successfully executed its strategic repositioning: rec. and no-CAPEX business now accounts for 62% of sales**



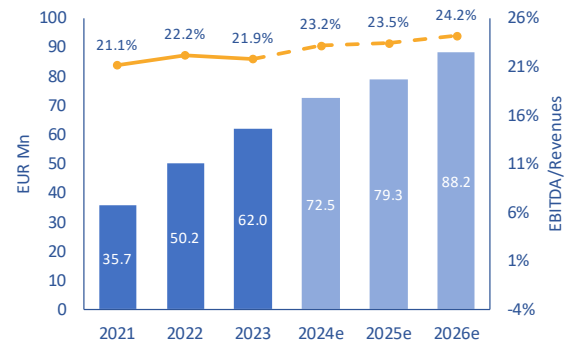
**And is applying its model of diversification to the international business (where it is growing in all its geographies)**



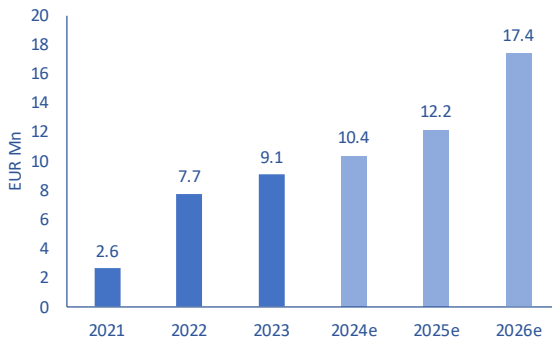
**Recurrent (long term) and no-CAPEX business will continue to drive growth in the mid term (+8.8% CAGR 23-26e)**



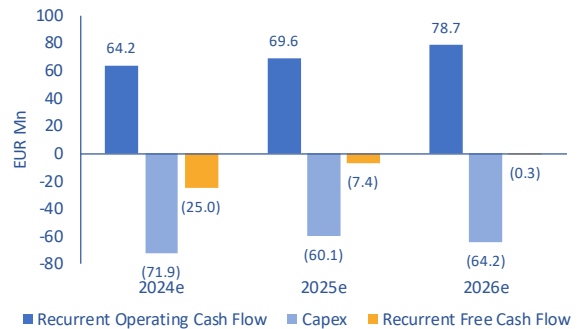
**EBITDA 2023-2026e: +12% CAGR (23-26e)**



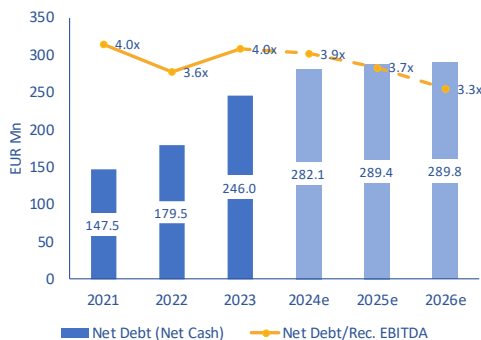
**Net Profit about to take off**



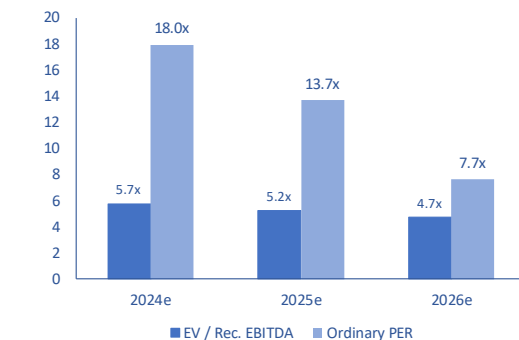
**A business that is very intensive in Capex, that will continue to shape FCF generation**



**And, despite the M&A executed, we do not estimate gearing levels above 4x ND/EBITDA**



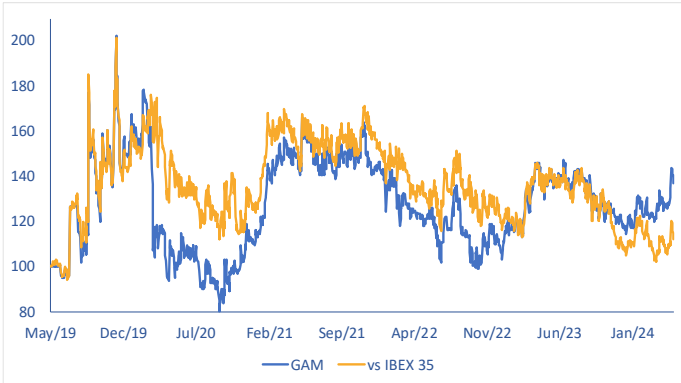
**Carrying (objectively) low multiples. EV/EBITDA 2026e 4.7xx and PER 2026e 7.7x.**



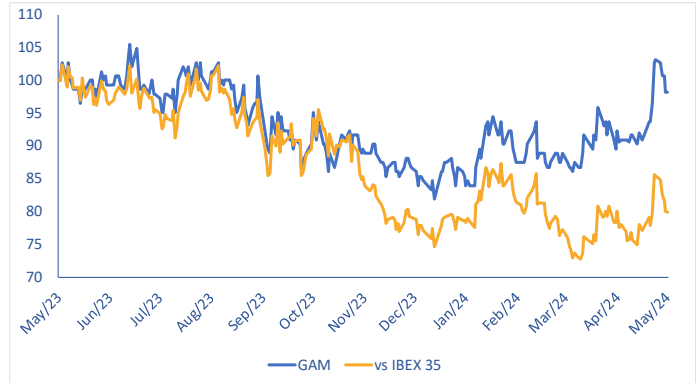


## Evolution of the share price

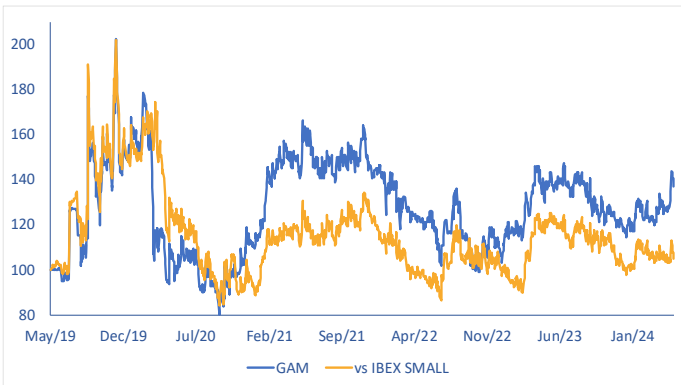
**Historical behavior vs Ibex 35 (base 100)**



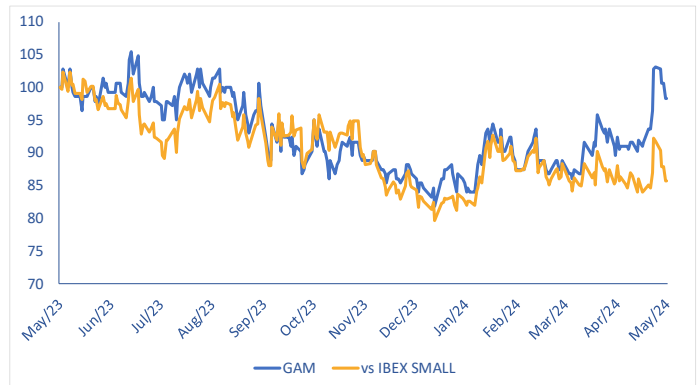
**Behavior -1y vs Ibex 35 (base 100)**



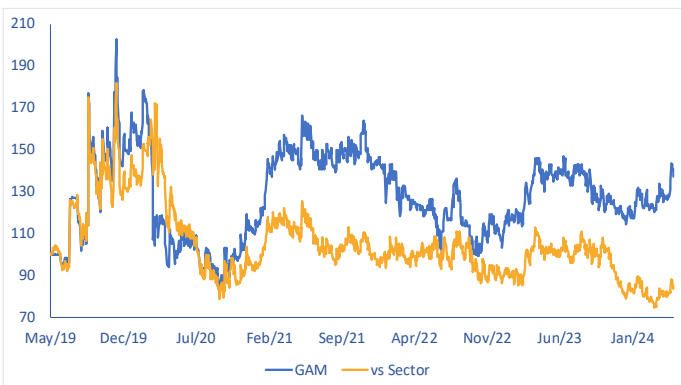
**Historical behavior vs Ibex Small Cap (base 100)**



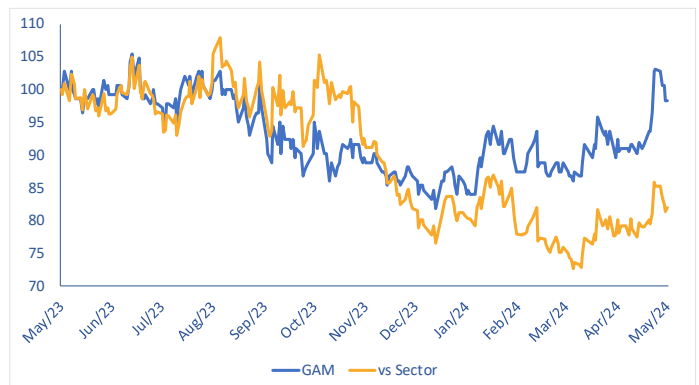
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Industrial Goods & Services

| Stock performance (%)                           | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|---|------|------|-------|------|-------|-------|
| Absolute  | 6.4  | 12.3 | -1.7  | 19.9 | -2.4  | 37.0  |
| <b>vs Market</b>                                |      |      |       |      |       |       |
| vs Ibex 35                                      | -0.1 | -2.0 | -20.1 | 6.9  | -21.1 | 12.3  |
| vs Euro STOXX 50                                | 3.2  | 5.7  | -16.1 | 7.1  | -22.8 | -7.3  |
| <b>vs Small Cap References</b>                  |      |      |       |      |       |       |
| vs Ibex Small Cap Index                         | -2.6 | -1.8 | -14.2 | 7.7  | -4.6  | 5.2   |
| vs Micro Cap Spain Segment <sup>(1)</sup>       | 0.8  | 4.0  | -6.5  | 11.3 | 5.5   | 13.4  |
| vs MSCI Europe Micro Cap                        | 0.3  | 4.6  | -4.5  | 13.5 | 19.7  | 14.3  |
| <b>vs Sector</b>                                |      |      |       |      |       |       |
| vs Stoxx Europe 600 Industrial Goods & Services | 2.5  | 5.3  | -17.9 | 7.2  | -20.7 | -15.6 |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

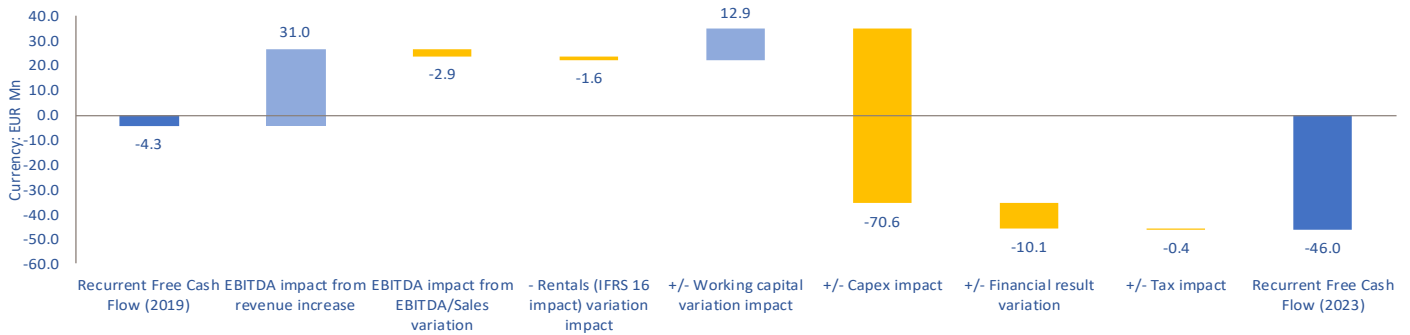
| A) Cash Flow Analysis (EUR Mn)  | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e        | CAGR          |              |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|
|   |               |               |               |               |               |               |              | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>30.9</b>   | <b>36.4</b>   | <b>50.2</b>   | <b>62.0</b>   | <b>72.5</b>   | <b>79.3</b>   | <b>88.2</b>  | <b>26.2%</b>  | <b>12.5%</b> |
| <i>Recurrent EBITDA growth</i>  | -9.0%         | 18.0%         | 37.8%         | 23.6%         | 16.9%         | 9.3%          | 11.3%        |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 23.0%         | 21.5%         | 22.2%         | 21.9%         | 23.2%         | 23.5%         | 24.2%        |               |              |
| - Rentals (IFRS 16 impact)  | (4.7)         | (6.0)         | (6.5)         | (6.7)         | (6.7)         | (6.7)         | (6.7)        |               |              |
| +/- Working Capital increase  | 0.2           | (5.8)         | (10.9)        | 8.5           | (1.7)         | (2.9)         | (2.8)        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>26.3</b>   | <b>24.6</b>   | <b>32.8</b>   | <b>63.8</b>   | <b>64.2</b>   | <b>69.6</b>   | <b>78.7</b>  | <b>34.3%</b>  | <b>7.2%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | 7.8%          | -6.5%         | 33.1%         | 94.6%         | 0.6%          | 8.5%          | 13.0%        |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 19.6%         | 14.6%         | 14.5%         | 22.5%         | 20.6%         | 20.6%         | 21.6%        |               |              |
| - CAPEX   | (22.4)        | (31.1)        | (50.8)        | (92.4)        | (71.9)        | (60.1)        | (64.2)       |               |              |
| - Net Financial Result affecting Cash Flow  | (6.7)         | (4.5)         | (9.6)         | (15.5)        | (17.3)        | (16.9)        | (14.8)       |               |              |
| - Taxes   | (0.7)         | (0.9)         | 0.8           | (1.9)         | -             | -             | -            |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(3.4)</b>  | <b>(11.9)</b> | <b>(26.8)</b> | <b>(46.0)</b> | <b>(25.0)</b> | <b>(7.4)</b>  | <b>(0.3)</b> | <i>n.a.</i>   | <b>80.7%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 20.3%         | -247.8%       | -125.4%       | -71.4%        | 45.6%         | 70.6%         | 95.5%        |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>  |               |              |
| - Restructuring expenses & others   | (1.0)         | (0.7)         | -             | -             | -             | -             | -            |               |              |
| - Acquisitions / + Divestments  | (5.6)         | (8.7)         | (6.2)         | (19.9)        | (11.0)        | -             | -            |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -             | -             | -             | -             | -            |               |              |
| <b>= Free Cash Flow</b>   | <b>(10.1)</b> | <b>(21.3)</b> | <b>(33.0)</b> | <b>(65.9)</b> | <b>(36.0)</b> | <b>(7.4)</b>  | <b>(0.3)</b> | <b>-86.9%</b> | <b>82.9%</b> |
| <i>Free Cash Flow growth</i>  | -119.9%       | -110.9%       | -54.8%        | -99.9%        | 45.4%         | 79.5%         | 95.5%        |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>  |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>  |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |               |               |               |               |               |              |               |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(4.3)</b>  | <b>(3.4)</b>  | <b>(11.9)</b> | <b>(26.8)</b> | <b>(46.0)</b> | <b>(25.0)</b> | <b>(7.4)</b> |               |              |
| EBITDA impact from revenue increase   | (2.1)         | 8.1           | 12.2          | 12.8          | 6.2           | 5.9           | 6.5          |               |              |
| EBITDA impact from EBITDA/Sales variation   | (0.9)         | (2.5)         | 1.5           | (1.0)         | 4.3           | 0.9           | 2.5          |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(3.0)</b>  | <b>5.6</b>    | <b>13.8</b>   | <b>11.8</b>   | <b>10.5</b>   | <b>6.7</b>    | <b>9.0</b>   |               |              |
| - Rentals (IFRS 16 impact) variation impact   | 0.3           | (1.3)         | (0.5)         | (0.2)         | -             | -             | -            |               |              |
| +/- Working capital variation impact  | 4.6           | (6.0)         | (5.1)         | 19.4          | (10.1)        | (1.3)         | 0.1          |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>1.9</b>    | <b>(1.7)</b>  | <b>8.1</b>    | <b>31.0</b>   | <b>0.4</b>    | <b>5.5</b>    | <b>9.1</b>   |               |              |
| +/- CAPEX impact  | (0.7)         | (8.7)         | (19.7)        | (41.5)        | 20.4          | 11.8          | (4.1)        |               |              |
| +/- Financial result variation  | (1.2)         | 2.1           | (5.1)         | (5.9)         | (1.7)         | 0.4           | 2.1          |               |              |
| +/- Tax impact  | 0.8           | (0.2)         | 1.7           | (2.7)         | 1.9           | -             | -            |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>0.9</b>    | <b>(8.5)</b>  | <b>(14.9)</b> | <b>(19.2)</b> | <b>21.0</b>   | <b>17.7</b>   | <b>7.0</b>   |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(3.4)</b>  | <b>(11.9)</b> | <b>(26.8)</b> | <b>(46.0)</b> | <b>(25.0)</b> | <b>(7.4)</b>  | <b>(0.3)</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |               |               |               |               |               |              |               |              |
| <b>EBIT</b>   | <b>7.5</b>    | <b>10.8</b>   | <b>17.0</b>   | <b>22.4</b>   | <b>24.7</b>   | <b>26.6</b>   | <b>34.1</b>  | <b>43.8%</b>  | <b>15.0%</b> |
| <i>* Theoretical Tax rate</i>   | 0.0%          | 23.4%         | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 10.0%        |               |              |
| = Taxes (pre- Net Financial Result)   | -             | (2.5)         | -             | -             | -             | -             | (3.4)        |               |              |
| <b>Recurrent EBITDA</b>   | <b>30.9</b>   | <b>36.4</b>   | <b>50.2</b>   | <b>62.0</b>   | <b>72.5</b>   | <b>79.3</b>   | <b>88.2</b>  | <b>26.2%</b>  | <b>12.5%</b> |
| - Rentals (IFRS 16 impact)  | (4.7)         | (6.0)         | (6.5)         | (6.7)         | (6.7)         | (6.7)         | (6.7)        |               |              |
| +/- Working Capital increase  | 0.2           | (5.8)         | (10.9)        | 8.5           | (1.7)         | (2.9)         | (2.8)        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>26.3</b>   | <b>24.6</b>   | <b>32.8</b>   | <b>63.8</b>   | <b>64.2</b>   | <b>69.6</b>   | <b>78.7</b>  | <b>34.3%</b>  | <b>7.2%</b>  |
| - CAPEX   | (22.4)        | (31.1)        | (50.8)        | (92.4)        | (71.9)        | (60.1)        | (64.2)       |               |              |
| - Taxes (pre- Financial Result)   | -             | (2.5)         | -             | -             | -             | -             | (3.4)        |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>3.9</b>    | <b>(9.0)</b>  | <b>(18.0)</b> | <b>(28.6)</b> | <b>(7.8)</b>  | <b>9.5</b>    | <b>11.0</b>  | <i>n.a.</i>   | <b>33.6%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 47.4%         | -329.8%       | -100.8%       | -58.3%        | 72.9%         | 222.7%        | 16.1%        |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 2.9%          | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | 2.8%          | 3.0%         |               |              |
| - Acquisitions / + Divestments  | (5.6)         | (8.7)         | (6.2)         | (19.9)        | (11.0)        | -             | -            |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -             | -             | -             | -             | -            |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(1.7)</b>  | <b>(17.7)</b> | <b>(24.2)</b> | <b>(48.5)</b> | <b>(18.8)</b> | <b>9.5</b>    | <b>11.0</b>  | <i>n.a.</i>   | <b>30.6%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -102.9%       | -918.6%       | -36.8%        | -100.5%       | 61.3%         | 150.8%        | 16.1%        |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 0.9%          | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | 2.3%          | 2.7%         |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | <i>n.a.</i>   | 2.3%          | 2.7%         |               |              |



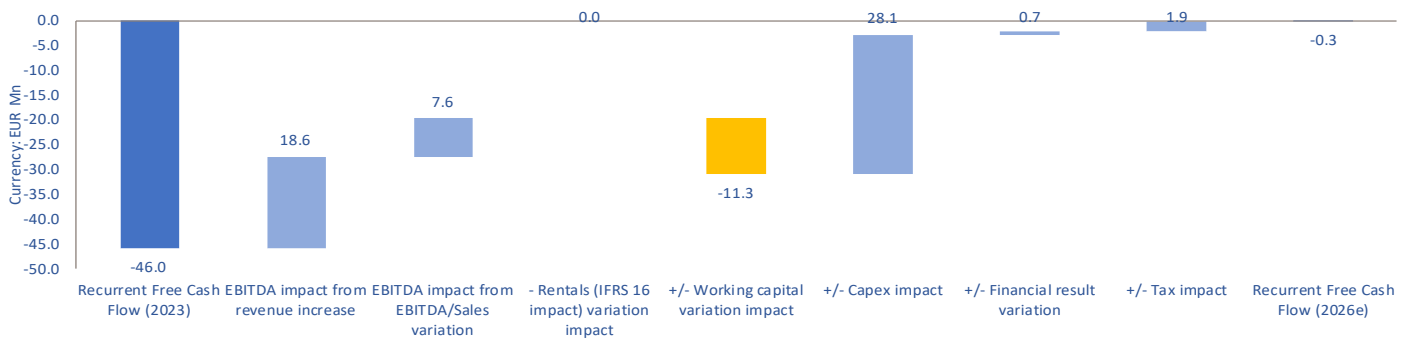


## Free Cash Flow (II)

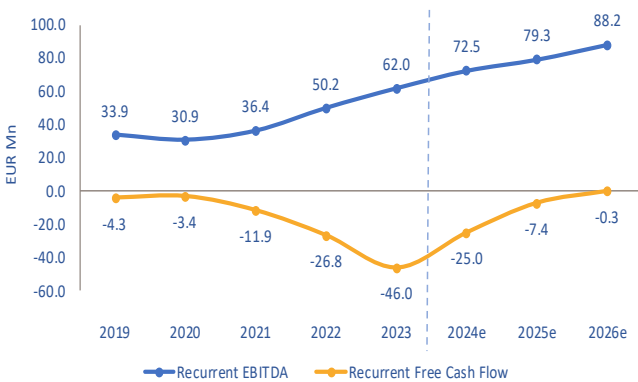
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e  | 2025e                                  | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|--------|--|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (18.8) | 9.5                                    | 11.0  | 162.4                         |           |            |
| Market Cap                     | 133.9  | At the date of this report             |       |                               |           |            |
| Net financial debt             | 246.0  | Debt net of Cash (12m Results 2023)    |       |                               |           |            |
|                                |        |  |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 6.0%   | Net debt cost                          |       |                               | 5.8%      | 6.3%       |
| Tax rate (T)                   | 20.0%  | T (Normalised tax rate)                |       |                               | =         | =          |
| Net debt cost                  | 4.8%   | $Kd = \text{Cost of Net Debt} * (1-T)$ |       |                               | 4.6%      | 5.0%       |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)            |       |                               | =         | =          |
| Equity risk premium            | 6.0%   | R (own estimate)                       |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2    | B (own estimate)                       |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5%  | $Ke = Rf + (R * B)$                    |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 35.2%  | E (Market Cap as equity value)         |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 64.8%  | D                                      |       |                               | =         | =          |
| WACC                           | 6.8%   | $WACC = Kd * D + Ke * E$               |       |                               | 6.3%      | 7.4%       |
| G "Fair"                       | 2.0%   |  |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 133.9        |                  |
| + Minority Interests                 | 2.1          | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 35.6         | 12m Results 2023 |
| + Net financial debt                 | 246.0        | 12m Results 2023 |
| - Financial Investments              | 2.2          | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>415.4</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 6.2%  | 4.0%  | 3.6% | 6.0% | 6.3% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -0.5% | -0.3% |      |      |      |
| FCF Yield - WACC     | n.a.  | n.a.  |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 25.8%            | 87.0       | 4.8x          |
| Central  | 23.5%            | 79.3       | 5.2x          |
| Min      | 21.2%            | 71.5       | 5.8x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |        |        | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|--------|--------|----------|--------------------|------|------|
| EBITDA 25e      | 16.0%           | 17.8%  | 19.6%  |          | Max                | 4.8% | 0.3% |
| 87.0            | 6.5             | 0.4    | (5.7)  | Central  | n.a.               | n.a. | n.a. |
| 79.3            | (1.3)           | (7.4)  | (13.4) | Min      | n.a.               | n.a. | n.a. |
| 71.5            | (9.1)           | (15.1) | (21.2) |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 50.0% | 50.0% | 50.0% |
| % of proprietary directors           | 50.0% | 50.0% | 50.0% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 33.3% | 33.3% | 33.3% |
| % of women out of total workforce    | 17.6% | 19.6% | 19.6% |
| Board remuneration/staff cost        | 3.0%  | 2.5%  | 1.9%  |



## Main peers 2024e

|                             |                         | Europe        |       |             |                | USA      |                |              |                  |         |        |
|-----------------------------|-------------------------|---------------|-------|-------------|----------------|----------|----------------|--------------|------------------|---------|--------|
| EUR Mn                      |                         | Ashtead Group | VP    | Speedy Hire | HSS Hire Group | Average  | United Rentals | Herc Rentals | H&E Equipment S. | Average | GAM    |
| Market data                 | Ticker (Factset)        | AHT-GB        | VP-GB | SDY-GB      | HSS-GB         |          | URI-US         | HRI-US       | HEES-US          |         | GAM-ES |
|                             | Country                 | UK            | UK    | UK          | UK             |          | USA            | USA          | USA              |         | Spain  |
|                             | Market cap              | 29,429.7      | 311.8 | 153.1       | 80.7           |          | 41,988.5       | 4,061.7      | 1,644.7          |         | 133.9  |
|                             | Enterprise value (EV)   | 39,606.5      | 535.9 | 375.8       | 209.1          |          | 53,888.1       | 8,249.0      | 3,203.3          |         | 415.4  |
| Basic financial information | Total Revenues          | 10,577.0      | 454.5 | 513.5       | 405.6          |          | 13,962.5       | 3,184.1      | 1,432.9          |         | 312.1  |
|                             | Total Revenues growth   | 5.9%          | 2.6%  | 4.7%        | -0.5%          | 3.2%     | 6.0%           | 5.5%         | 6.1%             | 5.8%    | 10.1%  |
|                             | 2y CAGR (2024e - 2026e) | 8.1%          | n.a.  | 5.5%        | 3.6%           | 5.7%     | 4.8%           | 8.9%         | 4.4%             | 6.1%    | 8.1%   |
|                             | EBITDA                  | 4,841.3       | 132.8 | 122.2       | 68.0           |          | 6,578.8        | 1,436.9      | 653.2            |         | 72.5   |
|                             | EBITDA growth           | 6.9%          | 1.8%  | 8.8%        | -0.7%          | 4.2%     | 7.8%           | 10.2%        | 3.3%             | 7.1%    | 16.9%  |
|                             | 2y CAGR (2024e - 2026e) | 8.1%          | n.a.  | 5.3%        | 3.4%           | 5.6%     | 4.8%           | 9.5%         | 6.5%             | 6.9%    | 10.3%  |
|                             | EBITDA/Revenues         | 45.8%         | 29.2% | 23.8%       | 16.8%          | 28.9%    | 47.1%          | 45.1%        | 45.6%            | 45.9%   | 23.2%  |
|                             | EBIT                    | 2,674.7       | 59.8  | 38.1        | 21.1           |          | 3,881.4        | 695.2        | 257.6            |         | 24.7   |
|                             | EBIT growth             | 4.9%          | 3.5%  | 26.1%       | -21.5%         | 3.3%     | 9.5%           | 14.0%        | 0.3%             | 8.0%    | 10.2%  |
|                             | 2y CAGR (2024e - 2026e) | 10.4%         | n.a.  | 32.0%       | 6.0%           | 16.2%    | 6.8%           | 11.7%        | 10.9%            | 9.8%    | 17.5%  |
|                             | EBIT/Revenues           | 25.3%         | 13.2% | 7.4%        | 5.2%           | 12.8%    | 27.8%          | 21.8%        | 18.0%            | 22.5%   | 7.9%   |
|                             | Net Profit              | 1,622.7       | 35.0  | 17.2        | 7.6            |          | 2,496.3        | 365.3        | 144.0            |         | 10.4   |
|                             | Net Profit growth       | 5.3%          | 6.6%  | 57.7%       | 53.5%          | 30.8%    | 12.0%          | 14.5%        | -7.5%            | 6.3%    | 14.8%  |
|                             | 2y CAGR (2024e - 2026e) | 12.8%         | n.a.  | 32.7%       | 12.2%          | 19.2%    | 6.6%           | 14.7%        | 12.8%            | 11.4%   | 29.3%  |
| CAPEX/Sales %               | 24.3%                   | 11.7%         | 6.7%  | 14.0%       | 14.2%          | 21.1%    | 23.7%          | 31.5%        | 25.4%            | 23.0%   |        |
| Free Cash Flow              | 1,233.7                 | 40.8          | 23.7  | (4.9)       |                | 1,976.1  | 390.6          | n.a.         |                  | (36.0)  |        |
| Net financial debt          | 8,763.5                 | 167.4         | 172.6 | 111.2       |                | 10,603.3 | 3,381.0        | 1,527.5      |                  | 282.1   |        |
| ND/EBITDA (x)               | 1.8                     | 1.3           | 1.4   | 1.6         | 1.5            | 1.6      | 2.4            | 2.3          | 2.1              | 3.9     |        |
| Pay-out                     | 26.8%                   | 52.1%         | 67.9% | 62.5%       | 52.3%          | 16.3%    | 12.7%          | 25.4%        | 18.1%            | 0.0%    |        |
| Multiples and Ratios        | P/E (x)                 | 18.3          | 8.7   | 7.9         | 11.5           | 11.6     | 15.5           | 11.1         | 11.4             | 12.7    | 12.8   |
|                             | P/BV (x)                | 4.4           | 1.5   | 0.7         | 0.4            | 1.7      | 5.1            | n.a.         | 2.8              | 3.9     | 1.2    |
|                             | EV/Revenues (x)         | 3.7           | 1.2   | 0.7         | 0.5            | 1.5      | 3.9            | 2.6          | 2.2              | 2.9     | 1.3    |
|                             | EV/EBITDA (x)           | 8.2           | 4.0   | 3.1         | 3.1            | 4.6      | 8.2            | 5.7          | 4.9              | 6.3     | 5.7    |
|                             | EV/EBIT (x)             | 14.8          | 9.0   | 9.9         | 9.9            | 10.9     | 13.9           | 11.9         | 12.4             | 12.7    | 16.8   |
|                             | ROE                     | 24.1          | 16.8  | 8.5         | 3.4            | 13.2     | 32.7           | n.a.         | 24.2             | 28.4    | 9.7    |
|                             | FCF Yield (%)           | 4.2           | 13.1  | 15.5        | n.a.           | 10.9     | 4.7            | 9.6          | n.a.             | 7.2     | n.a.   |
|                             | DPS                     | 0.99          | 0.46  | 0.02        | 0.01           | 0.37     | 5.95           | 1.63         | 1.01             | 2.86    | 0.00   |
| Dvd Yield                   | 1.5%                    | 5.9%          | 7.2%  | 5.9%        | 5.1%           | 0.9%     | 1.1%           | 2.2%         | 1.4%             | 0.0%    |        |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  | CAGR 13-23 | 23-26e |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|
| Total Revenues                  | 120.8  | 103.9  | 105.1  | 105.2  | 116.4  | 132.0  | 143.1  | 134.1  | 169.1  | 225.8  | 283.6  | 312.1  | 337.4  | 364.9  | 8.9%       | 8.8%   |
| Total Revenues growth           | -13.5% | -14.0% | 1.2%   | 0.0%   | 10.7%  | 13.4%  | 8.4%   | -6.3%  | 26.1%  | 33.5%  | 25.6%  | 10.1%  | 8.1%   | 8.1%   |            |        |
| EBITDA                          | 5.0    | 4.8    | 6.1    | 14.1   | 22.4   | 31.9   | 32.8   | 29.8   | 35.7   | 50.2   | 62.0   | 72.5   | 79.3   | 88.2   | 28.7%      | 12.5%  |
| EBITDA growth                   | -54.6% | -4.1%  | 27.6%  | 133.2% | 58.7%  | 42.1%  | 2.7%   | -8.9%  | 19.8%  | 40.4%  | 23.6%  | 16.9%  | 9.3%   | 11.3%  |            |        |
| EBITDA/Sales                    | 4.1%   | 4.6%   | 5.8%   | 13.4%  | 19.3%  | 24.2%  | 22.9%  | 22.2%  | 21.1%  | 22.2%  | 21.9%  | 23.2%  | 23.5%  | 24.2%  |            |        |
| Net Profit                      | (17.1) | (28.3) | (5.8)  | (11.1) | (7.7)  | (4.0)  | 40.0   | 1.1    | 2.6    | 7.7    | 9.1    | 10.4   | 12.2   | 17.4   | 9.7%       | 24.3%  |
| Net Profit growth               | 72.2%  | -65.7% | 79.4%  | -91.5% | 30.5%  | 47.9%  | n.a.   | -97.1% | 130.4% | 193.1% | 17.7%  | 14.8%  | 16.9%  | 43.0%  |            |        |
| Adjusted number shares (Mn)     | 6.5    | 24.4   | 43.4   | 43.5   | 43.5   | 36.0   | 66.2   | 94.6   | 94.6   | 94.2   | 94.2   | 94.6   | 94.6   | 94.6   |            |        |
| EPS (EUR)                       | -2.64  | -1.16  | -0.13  | -0.26  | -0.18  | -0.11  | 0.60   | 0.01   | 0.03   | 0.08   | 0.10   | 0.11   | 0.13   | 0.18   | 7.4%       | 24.1%  |
| EPS growth                      | 74.7%  | 56.2%  | 88.4%  | -90.8% | 30.5%  | 36.9%  | n.a.   | -98.0% | n.a.   | n.a.   | 17.7%  | 14.4%  | 16.9%  | 43.0%  |            |        |
| Ord. EPS (EUR)                  | -2.64  | -1.16  | -0.13  | -0.26  | -0.18  | -0.11  | 0.00   | 0.02   | 0.03   | 0.07   | 0.07   | 0.08   | 0.10   | 0.18   | 7.3%       | 35.7%  |
| Ord. EPS growth                 | 74.7%  | 56.2%  | 88.4%  | -90.8% | 30.5%  | 36.9%  | 96.4%  | n.a.   | 70.4%  | n.a.   | 0.8%   | 6.7%   | 30.9%  | 78.8%  |            |        |
| CAPEX                           | (0.3)  | (0.3)  | (23.7) | (31.3) | (22.9) | (24.8) | (21.8) | (22.4) | (31.1) | (50.8) | (92.4) | (71.9) | (60.1) | (64.2) |            |        |
| CAPEX/Sales %                   | 0.2%   | 0.2%   | 22.6%  | 29.8%  | 19.7%  | 18.8%  | 15.2%  | 16.7%  | 18.4%  | 22.5%  | 32.6%  | 23.0%  | 17.8%  | 17.6%  |            |        |
| Free Cash Flow                  | 38.4   | 16.5   | (2.6)  | (14.2) | 11.4   | 9.2    | 50.8   | (10.1) | (21.3) | (33.0) | (65.9) | (36.0) | (7.4)  | (0.3)  | -14.0%     | 82.9%  |
| ND/EBITDA (x) <sup>(2)</sup>    | n.a.   | n.a.   | 27.1x  | 12.3x  | 7.8x   | 5.9x   | 3.7x   | 3.6x   | 4.1x   | 3.6x   | 4.0x   | 3.9x   | 3.7x   | 3.3x   |            |        |
| P/E (x)                         | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | 2.5x   | 94.4x  | 53.7x  | 13.0x  | 12.3x  | 12.8x  | 11.0x  | 7.7x   |            |        |
| EV/Sales (x)                    | 2.65x  | 2.64x  | 2.32x  | 2.54x  | 1.98x  | 1.74x  | 1.59x  | 1.69x  | 1.87x  | 1.41x  | 1.45x  | 1.33x  | 1.23x  | 1.14x  |            |        |
| EV/EBITDA (x) <sup>(2)</sup>    | n.a.   | n.a.   | 40.2x  | 18.9x  | 10.3x  | 7.2x   | 6.9x   | 7.6x   | 8.8x   | 6.3x   | 6.6x   | 5.7x   | 5.2x   | 4.7x   |            |        |
| Absolute performance            | 80.0%  | -70.8% | 14.3%  | 16.7%  | -41.1% | -22.4% | 56.3%  | -25.5% | 31.1%  | -28.8% | 10.8%  | 19.9%  |        |        |            |        |
| Relative performance vs Ibx 35  | 48.2%  | -71.9% | 23.1%  | 19.1%  | -45.1% | -8.8%  | 39.8%  | -11.9% | 21.5%  | -24.6% | -9.7%  | 6.9%   |        |        |            |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Iflex, is a family-run company that was set up in 1998. It provides personalised flexible packaging printing solutions (gravure printing) on a range of products from film on the reel for making bags, stick packs and lids...In 2023, 78% of sales were generated in Spain. It has three core lines of business: (i) food (62% of 2023 revenue); (ii) pharma/cosmetics (19%); and (iii) other (19%). IFLEX has been listed on BME Growth since november 2023.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**2023 confirmed the (organic) leap in scale achieved in 2022.** IFLEX reported FY23 revenue of EUR 14.0Mn (vs EUR 13.7Mn in 2022). It cemented the strong organic growth achieved in 2022 (+48% vs 2021). Recurring EBITDA totalled EUR 1.8Mn (+4% vs 2022).

**We estimate rec. EBITDA of EUR 2.0Mn in 2024e...** thanks to further gross margin expansion after 2023 (+3.9 p.p. vs. 2022; due to the lower raw material prices) and the smaller weight of overhead, leaving recurring EBITDA 2024e at EUR 2.0Mn (vs. EUR 1.8Mn in 2023).

**...and reduction in net debt to EUR 2.9Mn.** The improvement in recurring EBITDA and CAPEX of c.EUR 0.5Mn would leave recurring FCF in 2024e of EUR 0.9Mn (FCF yield of 9.6% vs 4.6% in 2023). Meanwhile, we estimate a EUR 0.4Mn dividend (dividend yield of 6.6% vs 5.5% in 2023).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Exposure to anti-cyclical/defensive markets.** Exposure to the non-discretionary food and pharma sectors gives IFLEX a resilient profile (as borne out in 2020). In 2023, 62% of revenue stemmed from the food business and 19% from pharma/cosmetics.

**Diversified product range,** including recyclable and compostable (biodegradable) solutions that reduce pollution and contribute to the sustainability thrust. In other words, the commitment to this "winning" technology in the transformation of the plastic industry is on target. IFLEX is benefiting from tailwinds in the form of favourable legislation around recycling and the circular economy.

**Stable dividend policy.** This is always conditional upon its investment policy. In CAPEX-intensive years, the payout is limited to 20%. Otherwise, payout can reach as high as 60%. We estimate a dividend of EUR 0.4Mn in 2024e (dividend yield of 6.6%).

**2024e-2026e: stable revenue and margin growth.** The 2023 performance cleared up one uncertainty: revenue growth. Looking ahead to the next few years, we expect sustained growth in revenue (CAGR 2024e-2026e: 5.5%) to EUR 16.6Mn and in recurring EBITDA to EUR 2.5Mn in 2026e. This is underpinned by a low-risk model: balance sheet with low gearing, exposure to defensive sectors, vertical integration and low regulatory risk.

**RISKS: WHAT TO KEEP AN EYE ON?**

**Low barriers to entry, which are inviting to competitors** in the company's sector, making it easy for newcomers to join the fray. Moreover, the sector is highly fragmented, so a trend towards concentration would hardly be surprising (the sector is ripe for M&A).

**Reliance on the Spanish market.** The company generated c.78% of its revenue in 2023 in Spain. An economic slowdown or sector slump in Spain could have a significant adverse impact on the business.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Trading at attractive multiples.** On our estimates for 2024e, the plunge in the share price (-34%) since its first day of trading (30/11/2023) puts the stock trading at EV/recurring EBITDA and ordinary P/E multiples of 5.9x and 7.6x, respectively. Long term, its P/E (-50% vs sector) is the best indicator of the stock's upside. And reflects a possible investment play without much downside. A positive ROCE-WACC spread of c.9p.p.

**Market Data**

|                                |                     |      |
|--------------------------------|---------------------|------|
| Market Cap (Mn EUR and USD)    | 9.0                 | 9.8  |
| EV (Mn EUR and USD)            | 12.1                | 13.2 |
| Shares Outstanding (Mn)        | 6.0                 |      |
| -12m (Max/Med/Min EUR)         | 2.26 / 1.70 / 1.48  |      |
| Daily Avg volume (-12m Mn EUR) | n.m.                |      |
| Rotation <sup>(1)</sup>        | 5.7                 |      |
| Factset / Bloomberg            | IFLEX-ES / IFLEX SM |      |
| Close fiscal year              | 31-Dec              |      |

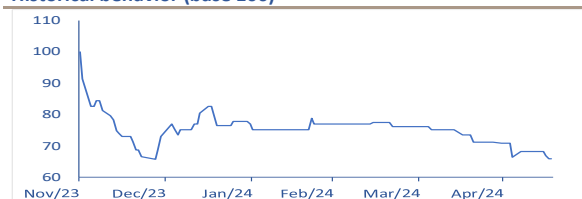
**Shareholders Structure (%)**

|                               |      |
|-------------------------------|------|
| Puig Family                   | 76.0 |
| Miquel Angel Bonachera Sierra | 1.4  |
| Sergi Audivert Brugué         | 1.4  |
| Treasury Stock                | 1.4  |
| Free Float                    | 19.8 |

| Financials (Mn EUR)                 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------------|------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 5.3  | 6.0   | 6.0   | 6.0   |
| Total Revenues                      | 14.0 | 14.9  | 15.8  | 16.6  |
| Rec. EBITDA                         | 1.8  | 2.0   | 2.2   | 2.5   |
| % growth                            | 4.1  | 10.6  | 9.8   | 10.7  |
| % Rec. EBITDA/Rev.                  | 13.2 | 13.7  | 14.2  | 15.0  |
| % Inc. EBITDA sector <sup>(2)</sup> | 9.2  | 12.6  | 9.7   | 8.4   |
| Net Profit                          | 0.9  | 1.2   | 1.4   | 1.6   |
| EPS (EUR)                           | 0.16 | 0.20  | 0.23  | 0.27  |
| % growth                            | -6.3 | 20.8  | 16.4  | 16.8  |
| Ord. EPS (EUR)                      | 0.18 | 0.20  | 0.23  | 0.27  |
| % growth                            | -0.2 | 6.6   | 16.4  | 16.8  |
| Rec. Free Cash Flow                 | 0.4  | 0.9   | 1.2   | 1.4   |
| Pay-out (%)                         | 50.0 | 50.0  | 50.0  | 50.0  |
| DPS (EUR)                           | 0.08 | 0.10  | 0.11  | 0.13  |
| Net financial debt                  | 3.4  | 2.9   | 2.3   | 1.5   |
| ND/Rec. EBITDA (x)                  | 1.8  | 1.4   | 1.0   | 0.6   |
| ROE (%)                             | 31.1 | 28.5  | 27.8  | 27.4  |
| ROCE (%)                            | 16.0 | 18.8  | 20.5  | 22.6  |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 9.1  | 7.6  | 6.5  | 5.6  |
| Ord. P/E           | 8.1  | 7.6  | 6.5  | 5.6  |
| P/BV               | 2.4  | 2.0  | 1.7  | 1.4  |
| Dividend Yield (%) | 5.5  | 6.6  | 7.7  | 9.0  |
| EV/Sales           | 0.86 | 0.81 | 0.77 | 0.73 |
| EV/Rec. EBITDA     | 6.6  | 5.9  | 5.4  | 4.9  |
| EV/EBIT            | 10.0 | 8.0  | 7.0  | 6.2  |
| FCF Yield (%)      | 4.6  | 9.6  | 12.9 | 15.5 |

**Historical behavior (base 100)**


| (%)      | -1m   | -3m   | -12m | -5Y  |
|----------|-------|-------|------|------|
| Absolute | -10.2 | -12.4 | n.a. | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.  
 (2) Sector: Stoxx Europe 600 Industrial Goods & Services.



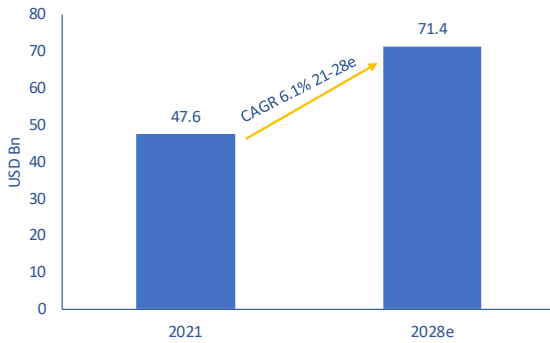
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019       | 2020       | 2021       | 2022        | 2023        | 2024e        | 2025e        | 2026e        | CAGR         |              |
|--|------------|------------|------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets                            | 0.1        | 0.0        | 0.1        | 0.1         | 0.1         | 0.1          | 0.1          | 0.1          |              |              |
| Fixed assets                                 | 4.6        | 4.8        | 4.1        | 3.9         | 4.2         | 4.2          | 4.3          | 4.3          |              |              |
| Other Non Current Assets                     | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| Financial Investments                        | 0.5        | 0.5        | 0.5        | 0.2         | 0.5         | 0.5          | 0.5          | 0.5          |              |              |
| Goodwill & Other Intangibles                 | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| Current assets                               | 3.3        | 3.3        | 5.2        | 4.9         | 4.7         | 5.2          | 5.5          | 5.7          |              |              |
| <b>Total assets</b>                          | <b>8.5</b> | <b>8.6</b> | <b>9.8</b> | <b>9.1</b>  | <b>9.6</b>  | <b>10.0</b>  | <b>10.3</b>  | <b>10.6</b>  |              |              |
| Equity                                       | 2.1        | 2.2        | 2.0        | 1.8         | 3.8         | 4.5          | 5.4          | 6.4          |              |              |
| Minority Interests                           | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| Provisions & Other L/T Liabilities           | 0.0        | 0.0        | 0.2        | 0.3         | 0.3         | 0.3          | 0.3          | 0.3          |              |              |
| Other Non Current Liabilities                | 0.2        | 0.2        | 0.3        | 0.2         | 0.3         | 0.3          | 0.3          | 0.3          |              |              |
| Net financial debt                           | 5.0        | 4.8        | 5.2        | 4.6         | 3.4         | 2.9          | 2.3          | 1.5          |              |              |
| Current Liabilities                          | 1.1        | 1.3        | 2.0        | 2.2         | 1.9         | 2.0          | 2.1          | 2.2          |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>8.5</b> | <b>8.6</b> | <b>9.8</b> | <b>9.1</b>  | <b>9.6</b>  | <b>10.0</b>  | <b>10.3</b>  | <b>10.6</b>  |              |              |
| P&L (EUR Mn)                                 | 2019       | 2020       | 2021       | 2022        | 2023        | 2024e        | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Total Revenues</b>                        | <b>7.6</b> | <b>8.6</b> | <b>9.2</b> | <b>13.7</b> | <b>14.0</b> | <b>14.9</b>  | <b>15.8</b>  | <b>16.6</b>  | <b>16.6%</b> | <b>5.7%</b>  |
| <i>Total Revenues growth</i>                 | 5.4%       | 13.1%      | 7.2%       | 48.3%       | 2.7%        | 6.1%         | 6.0%         | 5.0%         |              |              |
| COGS   | (4.1)      | (4.7)      | (5.2)      | (7.7)       | (7.4)       | (7.8)        | (8.3)        | (8.7)        |              |              |
| <b>Gross Margin</b>                          | <b>3.5</b> | <b>3.9</b> | <b>4.0</b> | <b>5.9</b>  | <b>6.6</b>  | <b>7.0</b>   | <b>7.5</b>   | <b>7.8</b>   | <b>17.1%</b> | <b>5.7%</b>  |
| <i>Gross Margin/Revenues</i>                 | 46.6%      | 45.7%      | 43.1%      | 43.5%       | 47.3%       | 47.3%        | 47.3%        | 47.3%        |              |              |
| Personnel Expenses                           | (1.7)      | (1.8)      | (1.8)      | (2.1)       | (2.7)       | (2.8)        | (2.9)        | (3.0)        |              |              |
| Other Operating Expenses                     | (1.2)      | (1.5)      | (1.5)      | (2.1)       | (2.1)       | (2.2)        | (2.3)        | (2.4)        |              |              |
| <b>Recurrent EBITDA</b>                      | <b>0.7</b> | <b>0.7</b> | <b>0.6</b> | <b>1.8</b>  | <b>1.8</b>  | <b>2.0</b>   | <b>2.2</b>   | <b>2.5</b>   | <b>28.9%</b> | <b>10.4%</b> |
| <i>Recurrent EBITDA growth</i>               | 44.0%      | -0.5%      | -3.7%      | 176.9%      | 4.1%        | 10.6%        | 9.8%         | 10.7%        |              |              |
| <i>Rec. EBITDA/Revenues</i>                  | 8.8%       | 7.8%       | 7.0%       | 13.0%       | 13.2%       | 13.7%        | 14.2%        | 15.0%        |              |              |
| Restructuring Expense & Other non-rec.       | -          | -          | -          | (0.1)       | (0.1)       | -            | -            | -            |              |              |
| <b>EBITDA</b>                                | <b>0.7</b> | <b>0.7</b> | <b>0.6</b> | <b>1.7</b>  | <b>1.7</b>  | <b>2.0</b>   | <b>2.2</b>   | <b>2.5</b>   | <b>26.6%</b> | <b>13.1%</b> |
| Depreciation & Provisions                    | (0.3)      | (0.4)      | (0.4)      | (0.5)       | (0.5)       | (0.5)        | (0.5)        | (0.5)        |              |              |
| Capitalized Expense                          | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| Rentals (IFRS 16 impact)                     | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| <b>EBIT</b>                                  | <b>0.3</b> | <b>0.3</b> | <b>0.2</b> | <b>1.3</b>  | <b>1.2</b>  | <b>1.5</b>   | <b>1.7</b>   | <b>2.0</b>   | <b>38.1%</b> | <b>17.2%</b> |
| <i>EBIT growth</i>                           | 29.6%      | -13.1%     | -29.5%     | 512.2%      | -2.9%       | 25.1%        | 13.1%        | 13.7%        |              |              |
| <i>EBIT/Revenues</i>                         | 4.4%       | 3.4%       | 2.2%       | 9.2%        | 8.7%        | 10.2%        | 10.9%        | 11.8%        |              |              |
| Impact of Goodwill & Others                  | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| Net Financial Result                         | (0.1)      | (0.1)      | (0.1)      | (0.1)       | (0.2)       | (0.2)        | (0.1)        | (0.1)        |              |              |
| Income by the Equity Method                  | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| <b>Ordinary Profit</b>                       | <b>0.2</b> | <b>0.2</b> | <b>0.1</b> | <b>1.1</b>  | <b>1.0</b>  | <b>1.4</b>   | <b>1.6</b>   | <b>1.8</b>   | <b>44.6%</b> | <b>23.2%</b> |
| <i>Ordinary Profit Growth</i>                | 89.7%      | -18.7%     | -54.5%     | n.a.        | -10.9%      | 37.7%        | 16.4%        | 16.8%        |              |              |
| Extraordinary Results                        | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| <b>Profit Before Tax</b>                     | <b>0.2</b> | <b>0.2</b> | <b>0.1</b> | <b>1.1</b>  | <b>1.0</b>  | <b>1.4</b>   | <b>1.6</b>   | <b>1.8</b>   | <b>44.6%</b> | <b>23.2%</b> |
| Tax Expense                                  | (0.1)      | (0.1)      | (0.0)      | (0.2)       | (0.1)       | (0.2)        | (0.2)        | (0.2)        |              |              |
| <i>Effective Tax Rate</i>                    | 29.3%      | 28.2%      | 26.1%      | 18.7%       | 12.3%       | 12.3%        | 12.3%        | 12.3%        |              |              |
| Minority Interests                           | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| Discontinued Activities                      | -          | -          | -          | -           | -           | -            | -            | -            |              |              |
| <b>Net Profit</b>                            | <b>0.2</b> | <b>0.1</b> | <b>0.1</b> | <b>0.9</b>  | <b>0.9</b>  | <b>1.2</b>   | <b>1.4</b>   | <b>1.6</b>   | <b>52.7%</b> | <b>23.2%</b> |
| <i>Net Profit growth</i>                     | 93.7%      | -17.3%     | -53.1%     | n.a.        | -3.8%       | 37.7%        | 16.4%        | 16.8%        |              |              |
| <b>Ordinary Net Profit</b>                   | <b>0.2</b> | <b>0.1</b> | <b>0.1</b> | <b>1.0</b>  | <b>1.0</b>  | <b>1.2</b>   | <b>1.4</b>   | <b>1.6</b>   | <b>57.5%</b> | <b>18.2%</b> |
| <i>Ordinary Net Profit growth</i>            | 91.5%      | -17.3%     | -53.1%     | n.a.        | 2.4%        | 21.5%        | 16.4%        | 16.8%        |              |              |
| Cash Flow (EUR Mn)                           | 2019       | 2020       | 2021       | 2022        | 2023        | 2024e        | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Recurrent EBITDA</b>                      |            |            |            |             |             | <b>2.0</b>   | <b>2.2</b>   | <b>2.5</b>   | <b>28.9%</b> | <b>10.4%</b> |
| Rentals (IFRS 16 impact)                     |            |            |            |             |             | -            | -            | -            |              |              |
| Working Capital Increase                     |            |            |            |             |             | (0.3)        | (0.2)        | (0.2)        |              |              |
| <b>Recurrent Operating Cash Flow</b>         |            |            |            |             |             | <b>1.7</b>   | <b>2.0</b>   | <b>2.3</b>   | <b>n.a.</b>  | <b>10.7%</b> |
| CAPEX  |            |            |            |             |             | (0.5)        | (0.6)        | (0.6)        |              |              |
| Net Financial Result affecting the Cash Flow |            |            |            |             |             | (0.2)        | (0.1)        | (0.1)        |              |              |
| Tax Expense                                  |            |            |            |             |             | (0.2)        | (0.2)        | (0.2)        |              |              |
| <b>Recurrent Free Cash Flow</b>              |            |            |            |             |             | <b>0.9</b>   | <b>1.2</b>   | <b>1.4</b>   | <b>27.0%</b> | <b>50.4%</b> |
| Restructuring Expense & Other non-rec.       |            |            |            |             |             | -            | -            | -            |              |              |
| - Acquisitions / + Divestures of assets      |            |            |            |             |             | -            | -            | -            |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |            |            |            |             |             | -            | -            | -            |              |              |
| <b>Free Cash Flow</b>                        |            |            |            |             |             | <b>0.9</b>   | <b>1.2</b>   | <b>1.4</b>   | <b>42.9%</b> | <b>n.a.</b>  |
| Capital Increase                             |            |            |            |             |             | -            | -            | -            |              |              |
| Dividends                                    |            |            |            |             |             | (0.4)        | (0.5)        | (0.6)        |              |              |
| <b>Net Debt Variation</b>                    |            |            |            |             |             | <b>(0.4)</b> | <b>(0.7)</b> | <b>(0.8)</b> |              |              |

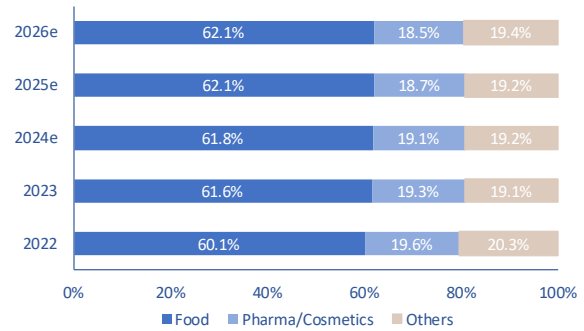


## The company in 8 charts

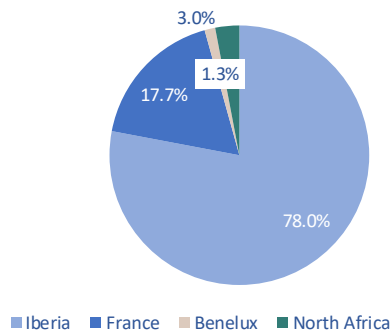
**The European flexible packaging sector is expected to grow at CAGR of 6.1% in 21-28e**



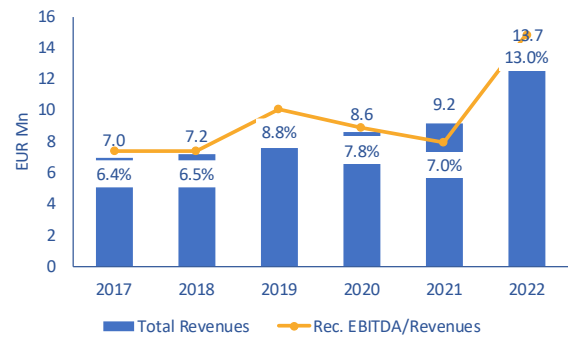
**IFLEX: a vertically integrated business with exposure to defensive/anti-cyclical sectors ...**



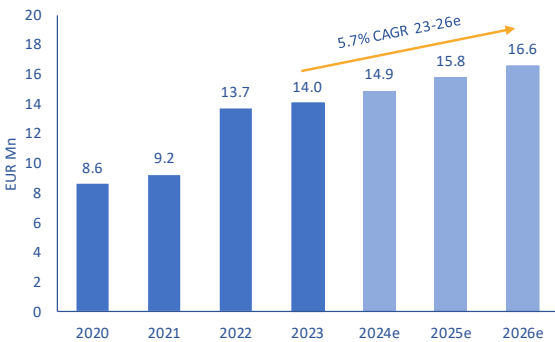
**... and an international presence (which it plans to expand). In 2023, sales in Spain accounted for 78%**



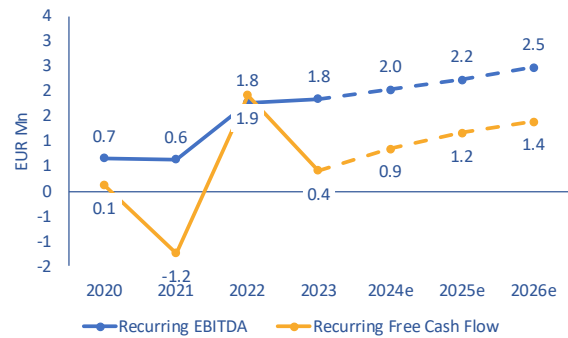
**Sustained growth between 2017 - 21. Then, in 2022, it achieved an organic leap in scale in terms of revenue (+48%) and profitability ...**



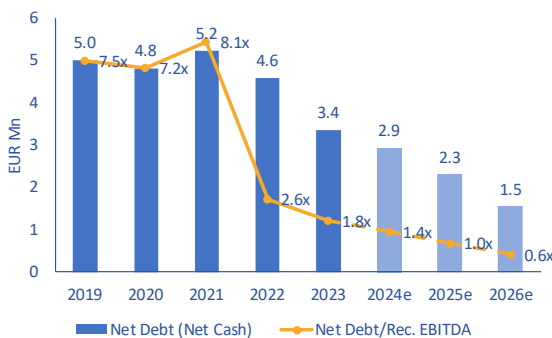
**... changing the company's profile. And that is IFLEX's equity story: consolidation of the leap taken in 2022**



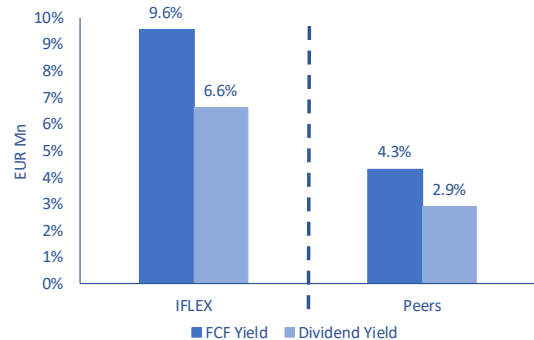
**Driving EBITDA margin expansion to 15% in 2026e with the corresponding impact on recurring FCF generation**



**Allowing IFLEX to embark on a dividend distribution policy and to deleverage**



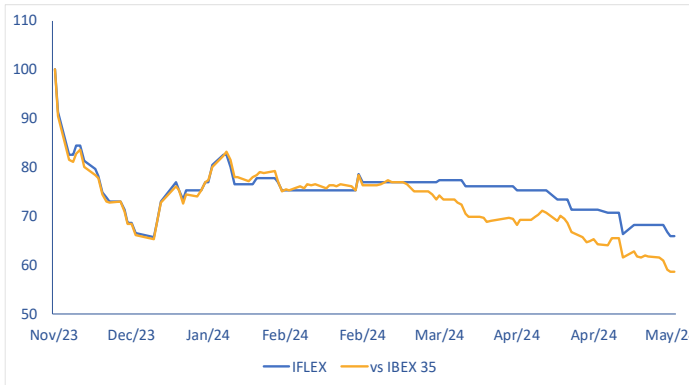
**Trading at attractive multiples: 2024e FCF yields of 9.6% vs 4.3% at its main comps**



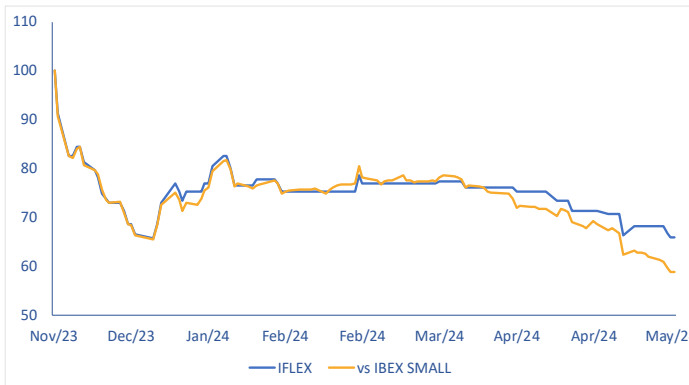


## Evolution of the share price

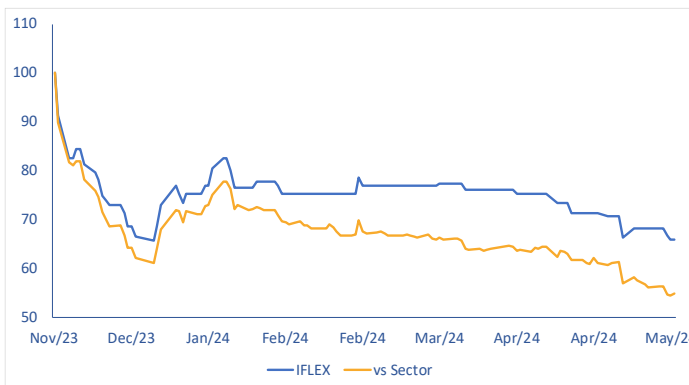
### Historical behavior vs Ibex 35 (base 100)



### Historical behavior vs Ibex Small Cap (base 100)



### Historical behavior vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Stoxx Europe 600 Industrial Goods & Services

| Stock performance (%)                           | -1m   | -3m   | -12m | YTD   | -3Y  | -5Y  |
|---|-------|-------|------|-------|------|------|
| <b>Absolute</b>                                 | -10.2 | -12.4 | n.a. | -9.8  | n.a. | n.a. |
| <b>vs Market</b>                                |       |       |      |       |      |      |
| vs Ibex 35                                      | -15.7 | -23.5 | n.a. | -19.5 | n.a. | n.a. |
| vs Euro STOXX 50                                | -12.9 | -17.5 | n.a. | -19.4 | n.a. | n.a. |
| <b>vs Small Cap References</b>                  |       |       |      |       |      |      |
| vs Ibex Small Cap Index                         | -17.8 | -23.3 | n.a. | -18.9 | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup>       | -14.9 | -18.9 | n.a. | -16.3 | n.a. | n.a. |
| vs MSCI Europe Micro Cap                        | -15.4 | -18.4 | n.a. | -14.6 | n.a. | n.a. |
| <b>vs Sector</b>                                |       |       |      |       |      |      |
| vs Stoxx Europe 600 Industrial Goods & Services | -13.5 | -17.8 | n.a. | -19.3 | n.a. | n.a. |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

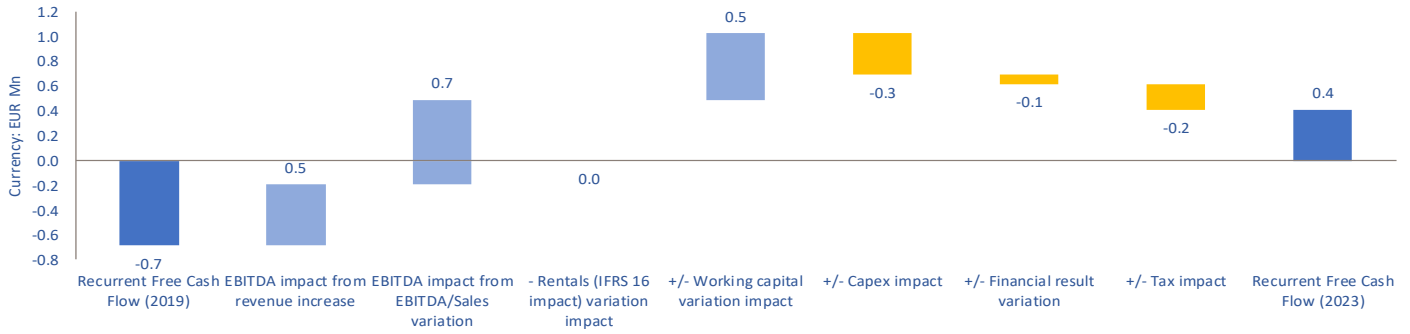
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e      | 2025e      | 2026e      | CAGR          |              |
|---|--------------|--------------|--------------|--------------|------------|------------|------------|---------------|--------------|
|   |              |              |              |              |            |            |            | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>0.7</b>   | <b>0.6</b>   | <b>1.8</b>   | <b>1.8</b>   | <b>2.0</b> | <b>2.2</b> | <b>2.5</b> | <b>40.5%</b>  | <b>10.4%</b> |
| <i>Recurrent EBITDA growth</i>  | -0.5%        | -3.7%        | 176.9%       | 4.1%         | 10.6%      | 9.8%       | 10.7%      |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 7.8%         | 7.0%         | 13.0%        | 13.2%        | 13.7%      | 14.2%      | 15.0%      |               |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -          | -          | -          |               |              |
| +/- Working Capital increase  | 0.2          | (1.2)        | 0.5          | (0.1)        | (0.3)      | (0.2)      | (0.2)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>0.8</b>   | <b>(0.6)</b> | <b>2.3</b>   | <b>1.7</b>   | <b>1.7</b> | <b>2.0</b> | <b>2.3</b> | <b>27.2%</b>  | <b>10.7%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | n.a.         | -171.7%      | 485.8%       | -25.5%       | 0.2%       | 19.8%      | 12.8%      |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 9.6%         | n.a.         | 16.8%        | 12.2%        | 11.5%      | 13.0%      | 14.0%      |               |              |
| - CAPEX   | (0.5)        | (0.5)        | (0.3)        | (0.9)        | (0.5)      | (0.6)      | (0.6)      |               |              |
| - Net Financial Result affecting Cash Flow  | (0.1)        | (0.1)        | (0.1)        | (0.2)        | (0.2)      | (0.1)      | (0.1)      |               |              |
| - Taxes   | (0.1)        | -            | -            | (0.2)        | (0.2)      | (0.2)      | (0.2)      |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>0.1</b>   | <b>(1.2)</b> | <b>1.9</b>   | <b>0.4</b>   | <b>0.9</b> | <b>1.2</b> | <b>1.4</b> | <b>50.0%</b>  | <b>50.4%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 117.8%       | n.a.         | 254.8%       | -78.5%       | 109.6%     | 35.2%      | 20.0%      |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 1.4%         | n.a.         | 14.0%        | 2.9%         | 5.8%       | 7.4%       | 8.4%       |               |              |
| - Restructuring expenses & others   | -            | -            | -            | (0.2)        | -          | -          | -          |               |              |
| - Acquisitions / + Divestments  | 0.0          | 0.7          | 0.1          | (0.3)        | -          | -          | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -          | -          | -          |               |              |
| <b>= Free Cash Flow</b>   | <b>0.2</b>   | <b>(0.5)</b> | <b>2.0</b>   | <b>(0.1)</b> | <b>0.9</b> | <b>1.2</b> | <b>1.4</b> | <b>-35.1%</b> | <b>n.a.</b>  |
| <i>Free Cash Flow growth</i>  | 122.9%       | -426.2%      | 516.5%       | -103.4%      | n.a.       | 35.2%      | 20.0%      |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 1.4%         | n.a.         | 21.2%        | 4.6%         | 9.6%       | 12.9%      | 15.5%      |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 1.7%         | n.a.         | 22.7%        | n.a.         | 9.6%       | 12.9%      | 15.5%      |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |            |            |            |               |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e      | 2025e      | 2026e      | CAGR          |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(0.7)</b> | <b>0.1</b>   | <b>(1.2)</b> | <b>1.9</b>   | <b>0.4</b> | <b>0.9</b> | <b>1.2</b> |               |              |
| EBITDA impact from revenue increase   | 0.1          | 0.0          | 0.3          | 0.0          | 0.1        | 0.1        | 0.1        |               |              |
| EBITDA impact from EBITDA/Sales variation   | (0.1)        | (0.1)        | 0.8          | 0.0          | 0.1        | 0.1        | 0.1        |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.0)</b> | <b>(0.0)</b> | <b>1.1</b>   | <b>0.1</b>   | <b>0.2</b> | <b>0.2</b> | <b>0.2</b> |               |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -            | -            | -          | -          | -          |               |              |
| +/- Working capital variation impact  | 0.8          | (1.4)        | 1.8          | (0.7)        | (0.2)      | 0.1        | 0.0        |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>0.8</b>   | <b>(1.4)</b> | <b>2.9</b>   | <b>(0.6)</b> | <b>0.0</b> | <b>0.3</b> | <b>0.3</b> |               |              |
| +/- CAPEX impact  | -            | 0.0          | 0.3          | (0.6)        | 0.4        | (0.0)      | (0.0)      |               |              |
| +/- Financial result variation  | 0.0          | (0.0)        | (0.0)        | (0.1)        | 0.0        | 0.0        | 0.0        |               |              |
| +/- Tax impact  | (0.0)        | 0.1          | -            | (0.2)        | 0.1        | (0.0)      | (0.0)      |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>0.8</b>   | <b>(1.4)</b> | <b>3.1</b>   | <b>(1.5)</b> | <b>0.5</b> | <b>0.3</b> | <b>0.2</b> |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>0.1</b>   | <b>(1.2)</b> | <b>1.9</b>   | <b>0.4</b>   | <b>0.9</b> | <b>1.2</b> | <b>1.4</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |            |            |            |               |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e      | 2025e      | 2026e      | CAGR          |              |
| <b>EBIT</b>   | <b>0.3</b>   | <b>0.2</b>   | <b>1.3</b>   | <b>1.2</b>   | <b>1.5</b> | <b>1.7</b> | <b>2.0</b> | <b>61.2%</b>  | <b>17.2%</b> |
| * Theoretical Tax rate  | 28.2%        | 26.1%        | 18.7%        | 12.3%        | 12.3%      | 12.3%      | 12.3%      |               |              |
| = Taxes (pre- Net Financial Result)   | (0.1)        | (0.1)        | (0.2)        | (0.1)        | (0.2)      | (0.2)      | (0.2)      |               |              |
| <b>Recurrent EBITDA</b>   | <b>0.7</b>   | <b>0.6</b>   | <b>1.8</b>   | <b>1.8</b>   | <b>2.0</b> | <b>2.2</b> | <b>2.5</b> | <b>40.5%</b>  | <b>10.4%</b> |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -          | -          | -          |               |              |
| +/- Working Capital increase  | 0.2          | (1.2)        | 0.5          | (0.1)        | (0.3)      | (0.2)      | (0.2)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>0.8</b>   | <b>(0.6)</b> | <b>2.3</b>   | <b>1.7</b>   | <b>1.7</b> | <b>2.0</b> | <b>2.3</b> | <b>27.2%</b>  | <b>10.7%</b> |
| - CAPEX   | (0.5)        | (0.5)        | (0.3)        | (0.9)        | (0.5)      | (0.6)      | (0.6)      |               |              |
| - Taxes (pre- Financial Result)   | (0.1)        | (0.1)        | (0.2)        | (0.1)        | (0.2)      | (0.2)      | (0.2)      |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>0.2</b>   | <b>(1.2)</b> | <b>1.8</b>   | <b>0.7</b>   | <b>1.0</b> | <b>1.3</b> | <b>1.5</b> | <b>49.2%</b>  | <b>29.7%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 131.9%       | -666.4%      | 254.7%       | -62.1%       | 46.6%      | 28.2%      | 16.0%      |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 2.4%         | n.a.         | 13.2%        | 4.9%         | 6.7%       | 8.2%       | 9.0%       |               |              |
| - Acquisitions / + Divestments  | 0.0          | 0.7          | 0.1          | (0.3)        | -          | -          | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -          | -          | -          |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>0.2</b>   | <b>(0.4)</b> | <b>1.9</b>   | <b>0.4</b>   | <b>1.0</b> | <b>1.3</b> | <b>1.5</b> | <b>19.2%</b>  | <b>55.5%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | 138.1%       | -280.3%      | 557.8%       | -79.5%       | 152.7%     | 28.2%      | 16.0%      |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 1.7%         | n.a.         | 14.9%        | 5.7%         | 8.3%       | 10.6%      | 12.3%      |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 1.9%         | n.a.         | 16.0%        | 3.3%         | 8.3%       | 10.6%      | 12.3%      |               |              |



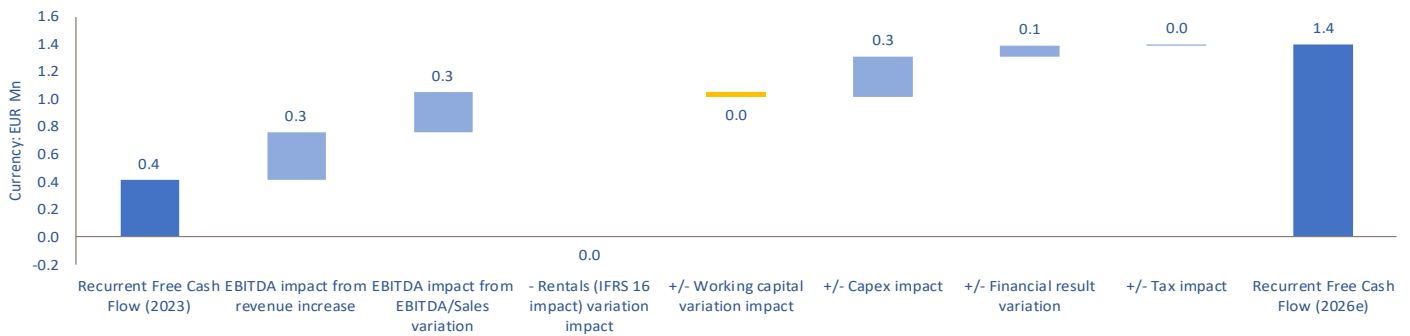


## Free Cash Flow (II)

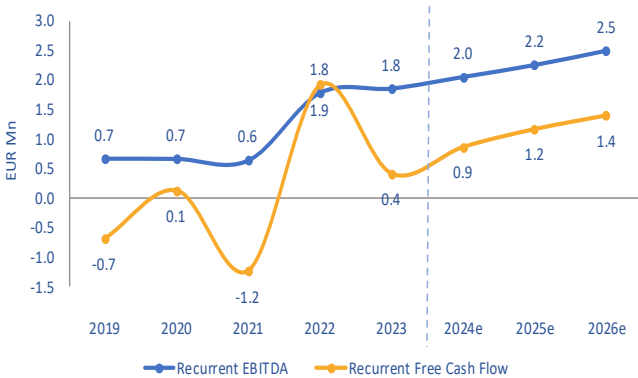
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



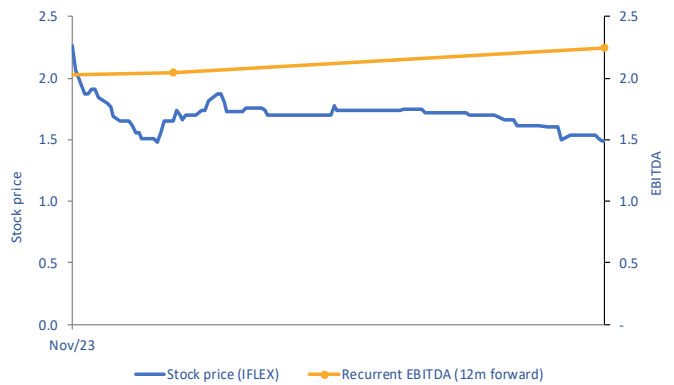
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 1.0   | 1.3                                 | 1.5   | 19.8                          |           |            |
| Market Cap                     | 9.0   | At the date of this report          |       |                               |           |            |
| Net financial debt             | 3.4   | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |       |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 6.0%  | Net debt cost                       |       |                               | 5.8%      | 6.3%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 4.8%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 4.6%      | 5.0%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                    |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5% | Ke = Rf + (R * B)                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 72.8% | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 27.2% | D                                   |       |                               | =         | =          |
| WACC                           | 8.9%  | WACC = Kd * D + Ke * E              |       |                               | 8.0%      | 9.9%       |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 9.0         |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0.3         | 12m Results 2023 |
| + Net financial debt                 | 3.4         | 12m Results 2023 |
| - Financial Investments              | 0.5         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>12.1</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022  | 2023  |
|----------------------|-------|-------|------|-------|-------|
| ROCE (evolution -5y) | 3.7%  | 3.2%  | 2.2% | 15.1% | 16.0% |
|                      | 2023  | 2026e |      |       |       |
| ROCE - WACC          | 7.1%  | 13.7% |      |       |       |
| FCF Yield - WACC     | -4.4% | 6.6%  |      |       |       |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 15.6%            | 2.5        | 4.9x          |
| Central  | 14.2%            | 2.2        | 5.4x          |
| Min      | 12.8%            | 2.0        | 6.0x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |       |       |
|-----------------|-----------------|------|------|----------|--------------------|-------|-------|
| EBITDA 25e      | 3.1%            | 3.5% | 3.9% |          | Max                | 16.1% | 15.4% |
| 2.5             | 1.4             | 1.4  | 1.3  | Central  | 13.6%              | 12.9% | 12.2% |
| 2.2             | 1.2             | 1.2  | 1.1  | Min      | 11.2%              | 10.5% | 9.8%  |
| 2.0             | 1.0             | 0.9  | 0.9  |          |                    |       |       |

### Main Corporate Governance indicators

| KPI                                  | 2021 | 2022  | 2023  |
|--------------------------------------|------|-------|-------|
| % of independent directors           | n.a. | 33.3% | 33.3% |
| % of proprietary directors           | n.a. | 66.7% | 66.7% |
| % of executive directors             | n.a. | 0.0%  | 0.0%  |
| % of other directors                 | n.a. | 0.0%  | 0.0%  |
| % of women on the board of directors | n.a. | 11.1% | 11.1% |
| % of women out of total workforce    | n.a. | 31.7% | 35.8% |
| Board remuneration/staff cost        | n.a. | n.a.  | 1.9%  |



## Main peers 2024e

### Packaging

|                             | EUR Mn                  | Amcor    | Huhtamaki | Alulflexpack | Mondi   | Average | IFLEX    |
|-----------------------------|-------------------------|----------|-----------|--------------|---------|---------|----------|
| Market data                 | Ticker (Factset)        | AMCR-US  | HUH1V-FI  | AFP-CH       | MNDI-GB |         | IFLEX-ES |
|                             | Country                 | UK       | Finland   | Switzerland  | UK      |         | Spain    |
|                             | Market cap              | 13,648.1 | 4,023.8   | 267.4        | 8,202.3 |         | 9.0      |
|                             | Enterprise value (EV)   | 20,321.7 | 5,270.0   | 410.7        | 9,055.8 |         | 12.1     |
| Basic financial information | Total Revenues          | 12,773.7 | 4,223.0   | 391.2        | 7,453.5 |         | 14.9     |
|                             | Total Revenues growth   | -5.5%    | 1.3%      | 4.4%         | 0.1%    | 0.1%    | 6.1%     |
|                             | 2y CAGR (2024e - 2026e) | 2.7%     | 4.5%      | 8.1%         | 6.3%    | 5.4%    | 5.5%     |
|                             | EBITDA                  | 1,812.8  | 633.6     | 52.9         | 1,156.4 |         | 2.0      |
|                             | EBITDA growth           | 1.1%     | 6.0%      | 74.6%        | -5.2%   | 19.1%   | 19.0%    |
|                             | 2y CAGR (2024e - 2026e) | 4.0%     | 5.8%      | -41.4%       | 16.0%   | -3.9%   | 10.2%    |
|                             | EBITDA/Revenues         | 14.2%    | 15.0%     | 13.5%        | 15.5%   | 14.6%   | 13.7%    |
|                             | EBIT                    | 1,437.1  | 415.5     | 34.0         | 730.2   |         | 1.5      |
|                             | EBIT growth             | 13.4%    | 16.2%     | 783.0%       | -9.3%   | 200.8%  | 25.1%    |
|                             | 2y CAGR (2024e - 2026e) | 3.9%     | 6.1%      | -41.4%       | 22.9%   | -2.1%   | 13.4%    |
|                             | EBIT/Revenues           | 11.3%    | 9.8%      | 8.7%         | 9.8%    | 9.9%    | 10.2%    |
|                             | Net Profit              | 929.8    | 238.8     | 16.7         | 475.8   |         | 1.2      |
|                             | Net Profit growth       | -3.5%    | 15.8%     | 61.2%        | -6.7%   | 16.7%   | 37.7%    |
|                             | 2y CAGR (2024e - 2026e) | 4.9%     | 12.7%     | -69.4%       | 25.3%   | -6.6%   | 16.6%    |
|                             | CAPEX/Sales %           | 3.7%     | 6.7%      | 5.0%         | 10.3%   | 6.4%    | 3.5%     |
| Free Cash Flow              | 818.1                   | 180.1    | 12.6      | 173.9        |         | 0.9     |          |
| Net financial debt          | 5,702.0                 | 1,253.8  | 149.4     | 1,423.4      |         | 2.9     |          |
| ND/EBITDA (x)               | 3.1                     | 2.0      | 2.8       | 1.2          | 2.3     | 1.4     |          |
| Pay-out                     | 73.3%                   | 48.7%    | 0.0%      | 63.4%        | 46.3%   | 50.0%   |          |
| Multiples and Ratios        | P/E (x)                 | 14.7     | 15.4      | 16.1         | 17.4    | 15.9    | 7.6      |
|                             | P/BV (x)                | 3.6      | 2.0       | 1.3          | 1.7     | 2.1     | 2.0      |
|                             | EV/Revenues (x)         | 1.6      | 1.2       | 1.0          | 1.2     | 1.3     | 0.8      |
|                             | EV/EBITDA (x)           | 11.2     | 8.3       | 7.8          | 7.8     | 8.8     | 5.9      |
|                             | EV/EBIT (x)             | 14.1     | 12.7      | 12.1         | 12.4    | 12.8    | 8.0      |
|                             | ROE                     | 24.6     | 13.0      | 7.9          | 9.5     | 13.7    | 28.5     |
|                             | FCF Yield (%)           | 6.0      | 4.5       | 4.7          | 2.1     | 4.3     | 9.6      |
|                             | DPS                     | 0.46     | 1.11      | 0.00         | 0.68    | 0.57    | 0.10     |
| Dvd Yield                   | 4.9%                    | 3.0%     | 0.0%      | 3.7%         | 2.9%    | 6.6%    |          |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Inmobiliaria del Sur (ISUR)**, is a property company with headquarters in Seville and a presence in Andalusia and Madrid, whose business model combines a development activity (residential and tertiary) with a property management business, that has a portfolio of rental assets (mainly offices), both activities having a significant weighting in terms of GAV. The board directly and indirectly controls c. 69% of capital.

**Market Data**

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 149.4              | 162.4 |
| EV (Mn EUR and USD)            | 389.2              | 423.2 |
| Shares Outstanding (Mn)        | 18.7               |       |
| -12m (Max/Med/Min EUR)         | 8.05 / 7.08 / 6.59 |       |
| Daily Avg volume (-12m Mn EUR) | 0.02               |       |
| Rotation <sup>(1)</sup>        | 2.8                |       |
| Factset / Bloomberg            | ISUR-ES / ISUR SM  |       |
| Close fiscal year              | 31-Dec             |       |

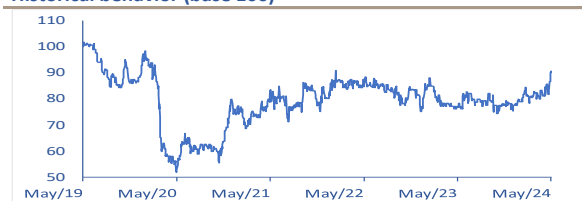
**Shareholders Structure (%)**

|                           |      |
|---------------------------|------|
| Consejo de Administración | 68.9 |
| Free Float                | 31.1 |

| Financials (Mn EUR)                 | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 18.7  | 18.7  | 18.7  | 18.7  |
| Total Revenues                      | 119.8 | 168.1 | 244.1 | 147.0 |
| Rec. EBITDA                         | 22.3  | 29.9  | 46.5  | 28.2  |
| % growth                            | 6.9   | 34.3  | 55.3  | -39.4 |
| % Rec. EBITDA/Rev.                  | 18.6  | 17.8  | 19.1  | 19.2  |
| % Inc. EBITDA sector <sup>(2)</sup> | 5.5   | 11.2  | 6.2   | 5.8   |
| Net Profit                          | 11.3  | 11.6  | 25.4  | 12.8  |
| EPS (EUR)                           | 0.61  | 0.62  | 1.36  | 0.69  |
| % growth                            | -25.5 | 2.8   | 118.6 | -49.5 |
| Ord. EPS (EUR)                      | 0.35  | 0.62  | 1.36  | 0.69  |
| % growth                            | -24.1 | 77.1  | 118.6 | -49.5 |
| Rec. Free Cash Flow                 | -11.2 | -12.8 | 60.0  | 63.6  |
| Pay-out (%)                         | 52.8  | 48.0  | 48.0  | 48.0  |
| DPS (EUR)                           | 0.32  | 0.30  | 0.65  | 0.33  |
| Net financial debt                  | 242.5 | 261.3 | 206.8 | 155.5 |
| ND/Rec. EBITDA (x)                  | 10.9  | 8.7   | 4.4   | 5.5   |
| ROE (%)                             | 8.0   | 7.8   | 15.7  | 7.5   |
| ROCE (%)                            | 4.8   | 4.7   | 7.9   | 5.0   |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 13.2 | 12.9 | 5.9  | 11.6 |
| Ord. P/E           | 22.8 | 12.9 | 5.9  | 11.6 |
| P/BV               | 1.0  | 1.0  | 0.9  | 0.9  |
| Dividend Yield (%) | 4.0  | 3.7  | 8.2  | 4.1  |
| EV/Sales           | 3.25 | 2.31 | 1.59 | 2.65 |
| EV/Rec. EBITDA     | 17.4 | 13.0 | 8.4  | 13.8 |
| EV/EBIT            | 16.4 | 15.4 | 9.3  | 16.4 |
| FCF Yield (%)      | n.a. | n.a. | 40.2 | 42.6 |

**Historical behavior (base 100)**


| (%)      | -1m  | -3m  | -12m | -5Y  |
|----------|------|------|------|------|
| Absolute | 11.1 | 11.1 | 16.7 | -9.9 |

(1) Rotation is the % of the capitalisation traded - 12m.  
 (2) Sector: Stoxx Europe 600 Real State.

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**1Q24 earnings confirm the take-off by the development business**, with consolidated revenue of EUR 36.2Mn (+120.7% vs 1Q23). The company delivered 69 homes (vs 57 in 1Q23). The JVs are driving the construction business (EUR 5.6Mn; vs EUR 2.1Mn in 1Q23).

**The pre-sales portfolio is further accelerating the number of deliveries.** The next couple of years will be key to determining whether ISUR can achieve its 2021-25 strategic plan (2,500 deliveries to 2025e). We are estimating the delivery of 525 residential units in 2024e. This would imply consolidated revenue of EUR 168.1Mn (+40.4% vs 2023) and EBITDA of EUR 29.9 (+34.3% vs 2023).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Footprint in Andalusia and Madrid.** ISUR's operations are concentrated in Seville (59% of GAV) and Madrid (23% of GAV). The outlook for economic growth for both cities is positive. What's more, 15% of GAV from development comes from Malaga (GDP 2023: +3% vs 2022; area of high demand).

**A "hybrid" business with exposure to real estate development and property management.** ISUR is a small property company whose business model combines real estate development (residential and tertiary, 45% of GAV) with property management (primarily offices, 55% of GAV). Exposure to the development business, which is more cyclical, is offset but the property management business, which adds more recurrence and less risk.

**Highly profitable property portfolio.** Its assets are primarily offices (82% of GAV). Occupancy reached 88.7% in 1Q24e (+1 p.p. vs 2023). Yield of 5.2% and EBITDA margin of c. 76%.

**The pre-sales portfolio and increase in JVs heralds an acceleration by the development business...** ISUR has a land bank for >3,800 homes (48% already sold). Cumulative pre-sales (747 units) and units under construction (1,375 units) are at all-time highs. The larger number of JVs allows ISUR to undertake more projects, diversify risk and promote its complementary business lines (construction and management).

**...along with growth in tertiary development**, with six projects under development: two office buildings in Malaga (c. EUR 50Mn of revenue in 2025e), one office building in Madrid (which will be included in the asset portfolio in 2026e), three early stage projects: (i) a campus in Madrid, (ii) a hotel in Cadiz and (iii) a building for tourist use in Seville.

**Ready for a real "leap" in 2024e-2025e.** Our baseline scenario currently points to growth in consolidated revenue to EUR 244.1Mn in 2025e (CAGR 2023-25e: 42.7%), fuelled by the development business and feeding through to EBITDA of EUR 46.5Mn (> 2x EBITDA 2023-25e).

**RISKS: WHAT TO KEEP AN EYE ON?**

**Leverage (LTV)** stood at 39.8% at the end of 1Q24 (in line with comps). The required investment in land purchases and residential development will push up debt by > 40% in 2024e.

**Delays in deliveries.** Our estimates factor in faster deliveries in 2024e and 2025e. Any delays in projects (e.g. permits, construction, deliveries) could lead us to revise down our estimates.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Is the market (still) still ignoring the jump in unrealised revenue?** The catalyst over the medium term is the materialisation of deliveries to confirm the step-up in size and boost cash generation and the dividend (dividend yield 25e: 8.2%). ISUR is trading at a discount of c.60% to NAV and above-average 2024e multiples for the sector (P/BV 1.0x and P/E 12.9x vs 0.8x and 7.6x, respectively, for its comps). However, the expected increase in size triggered by planned deliveries would bring the 2025e P/E to down to c.6x, signalling a hidden upside that should start being priced in as early as in 2024.



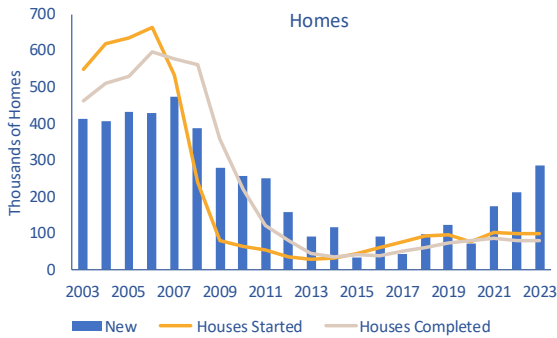
Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e         | 2026e         | CAGR          |              |
|--|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|--------------|
| Intangible assets                            | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| Fixed assets                                 | 146.7        | 216.0        | 216.9        | 216.2        | 206.6        | 202.2         | 198.1         | 193.9         |               |              |
| Other Non Current Assets                     | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| Financial Investments                        | 1.8          | 1.2          | 0.5          | 0.3          | -            | -             | -             | -             |               |              |
| Goodwill & Other Intangibles                 | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| Current assets                               | 263.5        | 196.9        | 185.2        | 250.1        | 285.2        | 333.1         | 328.8         | 245.4         |               |              |
| <b>Total assets</b>                          | <b>412.1</b> | <b>414.1</b> | <b>402.6</b> | <b>466.6</b> | <b>491.8</b> | <b>535.4</b>  | <b>526.9</b>  | <b>439.3</b>  |               |              |
| Equity                                       | 107.2        | 122.3        | 128.3        | 137.3        | 145.7        | 151.3         | 171.2         | 171.8         |               |              |
| Minority Interests                           | -            | 3.2          | 3.2          | 3.1          | 3.2          | 3.2           | 3.2           | 3.2           |               |              |
| Provisions & Other L/T Liabilities           | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| Other Non Current Liabilities                | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| Net financial debt                           | 196.4        | 208.9        | 198.0        | 239.9        | 242.5        | 261.3         | 206.8         | 155.5         |               |              |
| Current Liabilities                          | 108.4        | 79.7         | 73.1         | 86.3         | 100.4        | 119.5         | 145.7         | 108.9         |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>412.1</b> | <b>414.1</b> | <b>402.6</b> | <b>466.6</b> | <b>491.8</b> | <b>535.4</b>  | <b>526.9</b>  | <b>439.3</b>  |               |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e         | 2026e         | 20-23         | 23-26e       |
| <b>Total Revenues</b>                        | <b>122.8</b> | <b>132.7</b> | <b>125.2</b> | <b>117.8</b> | <b>119.8</b> | <b>168.1</b>  | <b>244.1</b>  | <b>147.0</b>  | <b>-3.4%</b>  | <b>7.1%</b>  |
| <i>Total Revenues growth</i>                 | 7.8%         | 8.1%         | -5.7%        | -5.9%        | 1.7%         | 40.4%         | 45.2%         | -39.8%        |               |              |
| COGS   | (47.2)       | (73.2)       | (63.8)       | (64.3)       | (66.1)       | (94.5)        | (136.3)       | (82.5)        |               |              |
| <b>Gross Margin</b>                          | <b>75.6</b>  | <b>59.6</b>  | <b>61.3</b>  | <b>53.5</b>  | <b>53.7</b>  | <b>73.6</b>   | <b>107.8</b>  | <b>64.5</b>   | <b>-3.4%</b>  | <b>6.3%</b>  |
| <i>Gross Margin/Revenues</i>                 | 61.6%        | 44.9%        | 49.0%        | 45.4%        | 44.8%        | 43.8%         | 44.2%         | 43.9%         |               |              |
| Personnel Expenses                           | (9.7)        | (9.0)        | (9.1)        | (11.1)       | (12.6)       | (13.6)        | (14.7)        | (15.2)        |               |              |
| Other Operating Expenses                     | (43.5)       | (26.0)       | (29.8)       | (21.5)       | (18.8)       | (30.1)        | (46.6)        | (21.1)        |               |              |
| <b>Recurrent EBITDA</b>                      | <b>22.4</b>  | <b>24.5</b>  | <b>22.5</b>  | <b>20.9</b>  | <b>22.3</b>  | <b>29.9</b>   | <b>46.5</b>   | <b>28.2</b>   | <b>-3.1%</b>  | <b>8.1%</b>  |
| <i>Recurrent EBITDA growth</i>               | 28.6%        | 9.5%         | -8.5%        | -7.0%        | 6.9%         | 34.3%         | 55.3%         | -39.4%        |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | 18.2%        | 18.5%        | 17.9%        | 17.7%        | 18.6%        | 17.8%         | 19.1%         | 19.2%         |               |              |
| Restructuring Expense & Other non-rec.       | -            | (5.1)        | -            | -            | -            | -             | -             | -             |               |              |
| <b>EBITDA</b>                                | <b>22.4</b>  | <b>19.4</b>  | <b>22.5</b>  | <b>20.9</b>  | <b>22.3</b>  | <b>29.9</b>   | <b>46.5</b>   | <b>28.2</b>   | <b>4.7%</b>   | <b>8.1%</b>  |
| Depreciation & Provisions                    | (2.5)        | (6.3)        | (4.3)        | (4.2)        | (4.6)        | (4.7)         | (4.6)         | (4.5)         |               |              |
| Capitalized Expense                          | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| Income from the sale of property investments | 4.1          | 0.3          | 3.8          | 2.2          | 6.1          | -             | -             | -             |               |              |
| <b>EBIT</b>                                  | <b>24.0</b>  | <b>13.3</b>  | <b>21.9</b>  | <b>18.8</b>  | <b>23.8</b>  | <b>25.2</b>   | <b>41.9</b>   | <b>23.7</b>   | <b>21.2%</b>  | <b>-0.2%</b> |
| <i>EBIT growth</i>                           | 20.6%        | -44.4%       | 64.2%        | -14.2%       | 26.5%        | 6.1%          | 66.0%         | -43.5%        |               |              |
| <i>EBIT/Revenues</i>                         | 19.5%        | 10.1%        | 17.5%        | 16.0%        | 19.9%        | 15.0%         | 17.2%         | 16.1%         |               |              |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| Net Financial Result                         | (6.5)        | (5.9)        | (5.6)        | (5.2)        | (9.1)        | (9.8)         | (8.0)         | (6.6)         |               |              |
| Income by the Equity Method                  | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| <b>Ordinary Profit</b>                       | <b>17.5</b>  | <b>7.4</b>   | <b>16.4</b>  | <b>13.6</b>  | <b>14.7</b>  | <b>15.5</b>   | <b>33.9</b>   | <b>17.1</b>   | <b>25.4%</b>  | <b>5.3%</b>  |
| <i>Ordinary Profit Growth</i>                | 31.6%        | -57.4%       | 120.1%       | -16.9%       | 7.8%         | 5.7%          | 118.6%        | -49.5%        |               |              |
| Extraordinary Results                        | (4.4)        | 21.9         | -            | 6.4          | -            | -             | -             | -             |               |              |
| <b>Profit Before Tax</b>                     | <b>13.1</b>  | <b>29.4</b>  | <b>16.4</b>  | <b>20.0</b>  | <b>14.7</b>  | <b>15.5</b>   | <b>33.9</b>   | <b>17.1</b>   | <b>-20.7%</b> | <b>5.3%</b>  |
| Tax Expense                                  | (4.1)        | (8.3)        | (4.3)        | (4.9)        | (3.2)        | (3.9)         | (8.5)         | (4.3)         |               |              |
| <i>Effective Tax Rate</i>                    | 31.7%        | 28.2%        | 26.0%        | 24.4%        | 21.8%        | 25.0%         | 25.0%         | 25.0%         |               |              |
| Minority Interests                           | -            | (0.0)        | (0.1)        | (0.1)        | (0.2)        | -             | -             | -             |               |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -             | -             | -             |               |              |
| <b>Net Profit</b>                            | <b>8.9</b>   | <b>21.1</b>  | <b>12.0</b>  | <b>15.0</b>  | <b>11.3</b>  | <b>11.6</b>   | <b>25.4</b>   | <b>12.8</b>   | <b>-18.8%</b> | <b>4.3%</b>  |
| <i>Net Profit growth</i>                     | -11.5%       | 136.4%       | -43.0%       | 25.0%        | -24.8%       | 2.8%          | 118.6%        | -49.5%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>12.2</b>  | <b>8.8</b>   | <b>9.2</b>   | <b>8.6</b>   | <b>6.6</b>   | <b>11.6</b>   | <b>25.4</b>   | <b>12.8</b>   | <b>-9.3%</b>  | <b>25.0%</b> |
| <i>Ordinary Net Profit growth</i>            | 21.4%        | -28.1%       | 5.0%         | -7.4%        | -23.3%       | 77.1%         | 118.6%        | -49.5%        |               |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e         | 2026e         | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>29.9</b>   | <b>46.5</b>   | <b>28.2</b>   | <b>-3.1%</b>  | <b>8.1%</b>  |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | -             | -             | -             |               |              |
| Working Capital Increase                     |              |              |              |              |              | (28.8)        | 30.5          | 46.5          |               |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>1.2</b>    | <b>77.0</b>   | <b>74.7</b>   | <b>-72.5%</b> | <b>n.a.</b>  |
| CAPEX  |              |              |              |              |              | (0.3)         | (0.5)         | (0.3)         |               |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (9.8)         | (8.0)         | (6.6)         |               |              |
| Tax Expense                                  |              |              |              |              |              | (3.9)         | (8.5)         | (4.3)         |               |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>(12.8)</b> | <b>60.0</b>   | <b>63.6</b>   | <b>-31.3%</b> | <b>97.3%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | -             | -             | -             |               |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | -             | -             | -             |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -             | -             | -             |               |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>(12.8)</b> | <b>60.0</b>   | <b>63.6</b>   | <b>63.7%</b>  | <b>n.a.</b>  |
| Capital Increase                             |              |              |              |              |              | -             | -             | -             |               |              |
| Dividends                                    |              |              |              |              |              | (6.0)         | (5.6)         | (12.2)        |               |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>18.8</b>   | <b>(54.4)</b> | <b>(51.4)</b> |               |              |

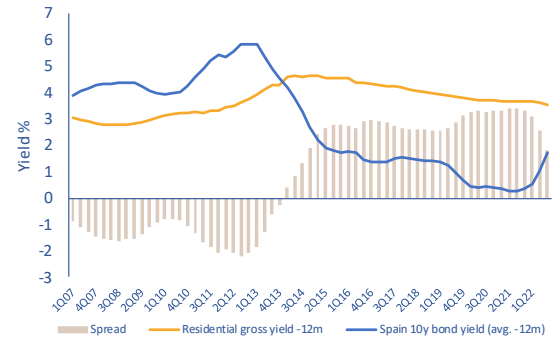


**The company in 8 charts**

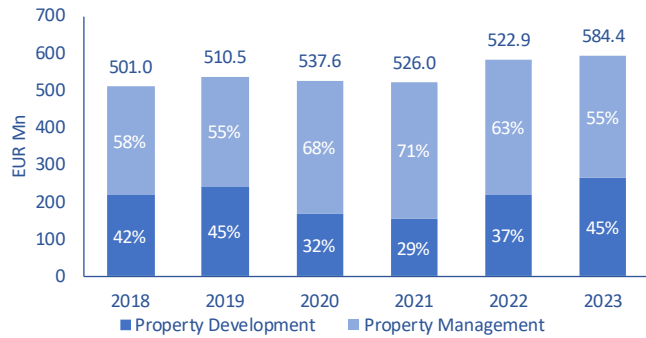
**Supply-demand imbalance: a long-term growth driver for the Spanish residential sector**



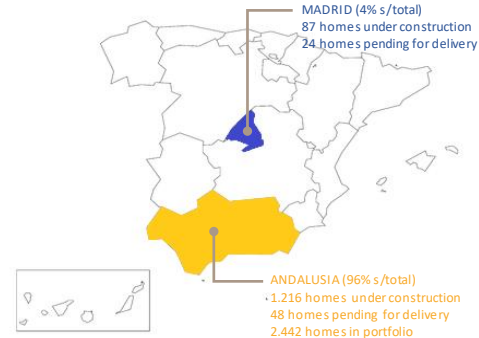
**Although the macro and interest rates will weigh heavy in the short term for the property sector**



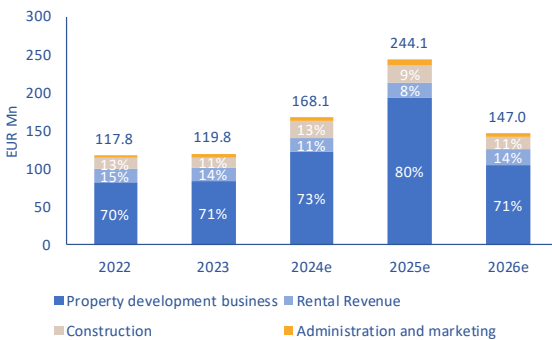
**ISUR: A unique property company, combining development and management businesses (both with significant weighting in GAV)**



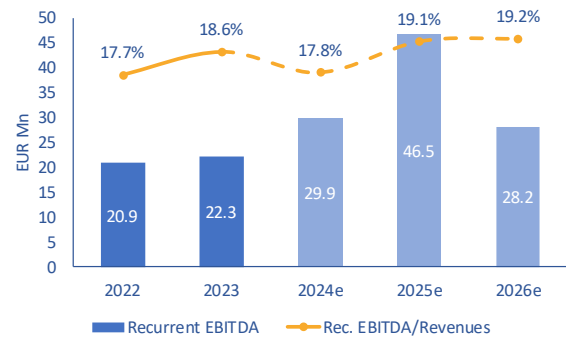
**With a land bank for building +3,800 homes (41% being marketed), maintaining unique exposure in Andalusia**



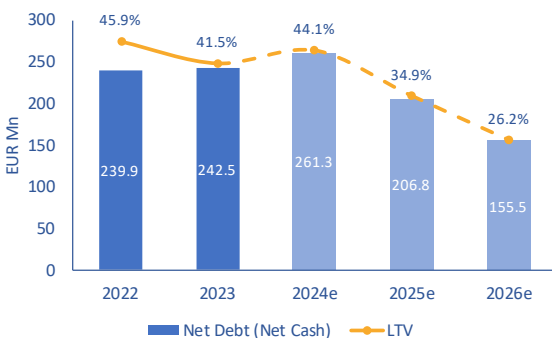
**2025e should see a company with revenue of EUR 244Mn...**



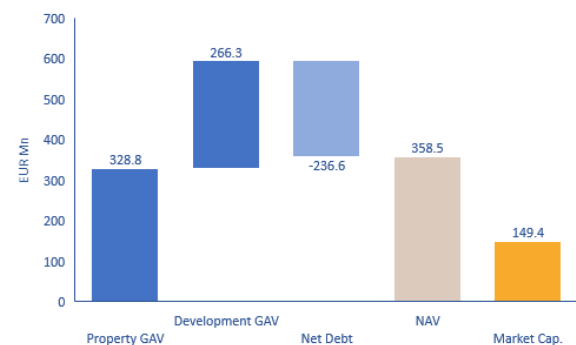
**... and EBITDA of c. EUR 47Mn (+44% CAGR 23-25e)**



**Despite the rebound in investment, leverage will remain reasonable (LTV 2026e c. 26%)**



**Trading at a discount of 60% vs the NAV**



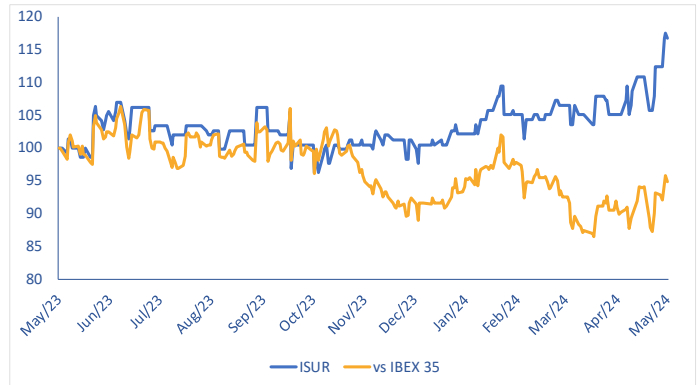


**Evolution of the share price**

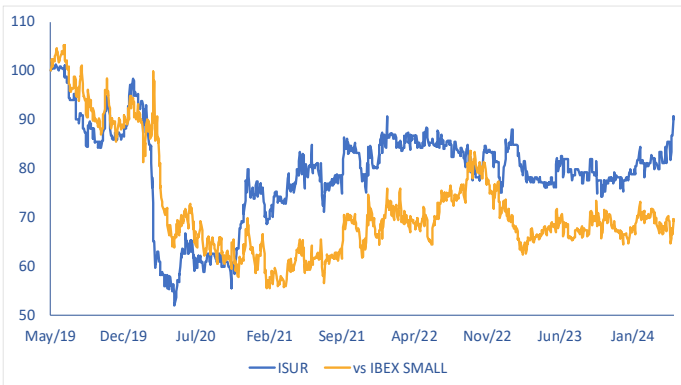
**Historical behavior vs Ibex 35 (base 100)**



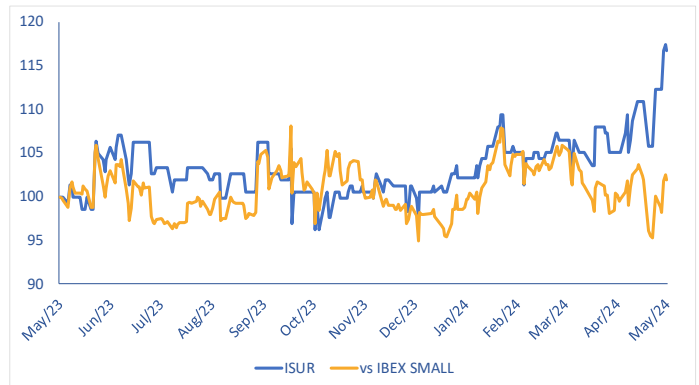
**Behavior -1y vs Ibex 35 (base 100)**



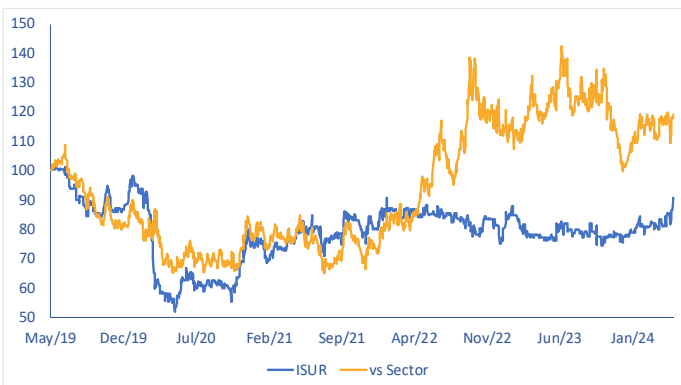
**Historical behavior vs Ibex Small Cap (base 100)**



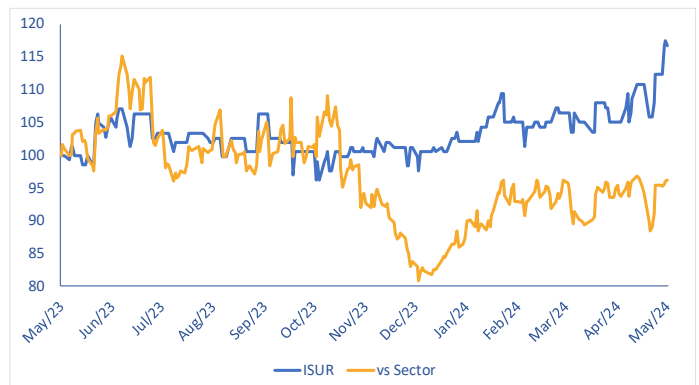
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Real State

| Stock performance (%)                     | -1m  | -3m  | -12m | YTD  | -3Y   | -5Y   |
|---|------|------|------|------|-------|-------|
| <b>Absolute</b>                           | 11.1 | 11.1 | 16.7 | 16.1 | 7.9   | -9.9  |
| <b>vs Market</b>                          |      |      |      |      |       |       |
| vs Ibex 35                                | 4.3  | -3.0 | -5.1 | 3.6  | -12.8 | -26.2 |
| vs Euro STOXX 50                          | 7.8  | 4.6  | -0.4 | 3.7  | -14.6 | -39.1 |
| <b>vs Small Cap References</b>            |      |      |      |      |       |       |
| vs Ibex Small Cap Index                   | 1.7  | -2.8 | 1.9  | 4.3  | 5.6   | -30.9 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 5.3  | 2.9  | 11.1 | 7.8  | 16.7  | -25.4 |
| vs MSCI Europe Micro Cap                  | 4.7  | 3.5  | 13.4 | 9.9  | 32.4  | -24.8 |
| <b>vs Sector</b>                          |      |      |      |      |       |       |
| vs Stoxx Europe 600 Real State            | 1.0  | 3.5  | -3.7 | 16.7 | 40.5  | 19.1  |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

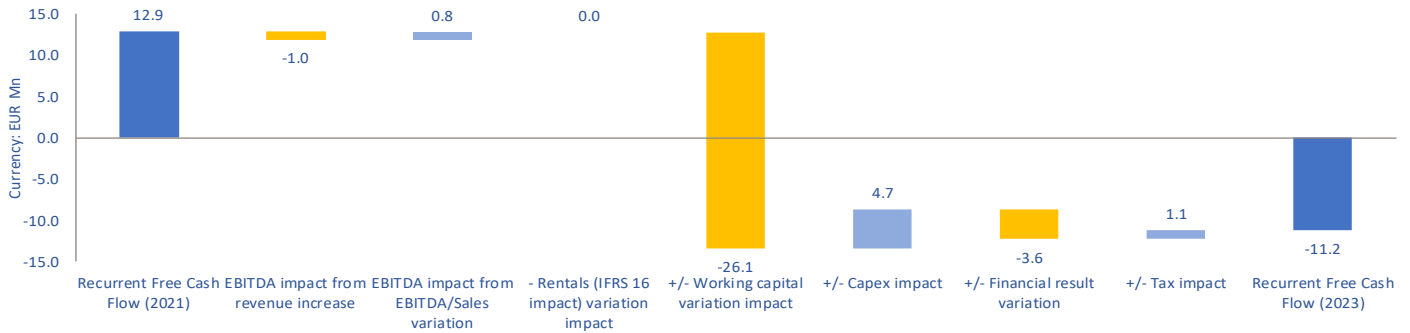
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         | CAGR          |              |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
|   |              |               |               |               |               |               |               | 21-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>24.5</b>  | <b>22.5</b>   | <b>20.9</b>   | <b>22.3</b>   | <b>29.9</b>   | <b>46.5</b>   | <b>28.2</b>   | <b>-0.3%</b>  | <b>8.1%</b>  |
| <i>Recurrent EBITDA growth</i>  | 9.5%         | -8.5%         | -7.0%         | 6.9%          | 34.3%         | 55.3%         | -39.4%        |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 18.5%        | 17.9%         | 17.7%         | 18.6%         | 17.8%         | 19.1%         | 19.2%         |               |              |
| - Rentals (IFRS 16 impact)  | -            | -             | -             | -             | -             | -             | -             |               |              |
| +/- Working Capital increase  | 37.9         | 5.1           | (51.7)        | (21.0)        | (28.8)        | 30.5          | 46.5          |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>62.4</b>  | <b>27.6</b>   | <b>(30.8)</b> | <b>1.3</b>    | <b>1.2</b>    | <b>77.0</b>   | <b>74.7</b>   | <b>-78.2%</b> | <b>n.a.</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | 324.1%       | -55.9%        | -211.9%       | 104.2%        | -11.6%        | n.a.          | -3.0%         |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 47.0%        | 22.0%         | n.a.          | 1.1%          | 0.7%          | 31.6%         | 50.8%         |               |              |
| - CAPEX   | (5.9)        | (4.9)         | (0.2)         | (0.2)         | (0.3)         | (0.5)         | (0.3)         |               |              |
| - Net Financial Result affecting Cash Flow  | (5.9)        | (5.6)         | (5.2)         | (9.1)         | (9.8)         | (8.0)         | (6.6)         |               |              |
| - Taxes   | (8.3)        | (4.3)         | (4.9)         | (3.2)         | (3.9)         | (8.5)         | (4.3)         |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>42.3</b>  | <b>12.9</b>   | <b>(41.1)</b> | <b>(11.2)</b> | <b>(12.8)</b> | <b>60.0</b>   | <b>63.6</b>   | <b>-69.4%</b> | <b>97.3%</b> |
| <i>Rec. Free Cash Flow growth</i>   | n.a.         | -69.6%        | -419.6%       | 72.8%         | -14.6%        | 568.4%        | 5.9%          |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 31.9%        | 10.3%         | n.a.          | n.a.          | n.a.          | 24.6%         | 43.2%         |               |              |
| - Restructuring expenses & others   | -            | -             | -             | -             | -             | -             | -             |               |              |
| - Acquisitions / + Divestments  | (51.9)       | 4.0           | 5.4           | 11.4          | -             | -             | -             |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 2.6          | (2.6)         | (0.5)         | (0.5)         | -             | -             | -             |               |              |
| <b>= Free Cash Flow</b>   | <b>(7.0)</b> | <b>14.3</b>   | <b>(36.3)</b> | <b>(0.3)</b>  | <b>(12.8)</b> | <b>60.0</b>   | <b>63.6</b>   | <b>-42.3%</b> | <b>n.a.</b>  |
| <i>Free Cash Flow growth</i>  | -0.8%        | 303.2%        | -353.8%       | 99.1%         | n.a.          | 568.4%        | 5.9%          |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 28.3%        | 8.6%          | n.a.          | n.a.          | n.a.          | 40.2%         | 42.6%         |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.         | 9.6%          | n.a.          | n.a.          | n.a.          | 40.2%         | 42.6%         |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |               |               |               |               |               |               |               |              |
|   | 2020         | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         |               |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>2.2</b>   | <b>42.3</b>   | <b>12.9</b>   | <b>(41.1)</b> | <b>(11.2)</b> | <b>(12.8)</b> | <b>60.0</b>   |               |              |
| EBITDA impact from revenue increase   | 1.8          | (1.4)         | (1.3)         | 0.4           | 9.0           | 13.5          | (18.5)        |               |              |
| EBITDA impact from EBITDA/Sales variation   | 0.3          | (0.7)         | (0.3)         | 1.1           | (1.4)         | 3.0           | 0.2           |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>2.1</b>   | <b>(2.1)</b>  | <b>(1.6)</b>  | <b>1.4</b>    | <b>7.6</b>    | <b>16.6</b>   | <b>(18.3)</b> |               |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -             | -             | -             | -             | -             | -             |               |              |
| +/- Working capital variation impact  | 45.6         | (32.8)        | (56.8)        | 30.7          | (7.8)         | 59.3          | 16.0          |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>47.7</b>  | <b>(34.9)</b> | <b>(58.4)</b> | <b>32.1</b>   | <b>(0.2)</b>  | <b>75.9</b>   | <b>(2.3)</b>  |               |              |
| +/- CAPEX impact  | (4.1)        | 1.1           | 4.7           | 0.1           | (0.2)         | (0.2)         | 0.2           |               |              |
| +/- Financial result variation  | 0.6          | 0.4           | 0.3           | (3.9)         | (0.6)         | 1.7           | 1.5           |               |              |
| +/- Tax impact  | (4.1)        | 4.0           | (0.6)         | 1.7           | (0.7)         | (4.6)         | 4.2           |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>40.1</b>  | <b>(29.4)</b> | <b>(54.0)</b> | <b>29.9</b>   | <b>(1.6)</b>  | <b>72.8</b>   | <b>3.5</b>    |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>42.3</b>  | <b>12.9</b>   | <b>(41.1)</b> | <b>(11.2)</b> | <b>(12.8)</b> | <b>60.0</b>   | <b>63.6</b>   |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |               |               |               |               |               |               |               |              |
|   | 2020         | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         | CAGR          |              |
| <b>EBIT</b>   | <b>13.3</b>  | <b>21.9</b>   | <b>18.8</b>   | <b>23.8</b>   | <b>25.2</b>   | <b>41.9</b>   | <b>23.7</b>   | <b>4.2%</b>   | <b>-0.2%</b> |
| * <i>Theoretical Tax rate</i>   | 28.2%        | 26.0%         | 24.4%         | 21.8%         | 25.0%         | 25.0%         | 25.0%         |               |              |
| = Taxes (pre- Net Financial Result)   | (3.8)        | (5.7)         | (4.6)         | (5.2)         | (6.3)         | (10.5)        | (5.9)         |               |              |
| <b>Recurrent EBITDA</b>   | <b>24.5</b>  | <b>22.5</b>   | <b>20.9</b>   | <b>22.3</b>   | <b>29.9</b>   | <b>46.5</b>   | <b>28.2</b>   | <b>-0.3%</b>  | <b>8.1%</b>  |
| - Rentals (IFRS 16 impact)  | -            | -             | -             | -             | -             | -             | -             |               |              |
| +/- Working Capital increase  | 37.9         | 5.1           | (51.7)        | (21.0)        | (28.8)        | 30.5          | 46.5          |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>62.4</b>  | <b>27.6</b>   | <b>(30.8)</b> | <b>1.3</b>    | <b>1.2</b>    | <b>77.0</b>   | <b>74.7</b>   | <b>-78.2%</b> | <b>n.a.</b>  |
| - CAPEX   | (5.9)        | (4.9)         | (0.2)         | (0.2)         | (0.3)         | (0.5)         | (0.3)         |               |              |
| - Taxes (pre- Financial Result)   | (3.8)        | (5.7)         | (4.6)         | (5.2)         | (6.3)         | (10.5)        | (5.9)         |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>52.7</b>  | <b>17.0</b>   | <b>(35.6)</b> | <b>(4.0)</b>  | <b>(5.5)</b>  | <b>66.0</b>   | <b>68.5</b>   | <b>-49.6%</b> | <b>n.a.</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 830.7%       | -67.8%        | -309.9%       | 88.7%         | -36.0%        | n.a.          | 3.7%          |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 39.7%        | 13.6%         | n.a.          | n.a.          | n.a.          | 27.1%         | 46.6%         |               |              |
| - Acquisitions / + Divestments  | (51.9)       | 4.0           | 5.4           | 11.4          | -             | -             | -             |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 2.6          | (2.6)         | (0.5)         | (0.5)         | -             | -             | -             |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>3.4</b>   | <b>18.4</b>   | <b>(30.8)</b> | <b>6.8</b>    | <b>(5.5)</b>  | <b>66.0</b>   | <b>68.5</b>   | <b>-39.2%</b> | <b>n.a.</b>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | 196.7%       | 441.6%        | -267.3%       | 122.1%        | -180.7%       | n.a.          | 3.7%          |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 13.5%        | 4.4%          | n.a.          | n.a.          | n.a.          | 17.0%         | 17.6%         |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 0.9%         | 4.7%          | n.a.          | 1.8%          | n.a.          | 17.0%         | 17.6%         |               |              |



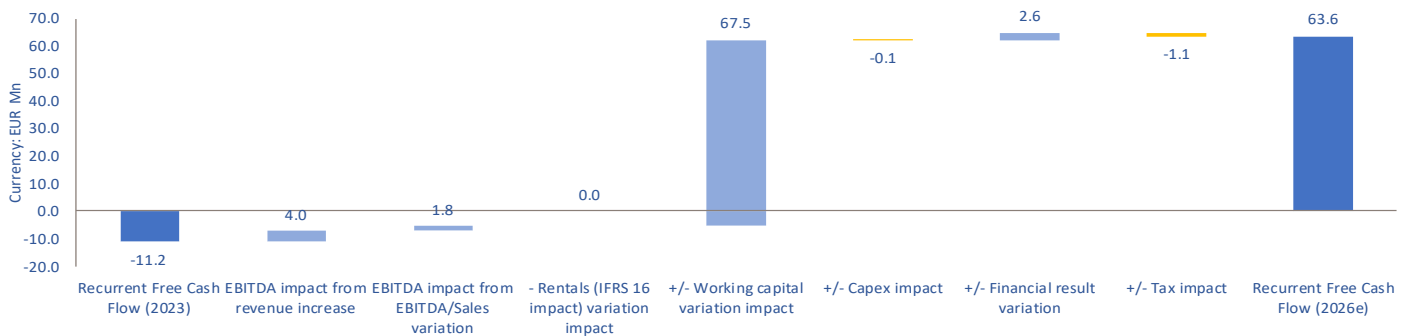


Free Cash Flow (II)

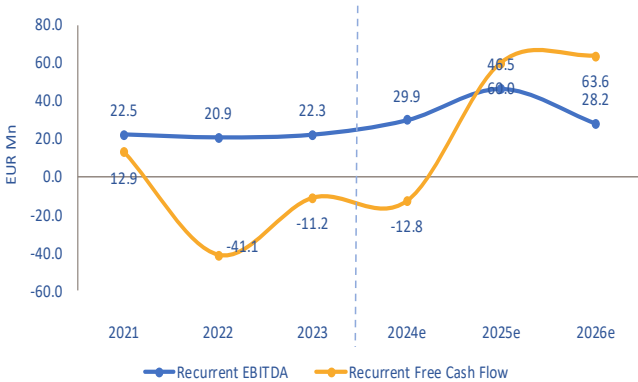
Recurrent Free Cash Flow accumulated variation analysis (2021 - 2023)



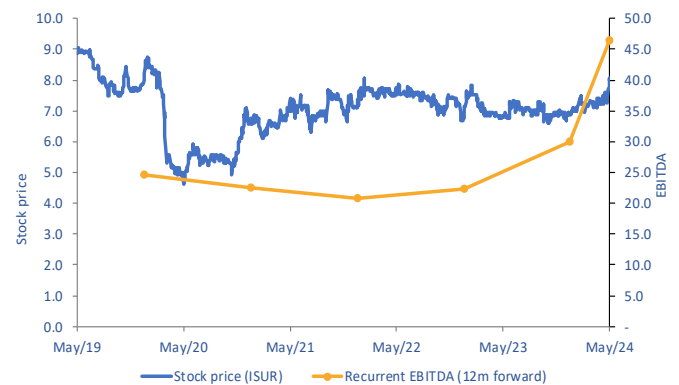
Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Stock performance vs EBITDA 12m forward





Valuation inputs

Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                  | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|--|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (5.5) | 66.0                                   | 68.5  | n.a.                          |           |            |
| Market Cap                     | 149.4 | At the date of this report             |       |                               |           |            |
| Net financial debt             | 236.6 | Debt net of Cash (3m Results 2024)     |       |                               |           |            |
|                                |       |  |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 4.5%  | Net debt cost                          |       |                               | 4.3%      | 4.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                |       |                               | =         | =          |
| Net debt cost                  | 3.6%  | $Kd = \text{Cost of Net Debt} * (1-T)$ |       |                               | 3.4%      | 3.8%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)            |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                       |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.1   | B (own estimate)                       |       |                               | 1.0       | 1.2        |
| Cost of Equity                 | 9.9%  | $Ke = Rf + (R * B)$                    |       |                               | 8.8%      | 11.1%      |
| Equity / (Equity + Net Debt)   | 38.7% | E (Market Cap as equity value)         |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 61.3% | D                                      |       |                               | =         | =          |
| WACC                           | 6.0%  | $WACC = Kd * D + Ke * E$               |       |                               | 5.5%      | 6.6%       |
| G "Fair"                       | 2.0%  |  |       |                               | 2.0%      | 1.5%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

EV breakdown at the date of this report

|                                      | EUR Mn       | Source          |
|--------------------------------------|--------------|-----------------|
| Market Cap                           | 149.4        |                 |
| + Minority Interests                 | 3.2          | 3m Results 2024 |
| + Provisions & Other L/T Liabilities | -            | 3m Results 2024 |
| + Net financial debt                 | 236.6        | 3m Results 2024 |
| - Financial Investments              | -            | 3m Results 2024 |
| +/- Others                           |              |                 |
| <b>Enterprise Value (EV)</b>         | <b>389.2</b> |                 |

Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 5.7%  | 3.0%  | 4.9% | 4.0% | 4.8% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -1.2% | -1.0% |      |      |      |
| FCF Yield - WACC     | n.a.  | 36.5% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

Free Cash Flow sensitivity analysis (2025e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 21.0%            | 51.1       | 7.6x          |
| Central  | 19.1%            | 46.5       | 8.4x          |
| Min      | 17.2%            | 41.9       | 9.3x          |

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |       |       |
|-----------------|-----------------|------|------|----------|--------------------|-------|-------|
| EBITDA 25e      | 0.2%            | 0.2% | 0.2% |          | Max                | 43.3% | 43.3% |
| 51.1            | 64.7            | 64.7 | 64.7 | Central  | 40.2%              | 40.2% | 40.2% |
| 46.5            | 60.0            | 60.0 | 60.0 | Min      | 37.1%              | 37.1% | 37.1% |
| 41.9            | 55.4            | 55.4 | 55.4 |          |                    |       |       |

Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 20.0% | 20.0% | 20.0% |
| % of proprietary directors           | 80.0% | 80.0% | 80.0% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 13.3% | 13.3% | 13.3% |
| % of women out of total workforce    | 32.7% | 32.6% | 31.9% |
| Board remuneration/staff cost        | 10.8% | 8.2%  | 7.1%  |



## Main peers 2024e

|                             |                         | Real estate |             |              |         | REITs             |          |            |        |        |         |         |
|-----------------------------|-------------------------|-------------|-------------|--------------|---------|-------------------|----------|------------|--------|--------|---------|---------|
| EUR Mn                      |                         | Metrovacesa | Aedas Homes | Neinor Homes | Average | Merlin Properties | Colonial | Lar España | Árima  | Cevasa | Average | ISUR    |
| Market data                 | Ticker (Factset)        | MVC-ES      | AEDAS-ES    | HOME-ES      |         | MRL-ES            | COL-ES   | LRE-ES     | ARM-ES | CEV-ES |         | ISUR-ES |
|                             | Country                 | Spain       | Spain       | Spain        |         | Spain             | Spain    | Spain      | Spain  | Spain  |         | Spain   |
|                             | Market cap              | 1,396.9     | 882.7       | 826.2        |         | 5,082.9           | 3,345.6  | 601.8      | 236.0  | 139.5  |         | 149.4   |
|                             | Enterprise value (EV)   | 1,600.6     | 1,388.5     | 1,019.9      |         | 9,115.3           | 9,134.4  | 1,007.9    | 284.8  | 201.7  |         | 389.2   |
| Basic financial information | Total Revenues          | 675.5       | 992.3       | 668.0        |         | 496.9             | 389.2    | 94.0       | 14.0   | 22.2   |         | 168.1   |
|                             | Total Revenues growth   | 15.2%       | -7.9%       | 12.4%        | 6.6%    | 5.8%              | -2.6%    | -18.6%     | 39.0%  | 14.4%  | 7.6%    | 40.4%   |
|                             | 2y CAGR (2024e - 2026e) | 4.8%        | -0.7%       | 1.2%         | 1.8%    | 8.2%              | 3.9%     | 5.5%       | n.a.   | 4.8%   | 5.6%    | -6.5%   |
|                             | EBITDA                  | 68.1        | 154.8       | 97.3         |         | 382.3             | 317.2    | 68.2       | 4.0    | 15.2   |         | 29.9    |
|                             | EBITDA growth           | 455.1%      | -10.1%      | -9.6%        | 145.1%  | 9.8%              | 0.3%     | n.a.       | 241.5% | 17.3%  | 67.3%   | 34.3%   |
|                             | 2y CAGR (2024e - 2026e) | 7.2%        | 0.9%        | -1.6%        | 2.2%    | 9.7%              | 4.8%     | 4.9%       | n.a.   | 5.8%   | 6.3%    | -3.0%   |
|                             | EBITDA/Revenues         | 10.1%       | 15.6%       | 14.6%        | 13.4%   | 76.9%             | 81.5%    | 72.6%      | 28.6%  | 68.5%  | 65.6%   | 17.8%   |
|                             | EBIT                    | 62.7        | 150.4       | 92.4         |         | 356.7             | 310.6    | 67.8       | (2.0)  | 17.0   |         | 25.2    |
|                             | EBIT growth             | 590.4%      | -10.5%      | -7.8%        | 190.7%  | 3.1%              | 1.0%     | -21.5%     | 31.1%  | 31.9%  | 9.1%    | 6.1%    |
|                             | 2y CAGR (2024e - 2026e) | 11.7%       | 0.5%        | -1.3%        | 3.7%    | 16.2%             | 9.3%     | 5.2%       | n.a.   | 2.6%   | 8.3%    | -3.2%   |
|                             | EBIT/Revenues           | 9.3%        | 15.2%       | 13.8%        | 12.8%   | 71.8%             | 79.8%    | 72.1%      | n.a.   | 76.6%  | 75.1%   | 15.0%   |
|                             | Net Profit              | 39.0        | 95.8        | 67.1         |         | 272.3             | 175.5    | 57.6       | (5.0)  | 12.4   |         | 11.6    |
|                             | Net Profit growth       | 287.1%      | -12.5%      | -25.9%       | 82.9%   | 426.2%            | 117.2%   | 56.7%      | 84.7%  | 13.7%  | 139.7%  | 2.8%    |
|                             | 2y CAGR (2024e - 2026e) | 11.3%       | 1.8%        | -3.1%        | 3.4%    | 15.5%             | 7.0%     | 4.5%       | n.a.   | 4.3%   | 7.8%    | 5.1%    |
|                             | CAPEX/Sales %           | 3.4%        | 0.4%        | 18.7%        | 7.5%    | 51.7%             | 9.0%     | 12.1%      | 157.1% | 5.4%   | 47.1%   | 0.2%    |
| Free Cash Flow              | 116.8                   | 110.8       | 145.1       |              | 198.2   | 272.7             | 33.1     | n.a.       | 10.8   |        | (12.8)  |         |
| Net financial debt          | 304.0                   | 363.2       | 257.7       |              | 4,260.5 | 4,733.1           | 435.0    | 88.0       | 40.5   |        | 261.3   |         |
| ND/EBITDA (x)               | 4.5                     | 2.3         | 2.6         | 3.2          | 11.1    | 14.9              | 6.4      | 22.0       | 2.7    | 11.4   | 8.7     |         |
| Pay-out                     | 335.0%                  | 85.3%       | 275.3%      | 231.9%       | 76.6%   | 83.0%             | 99.2%    | -10.5%     | 46.7%  | 59.0%  | 48.0%   |         |
| Multiples and Ratios        | P/E (x)                 | 36.5        | 8.9         | 12.3         | 19.2    | 18.0              | 19.3     | 10.3       | n.a.   | 12.8   | 15.1    | 12.9    |
|                             | P/BV (x)                | 0.9         | 0.9         | 0.9          | 0.9     | 0.8               | 0.7      | 0.7        | n.a.   | n.a.   | 0.7     | 1.0     |
|                             | EV/Revenues (x)         | 2.4         | 1.4         | 1.5          | 1.8     | 18.3              | n.a.     | 10.7       | n.a.   | 9.1    | 12.7    | 2.3     |
|                             | EV/EBITDA (x)           | 23.5        | 9.0         | 10.5         | 14.3    | 23.8              | 28.8     | 14.8       | n.a.   | 13.3   | 20.2    | 13.0    |
|                             | EV/EBIT (x)             | 25.5        | 9.2         | 11.0         | 15.3    | 25.6              | 29.4     | 14.9       | n.a.   | 11.9   | 20.4    | 15.4    |
|                             | ROE                     | 2.4         | 10.3        | 7.6          | 6.8     | 4.4               | 3.8      | 6.4        | n.a.   | n.a.   | 4.9     | 7.8     |
|                             | FCF Yield (%)           | 8.4         | 12.6        | 17.6         | 12.8    | 3.9               | 8.2      | 5.5        | n.a.   | 7.7    | 6.3     | n.a.    |
|                             | DPS                     | 0.86        | 1.88        | 2.48         | 1.74    | 0.45              | 0.27     | 0.68       | 0.02   | 0.25   | 0.33    | 0.30    |
|                             | Dvd Yield               | 9.4%        | 9.3%        | 22.5%        | 13.7%   | 4.1%              | 4.4%     | 9.5%       | 0.2%   | 4.2%   | 4.5%    | 3.7%    |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019  | 2020   | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  | CAGR 20-23 | 23-26e |
|---------------------------------|------|------|------|------|------|------|-------|--------|--------|--------|--------|--------|--------|--------|------------|--------|
| Total Revenues                  |      |      |      |      |      |      | 122.8 | 132.7  | 125.2  | 117.8  | 119.8  | 168.1  | 244.1  | 147.0  | -3.4%      | 7.1%   |
| Total Revenues growth           |      |      |      |      |      |      | n.a.  | 8.1%   | -5.7%  | -5.9%  | 1.7%   | 40.4%  | 45.2%  | -39.8% |            |        |
| EBITDA                          |      |      |      |      |      |      | 22.4  | 19.4   | 22.5   | 20.9   | 22.3   | 29.9   | 46.5   | 28.2   | 4.7%       | 8.1%   |
| EBITDA growth                   |      |      |      |      |      |      | n.a.  | -13.3% | 15.6%  | -7.0%  | 6.9%   | 34.3%  | 55.3%  | -39.4% |            |        |
| EBITDA/Sales                    |      |      |      |      |      |      | 18.2% | 14.6%  | 17.9%  | 17.7%  | 18.6%  | 17.8%  | 19.1%  | 19.2%  |            |        |
| Net Profit                      |      |      |      |      |      |      | 8.9   | 21.1   | 12.0   | 15.0   | 11.3   | 11.6   | 25.4   | 12.8   | -18.8%     | 4.3%   |
| Net Profit growth               |      |      |      |      |      |      | n.a.  | 136.4% | -43.0% | 25.0%  | -24.8% | 2.8%   | 118.6% | -49.5% |            |        |
| Adjusted number shares (Mn)     |      |      |      |      |      |      | 18.5  | 17.8   | 18.6   | 18.5   | 18.7   | 18.7   | 18.7   | 18.7   |            |        |
| EPS (EUR)                       |      |      |      |      |      |      | 0.48  | 1.19   | 0.65   | 0.81   | 0.61   | 0.62   | 1.36   | 0.69   | -20.1%     | 4.3%   |
| EPS growth                      |      |      |      |      |      |      | n.a.  | n.a.   | -45.5% | 25.5%  | -25.5% | 2.8%   | n.a.   | -49.5% |            |        |
| Ord. EPS (EUR)                  |      |      |      |      |      |      | 0.66  | 0.50   | 0.50   | 0.46   | 0.35   | 0.62   | 1.36   | 0.69   | -10.8%     | 25.0%  |
| Ord. EPS growth                 |      |      |      |      |      |      | n.a.  | -25.2% | 0.5%   | -7.1%  | -24.1% | 77.1%  | n.a.   | -49.5% |            |        |
| CAPEX                           |      |      |      |      |      |      | (1.9) | (5.9)  | (4.9)  | (0.2)  | (0.2)  | (0.3)  | (0.5)  | (0.3)  |            |        |
| CAPEX/Sales %                   |      |      |      |      |      |      | 1.5%  | 4.5%   | 3.9%   | 0.2%   | 0.1%   | 0.2%   | 0.2%   | 0.2%   |            |        |
| Free Cash Flow                  |      |      |      |      |      |      | (7.0) | (7.0)  | 14.3   | (36.3) | (0.3)  | (12.8) | 60.0   | 63.6   | 63.7%      | n.a.   |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      |      | 8.8x  | 10.8x  | 8.8x   | 11.5x  | 10.9x  | 8.7x   | 4.4x   | 5.5x   |            |        |
| P/E (x)                         |      |      |      |      |      |      | 17.0x | 5.5x   | 11.0x  | 8.3x   | 11.4x  | 12.9x  | 5.9x   | 11.6x  |            |        |
| EV/Sales (x)                    |      |      |      |      |      |      | 3.04x | 2.63x  | 2.75x  | 3.19x  | 3.14x  | 2.31x  | 1.59x  | 2.65x  |            |        |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      |      | 16.6x | 18.0x  | 15.3x  | 18.0x  | 16.9x  | 13.0x  | 8.4x   | 13.8x  |            |        |
| Absolute performance            |      |      |      |      |      |      | 4.0%  | -20.3% | 8.3%   | -4.7%  | 1.8%   | 16.1%  |        |        |            |        |
| Relative performance vs Ibex 35 |      |      |      |      |      |      | -7.0% | -5.7%  | 0.3%   | 0.9%   | -17.1% | 3.6%   |        |        |            |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Kompuestos (KOM)**, is a Spanish chemical company (Barcelona), that produces mineral based concentrates (fillers) and colour and additive concentrates (masterbatches) for the plastics transformation industry, including resins for the creation of bioplastics. With a nominal production capacity of 220,510 tonnes, it is controlled and run by the founding family (c.65% of capital).

**Market Data**

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 9,7                | 10,6 |
| EV (Mn EUR and USD)            | 21,6               | 23,5 |
| Shares Outstanding (Mn)        | 12,2               |      |
| -12m (Max/Med/Mín EUR)         | 1,04 / 0,84 / 0,70 |      |
| Daily Avg volume (-12m Mn EUR) | n.m.               |      |
| Rotation <sup>(1)</sup>        | 5,2                |      |
| Factset / Bloomberg            | KOM-ES / KOM SM    |      |
| Close fiscal year              | 31-Dec             |      |

**Shareholders Structure (%)<sup>(3)</sup>**

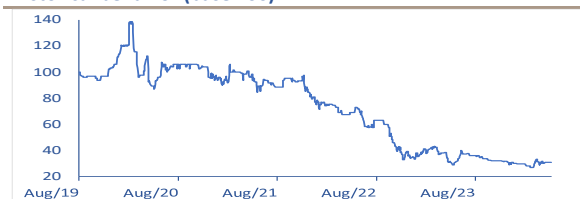
|                                     |      |
|-------------------------------------|------|
| Ignacio Duch y familia              | 63,8 |
| Noriande Global                     | 8,1  |
| Gestión y administración Mobiliaria | 5,1  |
| Gant Finance                        | 5,0  |
| Free Float                          | 13,0 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 12,2  | 12,2  | 12,2  | 12,2  |
| Total Revenues                      | 46,2  | 48,0  | 50,2  | 52,6  |
| Rec. EBITDA                         | 3,8   | 4,2   | 4,7   | 5,2   |
| % growth                            | 95,8  | 9,9   | 13,4  | 10,1  |
| % Rec. EBITDA/Rev.                  | 8,2   | 8,7   | 9,4   | 9,9   |
| % Inc. EBITDA sector <sup>(2)</sup> | -25,0 | 9,7   | 12,7  | 7,8   |
| Net Profit                          | -0,1  | 0,5   | 1,3   | 2,0   |
| EPS (EUR)                           | -0,01 | 0,04  | 0,11  | 0,16  |
| % growth                            | 91,5  | 566,6 | 137,8 | 54,8  |
| Ord. EPS (EUR)                      | -0,01 | 0,04  | 0,11  | 0,16  |
| % growth                            | 89,3  | 424,4 | 137,8 | 54,8  |
| Rec. Free Cash Flow                 | 0,8   | 0,9   | 1,5   | 1,8   |
| Pay-out (%)                         | 0,0   | 0,0   | 0,0   | 0,0   |
| DPS (EUR)                           | 0,00  | 0,00  | 0,00  | 0,00  |
| Net financial debt                  | 11,8  | 10,9  | 9,5   | 7,6   |
| ND/Rec. EBITDA (x)                  | 3,1   | 2,6   | 2,0   | 1,5   |
| ROE (%)                             | n.a.  | 4,0   | 8,8   | 12,3  |
| ROCE (%)                            | 5,3   | 6,4   | 9,1   | 11,2  |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | 18,0 | 7,6  | 4,9  |
| Ord. P/E           | n.a. | 18,0 | 7,6  | 4,9  |
| P/BV               | 0,7  | 0,7  | 0,6  | 0,6  |
| Dividend Yield (%) | 0,0  | 0,0  | 0,0  | 0,0  |
| EV/Sales           | 0,47 | 0,45 | 0,43 | 0,41 |
| EV/Rec. EBITDA     | 5,7  | 5,2  | 4,6  | 4,2  |
| EV/EBIT            | 15,8 | 10,7 | 7,6  | 6,2  |
| FCF Yield (%)      | 7,8  | 9,1  | 15,3 | 18,7 |

**Historical behavior (base 100)**


| (%)      | -1m | -3m | -12m | -5Y  |
|----------|-----|-----|------|------|
| Absolute | 1,9 | 8,8 | 2,6  | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Chemicals.

(3) Others: Associats TJ 5,0%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**2023: turning point: 2x recurring EBITDA 2022.** KOM sustained a 10.4% fall in revenue in 2023 to EUR 46.2Mn (vs EUR 51.6Mn in 2022). However, recurring EBITDA improved considerably, to EUR 3.8Mn (vs EUR 1.9Mn) thanks to gross margin expansion (+4p.p. vs 2022) and the fall in other operating expenses.

**2024e: single-digit topline growth (+4% vs 2023)** to EUR 48.0Mn (vs EUR 46.2Mn in 2022). We expect the (higher margin) specialities business to maintain its weight in the business mix (24% of revenue).

**But improvement in the recurring EBITDA margin to 8.7% (vs 8.2% in 2023)** by sustaining gross margin at around 34% (lower cost inflation), not to mention KOPM's operational leverage and the scalability of capacity increases already made, leaving recurring EBITDA of EUR 4.2Mn (vs EUR 3.8Mn in 2023).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Scope for further margin expansion.** This is the result of: (i) the focus on the higher value-added speciality business line (24% of the business mix vs 19% in 2021, but 27.7% in 2026e in our estimates), enabling gross margin to expand a further 6p.p. in 2023 (vs 2021), (ii) benefits of operational gearing (as seen in 2023) and (iii) the scalability of capacity increases already made. We expect a recurring EBITDA margin in 2026e of 9.9% (vs 8.2% in 2023).

**A (bioplastics) product that benefits from regulation.** KOM has a range of bio products already certified. Although this is still a fledgling market, it should enable growth to accelerate quickly as regulations for traditional plastic products become stricter. It is benefiting from tailwinds in the form of favourable legislation around recycling and the circular economy.

**The improvement in recurring EBITDA should feed through to higher cash generation in the coming years.** We estimate mid-single digit growth in revenue over the forecast period (CAGR 2024e-2026e: 5%) to EUR 52.6Mn in 2026e. But thanks to margin expansion, recurring EBITDA should deliver double-digit growth, to EUR 5.2Mn (vs EUR 3.8Mn in 2023). And since the company does not require any material additional investments over the medium term, our estimate for 2026e shows recurring FCF of EUR 1.8Mn (for a company with a market cap of c. EUR 10Mn).

**RISKS: WHAT TO KEEP AN EYE ON?**

**High financial leverage.** KOM ended 2023 with EUR 11.8Mn of net debt (vs EUR 12.5Mn in 2022), leaving a ND/recurring EBITDA multiple of 3.1x (vs 6.5x in 2022). Given the production capacity enlargements carried out in the 2015-2020 period, we don't expect any major CAPEX. So, margin improvement should enable the company to pay down debt. ND 2024e: EUR 10.9Mn (DN/recurring EBITDA 2.6x).

**Intense competition.** KOM operates in a highly competitive market (fuelled by rising demand for solutions that reduce the carbon footprint of plastic products). This could exert additional pressure on margins.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**As for KOM's upside potential, its FCF Yield 2023 of 7.8% says it all.** After the plunge in the share price to all-time lows (KOM -3y: -67.7%, -73.9% vs Ibex 35, -69.6% vs sector), our 2024e estimates point to an FCF Yield of 9.1%. This means that the market is still "clearly" ignoring the scope for improvement in recurring EBITDA and FCF. 2024e should show whether or not the company really can achieve a sharp step-up in recurring EBITDA.



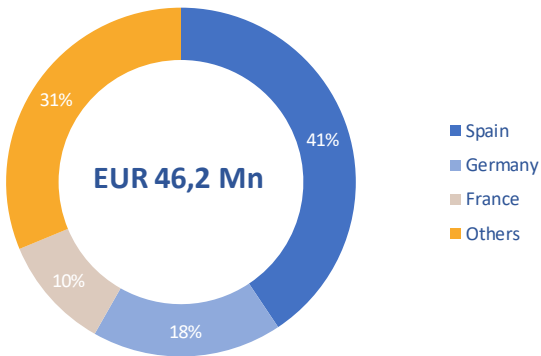
## Financial Projections

| <b>Balance Sheet (EUR Mn)</b>                | <b>2019</b> | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |              |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 3,6         | 3,6          | 4,1          | 3,7          | 3,3          | 2,6          | 2,2          | 1,9          |               |              |
| Fixed assets                                 | 21,1        | 21,2         | 21,1         | 19,7         | 18,6         | 18,2         | 17,9         | 18,0         |               |              |
| Other Non Current Assets                     | 0,3         | 0,7          | 0,9          | 1,3          | 1,3          | 1,3          | 1,3          | 1,3          |               |              |
| Financial Investments                        | 0,1         | 0,1          | 0,2          | 0,3          | 0,2          | 0,2          | 0,2          | 0,2          |               |              |
| Goodwill & Other Intangibles                 | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Current assets                               | 11,6        | 9,9          | 11,2         | 10,0         | 9,4          | 10,4         | 11,1         | 12,0         |               |              |
| <b>Total assets</b>                          | <b>36,8</b> | <b>35,7</b>  | <b>37,3</b>  | <b>35,1</b>  | <b>32,8</b>  | <b>32,7</b>  | <b>32,8</b>  | <b>33,3</b>  |               |              |
| Equity                                       | 16,9        | 15,2         | 14,8         | 13,6         | 13,4         | 13,9         | 15,2         | 17,2         |               |              |
| Minority Interests                           | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Provisions & Other L/T Liabilities           | 0,2         | 0,3          | 0,3          | 0,4          | 0,3          | 0,3          | 0,3          | 0,3          |               |              |
| Other Non Current Liabilities                | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Net financial debt                           | 11,5        | 10,9         | 11,8         | 12,5         | 11,8         | 10,9         | 9,5          | 7,6          |               |              |
| Current Liabilities                          | 8,2         | 9,2          | 10,4         | 8,6          | 7,3          | 7,6          | 7,8          | 8,2          |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>36,8</b> | <b>35,7</b>  | <b>37,3</b>  | <b>35,1</b>  | <b>32,8</b>  | <b>32,7</b>  | <b>32,8</b>  | <b>33,3</b>  |               |              |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b> | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |              |
| <b>Total Revenues</b>                        | <b>46,3</b> | <b>43,2</b>  | <b>58,9</b>  | <b>51,6</b>  | <b>46,2</b>  | <b>48,0</b>  | <b>50,2</b>  | <b>52,6</b>  | <b>-0,1%</b>  | <b>4,4%</b>  |
| <i>Total Revenues growth</i>                 | 12,0%       | -6,8%        | 36,5%        | -12,5%       | -10,4%       | 3,8%         | 4,7%         | 4,8%         |               |              |
| COGS   | (32,3)      | (30,2)       | (42,3)       | (35,9)       | (30,4)       | (31,5)       | (32,8)       | (34,4)       |               |              |
| <b>Gross Margin</b>                          | <b>14,1</b> | <b>12,9</b>  | <b>16,6</b>  | <b>15,6</b>  | <b>15,8</b>  | <b>16,5</b>  | <b>17,4</b>  | <b>18,3</b>  | <b>3,0%</b>   | <b>4,9%</b>  |
| <i>Gross Margin/Revenues</i>                 | 30,4%       | 30,0%        | 28,2%        | 30,3%        | 34,3%        | 34,3%        | 34,6%        | 34,7%        |               |              |
| Personnel Expenses                           | (3,7)       | (3,5)        | (3,8)        | (3,9)        | (3,9)        | (4,0)        | (4,1)        | (4,3)        |               |              |
| Other Operating Expenses                     | (8,2)       | (8,2)        | (10,7)       | (9,8)        | (8,1)        | (8,3)        | (8,5)        | (8,8)        |               |              |
| <b>Recurrent EBITDA</b>                      | <b>2,2</b>  | <b>1,2</b>   | <b>2,1</b>   | <b>1,9</b>   | <b>3,8</b>   | <b>4,2</b>   | <b>4,7</b>   | <b>5,2</b>   | <b>14,6%</b>  | <b>11,1%</b> |
| <i>Recurrent EBITDA growth</i>               | -6,4%       | -44,5%       | 75,2%        | -9,4%        | 95,8%        | 9,9%         | 13,4%        | 10,1%        |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | 4,7%        | 2,8%         | 3,6%         | 3,8%         | 8,2%         | 8,7%         | 9,4%         | 9,9%         |               |              |
| Restructuring Expense & Other non-rec.       | (0,5)       | (0,3)        | (0,2)        | (0,2)        | 0,0          | -            | -            | -            |               |              |
| <b>EBITDA</b>                                | <b>1,7</b>  | <b>0,9</b>   | <b>1,9</b>   | <b>1,7</b>   | <b>3,8</b>   | <b>4,2</b>   | <b>4,7</b>   | <b>5,2</b>   | <b>23,4%</b>  | <b>10,7%</b> |
| Depreciation & Provisions                    | (1,8)       | (3,0)        | (2,7)        | (2,9)        | (2,9)        | (2,6)        | (2,4)        | (2,2)        |               |              |
| Capitalized Expense                          | 1,6         | 1,2          | 1,3          | 0,9          | 0,5          | 0,5          | 0,5          | 0,5          |               |              |
| Rentals (IFRS 16 impact)                     | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>EBIT</b>                                  | <b>1,4</b>  | <b>(0,8)</b> | <b>0,6</b>   | <b>(0,4)</b> | <b>1,4</b>   | <b>2,0</b>   | <b>2,8</b>   | <b>3,5</b>   | <b>-1,3%</b>  | <b>36,1%</b> |
| <i>EBIT growth</i>                           | 1,4%        | -157,2%      | 167,4%       | -169,4%      | 454,5%       | 47,1%        | 40,0%        | 22,4%        |               |              |
| <i>EBIT/Revenues</i>                         | 3,1%        | n.a.         | 0,9%         | n.a.         | 3,0%         | 4,2%         | 5,6%         | 6,6%         |               |              |
| Impact of Goodwill & Others                  | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Net Financial Result                         | (1,1)       | (1,2)        | (1,1)        | (1,4)        | (1,5)        | (1,3)        | (1,2)        | (1,0)        |               |              |
| Income by the Equity Method                  | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Ordinary Profit</b>                       | <b>0,3</b>  | <b>(2,0)</b> | <b>(0,6)</b> | <b>(1,8)</b> | <b>(0,1)</b> | <b>0,7</b>   | <b>1,6</b>   | <b>2,5</b>   | <b>-24,0%</b> | <b>n.a.</b>  |
| <i>Ordinary Profit Growth</i>                | -45,0%      | -711,5%      | 71,6%        | -209,8%      | 93,2%        | 656,4%       | 137,8%       | 54,8%        |               |              |
| Extraordinary Results                        | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>0,3</b>  | <b>(2,0)</b> | <b>(0,6)</b> | <b>(1,8)</b> | <b>(0,1)</b> | <b>0,7</b>   | <b>1,6</b>   | <b>2,5</b>   | <b>-24,0%</b> | <b>n.a.</b>  |
| Tax Expense                                  | (0,1)       | 0,4          | 0,2          | 0,4          | 0,0          | (0,1)        | (0,3)        | (0,5)        |               |              |
| <i>Effective Tax Rate</i>                    | 21,6%       | n.a.         | n.a.         | n.a.         | n.a.         | 20,0%        | 20,0%        | 20,0%        |               |              |
| Minority Interests                           | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| Discontinued Activities                      | -           | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>0,3</b>  | <b>(1,6)</b> | <b>(0,4)</b> | <b>(1,3)</b> | <b>(0,1)</b> | <b>0,5</b>   | <b>1,3</b>   | <b>2,0</b>   | <b>-25,1%</b> | <b>n.a.</b>  |
| <i>Net Profit growth</i>                     | -46,7%      | -710,8%      | 76,8%        | -266,9%      | 91,4%        | 566,6%       | 137,8%       | 54,8%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>0,7</b>  | <b>(1,7)</b> | <b>(0,4)</b> | <b>(1,5)</b> | <b>(0,2)</b> | <b>0,5</b>   | <b>1,3</b>   | <b>2,0</b>   | <b>-22,4%</b> | <b>n.a.</b>  |
| <i>Ordinary Net Profit growth</i>            | 94,2%       | -350,6%      | 79,1%        | -332,0%      | 89,2%        | 424,4%       | 137,8%       | 54,8%        |               |              |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b> | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |              |
| <b>Recurrent EBITDA</b>                      |             |              |              |              |              | <b>4,2</b>   | <b>4,7</b>   | <b>5,2</b>   | <b>14,6%</b>  | <b>11,1%</b> |
| Rentals (IFRS 16 impact)                     |             |              |              |              |              | -            | -            | -            |               |              |
| Working Capital Increase                     |             |              |              |              |              | (0,7)        | (0,5)        | (0,4)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |             |              |              |              |              | <b>3,4</b>   | <b>4,2</b>   | <b>4,8</b>   | <b>-5,9%</b>  | <b>15,0%</b> |
| CAPEX  |             |              |              |              |              | (1,1)        | (1,2)        | (1,5)        |               |              |
| Net Financial Result affecting the Cash Flow |             |              |              |              |              | (1,3)        | (1,2)        | (1,0)        |               |              |
| Tax Expense                                  |             |              |              |              |              | (0,1)        | (0,3)        | (0,5)        |               |              |
| <b>Recurrent Free Cash Flow</b>              |             |              |              |              |              | <b>0,9</b>   | <b>1,5</b>   | <b>1,8</b>   | <b>26,8%</b>  | <b>33,7%</b> |
| Restructuring Expense & Other non-rec.       |             |              |              |              |              | -            | -            | -            |               |              |
| - Acquisitions / + Divestures of assets      |             |              |              |              |              | -            | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |              |              |              |              | -            | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |             |              |              |              |              | <b>0,9</b>   | <b>1,5</b>   | <b>1,8</b>   | <b>23,9%</b>  | <b>33,7%</b> |
| Capital Increase                             |             |              |              |              |              | -            | -            | -            |               |              |
| Dividends                                    |             |              |              |              |              | -            | -            | -            |               |              |
| <b>Net Debt Variation</b>                    |             |              |              |              |              | <b>(0,9)</b> | <b>(1,5)</b> | <b>(1,8)</b> |               |              |

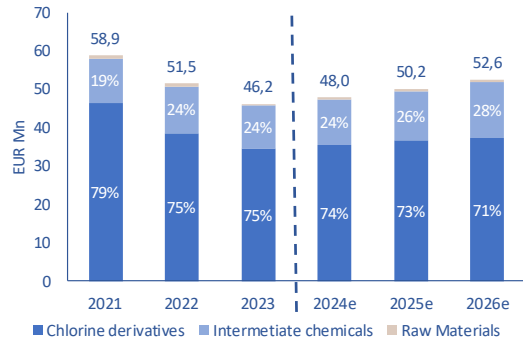


**The company in 8 charts**

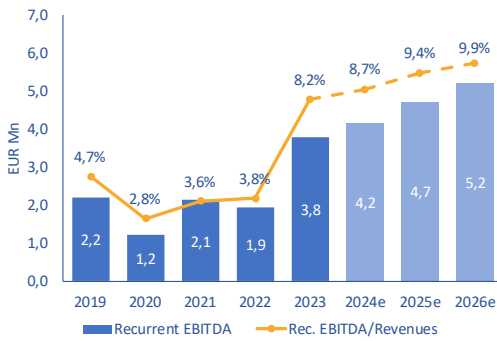
**KOM obtained 59% of its revenue outside Spain in 2023**



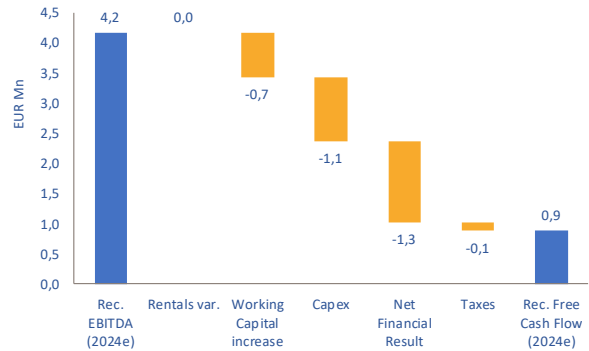
**We expect the (higher margin) specialities business to continue increasing its weight in the mix to 28% in 26e**



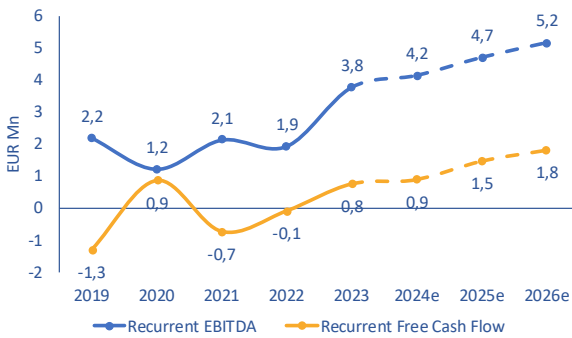
**Chance to improve margins: i) focus on more profitable products and ii) scalability of the capital increases already made**



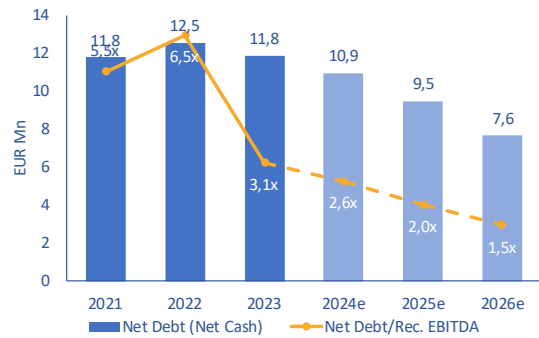
**Margin growth and CAPEX containment (CAPES/sales 2.2%) should allow for positive FCF generation in 2024e**



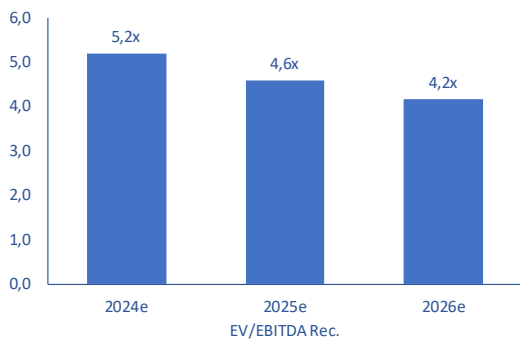
**And unlock the business' free cash flow generation capacity**



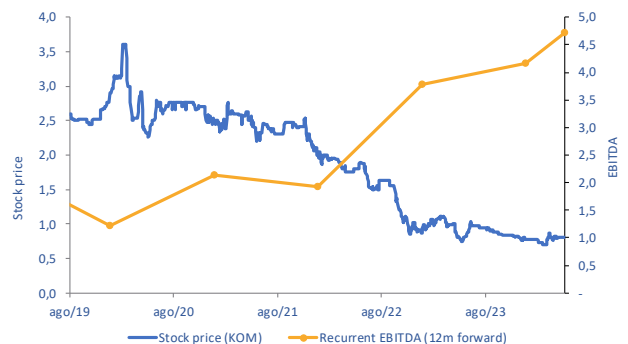
**This should enable the company to deleverage (we estimate an ND/EBITDA 2024e of c. 3x)**



**EV/EBITDA multiple <5.5X throughout the forecast period**



**KOM looks in paper poised to gain momentum in 2024e, while the share price is at lows**



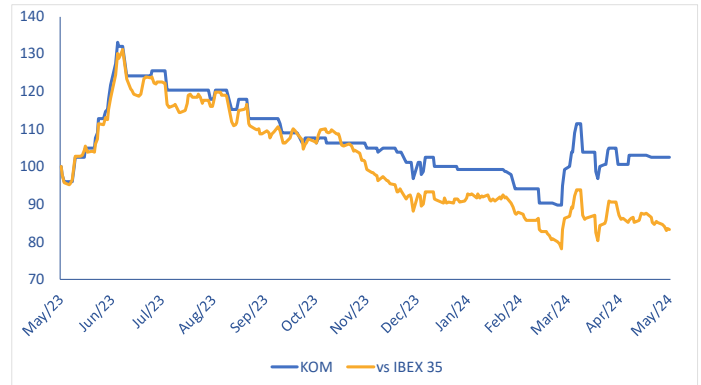


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



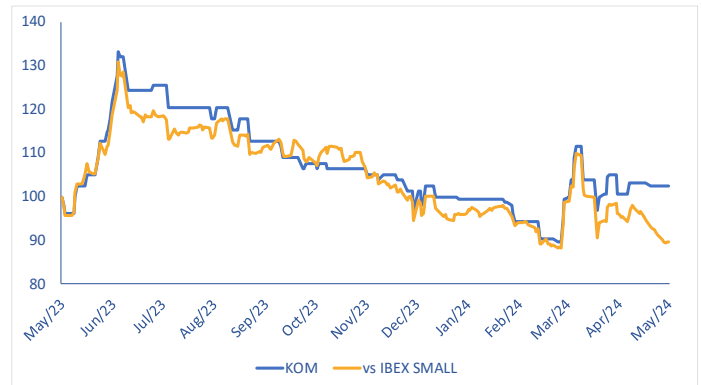
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Chemicals

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y  |
|---|------|------|-------|------|-------|------|
| <b>Absolute</b>                           | 1,9  | 8,8  | 2,6   | 2,6  | -67,7 | n.a. |
| <b>vs Market</b>                          |      |      |       |      |       |      |
| vs Ibex 35                                | -4,3 | -5,0 | -16,6 | -8,5 | -73,9 | n.a. |
| vs Euro STOXX 50                          | -1,1 | 2,4  | -12,4 | -8,4 | -74,5 | n.a. |
| <b>vs Small Cap References</b>            |      |      |       |      |       |      |
| vs Ibex Small Cap Index                   | -6,7 | -4,8 | -10,4 | -7,9 | -68,4 | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -3,4 | 0,8  | -2,4  | -4,8 | -65,1 | n.a. |
| vs MSCI Europe Micro Cap                  | -4,0 | 1,4  | -0,4  | -3,0 | -60,4 | n.a. |
| <b>vs Sector</b>                          |      |      |       |      |       |      |
| vs Stoxx Europe 600 Chemicals             | 2,7  | 4,3  | -4,3  | 2,0  | -69,6 | n.a. |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

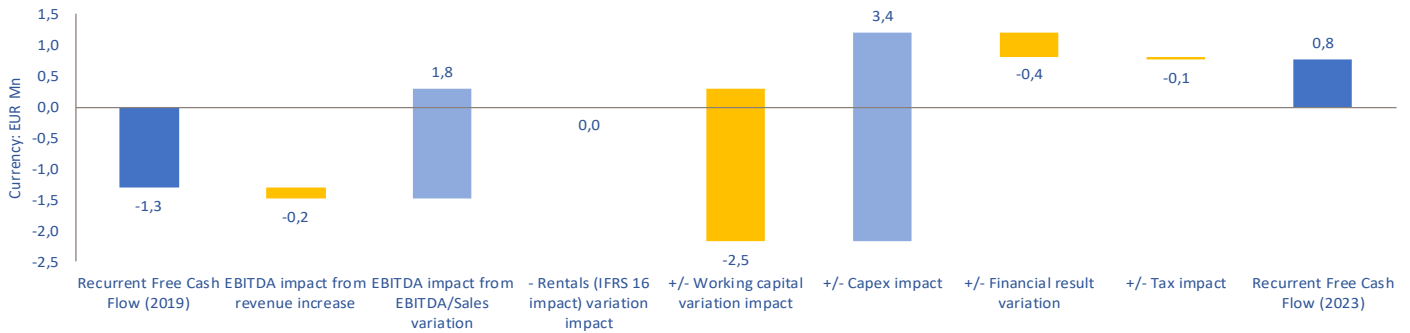
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e      | 2025e      | 2026e      | CAGR         |              |
|---|--------------|--------------|--------------|--------------|------------|------------|------------|--------------|--------------|
|   |              |              |              |              |            |            |            | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>1,2</b>   | <b>2,1</b>   | <b>1,9</b>   | <b>3,8</b>   | <b>4,2</b> | <b>4,7</b> | <b>5,2</b> | <b>46,0%</b> | <b>11,1%</b> |
| <i>Recurrent EBITDA growth</i>  | -44,5%       | 75,2%        | -9,4%        | 95,8%        | 9,9%       | 13,4%      | 10,1%      |              |              |
| <i>Rec. EBITDA/Revenues</i>   | 2,8%         | 3,6%         | 3,8%         | 8,2%         | 8,7%       | 9,4%       | 9,9%       |              |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -          | -          | -          |              |              |
| +/- Working Capital increase  | 2,7          | (0,1)        | (0,7)        | (0,7)        | (0,7)      | (0,5)      | (0,4)      |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>3,9</b>   | <b>2,1</b>   | <b>1,3</b>   | <b>3,1</b>   | <b>3,4</b> | <b>4,2</b> | <b>4,8</b> | <b>-7,2%</b> | <b>15,0%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | -2,1%        | -47,1%       | -38,7%       | 146,5%       | 9,1%       | 23,8%      | 12,6%      |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 9,1%         | 3,5%         | 2,5%         | 6,8%         | 7,1%       | 8,4%       | 9,1%       |              |              |
| - CAPEX   | (1,9)        | (1,7)        | (0,4)        | (0,9)        | (1,1)      | (1,2)      | (1,5)      |              |              |
| - Net Financial Result affecting Cash Flow  | (1,2)        | (1,2)        | (1,4)        | (1,5)        | (1,3)      | (1,2)      | (1,0)      |              |              |
| - Taxes   | 0,1          | -            | 0,4          | -            | (0,1)      | (0,3)      | (0,5)      |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>0,9</b>   | <b>(0,7)</b> | <b>(0,1)</b> | <b>0,8</b>   | <b>0,9</b> | <b>1,5</b> | <b>1,8</b> | <b>-4,4%</b> | <b>33,7%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 167,4%       | -183,7%      | 88,5%        | n.a.         | 16,2%      | 67,7%      | 22,6%      |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 2,0%         | n.a.         | n.a.         | 1,7%         | 1,8%       | 3,0%       | 3,5%       |              |              |
| - Restructuring expenses & others   | -            | -            | (0,2)        | -            | -          | -          | -          |              |              |
| - Acquisitions / + Divestments  | (0,0)        | -            | -            | -            | -          | -          | -          |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | (0,2)        | -            | (0,5)        | -            | -          | -          | -          |              |              |
| <b>= Free Cash Flow</b>   | <b>0,7</b>   | <b>(0,7)</b> | <b>(0,8)</b> | <b>0,8</b>   | <b>0,9</b> | <b>1,5</b> | <b>1,8</b> | <b>5,4%</b>  | <b>33,7%</b> |
| <i>Free Cash Flow growth</i>  | 130,6%       | -212,4%      | -15,1%       | 190,6%       | 16,2%      | 67,7%      | 22,6%      |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 9,0%         | n.a.         | n.a.         | 7,8%         | 9,1%       | 15,3%      | 18,7%      |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 6,7%         | n.a.         | n.a.         | 7,8%         | 9,1%       | 15,3%      | 18,7%      |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |            |            |            |              |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(1,3)</b> | <b>0,9</b>   | <b>(0,7)</b> | <b>(0,1)</b> | <b>0,8</b> | <b>0,9</b> | <b>1,5</b> |              |              |
| EBITDA impact from revenue increase   | (0,1)        | 0,4          | (0,3)        | (0,2)        | 0,1        | 0,2        | 0,2        |              |              |
| EBITDA impact from EBITDA/Sales variation   | (0,8)        | 0,5          | 0,1          | 2,1          | 0,2        | 0,4        | 0,2        |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(1,0)</b> | <b>0,9</b>   | <b>(0,2)</b> | <b>1,9</b>   | <b>0,4</b> | <b>0,6</b> | <b>0,5</b> |              |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -            | -            | -          | -          | -          |              |              |
| +/- Working capital variation impact  | 0,9          | (2,8)        | (0,6)        | 0,0          | (0,1)      | 0,3        | 0,1        |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(0,1)</b> | <b>(1,8)</b> | <b>(0,8)</b> | <b>1,9</b>   | <b>0,3</b> | <b>0,8</b> | <b>0,5</b> |              |              |
| +/- CAPEX impact  | 2,3          | 0,3          | 1,3          | (0,5)        | (0,2)      | (0,1)      | (0,3)      |              |              |
| +/- Financial result variation  | (0,1)        | 0,0          | (0,2)        | (0,1)        | 0,1        | 0,1        | 0,2        |              |              |
| +/- Tax impact  | (0,0)        | (0,1)        | 0,4          | (0,4)        | (0,1)      | (0,2)      | (0,2)      |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>2,2</b>   | <b>(1,6)</b> | <b>0,6</b>   | <b>0,8</b>   | <b>0,1</b> | <b>0,6</b> | <b>0,3</b> |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>0,9</b>   | <b>(0,7)</b> | <b>(0,1)</b> | <b>0,8</b>   | <b>0,9</b> | <b>1,5</b> | <b>1,8</b> |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |            |            |            |              |              |
| <b>EBIT</b>   | <b>(0,8)</b> | <b>0,6</b>   | <b>(0,4)</b> | <b>1,4</b>   | <b>2,0</b> | <b>2,8</b> | <b>3,5</b> | <b>54,1%</b> | <b>36,1%</b> |
| * <i>Theoretical Tax rate</i>   | 0,0%         | 0,0%         | 0,0%         | 0,0%         | 20,0%      | 20,0%      | 20,0%      |              |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | -            | -            | (0,4)      | (0,6)      | (0,7)      |              |              |
| <b>Recurrent EBITDA</b>   | <b>1,2</b>   | <b>2,1</b>   | <b>1,9</b>   | <b>3,8</b>   | <b>4,2</b> | <b>4,7</b> | <b>5,2</b> | <b>46,0%</b> | <b>11,1%</b> |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -          | -          | -          |              |              |
| +/- Working Capital increase  | 2,7          | (0,1)        | (0,7)        | (0,7)        | (0,7)      | (0,5)      | (0,4)      |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>3,9</b>   | <b>2,1</b>   | <b>1,3</b>   | <b>3,1</b>   | <b>3,4</b> | <b>4,2</b> | <b>4,8</b> | <b>-7,2%</b> | <b>15,0%</b> |
| - CAPEX   | (1,9)        | (1,7)        | (0,4)        | (0,9)        | (1,1)      | (1,2)      | (1,5)      |              |              |
| - Taxes (pre- Financial Result)   | -            | -            | -            | -            | (0,4)      | (0,6)      | (0,7)      |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>2,0</b>   | <b>0,4</b>   | <b>0,9</b>   | <b>2,3</b>   | <b>2,0</b> | <b>2,5</b> | <b>2,6</b> | <b>3,8%</b>  | <b>4,9%</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 466,7%       | -79,1%       | 107,8%       | 157,0%       | -13,0%     | 25,6%      | 5,6%       |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 4,7%         | 0,7%         | 1,7%         | 4,9%         | 4,1%       | 4,9%       | 4,9%       |              |              |
| - Acquisitions / + Divestments  | (0,0)        | -            | -            | -            | -          | -          | -          |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | (0,2)        | -            | (0,5)        | -            | -          | -          | -          |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>1,8</b>   | <b>0,4</b>   | <b>0,4</b>   | <b>2,3</b>   | <b>2,0</b> | <b>2,5</b> | <b>2,6</b> | <b>7,9%</b>  | <b>4,9%</b>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | 229,9%       | -76,5%       | -15,5%       | 531,7%       | -13,0%     | 25,6%      | 5,6%       |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 9,3%         | 2,0%         | 4,1%         | 10,4%        | 9,1%       | 11,4%      | 12,0%      |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 8,3%         | 2,0%         | 1,7%         | 10,4%        | 9,1%       | 11,4%      | 12,0%      |              |              |



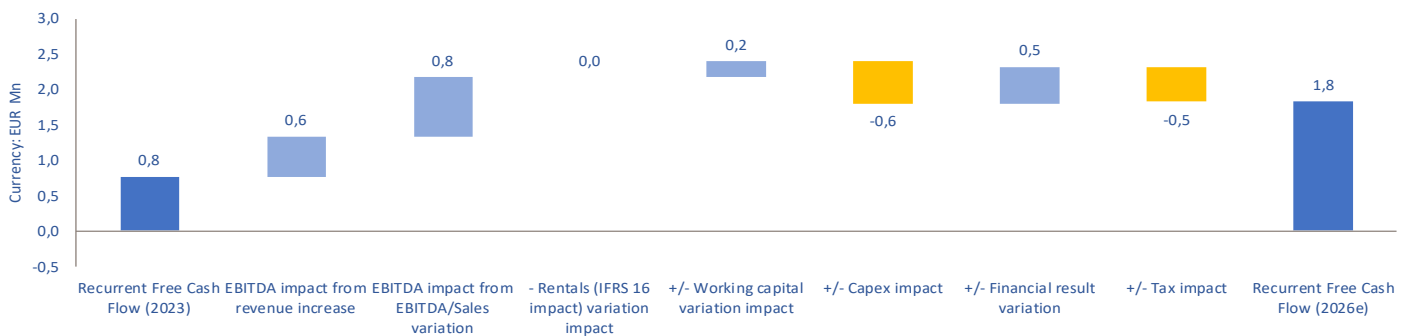


## Free Cash Flow (II)

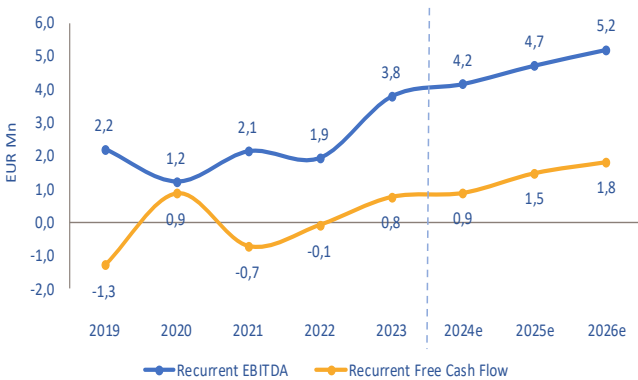
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



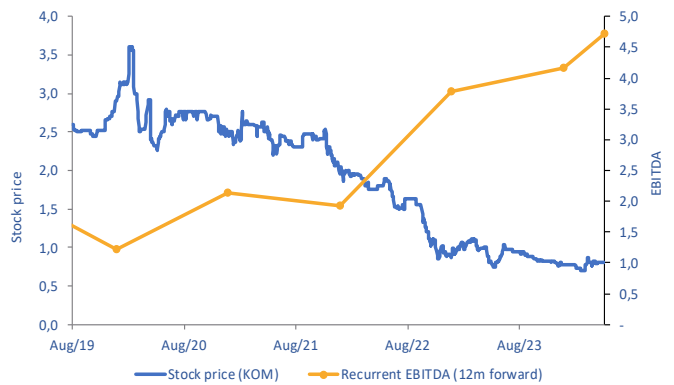
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                   | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 2,0   | 2,5                                     | 2,6   | 45,9                          |           |            |
| Market Cap                     | 9,7   | At the date of this report              |       |                               |           |            |
| Net financial debt             | 11,8  | Debt net of Cash (12m Results 2023)     |       |                               |           |            |
|                                |       |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 7,0%  | Net debt cost                           |       |                               | 6,8%      | 7,3%       |
| Tax rate (T)                   | 20,0% | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 5,6%  | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 5,4%      | 5,8%       |
| Risk free rate (rf)            | 3,3%  | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6,0%  | R (own estimate)                        |       |                               | 5,5%      | 6,5%       |
| Beta (B)                       | 1,2   | B (own estimate)                        |       |                               | 1,1       | 1,3        |
| Cost of Equity                 | 10,5% | $K_e = R_f + (R * B)$                   |       |                               | 9,3%      | 11,7%      |
| Equity / (Equity + Net Debt)   | 45,1% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 54,9% | D                                       |       |                               | =         | =          |
| WACC                           | 7,8%  | $WACC = K_d * D + K_e * E$              |       |                               | 7,2%      | 8,5%       |
| G "Fair"                       | 2,0%  |   |       |                               | 2,5%      | 2,0%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 9,7         |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0,3         | 12m Results 2023 |
| + Net financial debt                 | 11,8        | 12m Results 2023 |
| - Financial Investments              | 0,2         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>21,6</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 4,2%  | n.a.  | 2,1% | n.a. | 5,3% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -2,5% | 3,4%  |      |      |      |
| FCF Yield - WACC     | 0,1%  | 11,0% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 10,3%            | 5,2        | 4,2x          |
| Central  | 9,4%             | 4,7        | 4,6x          |
| Min      | 8,5%             | 4,3        | 5,1x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |         |       |
|-----------------|-----------------|------|------|----------|--------------------|---------|-------|
| EBITDA 25e      | 2,2%            | 2,4% | 2,6% |          | Max                | Central | Min   |
| 5,2             | 2,0             | 1,9  | 1,8  | Max      | 21,0%              | 19,9%   | 18,9% |
| 4,7             | 1,6             | 1,5  | 1,4  | Central  | 16,3%              | 15,3%   | 14,3% |
| 4,3             | 1,1             | 1,0  | 0,9  | Min      | 11,7%              | 10,6%   | 9,6%  |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 25.0% | 25.0% | 25.0% |
| % of proprietary directors           | 50.0% | 50.0% | 50.0% |
| % of executive directors             | 12.5% | 12.5% | 12.5% |
| % of other directors                 | 12.5% | 12.5% | 12.5% |
| % of women on the board of directors | 25.0% | 25.0% | 25.0% |
| % of women out of total workforce    | 20.0% | 20.2% | 20.0% |
| Board remuneration/staff cost        | 3.0%  | 3.8%  | 5.5%  |



## Main peers 2024e

|                             |                         | Specialty Chemicals |                |             |         | Close peers        |                   |         |        |
|-----------------------------|-------------------------|---------------------|----------------|-------------|---------|--------------------|-------------------|---------|--------|
| EUR Mn                      |                         | BASF                | LyondellBasell | Clariant    | Average | Avient Corporation | Cabot Corporation | Average | KOM    |
| Market data                 | Ticker (Factset)        | BAS-DE              | LYB-US         | CLN-CH      |         | AVNT-US            | CBT-US            |         | KOM-ES |
|                             | Country                 | Germany             | UK             | Switzerland |         | USA                | USA               |         | Spain  |
|                             | Market cap              | 43.622,0            | 30.212,0       | 4.817,2     |         | 3.864,7            | 5.202,7           |         | 9,7    |
|                             | Enterprise value (EV)   | 63.187,0            | 39.747,6       | 5.737,4     |         | 5.382,9            | 6.230,6           |         | 21,6   |
| Basic financial information | Total Revenues          | 68.668,1            | 37.889,4       | 4.367,0     |         | 2.957,6            | 3.683,8           |         | 48,0   |
|                             | Total Revenues growth   | -0,3%               | 0,7%           | -1,6%       | -0,4%   | 2,4%               | 1,9%              | 2,1%    | 3,8%   |
|                             | 2y CAGR (2024e - 2026e) | 4,0%                | -8,1%          | 4,9%        | 0,3%    | 5,6%               | 4,6%              | 5,1%    | 4,8%   |
|                             | EBITDA                  | 8.378,9             | 4.816,2        | 726,5       |         | 486,1              | 722,2             |         | 4,2    |
|                             | EBITDA growth           | 14,1%               | 4,5%           | -0,3%       | 6,1%    | 10,2%              | 16,7%             | 13,4%   | 8,6%   |
|                             | 2y CAGR (2024e - 2026e) | 10,5%               | 5,8%           | 11,2%       | 9,2%    | 9,6%               | 7,2%              | 8,4%    | 11,7%  |
|                             | EBITDA/Revenues         | 12,2%               | 12,7%          | 16,6%       | 13,8%   | 16,4%              | 19,6%             | 18,0%   | 8,7%   |
|                             | EBIT                    | 4.396,6             | 3.401,9        | 459,4       |         | 313,6              | 582,8             |         | 2,0    |
|                             | EBIT growth             | 28,6%               | 6,3%           | -6,2%       | 9,6%    | 54,0%              | 19,8%             | 36,9%   | 47,1%  |
|                             | 2y CAGR (2024e - 2026e) | 17,3%               | 8,4%           | 16,9%       | 14,2%   | 15,3%              | 8,0%              | 11,6%   | 30,9%  |
|                             | EBIT/Revenues           | 6,4%                | 9,0%           | 10,5%       | 8,6%    | 10,6%              | 15,8%             | 13,2%   | 4,2%   |
|                             | Net Profit              | 2.893,7             | 2.461,7        | 259,4       |         | 171,0              | 355,8             |         | 0,5    |
|                             | Net Profit growth       | n.a.                | 26,3%          | 52,3%       | 39,3%   | 145,4%             | -11,5%            | 67,0%   | 566,6% |
|                             | 2y CAGR (2024e - 2026e) | 18,2%               | 9,9%           | 23,7%       | 17,3%   | 23,7%              | 8,7%              | 16,2%   | 91,8%  |
| CAPEX/Sales %               | 9,0%                    | 5,0%                | 7,6%           | 7,2%        | 4,3%    | 6,2%               | 5,2%              | 2,2%    |        |
| Free Cash Flow              | 728,7                   | 1.813,4             | 99,6           |             | 133,4   | 296,3              |                   | 0,9     |        |
| Net financial debt          | 18.719,7                | 7.627,0             | 1.292,1        |             | 1.414,4 | 898,6              |                   | 10,9    |        |
| ND/EBITDA (x)               | 2,2                     | 1,6                 | 1,8            | 1,9         | 2,9     | 1,2                | 2,1               | 2,6     |        |
| Pay-out                     | 102,0%                  | 62,3%               | 60,2%          | 74,8%       | 38,1%   | 24,3%              | 31,2%             | 0,0%    |        |
| Multiples and Ratios        | P/E (x)                 | 13,5                | 12,1           | 17,6        | 14,4    | 17,6               | 15,1              | 16,3    | 18,0   |
|                             | P/BV (x)                | 1,2                 | 2,4            | 2,2         | 2,0     | 1,8                | 3,9               | 2,9     | 0,7    |
|                             | EV/Revenues (x)         | 0,9                 | 1,0            | 1,3         | 1,1     | 1,8                | 1,7               | 1,8     | 0,5    |
|                             | EV/EBITDA (x)           | 7,5                 | 8,3            | 7,9         | 7,9     | 11,1               | 8,6               | 9,9     | 5,2    |
|                             | EV/EBIT (x)             | 14,4                | 11,7           | 12,5        | 12,8    | 17,2               | 10,7              | 13,9    | 10,7   |
|                             | ROE                     | 9,2                 | 20,0           | 12,8        | 14,0    | 10,0               | 26,1              | 18,1    | 4,0    |
|                             | FCF Yield (%)           | 1,7                 | 6,0            | 2,1         | 3,2     | 3,5                | 5,7               | 4,6     | 9,1    |
|                             | DPS                     | 3,31                | 4,72           | 0,47        | 2,83    | 0,71               | 1,54              | 1,13    | 0,00   |
| Dvd Yield                   | 6,8%                    | 5,1%                | 3,2%           | 5,0%        | 1,7%    | 1,6%               | 1,7%              | 0,0%    |        |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018  | 2019   | 2020    | 2021   | 2022    | 2023   | 2024e  | 2025e  | 2026e | 13-23 | 23-26e |
|---------------------------------|------|------|------|------|------|-------|--------|---------|--------|---------|--------|--------|--------|-------|-------|--------|
| Total Revenues                  |      |      |      |      |      | 41,4  | 46,3   | 43,2    | 58,9   | 51,6    | 46,2   | 48,0   | 50,2   | 52,6  | n.a.  | 4,4%   |
| Total Revenues growth           |      |      |      |      |      | n.a.  | 12,0%  | -6,8%   | 36,5%  | -12,5%  | -10,4% | 3,8%   | 4,7%   | 4,8%  |       |        |
| EBITDA                          |      |      |      |      |      | 2,5   | 1,7    | 0,9     | 1,9    | 1,7     | 3,8    | 4,2    | 4,7    | 5,2   | n.a.  | 10,7%  |
| EBITDA growth                   |      |      |      |      |      | n.a.  | -34,2% | -45,1%  | 111,1% | -11,4%  | 125,9% | 8,6%   | 13,4%  | 10,1% |       |        |
| EBITDA/Sales                    |      |      |      |      |      | 6,1%  | 3,6%   | 2,1%    | 3,3%   | 3,3%    | 8,3%   | 8,7%   | 9,4%   | 9,9%  |       |        |
| Net Profit                      |      |      |      |      |      | 0,5   | 0,3    | (1,6)   | (0,4)  | (1,3)   | (0,1)  | 0,5    | 1,3    | 2,0   | n.a.  | n.a.   |
| Net Profit growth               |      |      |      |      |      | n.a.  | -46,7% | -710,8% | 76,8%  | -266,9% | 91,4%  | 566,6% | 137,8% | 54,8% |       |        |
| Adjusted number shares (Mn)     |      |      |      |      |      | 12,0  | 12,0   | 12,0    | 12,0   | 12,0    | 12,2   | 12,2   | 12,2   | 12,2  |       |        |
| EPS (EUR)                       |      |      |      |      |      | 0,04  | 0,02   | -0,13   | -0,03  | -0,11   | -0,01  | 0,04   | 0,11   | 0,16  | n.a.  | n.a.   |
| EPS growth                      |      |      |      |      |      | n.a.  | -46,7% | n.a.    | 76,8%  | n.a.    | 91,5%  | n.a.   | n.a.   | 54,8% |       |        |
| Ord. EPS (EUR)                  |      |      |      |      |      | 0,03  | 0,06   | -0,14   | -0,03  | -0,13   | -0,01  | 0,04   | 0,11   | 0,16  | n.a.  | n.a.   |
| Ord. EPS growth                 |      |      |      |      |      | n.a.  | 94,2%  | n.a.    | 79,1%  | n.a.    | 89,3%  | n.a.   | n.a.   | 54,8% |       |        |
| CAPEX                           |      |      |      |      |      | (2,7) | (4,2)  | (1,9)   | (1,7)  | (0,4)   | (0,9)  | (1,1)  | (1,2)  | (1,5) |       |        |
| CAPEX/Sales %                   |      |      |      |      |      | 6,6%  | 9,2%   | 4,4%    | 2,8%   | 0,8%    | 1,9%   | 2,2%   | 2,4%   | 2,8%  |       |        |
| Free Cash Flow                  |      |      |      |      |      | (1,2) | (2,1)  | 0,7     | (0,7)  | (0,8)   | 0,8    | 0,9    | 1,5    | 1,8   | n.a.  | 33,7%  |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      | 5,6x  | 6,9x   | 12,0x   | 6,1x   | 7,4x    | 3,1x   | 2,6x   | 2,0x   | 1,5x  |       |        |
| P/E (x)                         |      |      |      |      |      | n.a.  | n.a.   | n.a.    | n.a.   | n.a.    | n.a.   | 18,0x  | 7,6x   | 4,9x  |       |        |
| EV/Sales (x)                    |      |      |      |      |      | 0,34x | 0,25x  | 1,07x   | 0,71x  | 0,72x   | 0,49x  | 0,45x  | 0,43x  | 0,41x |       |        |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      | 5,6x  | 7,0x   | n.a.    | 22,0x  | 21,8x   | 5,9x   | 5,2x   | 4,6x   | 4,2x  |       |        |
| Absolute performance            |      |      |      |      |      | n.a.  | n.a.   | -14,5%  | -19,4% | -56,5%  | -10,3% | 2,6%   |        |       |       |        |
| Relative performance vs Ibx35   |      |      |      |      |      | n.a.  | n.a.   | 1,1%    | -25,3% | -53,9%  | -27,0% | -8,5%  |        |       |       |        |

(1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Laboratorio Reig Jofre (RJF)** a pharmaceutical company headquartered in Barcelona (Spain) specialised in research, manufacturing, and marketing of pharmaceutical products (injectables and generic antibiotics) and food supplements at its development and logistics centres (Barcelona, Toledo and Malmö). With an international footprint (> 50% of revenue). Managed and controlled by the Reig family (63% of share capital).

### MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**1Q24 demonstrated RJF's ability to continue to grow.** The Specialty Pharma business continues to drive consolidated revenue, which registered double-digit growth to EUR 86.4Mn (+10% vs 2022). Better still, the topline growth translated into growth in recurring EBITDA (EUR 9.8Mn; +11.7% vs 2022).

**2024e should be a year of consolidation.** The key catalyst for growth this year is the agreement with the EU reserving ever-warm Ciclo-Tech capacity. Specifically, we are looking for EUR 348.6Mn of revenue in 2024e (vs EUR 316.1Mn in 2022) and recurring EBITDA of EUR 36.6Mn (+10% vs 2022). 2024e should also be the year we start to see the EBIT margin potential crystallise (3.9% vs 3.3% in 2022).

### EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Defensive business model with high entry barriers**, due mainly to the complexity of developing and making the company's products (to meet the standards and requirements needed for their sale). It is a capital intensive business (>EUR 150Mn since 2015).

**Diversified revenue mix** thanks to the Consumer Healthcare (food supplement), Specialty Pharma (prescription medicines) and Pharma Technologies (generic antibiotics, sterile injectables and lyophilized products) businesses. The shift in the mix towards more profitable products has reduced the weight of antibiotics and injectables to c.44% of revenue (vs c.60% in 2015).

**Room for further margin expansion.** The main profitability drivers are: i) higher weight of CDMO (external production), ii) improvements in capacity/efficiency, iii) ongoing shift in revenue mix towards more profitable products and iv) higher factory capacity utilisation.

**2023-2026e: The time has come to reap what it has sown.** RJF is now focused on profitability after a period of heavy investment. Profitability should improve over the next 3 years (EBIT margin 26e: 5% vs 3.3% in 2023). Our estimated revenue growth (CAGR 23-26e: +8.9%) should translate into double-digit growth in EBITDA (CAGR 23-26e: +11.7%). That should bring the ND/EBITDA multiple down to 0.5x in 2026e (vs 1.3x in 2023) In short: growth and profitability in a defensive (low-risk) play.

### RISKS: WHAT TO KEEP AN EYE ON?

**Regulation of the antibiotics market.** The antibiotics line (19% of revenue in 2023) operates in a regulated market where firms are restricted in their ability to raise prices. Inflation has eroded profitability in recent years and could continue to weigh on margins in the medium term.

**High CAPEX requirement.** The pharmaceutical industry thrives on continuous technological progress and rigorous scientific research. The push to enhance facilities and ensure compliance with the highest quality benchmarks, as seen in the past, could lead to extra CAPEX, which is currently unaccounted for in our estimates and would erode the company's ability to generate FCF.

### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**RJF is trading below its comps.** Despite the rally so far this year (+22.8% YTD), RJF still offers a defensive play combined with growth and cash generation. It has outperformed the market and its comps YTD: +9.5% vs Ibx; +11.1% vs sector. RJF is currently trading at an EV/EBITDA 24e multiple of 7.6x (vs 9.1x and 11.6x at Sandoz and Novartis). EBITDA margin expansion is the catalyst that should reduce the discount (EBITDA margin peers: >18% vs 10.5% at RJF 2024e).

### Market Data

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 217.4              | 236.5 |
| EV (Mn EUR and USD)            | 277.0              | 301.2 |
| Shares Outstanding (Mn)        | 79.6               |       |
| -12m (Max/Med/Min EUR)         | 2.85 / 2.46 / 2.15 |       |
| Daily Avg volume (-12m Mn EUR) | 0.03               |       |
| Rotation <sup>(1)</sup>        | 3.2                |       |
| Factset / Bloomberg            | RJF-ES / RJF SM    |       |
| Close fiscal year              | 31-Dec             |       |

### Shareholders Structure (%)

|                        |      |
|------------------------|------|
| Reig Jofre Investments | 62.8 |
| Kaizaharra Corp        | 10.1 |
| Onchena                | 6.1  |
| Quaero Capital         | 3.0  |
| Free Float             | 18.0 |

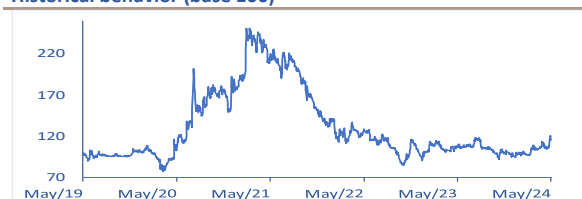
### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 78.8  | 79.6  | 79.6  | 79.6  |
| Total Revenues                      | 316.1 | 348.6 | 378.9 | 408.4 |
| Rec. EBITDA                         | 33.3  | 36.6  | 41.8  | 46.4  |
| % growth                            | 21.5  | 10.0  | 14.3  | 10.8  |
| % Rec. EBITDA/Rev.                  | 10.5  | 10.5  | 11.0  | 11.4  |
| % Inc. EBITDA sector <sup>(2)</sup> | 0.6   | 18.9  | 16.4  | 11.8  |
| Net Profit                          | 9.4   | 11.3  | 14.7  | 17.3  |
| EPS (EUR)                           | 0.12  | 0.14  | 0.18  | 0.22  |
| % growth                            | 14.3  | 18.5  | 30.6  | 17.8  |
| Ord. EPS (EUR)                      | 0.12  | 0.14  | 0.18  | 0.22  |
| % growth                            | 14.3  | 18.5  | 30.6  | 17.8  |
| Rec. Free Cash Flow                 | 4.3   | 5.3   | 6.2   | 9.2   |
| Pay-out (%)                         | -0.4  | -0.7  | -0.7  | -0.7  |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 44.7  | 39.5  | 33.3  | 24.3  |
| ND/Rec. EBITDA (x)                  | 1.3   | 1.1   | 0.8   | 0.5   |
| ROE (%)                             | 4.7   | 5.4   | 6.6   | 7.3   |
| ROCE (%)                            | 3.8   | 4.6   | 5.7   | 6.5   |

### Ratios & Multiples (x)

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | 22.9 | 19.3  | 14.8  | 12.6  |
| Ord. P/E           | 22.9 | 19.3  | 14.8  | 12.6  |
| P/BV               | 1.1  | 1.0   | 0.9   | 0.9   |
| Dividend Yield (%) | n.a. | n.a.  | n.a.  | n.a.  |
| EV/Sales           | 0.88 | 0.79  | 0.73  | 0.68  |
| EV/Rec. EBITDA     | 8.3  | 7.6   | 6.6   | 6.0   |
| EV/EBIT            | 26.4 | 20.4  | 15.8  | 13.6  |
| FCF Yield (%)      | 2.0  | 2.4   | 2.9   | 4.2   |

### Historical behavior (base 100)



|          | (%) | -1m | -3m  | -12m | -5Y  |
|----------|-----|-----|------|------|------|
| Absolute |     | 4.6 | 19.6 | 7.5  | 15.8 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Health Care.



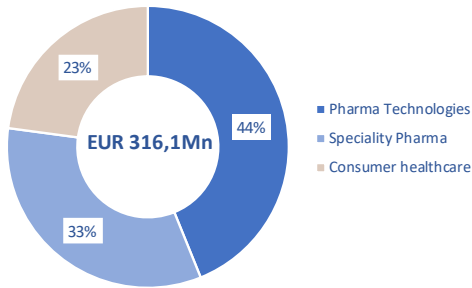
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR         |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets                            | 98.2         | 93.0         | 88.9         | 81.6         | 72.6         | 74.3         | 76.1         | 77.9         |              |              |
| Fixed assets                                 | 71.6         | 75.1         | 81.2         | 82.5         | 82.1         | 77.2         | 76.8         | 75.4         |              |              |
| Other Non Current Assets                     | 15.8         | 16.1         | 13.8         | 11.9         | 10.3         | 10.3         | 10.3         | 10.3         |              |              |
| Financial Investments                        | 1.9          | 2.2          | 2.4          | 4.0          | 5.0          | 5.9          | 6.8          | 7.7          |              |              |
| Goodwill & Other Intangibles                 | 29.7         | 30.0         | 29.8         | 29.0         | 28.0         | 28.0         | 28.0         | 28.0         |              |              |
| Current assets                               | 85.3         | 88.3         | 102.8        | 105.4        | 126.1        | 139.9        | 150.8        | 162.1        |              |              |
| <b>Total assets</b>                          | <b>302.5</b> | <b>304.8</b> | <b>318.9</b> | <b>314.3</b> | <b>324.1</b> | <b>335.7</b> | <b>348.8</b> | <b>361.3</b> |              |              |
| Equity                                       | 178.2        | 184.5        | 188.6        | 194.6        | 204.4        | 215.6        | 230.2        | 247.4        |              |              |
| Minority Interests                           | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        |              |              |
| Provisions & Other L/T Liabilities           | 5.7          | 6.0          | 6.3          | 6.7          | 6.4          | 6.4          | 6.4          | 6.4          |              |              |
| Other Non Current Liabilities                | 12.8         | 10.5         | 11.6         | 11.0         | 9.8          | 9.8          | 9.8          | 9.8          |              |              |
| Net financial debt                           | 64.9         | 58.8         | 56.5         | 50.9         | 44.7         | 39.5         | 33.3         | 24.3         |              |              |
| Current Liabilities                          | 40.9         | 44.9         | 56.0         | 51.2         | 58.9         | 64.5         | 69.1         | 73.5         |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>302.5</b> | <b>304.8</b> | <b>318.9</b> | <b>314.3</b> | <b>324.1</b> | <b>335.7</b> | <b>348.8</b> | <b>361.3</b> |              |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Total Revenues</b>                        | <b>200.2</b> | <b>230.1</b> | <b>236.2</b> | <b>271.2</b> | <b>316.1</b> | <b>348.6</b> | <b>378.9</b> | <b>408.4</b> | <b>12.1%</b> | <b>8.9%</b>  |
| <i>Total Revenues growth</i>                 | 10.9%        | 14.9%        | 2.7%         | 14.8%        | 16.6%        | 10.3%        | 8.7%         | 7.8%         |              |              |
| COGS   | (73.9)       | (89.8)       | (91.5)       | (113.1)      | (133.7)      | (147.6)      | (158.4)      | (170.4)      |              |              |
| <b>Gross Margin</b>                          | <b>126.3</b> | <b>140.3</b> | <b>144.7</b> | <b>158.1</b> | <b>182.4</b> | <b>201.0</b> | <b>220.5</b> | <b>238.0</b> | <b>9.6%</b>  | <b>9.3%</b>  |
| <i>Gross Margin/Revenues</i>                 | 63.1%        | 61.0%        | 61.3%        | 58.3%        | 57.7%        | 57.7%        | 58.2%        | 58.3%        |              |              |
| Personnel Expenses                           | (57.1)       | (66.4)       | (64.2)       | (70.5)       | (75.9)       | (83.8)       | (91.2)       | (97.4)       |              |              |
| Other Operating Expenses                     | (52.8)       | (51.0)       | (56.9)       | (60.2)       | (73.2)       | (80.6)       | (87.5)       | (94.2)       |              |              |
| <b>Recurrent EBITDA</b>                      | <b>16.4</b>  | <b>22.9</b>  | <b>23.7</b>  | <b>27.4</b>  | <b>33.3</b>  | <b>36.6</b>  | <b>41.8</b>  | <b>46.4</b>  | <b>19.4%</b> | <b>11.7%</b> |
| <i>Recurrent EBITDA growth</i>               | 41.5%        | 39.7%        | 3.6%         | 15.6%        | 21.5%        | 10.0%        | 14.3%        | 10.8%        |              |              |
| <i>Rec. EBITDA/Revenues</i>                  | 8.2%         | 9.9%         | 10.0%        | 10.1%        | 10.5%        | 10.5%        | 11.0%        | 11.4%        |              |              |
| Restructuring Expense & Other non-rec.       | (2.3)        | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>EBITDA</b>                                | <b>14.1</b>  | <b>22.9</b>  | <b>23.7</b>  | <b>27.4</b>  | <b>33.3</b>  | <b>36.6</b>  | <b>41.8</b>  | <b>46.4</b>  | <b>24.0%</b> | <b>11.7%</b> |
| Depreciation & Provisions                    | (10.8)       | (14.9)       | (15.5)       | (18.2)       | (20.6)       | (20.5)       | (21.6)       | (23.1)       |              |              |
| Capitalized Expense                          | 5.6          | 3.7          | 3.6          | 3.1          | 1.9          | 1.8          | 1.8          | 1.8          |              |              |
| Rentals (IFRS 16 impact)                     | (2.6)        | (2.4)        | (3.0)        | (3.7)        | (4.1)        | (4.3)        | (4.5)        | (4.7)        |              |              |
| <b>EBIT</b>                                  | <b>6.3</b>   | <b>9.2</b>   | <b>8.9</b>   | <b>8.5</b>   | <b>10.5</b>  | <b>13.6</b>  | <b>17.5</b>  | <b>20.4</b>  | <b>13.5%</b> | <b>24.7%</b> |
| <i>EBIT growth</i>                           | -36.3%       | 45.8%        | -4.0%        | -3.7%        | 23.1%        | 29.1%        | 28.8%        | 16.5%        |              |              |
| <i>EBIT/Revenues</i>                         | 3.2%         | 4.0%         | 3.8%         | 3.1%         | 3.3%         | 3.9%         | 4.6%         | 5.0%         |              |              |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| Net Financial Result                         | (1.1)        | (2.9)        | (3.2)        | (1.4)        | (1.0)        | (1.2)        | (1.1)        | (0.9)        |              |              |
| Income by the Equity Method                  | 0.1          | 0.1          | 0.1          | 1.6          | 1.0          | 0.9          | 0.9          | 0.9          |              |              |
| <b>Ordinary Profit</b>                       | <b>5.3</b>   | <b>6.4</b>   | <b>5.8</b>   | <b>8.8</b>   | <b>10.5</b>  | <b>13.2</b>  | <b>17.3</b>  | <b>20.4</b>  | <b>18.6%</b> | <b>24.7%</b> |
| <i>Ordinary Profit Growth</i>                | -43.5%       | 21.0%        | -9.9%        | 51.4%        | 19.7%        | 26.1%        | 30.6%        | 17.8%        |              |              |
| Extraordinary Results                        | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>Profit Before Tax</b>                     | <b>5.3</b>   | <b>6.4</b>   | <b>5.8</b>   | <b>8.8</b>   | <b>10.5</b>  | <b>13.2</b>  | <b>17.3</b>  | <b>20.4</b>  | <b>18.6%</b> | <b>24.7%</b> |
| Tax Expense                                  | (0.4)        | (0.8)        | (0.7)        | (0.7)        | (1.1)        | (2.0)        | (2.6)        | (3.1)        |              |              |
| <i>Effective Tax Rate</i>                    | 7.0%         | 11.8%        | 12.3%        | 7.6%         | 10.5%        | 15.0%        | 15.0%        | 15.0%        |              |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -            | -            | -            |              |              |
| <b>Net Profit</b>                            | <b>4.9</b>   | <b>5.7</b>   | <b>5.1</b>   | <b>8.1</b>   | <b>9.4</b>   | <b>11.3</b>  | <b>14.7</b>  | <b>17.3</b>  | <b>17.4%</b> | <b>22.6%</b> |
| <i>Net Profit growth</i>                     | -46.2%       | 14.7%        | -10.3%       | 59.6%        | 15.9%        | 19.7%        | 30.6%        | 17.8%        |              |              |
| <b>Ordinary Net Profit</b>                   | <b>7.1</b>   | <b>5.7</b>   | <b>5.1</b>   | <b>8.1</b>   | <b>9.4</b>   | <b>11.3</b>  | <b>14.7</b>  | <b>17.3</b>  | <b>7.3%</b>  | <b>22.6%</b> |
| <i>Ordinary Net Profit growth</i>            | -22.8%       | -20.0%       | -10.3%       | 59.6%        | 15.9%        | 19.7%        | 30.6%        | 17.8%        |              |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>36.6</b>  | <b>41.8</b>  | <b>46.4</b>  | <b>19.4%</b> | <b>11.7%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | (4.3)        | (4.5)        | (4.7)        |              |              |
| Working Capital Increase                     |              |              |              |              |              | (8.2)        | (6.3)        | (6.9)        |              |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>24.1</b>  | <b>31.1</b>  | <b>34.8</b>  | <b>22.3%</b> | <b>28.8%</b> |
| CAPEX  |              |              |              |              |              | (15.7)       | (21.2)       | (21.6)       |              |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (1.2)        | (1.1)        | (0.9)        |              |              |
| Tax Expense                                  |              |              |              |              |              | (2.0)        | (2.6)        | (3.1)        |              |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>5.3</b>   | <b>6.2</b>   | <b>9.2</b>   | <b>20.0%</b> | <b>28.5%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | -            | -            | -            |              |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | -            | -            | -            |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -            | -            | -            |              |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>5.3</b>   | <b>6.2</b>   | <b>9.2</b>   | <b>19.8%</b> | <b>28.5%</b> |
| Capital Increase                             |              |              |              |              |              | -            | -            | -            |              |              |
| Dividends                                    |              |              |              |              |              | (0.0)        | (0.1)        | (0.1)        |              |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>(5.2)</b> | <b>(6.2)</b> | <b>(9.1)</b> |              |              |

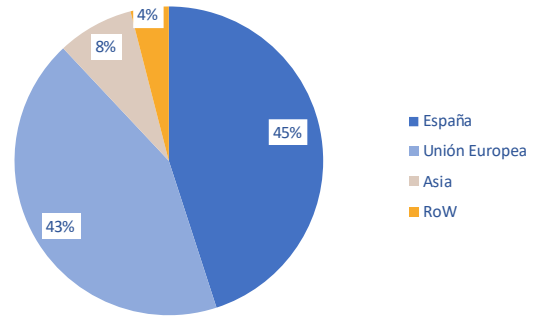


The company in 8 charts

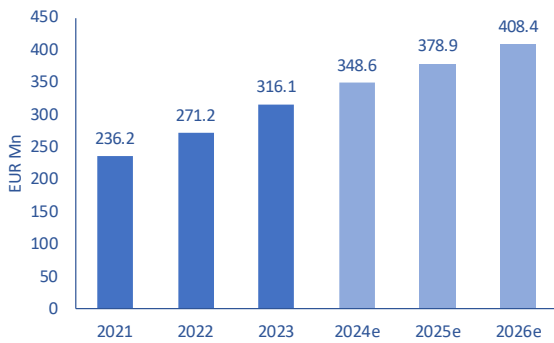
RJF's ability to produce a wide range of products and services allows it to generate revenue from its 3 business lines



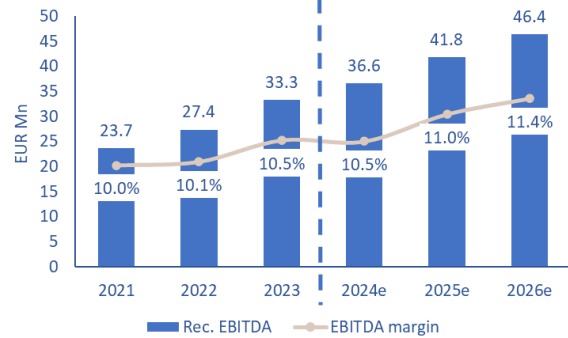
Revenue is geographically diversified (c. 55% in 2023), with 8% of the exposure to the Asian market in 2023



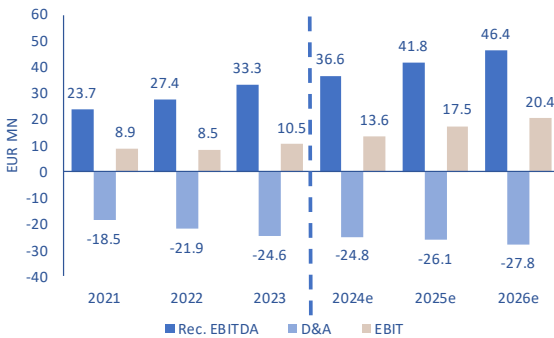
Continued High-Single-Digit Revenue Growth Projected Through 2026e (+8.9% TACC 2023-2026e)...



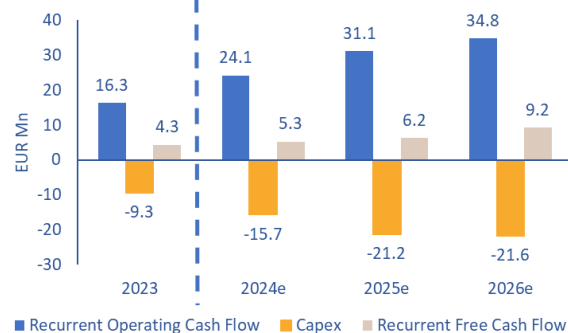
Although gross mg. faces medium-term pressure. OPEX reduction efforts will boost operating profitability. EBITDA Mg. 11,4%



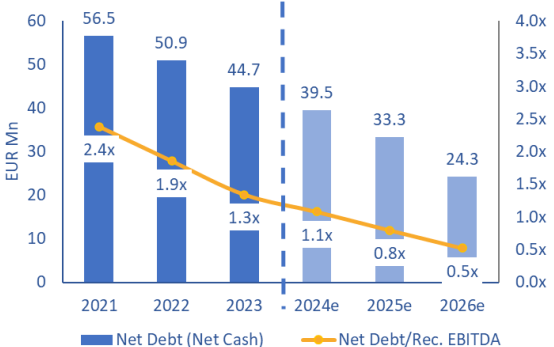
... EBITDA growth (+11.7% CAGR 23-26e) is expected to mitigate amortization and double EBIT to EUR 20.1Mn by 2026



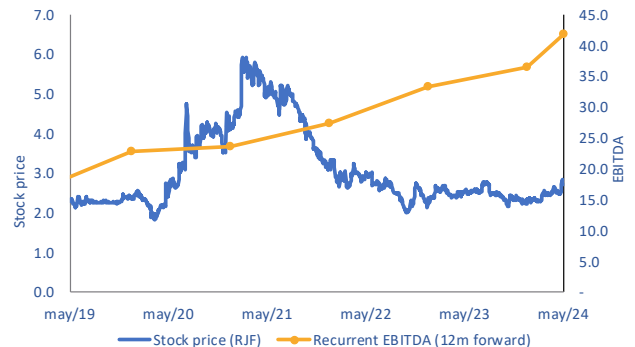
An extremely CAPEX-intensive business (5% of revenue), which will continue to shape cash generation (FCF 2026e: EUR 9.2Mn)



...all while keeping debt in check (ND 2026e: EUR 24.3Mn; ND/EBITDA 2026e: 0.5x)



An opportunity to capitalise on investment made (-8y) and with the share price well off its peak of 2021



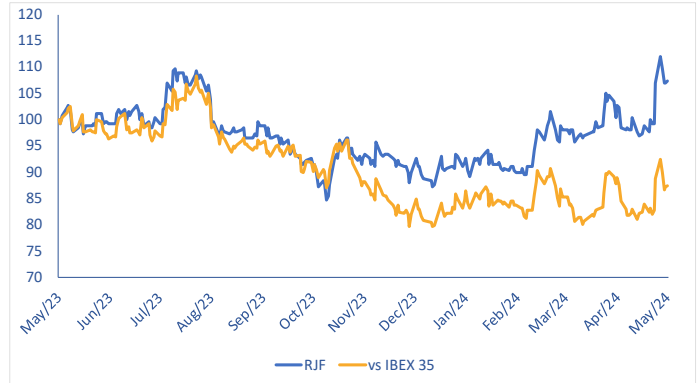


Evolution of the share price

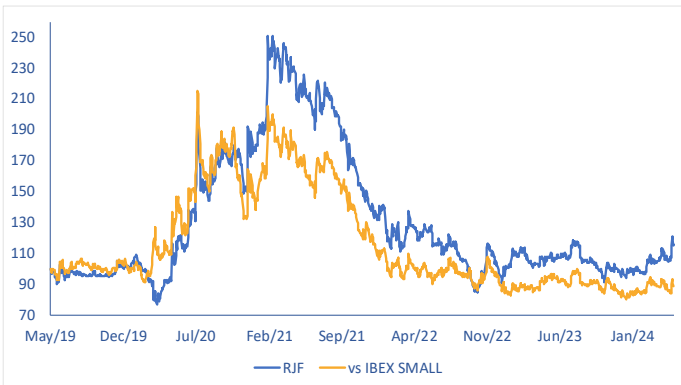
Historical behavior vs Ibex 35 (base 100)



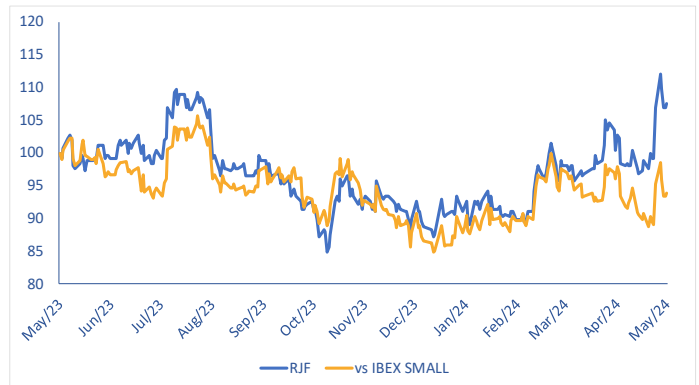
Behavior -1y vs Ibex 35 (base 100)



Historical behavior vs Ibex Small Cap (base 100)



Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector<sup>(1)</sup> (base 100)



Behavior -1y vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Stoxx Europe 600 Health Care

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|---|------|------|-------|------|-------|-------|
| Absolute                                  | 4.6  | 19.6 | 7.5   | 22.8 | -47.2 | 15.8  |
| <b>vs Market</b>                          |      |      |       |      |       |       |
| vs Ibex 35                                | -1.8 | 4.4  | -12.6 | 9.5  | -57.3 | -5.1  |
| vs Euro STOXX 50                          | 1.5  | 12.5 | -8.2  | 9.6  | -58.2 | -21.7 |
| <b>vs Small Cap References</b>            |      |      |       |      |       |       |
| vs Ibex Small Cap Index                   | -4.2 | 4.6  | -6.1  | 10.3 | -48.3 | -11.1 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -0.8 | 10.7 | 2.3   | 13.9 | -42.9 | -4.2  |
| vs MSCI Europe Micro Cap                  | -1.4 | 11.4 | 4.4   | 16.2 | -35.2 | -3.4  |
| <b>vs Sector</b>                          |      |      |       |      |       |       |
| vs Stoxx Europe 600 Health Care           | -1.4 | 13.1 | 0.1   | 11.1 | -58.5 | -23.8 |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

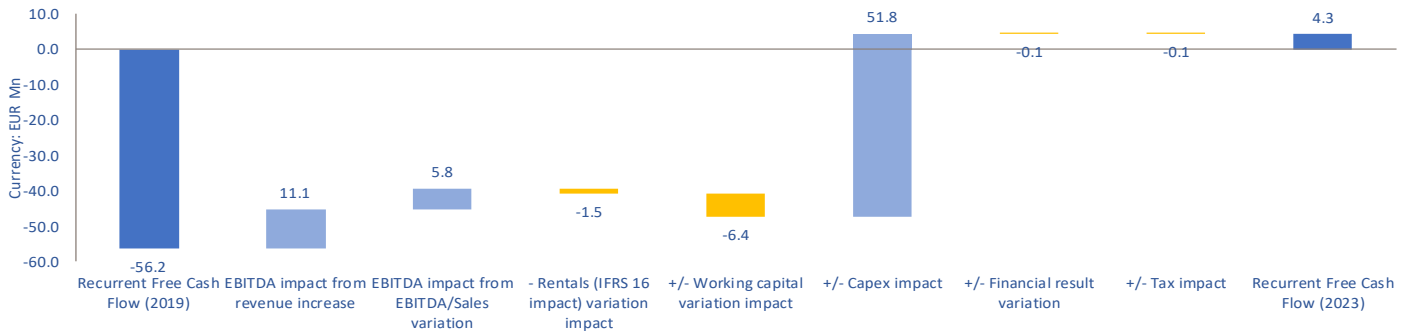
| A) Cash Flow Analysis (EUR Mn)  | 2020          | 2021         | 2022         | 2023         | 2024e       | 2025e       | 2026e       | CAGR          |              |
|---|---------------|--------------|--------------|--------------|-------------|-------------|-------------|---------------|--------------|
|   |               |              |              |              |             |             |             | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>22.9</b>   | <b>23.7</b>  | <b>27.4</b>  | <b>33.3</b>  | <b>36.6</b> | <b>41.8</b> | <b>46.4</b> | <b>13.3%</b>  | <b>11.7%</b> |
| <i>Recurrent EBITDA growth</i>  | 39.7%         | 3.6%         | 15.6%        | 21.5%        | 10.0%       | 14.3%       | 10.8%       |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 9.9%          | 10.0%        | 10.1%        | 10.5%        | 10.5%       | 11.0%       | 11.4%       |               |              |
| - Rentals (IFRS 16 impact)  | (2.4)         | (3.0)        | (3.7)        | (4.1)        | (4.3)       | (4.5)       | (4.7)       |               |              |
| +/- Working Capital increase  | 1.0           | (3.3)        | (7.5)        | (12.9)       | (8.2)       | (6.3)       | (6.9)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>21.4</b>   | <b>17.4</b>  | <b>16.2</b>  | <b>16.3</b>  | <b>24.1</b> | <b>31.1</b> | <b>34.8</b> | <b>-8.7%</b>  | <b>28.8%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | 194.4%        | -18.8%       | -6.8%        | 0.5%         | 48.3%       | 28.8%       | 11.9%       |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 9.3%          | 7.4%         | 6.0%         | 5.1%         | 6.9%        | 8.2%        | 8.5%        |               |              |
| - CAPEX   | 3.4           | 1.2          | (7.1)        | (9.3)        | (15.7)      | (21.2)      | (21.6)      |               |              |
| - Net Financial Result affecting Cash Flow  | (1.0)         | (0.9)        | (0.9)        | (1.2)        | (1.2)       | (1.1)       | (0.9)       |               |              |
| - Taxes   | (1.6)         | (0.9)        | (0.9)        | (1.5)        | (2.0)       | (2.6)       | (3.1)       |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>22.2</b>   | <b>16.8</b>  | <b>7.3</b>   | <b>4.3</b>   | <b>5.3</b>  | <b>6.2</b>  | <b>9.2</b>  | <b>-42.0%</b> | <b>28.5%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 139.4%        | -24.3%       | -56.6%       | -40.7%       | 21.6%       | 18.6%       | 47.1%       |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 9.6%          | 7.1%         | 2.7%         | 1.4%         | 1.5%        | 1.6%        | 2.2%        |               |              |
| - Restructuring expenses & others   | 2.1           | 0.2          | -            | -            | -           | -           | -           |               |              |
| - Acquisitions / + Divestments  | (15.0)        | (15.0)       | (2.0)        | -            | -           | -           | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -            | -            | -            | -           | -           | -           |               |              |
| <b>= Free Cash Flow</b>   | <b>9.2</b>    | <b>2.0</b>   | <b>5.3</b>   | <b>4.3</b>   | <b>5.3</b>  | <b>6.2</b>  | <b>9.2</b>  | <b>-22.3%</b> | <b>28.5%</b> |
| <i>Free Cash Flow growth</i>  | 112.1%        | -78.7%       | 169.6%       | -18.3%       | 21.6%       | 18.6%       | 47.1%       |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 10.2%         | 7.7%         | 3.4%         | 2.0%         | 2.4%        | 2.9%        | 4.2%        |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 4.2%          | 0.9%         | 2.4%         | 2.0%         | 2.4%        | 2.9%        | 4.2%        |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |              |              |              |             |             |             |               |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(56.2)</b> | <b>22.2</b>  | <b>16.8</b>  | <b>7.3</b>   | <b>4.3</b>  | <b>5.3</b>  | <b>6.2</b>  |               |              |
| EBITDA impact from revenue increase   | 2.4           | 0.6          | 3.5          | 4.5          | 3.4         | 3.2         | 3.3         |               |              |
| EBITDA impact from EBITDA/Sales variation   | 4.1           | 0.2          | 0.2          | 1.4          | (0.1)       | 2.1         | 1.3         |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>6.5</b>    | <b>0.8</b>   | <b>3.7</b>   | <b>5.9</b>   | <b>3.3</b>  | <b>5.2</b>  | <b>4.5</b>  |               |              |
| - Rentals (IFRS 16 impact) variation impact   | 0.1           | (0.6)        | (0.7)        | (0.4)        | (0.2)       | (0.2)       | (0.2)       |               |              |
| +/- Working capital variation impact  | 7.5           | (4.3)        | (4.2)        | (5.4)        | 4.7         | 1.9         | (0.6)       |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>14.1</b>   | <b>(4.0)</b> | <b>(1.2)</b> | <b>0.1</b>   | <b>7.9</b>  | <b>7.0</b>  | <b>3.7</b>  |               |              |
| +/- CAPEX impact  | 64.5          | (2.2)        | (8.3)        | (2.2)        | (6.4)       | (5.5)       | (0.5)       |               |              |
| +/- Financial result variation  | 0.1           | 0.1          | (0.0)        | (0.3)        | (0.0)       | 0.1         | 0.2         |               |              |
| +/- Tax impact  | (0.3)         | 0.7          | 0.0          | (0.6)        | (0.5)       | (0.6)       | (0.5)       |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>78.4</b>   | <b>(5.4)</b> | <b>(9.5)</b> | <b>(3.0)</b> | <b>0.9</b>  | <b>1.0</b>  | <b>2.9</b>  |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>22.2</b>   | <b>16.8</b>  | <b>7.3</b>   | <b>4.3</b>   | <b>5.3</b>  | <b>6.2</b>  | <b>9.2</b>  |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |              |              |              |             |             |             |               |              |
| <b>EBIT</b>   | <b>9.2</b>    | <b>8.9</b>   | <b>8.5</b>   | <b>10.5</b>  | <b>13.6</b> | <b>17.5</b> | <b>20.4</b> | <b>4.4%</b>   | <b>24.7%</b> |
| * <i>Theoretical Tax rate</i>   | 11.8%         | 12.3%        | 7.6%         | 10.5%        | 15.0%       | 15.0%       | 15.0%       |               |              |
| = Taxes (pre- Net Financial Result)   | (1.1)         | (1.1)        | (0.6)        | (1.1)        | (2.0)       | (2.6)       | (3.1)       |               |              |
| <b>Recurrent EBITDA</b>   | <b>22.9</b>   | <b>23.7</b>  | <b>27.4</b>  | <b>33.3</b>  | <b>36.6</b> | <b>41.8</b> | <b>46.4</b> | <b>13.3%</b>  | <b>11.7%</b> |
| - Rentals (IFRS 16 impact)  | (2.4)         | (3.0)        | (3.7)        | (4.1)        | (4.3)       | (4.5)       | (4.7)       |               |              |
| +/- Working Capital increase  | 1.0           | (3.3)        | (7.5)        | (12.9)       | (8.2)       | (6.3)       | (6.9)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>21.4</b>   | <b>17.4</b>  | <b>16.2</b>  | <b>16.3</b>  | <b>24.1</b> | <b>31.1</b> | <b>34.8</b> | <b>-8.7%</b>  | <b>28.8%</b> |
| - CAPEX   | 3.4           | 1.2          | (7.1)        | (9.3)        | (15.7)      | (21.2)      | (21.6)      |               |              |
| - Taxes (pre- Financial Result)   | (1.1)         | (1.1)        | (0.6)        | (1.1)        | (2.0)       | (2.6)       | (3.1)       |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>23.7</b>   | <b>17.5</b>  | <b>8.4</b>   | <b>5.9</b>   | <b>6.4</b>  | <b>7.3</b>  | <b>10.1</b> | <b>-37.2%</b> | <b>19.7%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 143.7%        | -26.3%       | -51.8%       | -30.4%       | 9.6%        | 13.4%       | 38.1%       |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 10.3%         | 7.4%         | 3.1%         | 1.9%         | 1.8%        | 1.9%        | 2.5%        |               |              |
| - Acquisitions / + Divestments  | (15.0)        | (15.0)       | (2.0)        | -            | -           | -           | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -            | -            | -            | -           | -           | -           |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>8.7</b>    | <b>2.5</b>   | <b>6.4</b>   | <b>5.9</b>   | <b>6.4</b>  | <b>7.3</b>  | <b>10.1</b> | <b>-12.3%</b> | <b>19.7%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | 111.7%        | -71.7%       | 160.7%       | -8.7%        | 9.6%        | 13.4%       | 38.1%       |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 8.6%          | 6.3%         | 3.0%         | 2.1%         | 2.3%        | 2.6%        | 3.6%        |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 3.1%          | 0.9%         | 2.3%         | 2.1%         | 2.3%        | 2.6%        | 3.6%        |               |              |



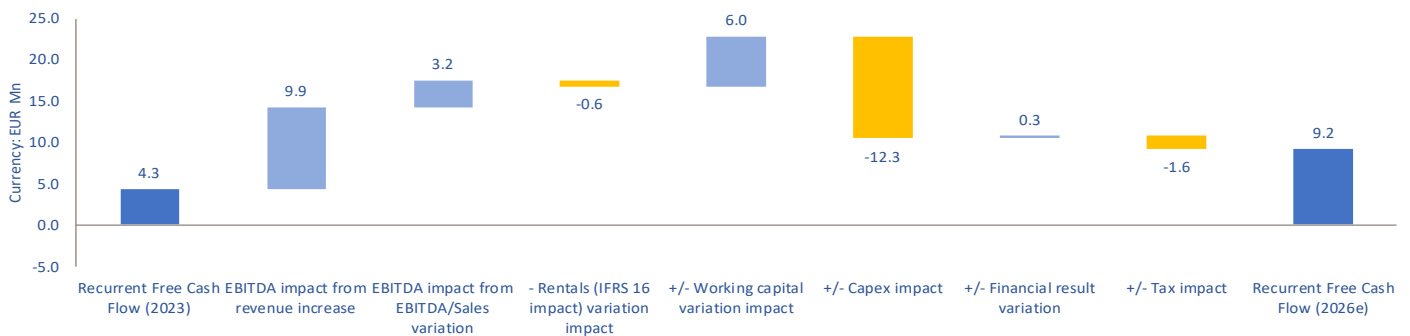


Free Cash Flow (II)

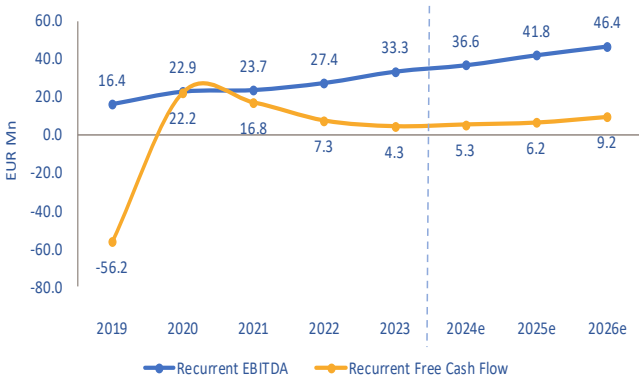
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



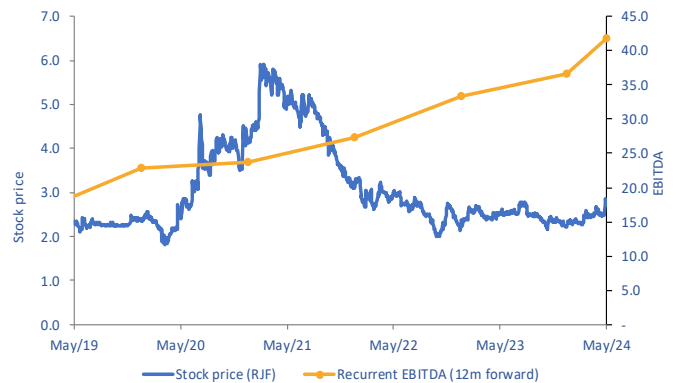
Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Stock performance vs EBITDA 12m forward





## Valuation inputs

## Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                              | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | 6.4   | 7.3                                | 10.1  | 153.5                         |           |            |  |
| Market Cap                     | 217.4 | At the date of this report         |       |                               |           |            |  |
| Net financial debt             | 48.5  | Debt net of Cash (3m Results 2024) |       |                               |           |            |  |
|                                |       |                                    |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 2.0%  | Net debt cost                      |       |                               | 1.8%      | 2.3%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)            |       |                               | =         | =          |  |
| Net debt cost                  | 1.6%  | Kd = Cost of Net Debt * (1-T)      |       |                               | 1.4%      | 1.8%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)        |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                   |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.0   | B (own estimate)                   |       |                               | 0.9       | 1.1        |  |
| Cost of Equity                 | 9.4%  | Ke = Rf + (R * B)                  |       |                               | 8.4%      | 10.6%      |  |
| Equity / (Equity + Net Debt)   | 81.7% | E (Market Cap as equity value)     |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 18.3% | D                                  |       |                               | =         | =          |  |
| WACC                           | 8.0%  | WACC = Kd * D + Ke * E             |       |                               | 7.1%      | 9.0%       |  |
| G "Fair"                       | 2.0%  |                                    |       |                               | 2.0%      | 1.5%       |  |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

## EV breakdown at the date of this report

|                                      | EUR Mn       | Source          |
|--------------------------------------|--------------|-----------------|
| Market Cap                           | 217.4        |                 |
| + Minority Interests                 | 0.1          | 3m Results 2024 |
| + Provisions & Other L/T Liabilities | 15.7         | 3m Results 2024 |
| + Net financial debt                 | 48.5         | 3m Results 2024 |
| - Financial Investments              | 4.7          | 3m Results 2024 |
| +/- Others                           |              | 3m Results 2024 |
| <b>Enterprise Value (EV)</b>         | <b>277.0</b> |                 |

Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 2.8%  | 3.3%  | 3.1% | 3.2% | 3.8% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -4.2% | -1.5% |      |      |      |
| FCF Yield - WACC     | -6.0% | -3.8% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

## Free Cash Flow sensitivity analysis (2025e)

## A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 12.1%            | 46.0       | 6.0x          |
| Central  | 11.0%            | 41.8       | 6.6x          |
| Min      | 9.9%             | 37.7       | 7.4x          |

## B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |       | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|------|-------|----------|--------------------|------|------|
| EBITDA 25e      | 5.0%            | 5.6% | 6.2%  |          | Max                | 5.8% | 4.8% |
| 46.0            | 12.7            | 10.4 | 8.1   | Central  | 3.9%               | 2.9% | 1.8% |
| 41.8            | 8.5             | 6.2  | 4.0   | Min      | 2.0%               | 1.0% | n.a. |
| 37.7            | 4.3             | 2.1  | (0.2) |          |                    |      |      |

## Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 50.0% | 50.0% | 50.0% |
| % of proprietary directors           | 50.0% | 50.0% | 50.0% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 25.0% | 25.0% | 25.0% |
| % of women out of total workforce    | 57.9% | 58.5% | 58.4% |
| Board remuneration/staff cost        | 1.5%  | 1.6%  | 1.4%  |

\*Nota: Adicionalmente a su condición de consejero dominical, Ignasi Biosca Reig desempeña funciones ejecutivas al ostentar la posición de CEO.



## Main peers 2024e

| Market data             | Generics and Injectables |          |             |        | Specialty Pharma |                    |           | Consumer Healthcare |         |           | Global Players |         |         |           | RJF       |           |        |
|-------------------------|--------------------------|----------|-------------|--------|------------------|--------------------|-----------|---------------------|---------|-----------|----------------|---------|---------|-----------|-----------|-----------|--------|
|                         | EUR Mn                   | Viartis  | Teva        | Sandoz | Average          | Incyte Corporation | Eli Lilly | Novartis            | Average | Herbalife | HAIN           | Nu Skin | Average | Abbvie    |           | Sanofi    | Pfizer |
| Ticker (Factset)        | VTRS-US                  | TEVA-US  | SDZ-CH      |        |                  | INCY-US            | LLY-US    | NOVN-CH             |         | HLF-US    | HAIN-US        | NUS-US  |         | ABBV-US   | SAN-FR    | PFE-US    |        |
| Country                 | USA                      | Israel   | Switzerland |        |                  | USA                | USA       | Switzerland         |         | USA       | USA            | USA     |         | USA       | France    | USA       |        |
| Market cap              | 12,020.6                 | 17,052.0 | 13,976.3    |        |                  | 11,788.6           | 672,868.9 | 207,270.4           |         | 1,001.0   | 609.6          | 623.4   |         | 270,205.7 | 112,921.5 | 149,219.6 |        |
| Enterprise value (EV)   | 27,754.3                 | 33,054.8 | 16,899.4    |        |                  | 8,282.5            | 694,669.2 | 209,200.3           |         | 3,024.1   | 1,364.0        | 932.5   |         | 321,669.8 | 121,747.0 | 202,444.0 |        |
| Total Revenues          | 13,880.4                 | 14,667.8 | 9,451.7     |        |                  | 3,751.6            | 39,365.0  | 45,193.8            |         | 4,722.2   | 1,596.8        | 1,630.6 |         | 50,675.8  | 47,272.1  | 55,547.5  |        |
| Total Revenues growth   | -1.9%                    | 0.7%     | 4.3%        | 1.0%   |                  | 10.4%              | 25.5%     | 9.2%                | 15.0%   | 1.5%      | -3.3%          | -9.9%   | -3.9%   | 1.5%      | 9.8%      | 3.3%      | 4.8%   |
| 2y CAGR (2024e - 2026e) | -1.0%                    | 3.0%     | 5.8%        | 2.6%   |                  | 10.3%              | 20.6%     | 2.8%                | 11.2%   | 4.6%      | 1.4%           | n.a.    | 3.0%    | 6.3%      | 6.5%      | 2.2%      | 5.0%   |
| EBITDA                  | 4,466.6                  | 4,384.0  | 1,861.2     |        |                  | 919.5              | 14,703.1  | 17,973.9            |         | 513.0     | 140.6          | 162.3   |         | 24,202.9  | 13,904.9  | 19,141.3  |        |
| EBITDA growth           | 2.7%                     | 9.6%     | 16.6%       | 9.6%   |                  | 36.2%              | 34.9%     | -2.0%               | 23.0%   | 28.7%     | 13.1%          | 28.3%   | 23.4%   | -1.7%     | 7.3%      | 97.8%     | 34.5%  |
| 2y CAGR (2024e - 2026e) | -0.8%                    | 5.5%     | 13.3%       | 6.0%   |                  | 34.0%              | 32.8%     | 4.3%                | 23.7%   | 15.0%     | 7.9%           | n.a.    | 11.4%   | 8.6%      | 10.4%     | 7.8%      | 8.9%   |
| EBITDA/Revenues         | 32.2%                    | 29.9%    | 19.7%       | 27.3%  |                  | 24.5%              | 37.4%     | 39.8%               | 33.9%   | 10.9%     | 8.8%           | 10.0%   | 9.9%    | 47.8%     | 29.4%     | 34.5%     | 37.2%  |
| EBIT                    | 4,140.4                  | 3,926.4  | 1,582.5     |        |                  | 1,008.1            | 13,359.3  | 16,441.6            |         | 387.9     | 89.3           | 94.4    |         | 23,478.7  | 12,260.1  | 15,721.4  |        |
| EBIT growth             | 119.3%                   | 33.6%    | 41.6%       | 64.8%  |                  | 68.2%              | 40.7%     | 52.1%               | 53.7%   | 31.8%     | 8.8%           | 50.9%   | 30.5%   | 41.2%     | 33.5%     | 303.7%    | 126.2% |
| 2y CAGR (2024e - 2026e) | -0.3%                    | 6.1%     | 15.3%       | 7.0%   |                  | 24.0%              | 33.9%     | 4.2%                | 20.7%   | 19.0%     | 13.2%          | n.a.    | 16.1%   | 8.8%      | 11.2%     | 8.9%      | 9.6%   |
| EBIT/Revenues           | 29.8%                    | 26.8%    | 16.7%       | 24.4%  |                  | 26.9%              | 33.9%     | 36.4%               | 32.4%   | 8.2%      | 5.6%           | 5.8%    | 6.5%    | 46.3%     | 25.9%     | 28.3%     | 33.5%  |
| Net Profit              | 3,056.6                  | 2,568.2  | 792.7       |        |                  | 910.3              | 11,230.7  | 13,442.1            |         | 131.0     | 24.0           | 44.4    |         | 18,353.8  | 9,552.9   | 12,276.3  |        |
| Net Profit growth       | n.a.                     | 599.7%   | n.a.        | 599.7% |                  | 65.7%              | 133.1%    | 72.2%               | 90.3%   | 0.2%      | 122.4%         | 462.4%  | 195.0%  | 314.1%    | 76.9%     | 526.0%    | 305.7% |
| 2y CAGR (2024e - 2026e) | 0.3%                     | 9.3%     | 23.4%       | 11.0%  |                  | 19.4%              | 35.1%     | 4.2%                | 19.5%   | 45.8%     | 43.2%          | n.a.    | 44.5%   | 9.0%      | 11.8%     | 10.0%     | 10.3%  |
| CAPEX/Sales %           | 2.1%                     | 3.2%     | 5.3%        | 3.5%   |                  | 1.1%               | 7.3%      | 3.2%                | 3.9%    | 2.8%      | 2.3%           | 3.1%    | 2.7%    | 1.4%      | 5.3%      | 4.8%      | 3.8%   |
| Free Cash Flow          | 2,685.7                  | 1,792.0  | 496.8       |        |                  | 966.4              | 8,220.6   | 12,516.1            |         | 107.2     | 71.4           | 47.7    |         | 17,330.4  | 7,172.0   | 9,438.5   |        |
| Net financial debt      | 12,469.3                 | 13,521.2 | 2,623.1     |        |                  | (3,940.5)          | 15,629.5  | 10,316.1            |         | n.a.      | 641.8          | 176.5   |         | 52,505.3  | 4,700.9   | 53,517.2  |        |
| ND/EBITDA (x)           | 2.8                      | 3.1      | 1.4         | 2.4    |                  | n.a.               | 1.1       | 0.6                 | 0.8     | n.a.      | 4.6            | 1.1     | 2.8     | 2.2       | 0.3       | 2.8       | 1.8    |
| Pay-out                 | 18.6%                    | 0.0%     | 33.4%       | 17.3%  |                  | 0.0%               | 39.3%     | 52.5%               | 30.6%   | 0.0%      | n.a.           | 24.7%   | 12.3%   | 55.3%     | 50.2%     | 71.5%     | 59.0%  |
| P/E (x)                 | 4.0                      | 6.7      | 12.8        | 7.9    |                  | 13.7               | 56.5      | 14.2                | 28.1    | 6.4       | 25.4           | 12.4    | 14.7    | 14.8      | 11.6      | 12.3      | 12.9   |
| P/BV (x)                | 0.6                      | 1.9      | 1.6         | 1.4    |                  | 2.0                | n.a.      | 4.6                 | 3.3     | n.a.      | 0.7            | n.a.    | 0.7     | n.a.      | 1.4       | 1.9       | 1.7    |
| EV/Revenues (x)         | 2.0                      | 2.3      | 1.8         | 2.0    |                  | 2.2                | 17.6      | 4.6                 | 8.2     | 0.6       | 0.9            | 0.6     | 0.7     | 6.3       | 2.6       | 3.6       | 4.2    |
| EV/EBITDA (x)           | 6.2                      | 7.5      | 9.1         | 7.6    |                  | 9.0                | 47.2      | 11.6                | 22.6    | 5.9       | 9.7            | 5.7     | 7.1     | 13.3      | 8.8       | 10.6      | 10.9   |
| EV/EBIT (x)             | 6.7                      | 8.4      | 10.7        | 8.6    |                  | 8.2                | n.a.      | 12.7                | 10.5    | 7.8       | 15.3           | 9.9     | 11.0    | 13.7      | 9.9       | 12.9      | 12.2   |
| ROE                     | 15.5                     | 29.1     | 12.7        | 19.1   |                  | 14.8               | 67.5      | 32.5                | 38.3    | n.a.      | 2.7            | n.a.    | 2.7     | 215.3     | 12.4      | 15.3      | 81.0   |
| FCF Yield (%)           | 22.3                     | 10.5     | 3.6         | 12.1   |                  | 8.2                | 1.2       | 6.0                 | 5.2     | 10.7      | 11.7           | 7.7     | 10.0    | 6.4       | 6.4       | 6.3       | 6.4    |
| DPS                     | 0.47                     | 0.00     | 0.62        | 0.36   |                  | 0.00               | 4.90      | 3.40                | 2.77    | 0.00      | n.a.           | 0.22    | 0.11    | 5.74      | 3.83      | 1.55      | 3.71   |
| Dvd Yield               | 4.7%                     | 0.0%     | 1.9%        | 2.2%   |                  | 0.0%               | 0.7%      | 3.6%                | 1.4%    | 0.0%      | n.a.           | 1.8%    | 0.9%    | 3.8%      | 4.3%      | 5.9%      | 4.7%   |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013  | 2014   | 2015   | 2016  | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024e  | 2025e | 2026e | CAGR |
|---------------------------------|-------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|------|
| Total Revenues                  | 156.9 | 161.1  | 168.0  | 180.5 | 200.2  | 230.1  | 236.2  | 271.2  | 316.1  | 348.6  | 378.9  | 408.4  | n.a.  | 8.9%  |      |
| Total Revenues growth           | n.a.  | 2.7%   | 4.3%   | 7.4%  | 10.9%  | 14.9%  | 2.7%   | 14.8%  | 16.6%  | 10.3%  | 8.7%   | 7.8%   |       |       |      |
| EBITDA                          | 17.1  | 15.3   | 12.1   | 11.6  | 14.1   | 22.9   | 23.7   | 27.4   | 33.3   | 36.6   | 41.8   | 46.4   | n.a.  | 11.7% |      |
| EBITDA growth                   | n.a.  | -10.3% | -21.4% | -4.1% | 21.6%  | 62.6%  | 3.6%   | 15.6%  | 21.5%  | 10.0%  | 14.3%  | 10.8%  |       |       |      |
| EBITDA/Sales                    | 10.9% | 9.5%   | 7.2%   | 6.4%  | 7.0%   | 9.9%   | 10.0%  | 10.1%  | 10.5%  | 10.5%  | 11.0%  | 11.4%  |       |       |      |
| Net Profit                      | 8.7   | 7.6    | 8.8    | 9.2   | 4.9    | 5.7    | 5.1    | 8.1    | 9.4    | 11.3   | 14.7   | 17.3   | n.a.  | 22.6% |      |
| Net Profit growth               | n.a.  | -13.3% | 16.2%  | 4.1%  | -46.2% | 14.7%  | -10.3% | 59.6%  | 15.9%  | 19.7%  | 30.6%  | 17.8%  |       |       |      |
| Adjusted number shares (Mn)     | 928.7 | 62.9   | 63.1   | 65.3  | 71.3   | 76.4   | 76.9   | 77.7   | 78.8   | 79.6   | 79.6   | 79.6   |       |       |      |
| EPS (EUR)                       | 0.01  | 0.12   | 0.14   | 0.14  | 0.07   | 0.07   | 0.07   | 0.10   | 0.12   | 0.14   | 0.18   | 0.22   | n.a.  | 22.2% |      |
| EPS growth                      | n.a.  | n.a.   | 15.8%  | 0.7%  | -50.7% | 7.1%   | -10.9% | 57.9%  | 14.3%  | 18.5%  | 30.6%  | 17.8%  |       |       |      |
| Ord. EPS (EUR)                  | 0.01  | 0.12   | 0.14   | 0.14  | 0.10   | 0.07   | 0.07   | 0.10   | 0.12   | 0.14   | 0.18   | 0.22   | n.a.  | 22.2% |      |
| Ord. EPS growth                 | n.a.  | n.a.   | 15.8%  | 0.7%  | -29.3% | -25.3% | -10.9% | 57.9%  | 14.3%  | 18.5%  | 30.6%  | 17.8%  |       |       |      |
| CAPEX                           | 10.5  | 12.2   | 17.6   | 21.1  | (61.1) | 3.4    | 1.2    | (7.1)  | (9.3)  | (15.7) | (21.2) | (21.6) |       |       |      |
| CAPEX/Sales %                   | n.a.  | n.a.   | n.a.   | n.a.  | 30.5%  | n.a.   | n.a.   | 2.6%   | 2.9%   | 4.5%   | 5.6%   | 5.3%   |       |       |      |
| Free Cash Flow                  | 4.0   | (12.2) | 3.7    | (1.1) | (76.2) | 9.2    | 2.0    | 5.3    | 4.3    | 5.3    | 6.2    | 9.2    | n.a.  | 28.5% |      |
| ND/EBITDA (x) <sup>(2)</sup>    | 0.7x  | 1.2x   | 1.2x   | 1.9x  | 4.6x   | 2.6x   | 2.4x   | 1.9x   | 1.3x   | 1.1x   | 0.8x   | 0.5x   |       |       |      |
| P/E (x)                         | n.a.  | 23.6x  | 15.5x  | 15.2x | 34.6x  | 56.6x  | 47.6x  | 20.5x  | 18.6x  | 19.3x  | 14.8x  | 12.6x  |       |       |      |
| EV/Sales (x)                    | 1.44x | 1.36x  | 1.00x  | 0.96x | 1.30x  | 1.74x  | 1.32x  | 0.83x  | 0.71x  | 0.79x  | 0.73x  | 0.68x  |       |       |      |
| EV/EBITDA (x) <sup>(2)</sup>    | 13.2x | 14.3x  | 14.0x  | 15.0x | 18.5x  | 17.5x  | 13.2x  | 8.2x   | 6.8x   | 7.6x   | 6.6x   | 6.0x   |       |       |      |
| Absolute performance            | -6.2% | -9.6%  | -24.1% | -1.2% | 12.1%  | 75.5%  | -25.2% | -32.0% | 4.1%   | 22.8%  |        |        |       |       |      |
| Relative performance vs Ibx 35  | 1.0%  | -7.7%  | -29.3% | 16.2% | 0.3%   | 107.5% | -30.7% | -28.0% | -15.2% | 9.5%   |        |        |       |       |      |

(1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Libertas 7 (LIB)**, is a family group with headquarters in Valencia (Spain) structured around three areas: (i) property development and management, (ii) tourism management, with the leasing of apartments and the management of a hotel, and (iii) financial investment, via the management of its own assets through investment in stocks and private equity. It is managed and controlled by the founding family (c. 80% of capital)..

#### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 38.6               | 41.9 |
| EV (Mn EUR and USD)            | 42.7               | 46.4 |
| Shares Outstanding (Mn)        | 21.9               |      |
| -12m (Max/Med/Min EUR)         | 1.76 / 1.07 / 0.86 |      |
| Daily Avg volume (-12m Mn EUR) | n.m.               |      |
| Rotation <sup>(1)</sup>        | 2.5                |      |
| Factset / Bloomberg            | LIB-ES / LIB SM    |      |
| Close fiscal year              | 31-Dec             |      |

#### Shareholders Structure (%)

|                               |      |
|-------------------------------|------|
| Familia Noguera y otros accs. | 80.0 |
| Autocartera                   | 4.3  |
| Free Float                    | 15.7 |

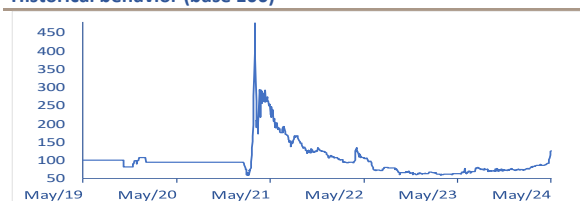
#### Financials (Mn EUR)

|                                     | 2023 | 2024e  | 2025e | 2026e |
|-------------------------------------|------|--------|-------|-------|
| Adj. nº shares (Mn)                 | 21.9 | 21.9   | 21.9  | 21.9  |
| Total Revenues                      | 13.4 | 7.1    | 20.6  | 22.3  |
| Rec. EBITDA                         | 3.0  | 1.0    | 4.2   | 5.3   |
| % growth                            | 64.8 | -66.8  | 311.8 | 26.8  |
| % Rec. EBITDA/Rev.                  | 22.7 | 14.3   | 20.2  | 23.7  |
| % Inc. EBITDA sector <sup>(2)</sup> | 5.5  | 11.2   | 6.2   | 5.8   |
| Net Profit                          | 2.3  | -0.3   | 2.3   | 3.3   |
| EPS (EUR)                           | 0.11 | -0.01  | 0.10  | 0.15  |
| % growth                            | 54.0 | -111.7 | 942.8 | 44.1  |
| Ord. EPS (EUR)                      | 0.09 | -0.02  | 0.10  | 0.15  |
| % growth                            | 37.3 | -116.4 | 774.2 | 44.1  |
| Rec. Free Cash Flow                 | 3.1  | -2.1   | 4.8   | 5.7   |
| Pay-out (%)                         | 32.0 | n.a.   | 39.7  | 30.6  |
| DPS (EUR)                           | 0.03 | 0.04   | 0.04  | 0.05  |
| Net financial debt                  | 29.1 | 31.9   | 28.1  | 23.5  |
| ND/Rec. EBITDA (x)                  | 9.5  | 31.6   | 6.7   | 4.4   |
| ROE (%)                             | 2.5  | n.a.   | 2.4   | 3.4   |
| ROCE (%)                            | 2.6  | 0.9    | 3.7   | 4.9   |

#### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 16.7 | n.a. | 17.0 | 11.8 |
| Ord. P/E           | 18.8 | n.a. | 17.0 | 11.8 |
| P/BV               | 0.4  | 0.4  | 0.4  | 0.4  |
| Dividend Yield (%) | 1.9  | 2.2  | 2.3  | 2.6  |
| EV/Sales           | 3.19 | 6.05 | 2.07 | 1.92 |
| EV/Rec. EBITDA     | 14.0 | 42.2 | 10.2 | 8.1  |
| EV/EBIT            | 13.9 | n.a. | 10.9 | 8.5  |
| FCF Yield (%)      | 8.1  | n.a. | 12.5 | 14.8 |

#### Historical behavior (base 100)



| (%)      | -1m  | -3m  | -12m  | -5Y  |
|----------|------|------|-------|------|
| Absolute | 46.7 | 63.0 | 101.3 | 26.2 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Real State.

#### MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**LIB's 1Q24 results are scanty material.** The absence of income from the development business makes 2024e a year of transition. The development business is not expected to really take off until 2025e. Consolidated revenue in 1Q24 was EUR 1.0Mn (-87% vs 1Q23), driven almost entirely by the tourist rental business. The company broke even at the EBITDA level.

**2024e: watch for the tourist business.** In 2024e we are estimating total revenue of EUR 7.1Mn and recurring EBITDA of EUR 1.0Mn (including income of EUR 2.6 Mn from the equity portfolio). The tourist division stands out with estimated revenue of EUR 3.5Mn (vs EUR 3.2Mn 2023). That momentum is being driven by strong KPIs: occupancy and prices (as seen in 2023 and 1Q24). In other words, this division will be key to generating regular earnings in an atypical year.

#### EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Development business, the main growth driver from 2025e.** With a stock of unsold housing valued at EUR 26.4Mn and an orderbook of EUR 19.1Mn, our estimates assume a recovery the development business, which should be able to deliver c.55 homes/year in 2025e and 2026e. Start of a new development cycle. A local business - Valencia -, where LIB can leverage deep experience.

**Net asset value vs market cap.** LIB boasts a diversified and highly liquid portfolio worth EUR 63Mn (70% of which in equities), reducing its dependence on the property cycle. Net debt at 31 March 2024 implies a net asset value of EUR 35Mn (vs a market cap of EUR 39Mn).

**Disposal of the private equity portfolio.** This portfolio accounted for 15% of the total at the 1Q24 close (EUR 9Mn). LIB expects to start to unwind this portfolio in 2024e (not reflected in our estimates due to the extraordinary nature of the gains), which should boost profits and cash.

**Healthy capital structure.** Net debt stood at EUR 28.1Mn (ND/equity: 29%) at the 1Q24 close, at a company with a very liquid investment portfolio (which includes leased properties and is not included in the net debt calculation), depicting a very comfortable financial position that will allow the company to continue to grow in development.

**2025e: start of a new development cycle.** In sum, 2024e is a transition year. All eyes should be on 2025e and beyond. That year we are estimating revenue of EUR 20.6Mn, with EUR 14.5Mn coming from the development business. And with recurring EBITDA of EUR 4.2Mn (vs EUR 3.0Mn in 2023).

#### RISKS: WHAT TO KEEP AN EYE ON?

**Delays in the developments under construction** or in the pace of starting up new developments (necessary to feed the business beyond 2025e).

**Utilisation of tax assets:** LIB has net deferred tax assets of EUR 21Mn. Given their scale, any risk to the company's ability to utilise them is material (and would have an impact on its P&L and equity).

**Exposure to cyclical sectors:** Spanish real estate and tourism. A slowdown in the Spanish economy would hurt LIB (which has no international exposure).

#### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Following an amazing rally YTD (+72.5%) all signs suggest LIB remains a "pure value" play:** the net asset value of the investment portfolio (EUR 35Mn) continues to represent c.90% of market cap. In other words, neither the tourism rental or residential development business is priced in, indicating that LIB remains a unique investment opportunity and genuine "value" play in the Spanish real estate space.



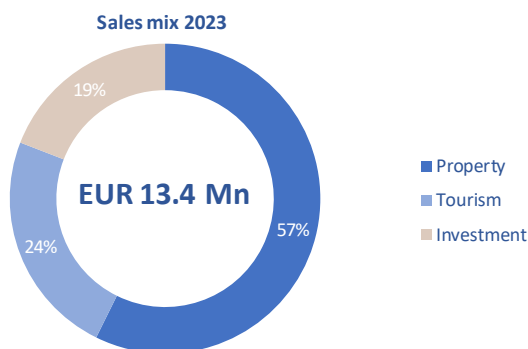
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019           | 2020           | 2021          | 2022          | 2023         | 2024e          | 2025e         | 2026e        | CAGR         |              |
|--|----------------|----------------|---------------|---------------|--------------|----------------|---------------|--------------|--------------|--------------|
| Intangible assets                            | 2.0            | 2.2            | 2.0           | 1.7           | 1.5          | 1.5            | 1.5           | 1.5          |              |              |
| Fixed assets                                 | 38.6           | 38.0           | 38.4          | 37.5          | 38.6         | 38.8           | 39.2          | 39.6         |              |              |
| Other Non Current Assets                     | 35.3           | 36.8           | 36.1          | 35.9          | 35.2         | 35.2           | 35.2          | 35.2         |              |              |
| Financial Investments                        | 53.6           | 43.3           | 52.0          | 51.8          | 55.8         | 55.9           | 55.3          | 54.5         |              |              |
| Goodwill & Other Intangibles                 | 0.6            | 0.6            | 0.6           | 0.6           | 0.6          | 0.6            | 0.6           | 0.6          |              |              |
| Current assets                               | 16.7           | 22.0           | 15.6          | 14.8          | 12.6         | 13.4           | 15.7          | 14.2         |              |              |
| <b>Total assets</b>                          | <b>146.7</b>   | <b>143.0</b>   | <b>144.7</b>  | <b>142.2</b>  | <b>144.3</b> | <b>145.3</b>   | <b>147.5</b>  | <b>145.6</b> |              |              |
| Equity                                       | 96.1           | 87.9           | 91.5          | 92.3          | 95.5         | 94.5           | 95.7          | 97.9         |              |              |
| Minority Interests                           | -              | -              | -             | -             | -            | -              | -             | -            |              |              |
| Provisions & Other L/T Liabilities           | 13.4           | 13.4           | 13.9          | 13.9          | 14.9         | 14.9           | 14.9          | 14.9         |              |              |
| Other Non Current Liabilities                | 2.1            | 2.2            | 2.1           | 1.7           | 1.5          | 1.5            | 1.5           | 1.5          |              |              |
| Net financial debt                           | 31.3           | 34.1           | 32.6          | 31.5          | 29.1         | 31.9           | 28.1          | 23.5         |              |              |
| Current Liabilities                          | 3.8            | 5.4            | 4.6           | 2.8           | 3.3          | 2.5            | 7.2           | 7.8          |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>146.7</b>   | <b>143.0</b>   | <b>144.7</b>  | <b>142.2</b>  | <b>144.3</b> | <b>145.3</b>   | <b>147.5</b>  | <b>145.6</b> |              |              |
| P&L (EUR Mn)                                 | 2019           | 2020           | 2021          | 2022          | 2023         | 2024e          | 2025e         | 2026e        | 19-23        | 23-26e       |
| <b>Total Revenues</b>                        | <b>5.6</b>     | <b>3.9</b>     | <b>16.8</b>   | <b>11.5</b>   | <b>13.4</b>  | <b>7.1</b>     | <b>20.6</b>   | <b>22.3</b>  | <b>24.6%</b> | <b>18.5%</b> |
| <i>Total Revenues growth</i>                 | <i>11.4%</i>   | <i>-29.4%</i>  | <i>329.3%</i> | <i>-31.6%</i> | <i>16.4%</i> | <i>-47.3%</i>  | <i>191.8%</i> | <i>8.1%</i>  |              |              |
| COGS   | (1.4)          | (1.4)          | (12.1)        | (5.5)         | (5.8)        | (2.0)          | (11.5)        | (12.0)       |              |              |
| <b>Gross Margin</b>                          | <b>4.2</b>     | <b>2.5</b>     | <b>4.7</b>    | <b>6.0</b>    | <b>7.6</b>   | <b>5.1</b>     | <b>9.1</b>    | <b>10.3</b>  | <b>16.1%</b> | <b>10.5%</b> |
| <i>Gross Margin/Revenues</i>                 | <i>75.4%</i>   | <i>64.7%</i>   | <i>28.0%</i>  | <i>51.8%</i>  | <i>56.8%</i> | <i>71.7%</i>   | <i>44.2%</i>  | <i>46.1%</i> |              |              |
| Personnel Expenses                           | (2.2)          | (1.7)          | (2.0)         | (2.2)         | (2.4)        | (2.2)          | (2.5)         | (2.6)        |              |              |
| Other Operating Expenses                     | (2.4)          | (1.5)          | (2.1)         | (1.9)         | (2.2)        | (1.8)          | (2.4)         | (2.4)        |              |              |
| <b>Recurrent EBITDA</b>                      | <b>(0.4)</b>   | <b>(0.7)</b>   | <b>0.6</b>    | <b>1.8</b>    | <b>3.0</b>   | <b>1.0</b>     | <b>4.2</b>    | <b>5.3</b>   | <b>77.9%</b> | <b>20.1%</b> |
| <i>Recurrent EBITDA growth</i>               | <i>-128.5%</i> | <i>-83.0%</i>  | <i>183.8%</i> | <i>217.0%</i> | <i>64.8%</i> | <i>-66.8%</i>  | <i>311.8%</i> | <i>26.8%</i> |              |              |
| <i>Rec. EBITDA/Revenues</i>                  | <i>n.a.</i>    | <i>n.a.</i>    | <i>3.5%</i>   | <i>16.1%</i>  | <i>22.7%</i> | <i>14.3%</i>   | <i>20.2%</i>  | <i>23.7%</i> |              |              |
| Restructuring Expense & Other non-rec.       | 0.0            | (0.4)          | 1.1           | 0.0           | 0.4          | -              | -             | -            |              |              |
| <b>EBITDA</b>                                | <b>(0.4)</b>   | <b>(1.1)</b>   | <b>1.7</b>    | <b>1.9</b>    | <b>3.4</b>   | <b>1.0</b>     | <b>4.2</b>    | <b>5.3</b>   | <b>82.3%</b> | <b>15.8%</b> |
| Depreciation & Provisions                    | 0.1            | (0.0)          | 0.3           | 0.3           | (0.1)        | (0.0)          | (0.0)         | (0.0)        |              |              |
| Capitalized Expense                          | -              | -              | -             | -             | -            | -              | -             | -            |              |              |
| Rentals (IFRS 16 impact)                     | (0.2)          | (0.2)          | (0.2)         | (0.2)         | (0.2)        | (0.2)          | (0.2)         | (0.2)        |              |              |
| <b>EBIT</b>                                  | <b>(0.5)</b>   | <b>(1.3)</b>   | <b>1.7</b>    | <b>1.9</b>    | <b>3.1</b>   | <b>0.8</b>     | <b>3.9</b>    | <b>5.0</b>   | <b>70.3%</b> | <b>17.9%</b> |
| <i>EBIT growth</i>                           | <i>n.a.</i>    | <i>-163.9%</i> | <i>233.2%</i> | <i>14.8%</i>  | <i>58.7%</i> | <i>-75.2%</i>  | <i>414.0%</i> | <i>28.5%</i> |              |              |
| <i>EBIT/Revenues</i>                         | <i>n.a.</i>    | <i>n.a.</i>    | <i>10.0%</i>  | <i>16.8%</i>  | <i>22.9%</i> | <i>10.8%</i>   | <i>19.0%</i>  | <i>22.6%</i> |              |              |
| Impact of Goodwill & Others                  | 2.5            | (0.1)          | 0.8           | 0.9           | 1.3          | -              | -             | -            |              |              |
| Net Financial Result                         | (0.6)          | (0.9)          | (0.5)         | (0.6)         | (1.2)        | (1.1)          | (1.1)         | (1.0)        |              |              |
| Income by the Equity Method                  | 0.1            | (1.7)          | (0.4)         | (0.1)         | 0.0          | 0.0            | 0.0           | 0.0          |              |              |
| <b>Ordinary Profit</b>                       | <b>1.5</b>     | <b>(3.9)</b>   | <b>1.6</b>    | <b>2.2</b>    | <b>3.2</b>   | <b>(0.3)</b>   | <b>2.8</b>    | <b>4.1</b>   | <b>21.4%</b> | <b>8.2%</b>  |
| <i>Ordinary Profit Growth</i>                | <i>48.7%</i>   | <i>-360.3%</i> | <i>140.4%</i> | <i>37.9%</i>  | <i>49.5%</i> | <i>-110.4%</i> | <i>942.8%</i> | <i>44.1%</i> |              |              |
| Extraordinary Results                        | -              | -              | -             | -             | -            | -              | -             | -            |              |              |
| <b>Profit Before Tax</b>                     | <b>1.5</b>     | <b>(3.9)</b>   | <b>1.6</b>    | <b>2.2</b>    | <b>3.2</b>   | <b>(0.3)</b>   | <b>2.8</b>    | <b>4.1</b>   | <b>21.4%</b> | <b>8.2%</b>  |
| Tax Expense                                  | (0.4)          | 0.3            | (0.4)         | (0.7)         | (0.9)        | 0.1            | (0.6)         | (0.8)        |              |              |
| <i>Effective Tax Rate</i>                    | <i>28.8%</i>   | <i>n.a.</i>    | <i>22.4%</i>  | <i>30.6%</i>  | <i>28.5%</i> | <i>n.a.</i>    | <i>20.0%</i>  | <i>20.0%</i> |              |              |
| Minority Interests                           | -              | -              | -             | -             | -            | -              | -             | -            |              |              |
| Discontinued Activities                      | -              | -              | -             | -             | -            | -              | -             | -            |              |              |
| <b>Net Profit</b>                            | <b>1.1</b>     | <b>(3.6)</b>   | <b>1.2</b>    | <b>1.5</b>    | <b>2.3</b>   | <b>(0.3)</b>   | <b>2.3</b>    | <b>3.3</b>   | <b>21.5%</b> | <b>12.3%</b> |
| <i>Net Profit growth</i>                     | <i>669.2%</i>  | <i>-440.8%</i> | <i>133.7%</i> | <i>23.4%</i>  | <i>54.0%</i> | <i>-111.7%</i> | <i>942.8%</i> | <i>44.1%</i> |              |              |
| <b>Ordinary Net Profit</b>                   | <b>1.1</b>     | <b>(3.5)</b>   | <b>0.4</b>    | <b>1.5</b>    | <b>2.1</b>   | <b>(0.3)</b>   | <b>2.3</b>    | <b>3.3</b>   | <b>18.1%</b> | <b>16.8%</b> |
| <i>Ordinary Net Profit growth</i>            | <i>79.4%</i>   | <i>-431.8%</i> | <i>111.0%</i> | <i>287.7%</i> | <i>37.3%</i> | <i>-116.4%</i> | <i>774.2%</i> | <i>44.1%</i> |              |              |
| Cash Flow (EUR Mn)                           | 2019           | 2020           | 2021          | 2022          | 2023         | 2024e          | 2025e         | 2026e        | 19-23        | 23-26e       |
| <b>Recurrent EBITDA</b>                      |                |                |               |               |              | <b>1.0</b>     | <b>4.2</b>    | <b>5.3</b>   | <b>77.9%</b> | <b>20.1%</b> |
| Rentals (IFRS 16 impact)                     |                |                |               |               |              | (0.2)          | (0.2)         | (0.2)        |              |              |
| Working Capital Increase                     |                |                |               |               |              | (1.6)          | 2.4           | 2.1          |              |              |
| <b>Recurrent Operating Cash Flow</b>         |                |                |               |               |              | <b>-0.8</b>    | <b>6.3</b>    | <b>7.1</b>   | <i>n.a.</i>  | <b>9.1%</b>  |
| CAPEX  |                |                |               |               |              | (0.1)          | (0.4)         | (0.4)        |              |              |
| Net Financial Result affecting the Cash Flow |                |                |               |               |              | (1.1)          | (1.1)         | (1.0)        |              |              |
| Tax Expense                                  |                |                |               |               |              | -              | -             | -            |              |              |
| <b>Recurrent Free Cash Flow</b>              |                |                |               |               |              | <b>(2.1)</b>   | <b>4.8</b>    | <b>5.7</b>   | <b>45.4%</b> | <b>22.3%</b> |
| Restructuring Expense & Other non-rec.       |                |                |               |               |              | -              | -             | -            |              |              |
| - Acquisitions / + Divestures of assets      |                |                |               |               |              | -              | -             | -            |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |                |                |               |               |              | -              | -             | -            |              |              |
| <b>Free Cash Flow</b>                        |                |                |               |               |              | <b>(2.1)</b>   | <b>4.8</b>    | <b>5.7</b>   | <b>8.7%</b>  | <b>20.3%</b> |
| Capital Increase                             |                |                |               |               |              | -              | -             | -            |              |              |
| Dividends                                    |                |                |               |               |              | (0.8)          | (1.0)         | (1.1)        |              |              |
| <b>Net Debt Variation</b>                    |                |                |               |               |              | <b>2.9</b>     | <b>(3.8)</b>  | <b>(4.6)</b> |              |              |

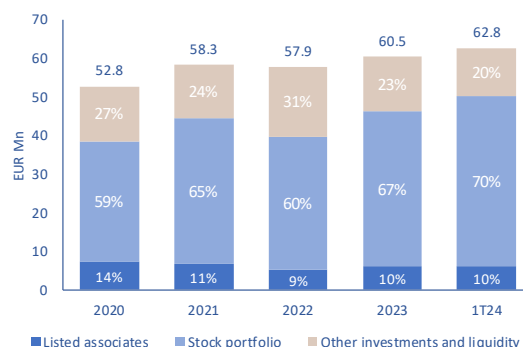


## The company in 8 charts

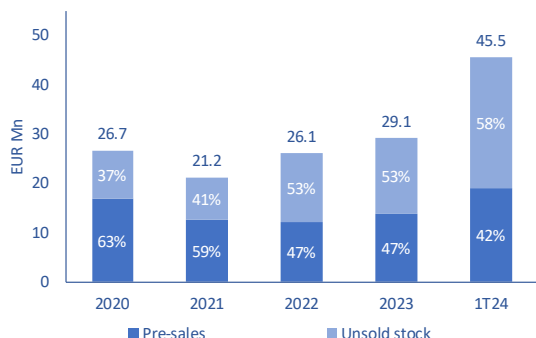
**A group with three core businesses: property development, tourism management and financial investment**



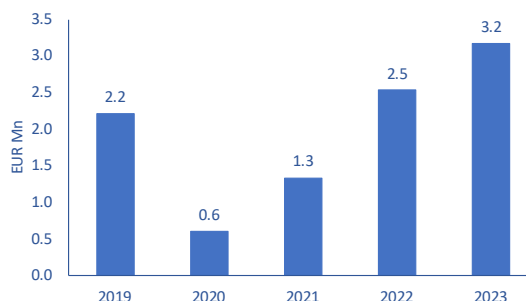
**Investment area: provides greater diversification of assets (which reduces group risk), liquidity and profitability**



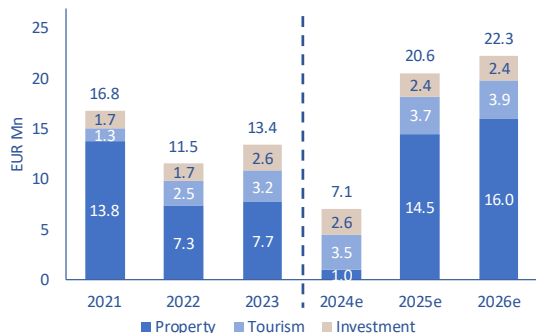
**Agreements and bookings (EUR 19.1Mn) and unsold stock (EUR 26.5Mn) lend visibility to the development business**



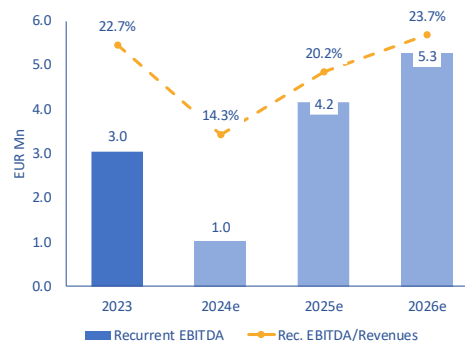
**The tourism business is also much bigger than in 2019 (and still has more room to grow)**



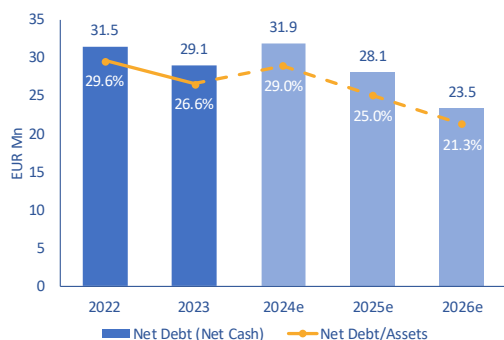
**2024e-2026e: the development business will be the main driver of revenue growth**



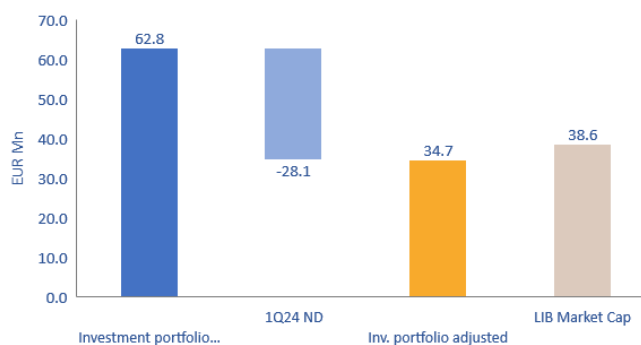
**This will be visible in the generation of recurring EBITDA**



**All while maintaining a comfortable financial position (ND/Assets < 30%)**



**A potential (and "objectively" evident) reserve of value that has still gone unnoticed by the market**



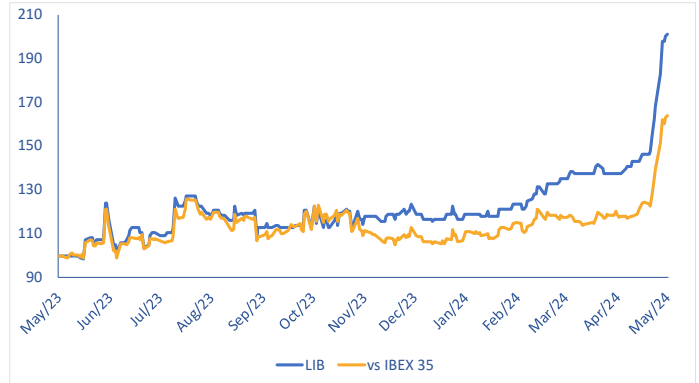


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



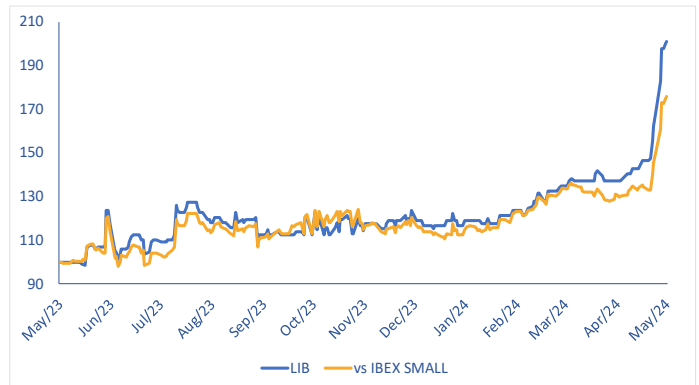
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Real State

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|---|------|------|-------|------|-------|-------|
| <b>Absolute</b>                           | 46.7 | 63.0 | 101.3 | 72.5 | -45.4 | 26.2  |
| <b>vs Market</b>                          |      |      |       |      |       |       |
| vs Ibex 35                                | 37.7 | 42.2 | 63.7  | 53.9 | -55.8 | 3.4   |
| vs Euro STOXX 50                          | 42.3 | 53.4 | 71.9  | 54.1 | -56.8 | -14.6 |
| <b>vs Small Cap References</b>            |      |      |       |      |       |       |
| vs Ibex Small Cap Index                   | 34.3 | 42.6 | 75.8  | 55.0 | -46.6 | -3.1  |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 39.0 | 50.9 | 91.6  | 60.1 | -40.9 | 4.5   |
| vs MSCI Europe Micro Cap                  | 38.2 | 51.8 | 95.6  | 63.3 | -33.0 | 5.3   |
| <b>vs Sector</b>                          |      |      |       |      |       |       |
| vs Stoxx Europe 600 Real State            | 33.3 | 51.9 | 66.1  | 73.4 | -28.9 | 66.9  |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

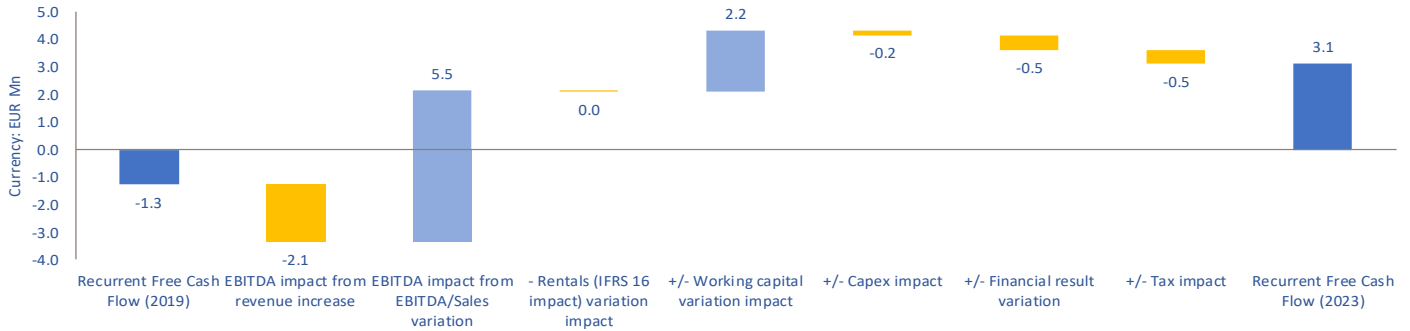
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e      | CAGR         |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
|   |              |              |              |              |              |              |            | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>(0.7)</b> | <b>0.6</b>   | <b>1.8</b>   | <b>3.0</b>   | <b>1.0</b>   | <b>4.2</b>   | <b>5.3</b> | <b>85.4%</b> | <b>20.1%</b> |
| <i>Recurrent EBITDA growth</i>  | -83.0%       | 183.8%       | 217.0%       | 64.8%        | -66.8%       | 311.8%       | 26.8%      |              |              |
| <i>Rec. EBITDA/Revenues</i>   | n.a.         | 3.5%         | 16.1%        | 22.7%        | 14.3%        | 20.2%        | 23.7%      |              |              |
| - Rentals (IFRS 16 impact)  | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)      |              |              |
| +/- Working Capital increase  | (3.7)        | 5.6          | (1.0)        | 2.7          | (1.6)        | 2.4          | 2.1        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(4.6)</b> | <b>6.0</b>   | <b>0.6</b>   | <b>5.5</b>   | <b>(0.8)</b> | <b>6.3</b>   | <b>7.1</b> | <b>47.2%</b> | <b>9.1%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | n.a.         | 229.6%       | -89.6%       | 778.3%       | -115.1%      | 864.3%       | 12.5%      |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | n.a.         | 35.6%        | 5.4%         | 41.0%        | n.a.         | 30.7%        | 32.0%      |              |              |
| - CAPEX   | (0.3)        | (0.1)        | (0.2)        | (0.2)        | (0.1)        | (0.4)        | (0.4)      |              |              |
| - Net Financial Result affecting Cash Flow  | (0.7)        | (0.7)        | (0.6)        | (1.2)        | (1.1)        | (1.1)        | (1.0)      |              |              |
| - Taxes   | 0.3          | (0.4)        | (0.7)        | (0.9)        | -            | -            | -          |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(5.4)</b> | <b>4.9</b>   | <b>(0.9)</b> | <b>3.1</b>   | <b>(2.1)</b> | <b>4.8</b>   | <b>5.7</b> | <b>37.2%</b> | <b>22.3%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -324.7%      | 190.7%       | -117.5%      | 465.2%       | -166.1%      | 333.5%       | 18.4%      |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | n.a.         | 29.0%        | n.a.         | 23.4%        | n.a.         | 23.5%        | 25.7%      |              |              |
| - Restructuring expenses & others   | (0.4)        | 1.1          | 0.0          | 0.4          | -            | -            | -          |              |              |
| - Acquisitions / + Divestments  | 1.1          | (0.6)        | 2.2          | (0.2)        | -            | -            | -          |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -          |              |              |
| <b>= Free Cash Flow</b>   | <b>(4.7)</b> | <b>5.4</b>   | <b>1.4</b>   | <b>3.3</b>   | <b>(2.1)</b> | <b>4.8</b>   | <b>5.7</b> | <b>39.3%</b> | <b>20.3%</b> |
| <i>Free Cash Flow growth</i>  | -297.8%      | 215.4%       | -73.7%       | 132.7%       | -163.0%      | 333.5%       | 18.4%      |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | n.a.         | 12.7%        | n.a.         | 8.1%         | n.a.         | 12.5%        | 14.8%      |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.         | 13.9%        | 3.7%         | 8.5%         | n.a.         | 12.5%        | 14.8%      |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |              |              |            |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e      | CAGR         |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(1.3)</b> | <b>(5.4)</b> | <b>4.9</b>   | <b>(0.9)</b> | <b>3.1</b>   | <b>(2.1)</b> | <b>4.8</b> |              |              |
| EBITDA impact from revenue increase   | 0.1          | (2.3)        | (0.2)        | 0.3          | (1.4)        | 1.9          | 0.3        |              |              |
| EBITDA impact from EBITDA/Sales variation   | (0.4)        | 3.6          | 1.4          | 0.9          | (0.6)        | 1.2          | 0.8        |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.3)</b> | <b>1.3</b>   | <b>1.3</b>   | <b>1.2</b>   | <b>(2.0)</b> | <b>3.2</b>   | <b>1.1</b> |              |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | (0.0)        | -            | -            | -            | -            | -          |              |              |
| +/- Working capital variation impact  | (4.2)        | 9.4          | (6.6)        | 3.7          | (4.3)        | 4.0          | (0.3)      |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(4.5)</b> | <b>10.6</b>  | <b>(5.4)</b> | <b>4.9</b>   | <b>(6.3)</b> | <b>7.2</b>   | <b>0.8</b> |              |              |
| +/- CAPEX impact  | (0.3)        | 0.3          | (0.2)        | (0.0)        | 0.1          | (0.3)        | (0.0)      |              |              |
| +/- Financial result variation  | (0.0)        | (0.0)        | 0.1          | (0.6)        | 0.1          | 0.0          | 0.1        |              |              |
| +/- Tax impact  | 0.7          | (0.6)        | (0.3)        | (0.3)        | 0.9          | -            | -          |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(4.1)</b> | <b>10.3</b>  | <b>(5.7)</b> | <b>4.0</b>   | <b>(5.2)</b> | <b>6.9</b>   | <b>0.9</b> |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(5.4)</b> | <b>4.9</b>   | <b>(0.9)</b> | <b>3.1</b>   | <b>(2.1)</b> | <b>4.8</b>   | <b>5.7</b> |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |              |              |            |              |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e      | CAGR         |              |
| <b>EBIT</b>   | <b>(1.3)</b> | <b>1.7</b>   | <b>1.9</b>   | <b>3.1</b>   | <b>0.8</b>   | <b>3.9</b>   | <b>5.0</b> | <b>64.2%</b> | <b>17.9%</b> |
| * <i>Theoretical Tax rate</i>   | 0.0%         | 22.4%        | 30.0%        | 28.5%        | 0.0%         | 20.0%        | 20.0%      |              |              |
| = Taxes (pre- Net Financial Result)   | -            | (0.4)        | (0.6)        | (0.9)        | -            | (0.8)        | (1.0)      |              |              |
| <b>Recurrent EBITDA</b>   | <b>(0.7)</b> | <b>0.6</b>   | <b>1.8</b>   | <b>3.0</b>   | <b>1.0</b>   | <b>4.2</b>   | <b>5.3</b> | <b>85.4%</b> | <b>20.1%</b> |
| - Rentals (IFRS 16 impact)  | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)      |              |              |
| +/- Working Capital increase  | (3.7)        | 5.6          | (1.0)        | 2.7          | (1.6)        | 2.4          | 2.1        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(4.6)</b> | <b>6.0</b>   | <b>0.6</b>   | <b>5.5</b>   | <b>(0.8)</b> | <b>6.3</b>   | <b>7.1</b> | <b>47.2%</b> | <b>9.1%</b>  |
| - CAPEX   | (0.3)        | (0.1)        | (0.2)        | (0.2)        | (0.1)        | (0.4)        | (0.4)      |              |              |
| - Taxes (pre- Financial Result)   | -            | (0.4)        | (0.6)        | (0.9)        | -            | (0.8)        | (1.0)      |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(5.0)</b> | <b>5.6</b>   | <b>(0.2)</b> | <b>4.4</b>   | <b>(1.0)</b> | <b>5.1</b>   | <b>5.7</b> | <b>42.3%</b> | <b>9.1%</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | n.a.         | 211.8%       | -103.1%      | n.a.         | -122.2%      | 629.7%       | 10.4%      |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.         | 33.0%        | n.a.         | 32.6%        | n.a.         | 24.9%        | 25.5%      |              |              |
| - Acquisitions / + Divestments  | 1.1          | (0.6)        | 2.2          | (0.2)        | -            | -            | -          |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -          |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(3.9)</b> | <b>5.0</b>   | <b>2.1</b>   | <b>4.2</b>   | <b>(1.0)</b> | <b>5.1</b>   | <b>5.7</b> | <b>45.5%</b> | <b>10.8%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -212.3%      | 228.6%       | -58.3%       | 101.0%       | -123.2%      | 629.7%       | 10.4%      |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.         | 13.0%        | n.a.         | 10.2%        | n.a.         | 12.0%        | 13.3%      |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.         | 11.7%        | 4.9%         | 9.8%         | n.a.         | 12.0%        | 13.3%      |              |              |



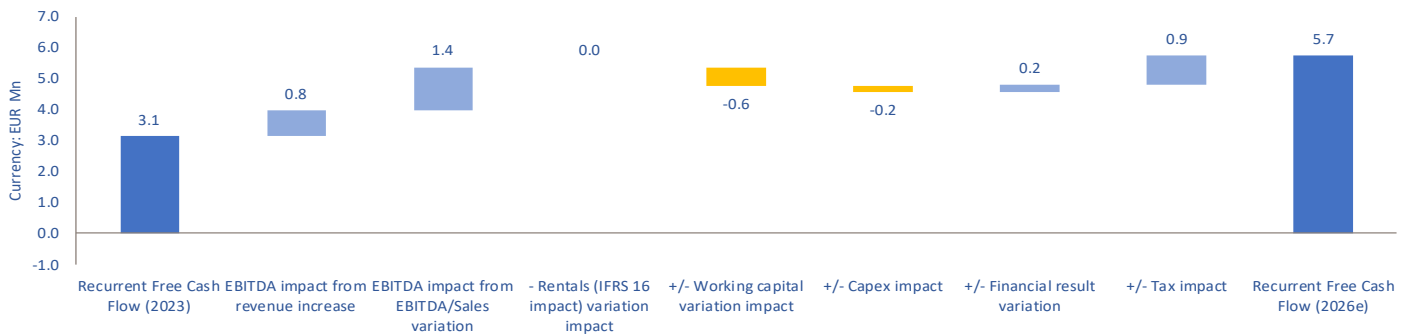


## Free Cash Flow (II)

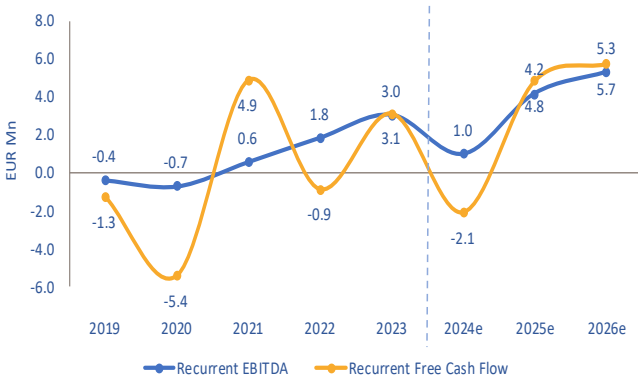
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



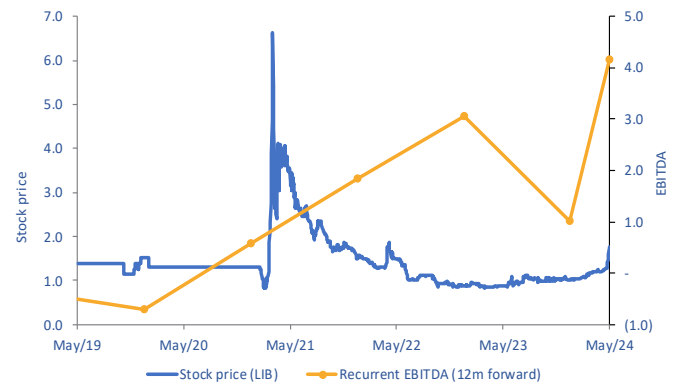
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                                   | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (1.0) | 5.1                                     | 5.7   | 125.8                         |           |            |
| Market Cap                     | 38.6  | At the date of this report              |       |                               |           |            |
| Net financial debt             | 28.1  | Debt net of Cash (3m Results 2024)      |       |                               |           |            |
|                                |       |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 1.6%  | Net debt cost                           |       |                               | 1.4%      | 1.9%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 1.3%  | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 1.1%      | 1.5%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                        |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                        |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5% | $K_e = R_f + (R * B)$                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 57.9% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 42.1% | D                                       |       |                               | =         | =          |
| WACC                           | 6.6%  | $WACC = K_d * D + K_e * E$              |       |                               | 5.8%      | 7.4%       |
| G "Fair"                       | 2.0%  |   |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source          |
|--------------------------------------|-------------|-----------------|
| Market Cap                           | 38.6        |                 |
| + Minority Interests                 | -           | 3m Results 2024 |
| + Provisions & Other L/T Liabilities | 0.1         | 3m Results 2024 |
| + Net financial debt                 | 28.1        | 3m Results 2024 |
| - Financial Investments              | 1.4         | 3m Results 2024 |
| +/- Others <sup>(1)</sup>            | (22.6)      | 3m Results 2024 |
| <b>Enterprise Value (EV)</b>         | <b>42.7</b> |                 |

(1) Related to: (i) the book value (not actuarial) of deferred tax assets and liabilities (EUR 36.0Mn and EUR 15.1Mn, respectively) and (ii) the market value of treasury stock (c.EUR 1.0Mn)

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | n.a.  | n.a.  | 1.5% | 1.6% | 2.6% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -4.0% | -1.7% |      |      |      |
| FCF Yield - WACC     | 1.5%  | 8.2%  |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 22.2%            | 4.6        | 9.3x          |
| Central  | 20.2%            | 4.2        | 10.2x         |
| Min      | 18.2%            | 3.8        | 11.4x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |         |     |
|-----------------|-----------------|------|------|----------|--------------------|---------|-----|
| EBITDA 25e      | 1.8%            | 2.0% | 2.2% |          | Max                | Central | Min |
| 4.6             | 5.3             | 5.2  | 5.2  | 13.7%    | 13.6%              | 13.5%   |     |
| 4.2             | 4.9             | 4.8  | 4.8  | 12.6%    | 12.5%              | 12.4%   |     |
| 3.8             | 4.5             | 4.4  | 4.4  | 11.6%    | 11.5%              | 11.4%   |     |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 37.5% | 37.5% | 37.5% |
| % of proprietary directors           | 37.5% | 37.5% | 37.5% |
| % of executive directors             | 12.5% | 12.5% | 12.5% |
| % of other directors                 | 12.5% | 12.5% | 12.5% |
| % of women on the board of directors | 50.0% | 50.0% | 50.0% |
| % of women out of total workforce    | 42.1% | 46.7% | 50.0% |
| Board remuneration/staff cost        | 16.0% | 12.8% | 13.7% |



## Main peers 2024e

|                             |                         | Real estate |             |              |         |         | Tourism                |                  |                    |         |         |  |
|-----------------------------|-------------------------|-------------|-------------|--------------|---------|---------|------------------------|------------------|--------------------|---------|---------|--|
| EUR Mn                      |                         | Metrovacesa | Aedas Homes | Neinor Homes | Insur   | Average | Playa Hotels & Resorts | PPHE Hotel Group | Pierre et Vacances | Average | LIB     |  |
| Market data                 | Ticker (Factset)        | MVC-ES      | AEDAS-ES    | HOME-ES      | ISUR-ES |         | PLYA-US                | PPH-GB           | VAC-FR             |         | LIB-ES  |  |
|                             | Country                 | Spain       | Spain       | Spain        | Spain   |         | Netherlands            | Netherlands      | France             |         | Spain   |  |
|                             | Market cap              | 1,372.7     | 887.1       | 841.1        | 149.4   |         | 1,044.8                | 699.7            | 703.5              |         | 38.6    |  |
|                             | Enterprise value (EV)   | 1,576.4     | 1,392.8     | 1,034.8      | 393.1   |         | 2,043.5                | 2,140.3          | 3,903.2            |         | 42.7    |  |
| Basic financial information | Total Revenues          | 675.5       | 992.3       | 668.0        | 187.4   |         | 880.1                  | 528.2            | 1,974.9            |         | 7.1     |  |
|                             | Total Revenues growth   | 15.2%       | -7.9%       | 12.4%        | 33.5%   | 13.3%   | -2.2%                  | 8.8%             | 10.5%              | 5.7%    | -47.3%  |  |
|                             | 2y CAGR (2024e - 2026e) | 4.8%        | -0.7%       | 1.2%         | -6.2%   | -0.2%   | 1.0%                   | 5.9%             | 3.5%               | 3.5%    | 77.6%   |  |
|                             | EBITDA                  | 68.1        | 154.8       | 97.3         | 30.7    |         | 244.6                  | 170.5            | 153.3              |         | 1.0     |  |
|                             | EBITDA growth           | 455.1%      | -10.1%      | -9.6%        | 64.8%   | 125.0%  | 2.9%                   | 13.5%            | -68.0%             | -17.2%  | -70.3%  |  |
|                             | 2y CAGR (2024e - 2026e) | 7.2%        | 0.9%        | -1.6%        | -1.5%   | 1.3%    | 4.2%                   | 9.5%             | 13.2%              | 9.0%    | n.a.    |  |
|                             | EBITDA/Revenues         | 10.1%       | 15.6%       | 14.6%        | 16.4%   | 14.2%   | 27.8%                  | 32.3%            | 7.8%               | 22.6%   | 14.3%   |  |
|                             | EBIT                    | 62.7        | 150.4       | 92.4         | 26.4    |         | 157.4                  | 109.5            | 98.9               |         | 0.8     |  |
|                             | EBIT growth             | 590.4%      | -10.5%      | -7.8%        | 80.9%   | 163.3%  | -3.0%                  | 12.4%            | -53.7%             | -14.8%  | -75.2%  |  |
|                             | 2y CAGR (2024e - 2026e) | 11.7%       | 0.5%        | -1.3%        | -2.2%   | 2.2%    | 10.8%                  | 11.6%            | 16.7%              | 13.1%   | n.a.    |  |
|                             | EBIT/Revenues           | 9.3%        | 15.2%       | 13.8%        | 14.1%   | 13.1%   | 17.9%                  | 20.7%            | 5.0%               | 14.5%   | 10.8%   |  |
|                             | Net Profit              | 39.0        | 95.8        | 67.1         | 12.5    |         | 67.5                   | 37.0             | 42.0               |         | (0.3)   |  |
|                             | Net Profit growth       | 287.1%      | -12.5%      | -25.9%       | 10.9%   | 64.9%   | 36.2%                  | 41.1%            | 166.6%             | 81.3%   | -111.7% |  |
|                             | 2y CAGR (2024e - 2026e) | 11.3%       | 1.8%        | -3.1%        | -1.5%   | 2.1%    | 23.4%                  | 28.6%            | 34.2%              | 28.7%   | n.a.    |  |
|                             | CAPEX/Sales %           | 3.4%        | 0.4%        | 18.7%        | 33.0%   | 13.9%   | 8.4%                   | 13.6%            | 3.9%               | 8.7%    | 2.0%    |  |
| Free Cash Flow              | 116.8                   | 110.8       | 145.1       | (6.9)        |         | 3.4     | 50.8                   | 8.5              |                    | (2.1)   |         |  |
| Net financial debt          | 304.0                   | 363.2       | 257.7       | 253.1        |         | 771.4   | 846.5                  | (90.0)           |                    | 31.9    |         |  |
| ND/EBITDA (x)               | 4.5                     | 2.3         | 2.6         | 8.3          | 4.4     | 3.2     | 5.0                    | n.a.             | 4.1                | 31.6    |         |  |
| Pay-out                     | 335.0%                  | 85.3%       | 275.3%      | 47.2%        | 185.7%  | 0.0%    | 54.6%                  | 0.0%             | 18.2%              | -316.0% |         |  |
| Multiples and Ratios        | P/E (x)                 | 35.4        | 8.9         | 12.5         | 11.7    | 17.1    | 15.5                   | 15.9             | 17.6               | 16.3    | n.a.    |  |
|                             | P/BV (x)                | 0.9         | 0.9         | 1.0          | 0.9     | 0.9     | 2.0                    | 1.8              | 17.2               | 7.0     | 0.4     |  |
|                             | EV/Revenues (x)         | 2.3         | 1.4         | 1.5          | 2.1     | 1.8     | 2.3                    | 4.1              | 2.0                | 2.8     | 6.0     |  |
|                             | EV/EBITDA (x)           | 23.1        | 9.0         | 10.6         | 12.8    | 13.9    | 8.4                    | 12.6             | 25.5               | 15.5    | 42.2    |  |
|                             | EV/EBIT (x)             | 25.1        | 9.3         | 11.2         | 14.9    | 15.1    | 13.0                   | 19.5             | 39.5               | 24.0    | n.a.    |  |
|                             | ROE                     | 2.4         | 10.3        | 7.6          | 8.0     | 7.1     | 13.0                   | 11.4             | 98.0               | 40.8    | n.a.    |  |
|                             | FCF Yield (%)           | 8.5         | 12.5        | 17.2         | n.a.    | 12.7    | 0.3                    | 7.3              | 1.2                | 2.9     | n.a.    |  |
|                             | DPS                     | 0.86        | 1.88        | 2.48         | 0.32    | 1.39    | 0.00                   | 0.48             | 0.00               | 0.16    | 0.04    |  |
|                             | Dvd Yield               | 9.5%        | 9.3%        | 22.1%        | 4.0%    | 11.2%   | 0.0%                   | 2.9%             | 0.0%               | 1.0%    | 2.2%    |  |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013   | 2014   | 2015   | 2016   | 2017   | 2018    | 2019   | 2020    | 2021   | 2022   | 2023  | 2024e   | 2025e  | 2026e | 13-23  | 23-26e |
|---------------------------------|--------|--------|--------|--------|--------|---------|--------|---------|--------|--------|-------|---------|--------|-------|--------|--------|
| Total Revenues                  | 10.1   | 9.0    | 5.7    | 5.2    | 3.7    | 5.0     | 5.6    | 3.9     | 16.8   | 11.5   | 13.4  | 7.1     | 20.6   | 22.3  | 2.9%   | 18.5%  |
| Total Revenues growth           | -79.2% | -11.1% | -36.2% | -9.8%  | -28.3% | 34.6%   | 11.4%  | -29.4%  | 329.3% | -31.6% | 16.4% | -47.3%  | 191.8% | 8.1%  |        |        |
| EBITDA                          | (8.2)  | 1.4    | 0.5    | 0.3    | 0.2    | (0.0)   | (0.4)  | (1.1)   | 1.7    | 1.9    | 3.4   | 1.0     | 4.2    | 5.3   | 9.2%   | 15.8%  |
| EBITDA growth                   | 73.9%  | 116.9% | -62.2% | -39.7% | -44.0% | -103.7% | n.a.   | -182.9% | 255.0% | 13.4%  | 81.7% | -70.3%  | 311.8% | 26.8% |        |        |
| EBITDA/Sales                    | n.a.   | 15.5%  | 9.2%   | 6.1%   | 4.8%   | n.a.    | n.a.   | n.a.    | 9.8%   | 16.3%  | 25.4% | 14.3%   | 20.2%  | 23.7% |        |        |
| Net Profit                      | (48.6) | 0.7    | 1.2    | 0.9    | 0.3    | 0.1     | 1.1    | (3.6)   | 1.2    | 1.5    | 2.3   | (0.3)   | 2.3    | 3.3   | 7.4%   | 12.3%  |
| Net Profit growth               | -64.7% | 101.4% | 72.8%  | -20.7% | -64.6% | -58.0%  | 669.2% | -440.8% | 133.7% | 23.4%  | 54.0% | -111.7% | 942.8% | 44.1% |        |        |
| Adjusted number shares (Mn)     | 20.9   | 20.9   | 20.9   | 20.9   | 20.9   | 20.9    | 20.9   | 20.9    | 21.0   | 21.9   | 21.9  | 21.9    | 21.9   | 21.9  |        |        |
| EPS (EUR)                       | -2.33  | 0.03   | 0.06   | 0.04   | 0.02   | 0.01    | 0.05   | -0.17   | 0.06   | 0.07   | 0.11  | -0.01   | 0.10   | 0.15  | 7.4%   | 12.3%  |
| EPS growth                      | -64.7% | n.a.   | 72.9%  | -20.7% | -64.6% | -58.0%  | n.a.   | n.a.    | n.a.   | 18.3%  | 54.0% | n.a.    | n.a.   | 44.1% |        |        |
| Ord. EPS (EUR)                  | -2.33  | 0.03   | 0.06   | 0.04   | 0.02   | 0.01    | 0.05   | -0.17   | 0.02   | 0.07   | 0.09  | -0.02   | 0.10   | 0.15  | 7.4%   | 16.8%  |
| Ord. EPS growth                 | -64.7% | n.a.   | 72.9%  | -20.7% | -64.6% | -64.7%  | n.a.   | n.a.    | n.a.   | n.a.   | 37.3% | n.a.    | n.a.   | 44.1% |        |        |
| CAPEX                           | 0.0    | 0.0    | 0.1    | 0.1    | 0.0    | (0.2)   | (0.1)  | (0.3)   | (0.1)  | (0.2)  | (0.2) | (0.1)   | (0.4)  | (0.4) |        |        |
| CAPEX/Sales %                   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | 4.8%    | 1.3%   | 8.7%    | 0.4%   | 1.9%   | 1.8%  | 2.0%    | 2.0%   | 2.0%  |        |        |
| Free Cash Flow                  | 10.3   | 17.8   | 4.9    | 3.7    | 3.1    | 0.9     | 2.4    | (4.7)   | 5.4    | 1.4    | 3.3   | (2.1)   | 4.8    | 5.7   | -10.8% | 20.3%  |
| ND/EBITDA (x) <sup>(2)</sup>    | n.a.   | n.a.   | n.a.   | n.a.   | n.a.   | n.a.    | n.a.   | n.a.    | 19.7x  | 16.8x  | 8.5x  | 31.6x   | 6.7x   | 4.4x  |        |        |
| P/E (x)                         | n.a.   | 67.1x  | 36.3x  | 45.8x  | n.a.   | n.a.    | 29.8x  | n.a.    | 25.7x  | 12.9x  | 9.7x  | n.a.    | 17.0x  | 11.8x |        |        |
| EV/Sales (x)                    | 2.19x  | 5.08x  | 7.12x  | 7.46x  | 9.28x  | 8.86x   | 8.02x  | 10.56x  | 2.64x  | 2.56x  | 2.32x | 6.05x   | 2.07x  | 1.92x |        |        |
| EV/EBITDA (x) <sup>(2)</sup>    | n.a.   | 32.8x  | n.a.   | n.a.   | n.a.   | n.a.    | n.a.   | n.a.    | 27.0x  | 15.7x  | 9.1x  | 42.2x   | 10.2x  | 8.1x  |        |        |
| Absolute performance            | -64.9% | 135.0% | -6.4%  | 0.0%   | -0.1%  | -30.1%  | 6.4%   | -12.5%  | 12.4%  | -40.4% | 15.4% | 72.5%   |        |       |        |        |
| Relative performance vs Ibx 35  | -71.1% | 126.7% | 0.8%   | 2.1%   | -7.0%  | -17.8%  | -4.8%  | 3.5%    | 4.1%   | -36.8% | -6.0% | 53.9%   |        |       |        |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Lingotes Especiales (LGT) is a small Spanish industrial company specialising in the design, development, casting and machining of steel components, mainly for use in the automotive industry, where it is a market leader in braking systems (85% sales) with a 12% market share in Europe.

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**2023 was shaped by normalisation in raw material and energy prices.** Those trends were reflected in revenue (EUR 98.5Mn; -13.6% vs 2022), in turn shaped by flat volumes (+1.4% vs 2022) and price correction (-15%). The fact that not 100% of its contracts are indexed slowed down the improvement in margins (recurring EBITDA margin 2023: 8.5% vs 7.1% in 2022; well below the c.15% of 2019).

**The good news is the reduction in net debt.** The main reason was a shorter collection period (c.-30%) which drove sharp growth in WC. Net debt declined to end the year at EUR 13.7Mn (-26.8% vs 2022), with leverage also falling (ND/EBITDA: 1.1x) despite higher CAPEX (EUR 8.8Mn).

**We see growth in 2024e.** Three drivers: i) the automotive industry remains at c.78% of pre-Covid levels (2023); ii) energy and raw material prices have stabilised; and iii) 2024 will be a transition year for the sale of new machined parts (still under development). We are forecasting 2024e revenue of EUR 103.5Mn (+5.1%) and EBITDA of EUR 9.9Mn (+18.2%; EBITDA margin 2024e: 9.5%).

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Competitive position in a specialist business.** The company's key differentiating factor is its know-how (founded in 1968) and the long-lasting nature of its customer relationships. LGT boasts a leadership position in disc brakes (c.60% of sales), with nearly a 10% share of the European market (88% of revenue in 2023).

**Continuous development of new parts.** The company is strategically committed to the development of value-added parts, a process that takes c.2 years from start to tender, for licences which then last 5 years. We see scope for c.EUR 120Mn of revenue in 2026e (CAGR 2023/25e: +6.4%).

**Room for further margin expansion.** We are not looking for major changes in 2024 due to the weak outlook for vehicle sales (12.8Mn units in Europe in 2023 vs 15.3Mn in 2019). Sector stabilisation (and subsequent recovery) will be the catalyst that will lift the EBITDA margin to 12.6% in 2026e (vs 8.5% in 2023 and 14.6% in 2019). That is the crux of the equity story.

**Solid cash generation and attractive dividend yield.** We are forecasting stable CAPEX (4.5% of revenue) to upgrade and enhance processes, so that the growth in profitability should translate into higher FCF (FCF Yield 26e: 8.5%). We are forecasting an ongoing payout of c.80% and a dividend yield 26e of 8.8%.

## RISKS: WHAT TO KEEP AN EYE ON?

**Dependence on the automotive sector.** The automotive sector's momentum is coming from growth in vehicle prices and not volume growth. As a result, parts suppliers are seeing their production volumes fall. This market trend could have a negative impact on our estimates.

**Uncertainty around the trend in raw material and energy prices.** Despite price normalisation in 2023 and early 2024, the geopolitical context remains highly uncertain. This could impact raw material and energy prices. Putting pressure on margins.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Sector momentum is weak.** Parts makers have been performing weakly in the market since the onset of Covid-19 (European sector -67% -5y vs -54.5% for LGT). LGT's relative outperformance leaves its multiples above those of its comparables, with margins still under pressure. A clearcut recovery in margins (2025?) will be essential to making the market take a fresh look at a company with significant FCF generation potential.

### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 68.8               | 74.8 |
| EV (Mn EUR and USD)            | 84.4               | 91.8 |
| Shares Outstanding (Mn)        | 10.0               |      |
| -12m (Max/Med/Min EUR)         | 8.34 / 7.05 / 6.12 |      |
| Daily Avg volume (-12m Mn EUR) | 0.02               |      |
| Rotation <sup>(1)</sup>        | 8.4                |      |
| Factset / Bloomberg            | LGT-ES / LGT SM    |      |
| Close fiscal year              | 31-Dec             |      |

### Shareholders Structure (%)

|                           |      |
|---------------------------|------|
| Consejo de Administración | 55.0 |
| Mallorquina de Seguros    | 6.0  |
| Onchena                   | 9.4  |
| Free Float                | 29.6 |

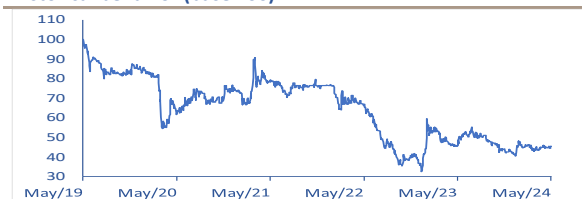
### Financials (Mn EUR)

|                                     | 2023 | 2024e | 2025e | 2026e |
|-------------------------------------|------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 10.0 | 10.0  | 10.0  | 10.0  |
| Total Revenues                      | 98.5 | 103.5 | 110.7 | 118.5 |
| Rec. EBITDA                         | 8.4  | 9.9   | 12.1  | 14.9  |
| % growth                            | 4.0  | 18.2  | 22.3  | 23.5  |
| % Rec. EBITDA/Rev.                  | 8.5  | 9.5   | 10.9  | 12.6  |
| % Inc. EBITDA sector <sup>(2)</sup> | 13.4 | 12.3  | 7.5   | 7.1   |
| Net Profit                          | 3.2  | 3.9   | 5.4   | 7.4   |
| EPS (EUR)                           | 0.32 | 0.39  | 0.54  | 0.74  |
| % growth                            | 2.4  | 19.5  | 39.3  | 38.6  |
| Ord. EPS (EUR)                      | 0.25 | 0.33  | 0.48  | 0.69  |
| % growth                            | -1.4 | 31.6  | 46.2  | 43.3  |
| Rec. Free Cash Flow                 | 6.5  | 2.5   | 4.0   | 5.8   |
| Pay-out (%)                         | 83.7 | 80.4  | 80.4  | 81.1  |
| DPS (EUR)                           | 0.27 | 0.31  | 0.43  | 0.60  |
| Net financial debt                  | 9.6  | 9.0   | 7.3   | 5.0   |
| ND/Rec. EBITDA (x)                  | 1.1  | 0.9   | 0.6   | 0.3   |
| ROE (%)                             | 7.0  | 8.3   | 11.1  | 14.6  |
| ROCE (%)                            | 6.1  | 7.6   | 10.3  | 13.7  |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 21.3 | 17.8 | 12.8 | 9.2  |
| Ord. P/E           | 27.7 | 21.0 | 14.4 | 10.0 |
| P/BV               | 1.5  | 1.5  | 1.4  | 1.3  |
| Dividend Yield (%) | 3.9  | 4.5  | 6.3  | 8.8  |
| EV/Sales           | 0.86 | 0.82 | 0.76 | 0.71 |
| EV/Rec. EBITDA     | 10.1 | 8.5  | 7.0  | 5.7  |
| EV/EBIT            | 17.3 | 14.7 | 10.8 | 8.0  |
| FCF Yield (%)      | 9.5  | 3.6  | 5.9  | 8.5  |

### Historical behavior (base 100)



| (%)      | -1m  | -3m  | -12m | -5Y   |
|----------|------|------|------|-------|
| Absolute | -0.3 | -1.7 | -0.7 | -54.5 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Automobiles & Parts.



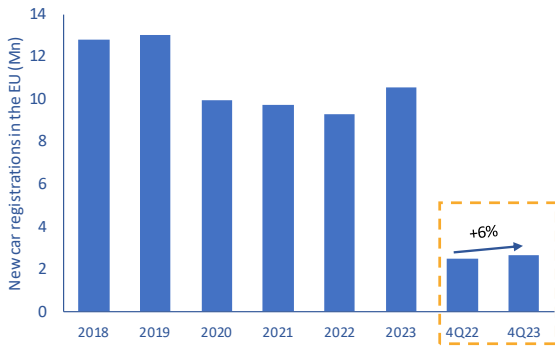
Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020          | 2021           | 2022          | 2023          | 2024e        | 2025e        | 2026e        | CAGR          |               |
|--|--------------|---------------|----------------|---------------|---------------|--------------|--------------|--------------|---------------|---------------|
| Intangible assets                            | 0.9          | 1.1           | 1.6            | 1.6           | 2.0           | 3.4          | 4.6          | 5.6          |               |               |
| Fixed assets                                 | 56.8         | 57.2          | 57.1           | 56.4          | 60.9          | 59.7         | 58.5         | 57.7         |               |               |
| Other Non Current Assets                     | 0.5          | 0.4           | 1.2            | 0.8           | 0.2           | 0.2          | 0.2          | 0.2          |               |               |
| Financial Investments                        | 0.6          | 0.2           | 0.2            | 0.2           | 0.2           | 0.2          | 0.2          | 0.2          |               |               |
| Goodwill & Other Intangibles                 | -            | -             | -              | -             | -             | -            | -            | -            |               |               |
| Current assets                               | 28.9         | 28.3          | 25.7           | 32.2          | 22.0          | 23.6         | 25.8         | 28.2         |               |               |
| <b>Total assets</b>                          | <b>87.7</b>  | <b>87.3</b>   | <b>85.9</b>    | <b>91.3</b>   | <b>85.4</b>   | <b>87.1</b>  | <b>89.3</b>  | <b>92.0</b>  |               |               |
| Equity                                       | 46.2         | 45.1          | 43.7           | 46.8          | 46.0          | 47.2         | 49.5         | 52.6         |               |               |
| Minority Interests                           | -            | -             | -              | -             | -             | -            | -            | -            |               |               |
| Provisions & Other L/T Liabilities           | 1.5          | 8.3           | 1.4            | 0.9           | 0.8           | 0.8          | 0.8          | 0.8          |               |               |
| Other Non Current Liabilities                | 0.2          | 0.1           | 0.2            | 0.1           | 5.5           | 5.5          | 5.5          | 5.5          |               |               |
| Net financial debt                           | 15.2         | 9.2           | 19.9           | 18.7          | 9.6           | 9.0          | 7.3          | 5.0          |               |               |
| Current Liabilities                          | 24.6         | 24.5          | 20.7           | 24.7          | 23.5          | 24.7         | 26.3         | 28.1         |               |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>87.7</b>  | <b>87.3</b>   | <b>85.9</b>    | <b>91.3</b>   | <b>85.4</b>   | <b>87.1</b>  | <b>89.3</b>  | <b>92.0</b>  |               |               |
| P&L (EUR Mn)                                 | 2019         | 2020          | 2021           | 2022          | 2023          | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e        |
| <b>Total Revenues</b>                        | <b>114.9</b> | <b>91.2</b>   | <b>85.9</b>    | <b>113.9</b>  | <b>98.5</b>   | <b>103.5</b> | <b>110.7</b> | <b>118.5</b> | <b>-3.8%</b>  | <b>6.4%</b>   |
| <i>Total Revenues growth</i>                 | <i>-0.6%</i> | <i>-20.7%</i> | <i>-5.8%</i>   | <i>32.7%</i>  | <i>-13.6%</i> | <i>5.1%</i>  | <i>7.0%</i>  | <i>7.0%</i>  |               |               |
| COGS   | (49.6)       | (37.7)        | (40.5)         | (48.9)        | (45.6)        | (47.6)       | (49.3)       | (51.5)       |               |               |
| <b>Gross Margin</b>                          | <b>65.3</b>  | <b>53.5</b>   | <b>45.4</b>    | <b>65.0</b>   | <b>52.9</b>   | <b>55.9</b>  | <b>61.4</b>  | <b>66.9</b>  | <b>-5.1%</b>  | <b>8.2%</b>   |
| <i>Gross Margin/Revenues</i>                 | <i>56.8%</i> | <i>58.7%</i>  | <i>52.9%</i>   | <i>57.1%</i>  | <i>53.7%</i>  | <i>54.0%</i> | <i>55.5%</i> | <i>56.5%</i> |               |               |
| Personnel Expenses                           | (27.8)       | (25.2)        | (22.7)         | (23.3)        | (24.5)        | (25.8)       | (27.2)       | (28.8)       |               |               |
| Other Operating Expenses                     | (20.6)       | (16.5)        | (21.2)         | (33.7)        | (20.0)        | (20.2)       | (22.1)       | (23.2)       |               |               |
| <b>Recurrent EBITDA</b>                      | <b>16.8</b>  | <b>11.8</b>   | <b>1.5</b>     | <b>8.0</b>    | <b>8.4</b>    | <b>9.9</b>   | <b>12.1</b>  | <b>14.9</b>  | <b>-16.1%</b> | <b>21.3%</b>  |
| <i>Recurrent EBITDA growth</i>               | <i>-7.5%</i> | <i>-29.9%</i> | <i>-87.2%</i>  | <i>430.5%</i> | <i>4.0%</i>   | <i>18.2%</i> | <i>22.3%</i> | <i>23.5%</i> |               |               |
| <i>Rec. EBITDA/Revenues</i>                  | <i>14.6%</i> | <i>12.9%</i>  | <i>1.8%</i>    | <i>7.1%</i>   | <i>8.5%</i>   | <i>9.5%</i>  | <i>10.9%</i> | <i>12.6%</i> |               |               |
| Restructuring Expense & Other non-rec.       | -            | 0.8           | 0.5            | 0.8           | 1.0           | 0.8          | 0.8          | 0.8          |               |               |
| <b>EBITDA</b>                                | <b>16.8</b>  | <b>12.6</b>   | <b>2.0</b>     | <b>8.9</b>    | <b>9.3</b>    | <b>10.7</b>  | <b>12.9</b>  | <b>15.7</b>  | <b>-13.7%</b> | <b>18.9%</b>  |
| Depreciation & Provisions                    | (5.5)        | (4.5)         | (5.1)          | (5.5)         | (5.6)         | (5.9)        | (5.9)        | (5.9)        |               |               |
| Capitalized Expense                          | 0.4          | 0.7           | 1.0            | 1.2           | 1.5           | 1.3          | 1.2          | 1.1          |               |               |
| Rentals (IFRS 16 impact)                     | (0.1)        | (0.1)         | (0.1)          | (0.1)         | (0.4)         | (0.4)        | (0.4)        | (0.4)        |               |               |
| <b>EBIT</b>                                  | <b>11.7</b>  | <b>8.7</b>    | <b>(2.2)</b>   | <b>4.5</b>    | <b>4.9</b>    | <b>5.7</b>   | <b>7.8</b>   | <b>10.5</b>  | <b>-19.6%</b> | <b>29.2%</b>  |
| <i>EBIT growth</i>                           | <i>-8.7%</i> | <i>-25.8%</i> | <i>-124.9%</i> | <i>308.2%</i> | <i>8.5%</i>   | <i>17.9%</i> | <i>35.8%</i> | <i>34.6%</i> |               |               |
| <i>EBIT/Revenues</i>                         | <i>10.2%</i> | <i>9.5%</i>   | <i>n.a.</i>    | <i>3.9%</i>   | <i>5.0%</i>   | <i>5.6%</i>  | <i>7.1%</i>  | <i>8.9%</i>  |               |               |
| Impact of Goodwill & Others                  | -            | -             | -              | -             | -             | -            | -            | -            |               |               |
| Net Financial Result                         | (0.3)        | (0.3)         | (0.3)          | (0.4)         | (0.6)         | (0.6)        | (0.6)        | (0.6)        |               |               |
| Income by the Equity Method                  | -            | -             | -              | -             | -             | -            | -            | -            |               |               |
| <b>Ordinary Profit</b>                       | <b>11.4</b>  | <b>8.4</b>    | <b>(2.5)</b>   | <b>4.1</b>    | <b>4.2</b>    | <b>5.1</b>   | <b>7.2</b>   | <b>9.9</b>   | <b>-22.0%</b> | <b>32.8%</b>  |
| <i>Ordinary Profit Growth</i>                | <i>-6.5%</i> | <i>-26.7%</i> | <i>-129.6%</i> | <i>265.2%</i> | <i>3.3%</i>   | <i>21.4%</i> | <i>39.3%</i> | <i>38.6%</i> |               |               |
| Extraordinary Results                        | -            | (0.4)         | 0.5            | -             | -             | -            | -            | -            |               |               |
| <b>Profit Before Tax</b>                     | <b>11.4</b>  | <b>8.0</b>    | <b>(2.0)</b>   | <b>4.1</b>    | <b>4.2</b>    | <b>5.1</b>   | <b>7.2</b>   | <b>9.9</b>   | <b>-22.0%</b> | <b>32.8%</b>  |
| Tax Expense                                  | (2.7)        | (2.1)         | 0.5            | (0.9)         | (1.0)         | (1.3)        | (1.8)        | (2.5)        |               |               |
| <i>Effective Tax Rate</i>                    | <i>23.6%</i> | <i>25.7%</i>  | <i>n.a.</i>    | <i>23.1%</i>  | <i>23.8%</i>  | <i>25.0%</i> | <i>25.0%</i> | <i>25.0%</i> |               |               |
| Minority Interests                           | -            | -             | -              | -             | -             | -            | -            | -            |               |               |
| Discontinued Activities                      | -            | -             | -              | -             | -             | -            | -            | -            |               |               |
| <b>Net Profit</b>                            | <b>8.7</b>   | <b>6.0</b>    | <b>(1.5)</b>   | <b>3.2</b>    | <b>3.2</b>    | <b>3.9</b>   | <b>5.4</b>   | <b>7.4</b>   | <b>-22.0%</b> | <b>32.1%</b>  |
| <i>Net Profit growth</i>                     | <i>-5.1%</i> | <i>-31.7%</i> | <i>-124.8%</i> | <i>313.3%</i> | <i>2.4%</i>   | <i>19.5%</i> | <i>39.3%</i> | <i>38.6%</i> |               |               |
| <b>Ordinary Net Profit</b>                   | <b>8.7</b>   | <b>5.6</b>    | <b>(2.9)</b>   | <b>2.5</b>    | <b>2.5</b>    | <b>3.3</b>   | <b>4.8</b>   | <b>6.9</b>   | <b>-26.9%</b> | <b>40.3%</b>  |
| <i>Ordinary Net Profit growth</i>            | <i>-5.1%</i> | <i>-35.8%</i> | <i>-152.3%</i> | <i>186.0%</i> | <i>-1.4%</i>  | <i>31.6%</i> | <i>46.2%</i> | <i>43.3%</i> |               |               |
| Cash Flow (EUR Mn)                           | 2019         | 2020          | 2021           | 2022          | 2023          | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e        |
| <b>Recurrent EBITDA</b>                      |              |               |                |               |               | <b>9.9</b>   | <b>12.1</b>  | <b>14.9</b>  | <b>-16.1%</b> | <b>21.3%</b>  |
| Rentals (IFRS 16 impact)                     |              |               |                |               |               | (0.4)        | (0.4)        | (0.4)        |               |               |
| Working Capital Increase                     |              |               |                |               |               | (0.5)        | (0.5)        | (0.6)        |               |               |
| <b>Recurrent Operating Cash Flow</b>         |              |               |                |               |               | <b>9.1</b>   | <b>11.2</b>  | <b>14.0</b>  | <b>-2.7%</b>  | <b>-6.1%</b>  |
| CAPEX  |              |               |                |               |               | (4.7)        | (4.8)        | (5.1)        |               |               |
| Net Financial Result affecting the Cash Flow |              |               |                |               |               | (0.6)        | (0.6)        | (0.6)        |               |               |
| Tax Expense                                  |              |               |                |               |               | (1.3)        | (1.8)        | (2.5)        |               |               |
| <b>Recurrent Free Cash Flow</b>              |              |               |                |               |               | <b>2.5</b>   | <b>4.0</b>   | <b>5.8</b>   | <b>-6.2%</b>  | <b>-3.5%</b>  |
| Restructuring Expense & Other non-rec.       |              |               |                |               |               | 0.8          | 0.8          | 0.8          |               |               |
| - Acquisitions / + Divestures of assets      |              |               |                |               |               | -            | -            | -            |               |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |               |                |               |               | -            | -            | -            |               |               |
| <b>Free Cash Flow</b>                        |              |               |                |               |               | <b>3.3</b>   | <b>4.8</b>   | <b>6.6</b>   | <b>11.1%</b>  | <b>-20.9%</b> |
| Capital Increase                             |              |               |                |               |               | -            | -            | -            |               |               |
| Dividends                                    |              |               |                |               |               | (2.7)        | (3.1)        | (4.3)        |               |               |
| <b>Net Debt Variation</b>                    |              |               |                |               |               | <b>(0.6)</b> | <b>(1.7)</b> | <b>(2.3)</b> |               |               |

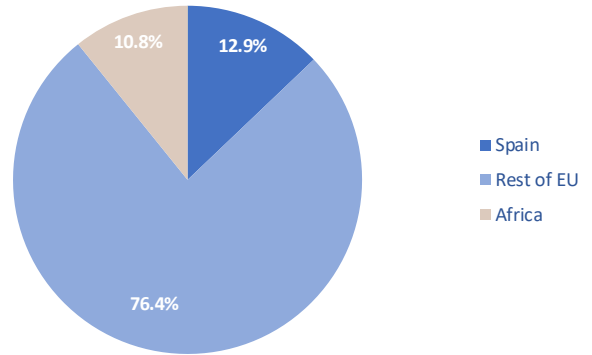


The company in 8 charts

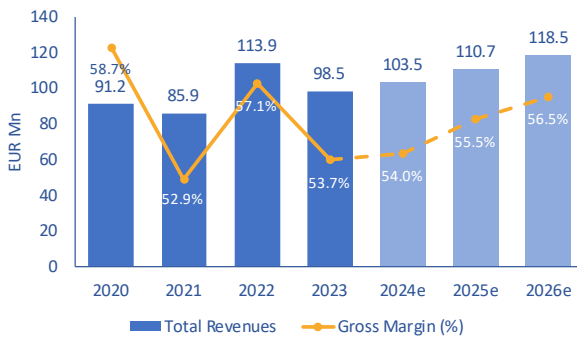
Vehicle registrations in Europe had been on the rise in 2023 (but still lower than in 2019)



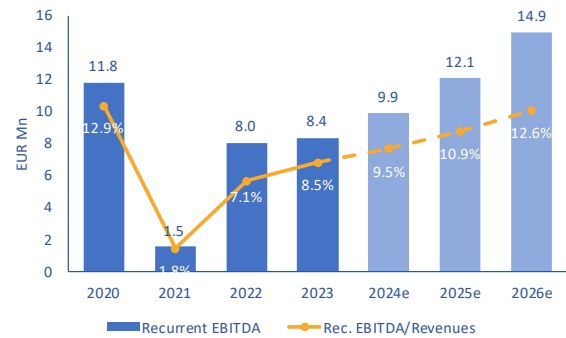
Exports make up 87% of revenue, with Europe as the main revenue source



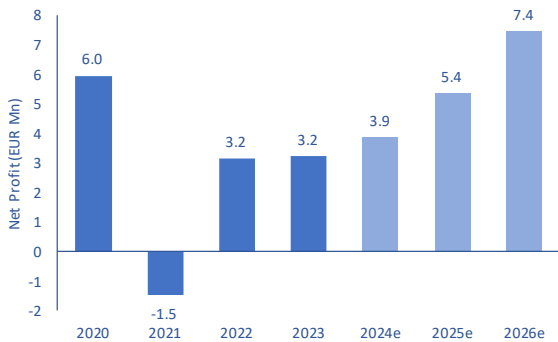
Despite higher volumes, lower prices in will undermine revenue growth



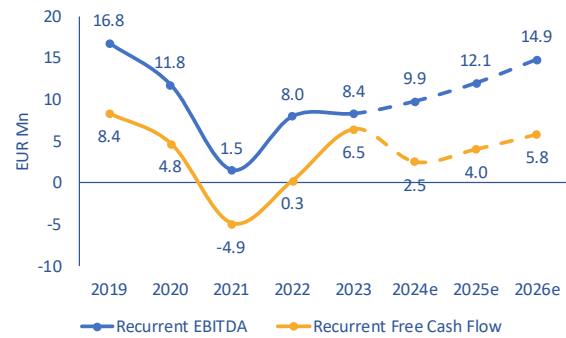
There is still plenty of room for margins (still heavily penalised by high raw material costs) to recover



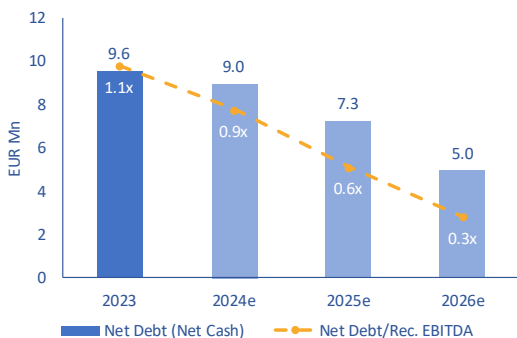
With no significant impact on finance costs, LGT will convert c. 30% of EBITDA into net profit



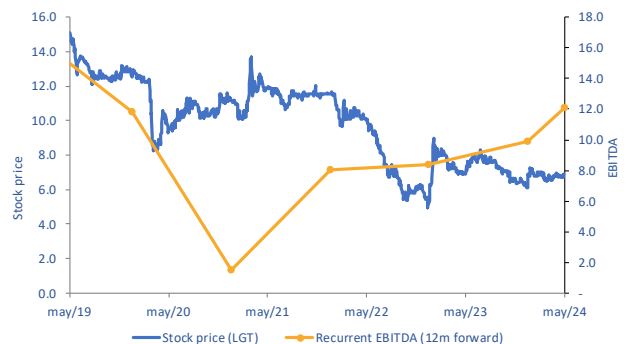
A company with strong potential to generate FCF



Cash generation should bring gearing back to levels of 0.9x ND/EBITDA in 2024e



Earnings in 2024e could provide a catalyst by making margin improvement appear more credible



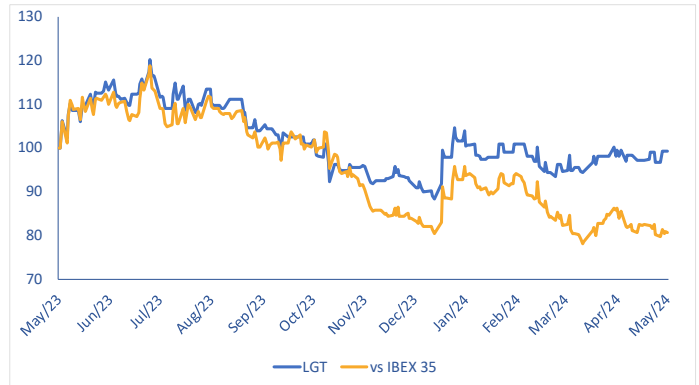


Evolution of the share price

Historical behavior vs Ibex 35 (base 100)



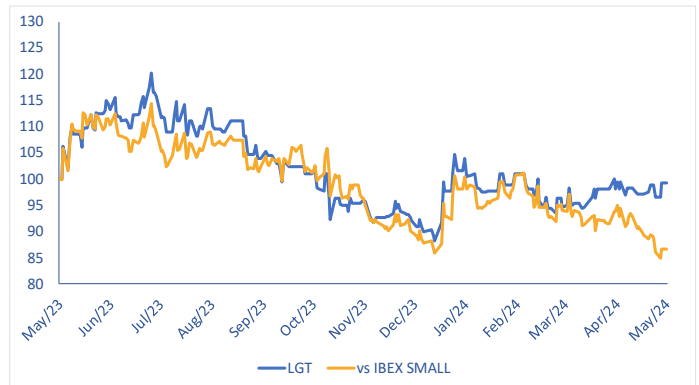
Behavior -1y vs Ibex 35 (base 100)



Historical behavior vs Ibex Small Cap (base 100)



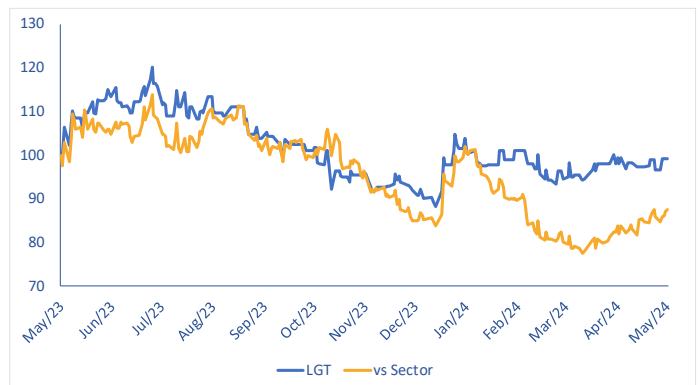
Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector<sup>(1)</sup> (base 100)



Behavior -1y vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Stoxx Europe 600 Automobiles & Parts

| Stock performance (%)                     | -1m  | -3m   | -12m  | YTD  | -3Y   | -5Y   |
|---|------|-------|-------|------|-------|-------|
| Absolute                                  | -0.3 | -1.7  | -0.7  | 12.4 | -42.6 | -54.5 |
| <b>vs Market</b>                          |      |       |       |      |       |       |
| vs Ibex 35                                | -6.4 | -14.2 | -19.3 | 0.3  | -53.6 | -62.7 |
| vs Euro STOXX 50                          | -3.2 | -7.5  | -15.3 | 0.4  | -54.6 | -69.2 |
| <b>vs Small Cap References</b>            |      |       |       |      |       |       |
| vs Ibex Small Cap Index                   | -8.7 | -14.0 | -13.3 | 1.0  | -43.8 | -65.1 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -5.5 | -9.0  | -5.5  | 4.3  | -37.9 | -62.3 |
| vs MSCI Europe Micro Cap                  | -6.0 | -8.4  | -3.6  | 6.4  | -29.6 | -62.0 |
| <b>vs Sector</b>                          |      |       |       |      |       |       |
| vs Stoxx Europe 600 Automobiles & Parts   | 4.4  | -2.3  | -12.4 | 4.4  | -46.9 | -66.9 |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

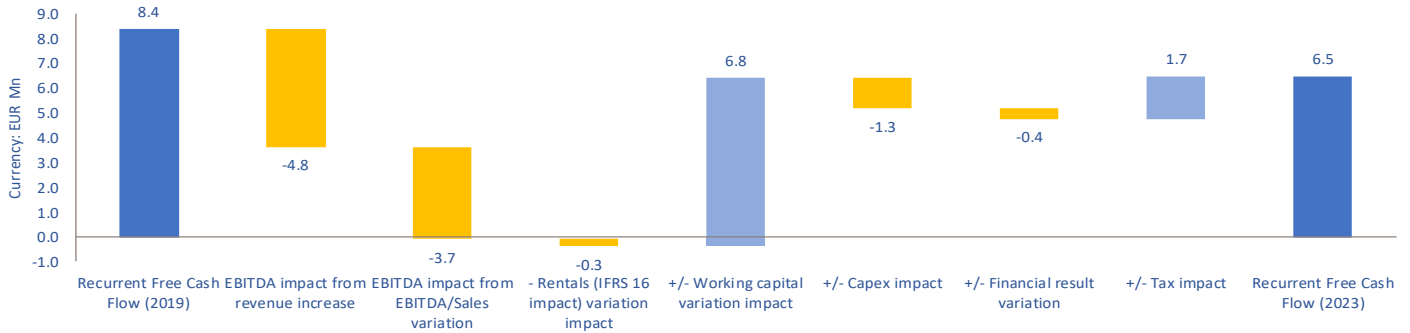
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021          | 2022         | 2023        | 2024e        | 2025e       | 2026e       | CAGR          |               |
|---|--------------|---------------|--------------|-------------|--------------|-------------|-------------|---------------|---------------|
|   |              |               |              |             |              |             |             | 20-23         | 23-26e        |
| <b>Recurrent EBITDA</b>   | <b>11.8</b>  | <b>1.5</b>    | <b>8.0</b>   | <b>8.4</b>  | <b>9.9</b>   | <b>12.1</b> | <b>14.9</b> | <b>-10.9%</b> | <b>21.3%</b>  |
| <i>Recurrent EBITDA growth</i>  | -29.9%       | -87.2%        | 430.5%       | 4.0%        | 18.2%        | 22.3%       | 23.5%       |               |               |
| <i>Rec. EBITDA/Revenues</i>   | 12.9%        | 1.8%          | 7.1%         | 8.5%        | 9.5%         | 10.9%       | 12.6%       |               |               |
| - Rentals (IFRS 16 impact)  | (0.1)        | (0.1)         | (0.1)        | (0.4)       | (0.4)        | (0.4)       | (0.4)       |               |               |
| +/- Working Capital increase  | 0.6          | (1.3)         | (2.5)        | 8.9         | (0.5)        | (0.5)       | (0.6)       |               |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>12.3</b>  | <b>0.1</b>    | <b>5.5</b>   | <b>16.9</b> | <b>9.1</b>   | <b>11.2</b> | <b>14.0</b> | <b>11.3%</b>  | <b>-6.1%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | -35.0%       | -99.0%        | n.a.         | 209.0%      | -46.5%       | 24.1%       | 24.6%       |               |               |
| <i>Rec. Operating Cash Flow / Sales</i>   | 13.5%        | 0.1%          | 4.8%         | 17.2%       | 8.8%         | 10.2%       | 11.8%       |               |               |
| - CAPEX   | (5.5)        | (5.2)         | (3.8)        | (8.8)       | (4.7)        | (4.8)       | (5.1)       |               |               |
| - Net Financial Result affecting Cash Flow  | (0.3)        | (0.3)         | (0.4)        | (0.6)       | (0.6)        | (0.6)       | (0.6)       |               |               |
| - Taxes   | (1.8)        | 0.5           | (0.9)        | (1.0)       | (1.3)        | (1.8)       | (2.5)       |               |               |
| <b>= Recurrent Free Cash Flow</b>   | <b>4.8</b>   | <b>(4.9)</b>  | <b>0.3</b>   | <b>6.5</b>  | <b>2.5</b>   | <b>4.0</b>  | <b>5.8</b>  | <b>11.0%</b>  | <b>-3.5%</b>  |
| <i>Rec. Free Cash Flow growth</i>   | -43.4%       | -202.8%       | 106.4%       | n.a.        | -61.4%       | 61.0%       | 44.6%       |               |               |
| <i>Rec. Free Cash Flow / Revenues</i>   | 5.2%         | n.a.          | 0.3%         | 6.6%        | 2.4%         | 3.7%        | 4.9%        |               |               |
| - Restructuring expenses & others   | 0.8          | 0.5           | 0.8          | 1.0         | 0.8          | 0.8         | 0.8         |               |               |
| - Acquisitions / + Divestments  | -            | -             | -            | -           | -            | -           | -           |               |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | 0.5           | (0.2)        | 5.9         | -            | -           | -           |               |               |
| <b>= Free Cash Flow</b>   | <b>5.6</b>   | <b>(4.0)</b>  | <b>0.9</b>   | <b>13.4</b> | <b>3.3</b>   | <b>4.8</b>  | <b>6.6</b>  | <b>33.7%</b>  | <b>-20.9%</b> |
| <i>Free Cash Flow growth</i>  | -36.3%       | -171.2%       | 122.8%       | n.a.        | -75.4%       | 46.6%       | 37.4%       |               |               |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 6.9%         | n.a.          | 0.5%         | 9.5%        | 3.6%         | 5.9%        | 8.5%        |               |               |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 8.1%         | n.a.          | 1.3%         | 19.5%       | 4.8%         | 7.0%        | 9.6%        |               |               |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |               |              |             |              |             |             |               |               |
| <b>Recurrent FCF(FY - 1)</b>  | <b>8.4</b>   | <b>4.8</b>    | <b>(4.9)</b> | <b>0.3</b>  | <b>6.5</b>   | <b>2.5</b>  | <b>4.0</b>  |               |               |
| EBITDA impact from revenue increase   | (3.5)        | (0.7)         | 0.5          | (1.1)       | 0.4          | 0.7         | 0.8         |               |               |
| EBITDA impact from EBITDA/Sales variation   | (1.6)        | (9.6)         | 6.0          | 1.4         | 1.1          | 1.5         | 2.0         |               |               |
| <b>= Recurrent EBITDA variation</b>   | <b>(5.0)</b> | <b>(10.3)</b> | <b>6.5</b>   | <b>0.3</b>  | <b>1.5</b>   | <b>2.2</b>  | <b>2.8</b>  |               |               |
| - Rentals (IFRS 16 impact) variation impact   | (0.0)        | (0.0)         | -            | (0.3)       | -            | -           | -           |               |               |
| +/- Working capital variation impact  | (1.5)        | (1.9)         | (1.2)        | 11.4        | (9.4)        | (0.0)       | (0.1)       |               |               |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(6.6)</b> | <b>(12.2)</b> | <b>5.4</b>   | <b>11.5</b> | <b>(7.9)</b> | <b>2.2</b>  | <b>2.8</b>  |               |               |
| +/- CAPEX impact  | 2.1          | 0.2           | 1.4          | (5.0)       | 4.1          | (0.1)       | (0.3)       |               |               |
| +/- Financial result variation  | (0.1)        | (0.0)         | (0.1)        | (0.2)       | 0.0          | (0.0)       | 0.1         |               |               |
| +/- Tax impact  | 1.0          | 2.3           | (1.5)        | (0.1)       | (0.3)        | (0.5)       | (0.7)       |               |               |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(3.6)</b> | <b>(9.6)</b>  | <b>5.2</b>   | <b>6.2</b>  | <b>(4.0)</b> | <b>1.5</b>  | <b>1.8</b>  |               |               |
| <b>Recurrent Free Cash Flow</b>   | <b>4.8</b>   | <b>(4.9)</b>  | <b>0.3</b>   | <b>6.5</b>  | <b>2.5</b>   | <b>4.0</b>  | <b>5.8</b>  |               |               |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |               |              |             |              |             |             |               |               |
| <b>EBIT</b>   | <b>8.7</b>   | <b>(2.2)</b>  | <b>4.5</b>   | <b>4.9</b>  | <b>5.7</b>   | <b>7.8</b>  | <b>10.5</b> | <b>-17.5%</b> | <b>29.2%</b>  |
| * <i>Theoretical Tax rate</i>   | 25.7%        | 0.0%          | 23.1%        | 23.8%       | 25.0%        | 25.0%       | 25.0%       |               |               |
| = Taxes (pre- Net Financial Result)   | (2.2)        | -             | (1.0)        | (1.2)       | (1.4)        | (2.0)       | (2.6)       |               |               |
| <b>Recurrent EBITDA</b>   | <b>11.8</b>  | <b>1.5</b>    | <b>8.0</b>   | <b>8.4</b>  | <b>9.9</b>   | <b>12.1</b> | <b>14.9</b> | <b>-10.9%</b> | <b>21.3%</b>  |
| - Rentals (IFRS 16 impact)  | (0.1)        | (0.1)         | (0.1)        | (0.4)       | (0.4)        | (0.4)       | (0.4)       |               |               |
| +/- Working Capital increase  | 0.6          | (1.3)         | (2.5)        | 8.9         | (0.5)        | (0.5)       | (0.6)       |               |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>12.3</b>  | <b>0.1</b>    | <b>5.5</b>   | <b>16.9</b> | <b>9.1</b>   | <b>11.2</b> | <b>14.0</b> | <b>11.3%</b>  | <b>-6.1%</b>  |
| - CAPEX   | (5.5)        | (5.2)         | (3.8)        | (8.8)       | (4.7)        | (4.8)       | (5.1)       |               |               |
| - Taxes (pre- Financial Result)   | (2.2)        | -             | (1.0)        | (1.2)       | (1.4)        | (2.0)       | (2.6)       |               |               |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>4.6</b>   | <b>(5.1)</b>  | <b>0.6</b>   | <b>7.0</b>  | <b>3.0</b>   | <b>4.5</b>  | <b>6.3</b>  | <b>15.1%</b>  | <b>-3.5%</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -46.7%       | -211.6%       | 112.1%       | n.a.        | -57.6%       | 52.7%       | 38.8%       |               |               |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 5.0%         | n.a.          | 0.5%         | 7.1%        | 2.9%         | 4.1%        | 5.3%        |               |               |
| - Acquisitions / + Divestments  | -            | -             | -            | -           | -            | -           | -           |               |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | 0.5           | (0.2)        | 5.9         | -            | -           | -           |               |               |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>4.6</b>   | <b>(4.7)</b>  | <b>0.4</b>   | <b>12.9</b> | <b>3.0</b>   | <b>4.5</b>  | <b>6.3</b>  | <b>41.1%</b>  | <b>-21.3%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -48.9%       | -201.7%       | 108.5%       | n.a.        | -77.0%       | 52.7%       | 38.8%       |               |               |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 5.4%         | n.a.          | 0.7%         | 8.3%        | 3.5%         | 5.4%        | 7.4%        |               |               |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 5.4%         | n.a.          | 0.5%         | 15.3%       | 3.5%         | 5.4%        | 7.4%        |               |               |



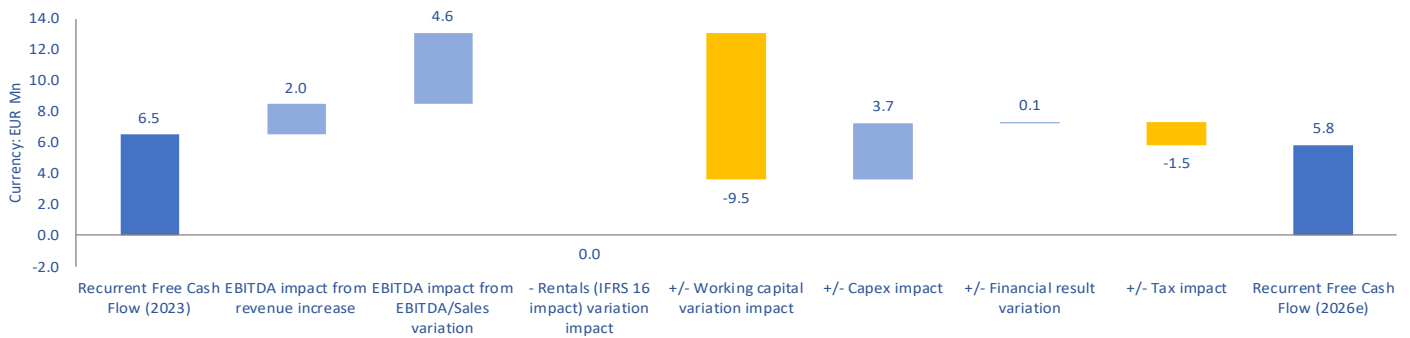


Free Cash Flow (II)

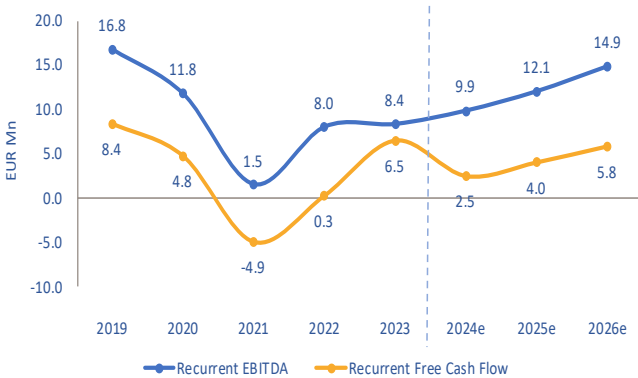
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Stock performance vs EBITDA 12m forward





Valuation inputs

Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 3.0   | 4.5                                 | 6.3   | 97.9                          |           |            |
| Market Cap                     | 68.8  | At the date of this report          |       |                               |           |            |
| Net financial debt             | 9.6   | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |       |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 4.5%  | Net debt cost                       |       |                               | 4.3%      | 4.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 3.6%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 3.4%      | 3.8%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.1   | B (own estimate)                    |       |                               | 1.0       | 1.1        |
| Cost of Equity                 | 9.9%  | Ke = Rf + (R * B)                   |       |                               | 8.8%      | 10.4%      |
| Equity / (Equity + Net Debt)   | 87.8% | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 12.2% | D                                   |       |                               | =         | =          |
| WACC                           | 9.1%  | WACC = Kd * D + Ke * E              |       |                               | 8.1%      | 9.6%       |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 68.8        |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 6.3         | 12m Results 2023 |
| + Net financial debt                 | 9.6         | 12m Results 2023 |
| - Financial Investments              | 0.2         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>84.4</b> |                  |

Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 14.3% | 10.3% | n.a. | 5.3% | 6.1% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -3.0% | 4.6%  |      |      |      |
| FCF Yield - WACC     | 0.4%  | -0.6% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

Free Cash Flow sensitivity analysis (2025e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 12.0%            | 13.3       | 6.3x          |
| Central  | 10.9%            | 12.1       | 7.0x          |
| Min      | 9.8%             | 10.9       | 7.8x          |

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|------|------|----------|--------------------|------|------|
| EBITDA 25e      | 3.9%            | 4.3% | 4.7% |          | Max                | 8.3% | 7.6% |
| 13.3            | 5.7             | 5.3  | 4.8  | Central  | 6.5%               | 5.9% | 5.2% |
| 12.1            | 4.5             | 4.0  | 3.6  | Min      | 4.8%               | 4.1% | 3.5% |
| 10.9            | 3.3             | 2.8  | 2.4  |          |                    |      |      |

Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 22.2% | 25.0% | 22.2% |
| % of proprietary directors           | 11.1% | 12.5% | 22.2% |
| % of executive directors             | 33.3% | 37.5% | 33.3% |
| % of other directors                 | 33.3% | 25.0% | 22.2% |
| % of women on the board of directors | 44.4% | 37.5% | 33.3% |
| % of women out of total workforce    | 5.0%  | 4.7%  | 4.4%  |
| Board remuneration/staff cost        | 3.3%  | 3.3%  | 3.3%  |



Main peers 2024e

| Market data                 | Auto-Parts              |            |          |             |             | Brake Systems |             |        |
|-----------------------------|-------------------------|------------|----------|-------------|-------------|---------------|-------------|--------|
|                             | EUR Mn                  | CIE        |          | Voestalpine |             | Average       | Brembo SPA  | LGT    |
|                             |                         | Automotive | Gestamp  | Cummins     | Voestalpine |               |             |        |
| Ticker (Factset)            |                         | CIE-ES     | GEST-ES  | CMI-US      | VOE-AT      |               | BRE-IT      | LGT-ES |
| Country                     |                         | Spain      | Spain    | USA         | Austria     |               | Netherlands | Spain  |
| Market cap                  |                         | 3,340.5    | 1,741.3  | 35,912.9    | 4,666.5     |               | 3,615.2     | 68.8   |
| Enterprise value (EV)       |                         | 5,010.2    | 4,712.9  | 40,766.7    | 6,804.3     |               | 4,192.4     | 84.4   |
| Basic financial information | Total Revenues          | 4,099.6    | 12,527.0 | 30,226.0    | 16,762.4    |               | 3,982.9     | 103.5  |
|                             | Total Revenues growth   | 3.5%       | 2.1%     | -3.4%       | 0.1%        | 0.6%          | 3.5%        | 5.1%   |
|                             | 2y CAGR (2024e - 2026e) | 3.9%       | 4.4%     | 5.9%        | 0.6%        | 3.7%          | 6.4%        | 7.0%   |
|                             | EBITDA                  | 755.0      | 1,384.7  | 4,559.7     | 1,674.1     |               | 689.6       | 10.7   |
|                             | EBITDA growth           | 5.9%       | 2.1%     | 15.6%       | 1.0%        | 6.1%          | 14.3%       | 14.2%  |
|                             | 2y CAGR (2024e - 2026e) | 5.7%       | 8.6%     | 9.1%        | 3.6%        | 6.7%          | 8.9%        | 21.4%  |
|                             | EBITDA/Revenues         | 18.4%      | 11.1%    | 15.1%       | 10.0%       | 13.6%         | 17.3%       | 10.3%  |
|                             | EBIT                    | 560.7      | 665.8    | 3,476.3     | 889.6       |               | 424.8       | 5.7    |
|                             | EBIT growth             | 5.7%       | 0.0%     | 15.8%       | 17.9%       | 9.8%          | 19.8%       | 17.9%  |
|                             | 2y CAGR (2024e - 2026e) | 6.5%       | 13.2%    | 11.6%       | 5.0%        | 9.1%          | 11.6%       | 35.2%  |
|                             | EBIT/Revenues           | 13.7%      | 5.3%     | 11.5%       | 5.3%        | 8.9%          | 10.7%       | 5.6%   |
|                             | Net Profit              | 343.2      | 314.3    | 2,980.1     | 499.1       |               | 308.6       | 3.9    |
|                             | Net Profit growth       | 10.3%      | 12.0%    | 341.0%      | 82.2%       | 111.4%        | 1.2%        | 19.5%  |
|                             | 2y CAGR (2024e - 2026e) | 9.1%       | 19.4%    | 2.6%        | 3.8%        | 8.7%          | 12.5%       | 38.9%  |
|                             | CAPEX/Sales %           | 5.4%       | 7.5%     | 3.8%        | 7.2%        | 6.0%          | 8.9%        | 4.5%   |
| Free Cash Flow              | 343.3                   | 289.7      | 1,686.8  | 229.9       |             | 141.8         | 3.3         |        |
| Net financial debt          | 957.7                   | 1,999.1    | 3,690.0  | 1,598.3     |             | 413.2         | 9.0         |        |
| ND/EBITDA (x)               | 1.3                     | 1.4        | 0.8      | 1.0         | 1.1         | 0.6           | 0.9         |        |
| Pay-out                     | 32.8%                   | 29.5%      | 29.9%    | 35.6%       | 31.9%       | 31.8%         | 80.4%       |        |
| Multiples and Ratios        | P/E (x)                 | 9.7        | 5.5      | 15.2        | 9.5         | 10.0          | 11.5        | 17.8   |
|                             | P/BV (x)                | 2.1        | 0.8      | 3.8         | 0.6         | 1.8           | 1.6         | 1.5    |
|                             | EV/Revenues (x)         | 1.2        | 0.4      | 1.3         | 0.4         | 0.8           | 1.1         | 0.8    |
|                             | EV/EBITDA (x)           | 6.6        | 3.4      | 8.9         | 4.1         | 5.8           | 6.1         | 8.5    |
|                             | EV/EBIT (x)             | 8.9        | 7.1      | 11.7        | 7.6         | 8.8           | 9.9         | 14.7   |
|                             | ROE                     | 22.0       | 13.8     | 24.9        | 6.2         | 16.7          | 13.6        | 8.3    |
|                             | FCF Yield (%)           | 10.3       | 16.6     | 4.7         | 4.9         | 9.1           | 3.9         | 3.6    |
|                             | DPS                     | 0.94       | 0.16     | 6.29        | 1.00        | 2.10          | 0.30        | 0.31   |
|                             | Dvd Yield               | 3.4%       | 5.3%     | 2.4%        | 3.8%        | 3.7%          | 2.7%        | 4.5%   |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Historical performance

| Historical performance (EUR Mn) | 2013  | 2014  | 2015   | 2016  | 2017   | 2018   | 2019  | 2020   | 2021    | 2022   | 2023   | 2024e | 2025e | 2026e | 13-23 | 23-26e |
|---------------------------------|-------|-------|--------|-------|--------|--------|-------|--------|---------|--------|--------|-------|-------|-------|-------|--------|
| Total Revenues                  | 62.1  | 77.8  | 63.3   | 79.5  | 95.6   | 104.2  | 114.9 | 91.2   | 85.9    | 113.9  | 98.5   | 103.5 | 110.7 | 118.5 | 4.7%  | 6.4%   |
| Total Revenues growth           | n.a.  | 25.4% | -18.6% | 25.5% | 20.3%  | 9.0%   | 10.3% | -20.7% | -5.8%   | 32.7%  | -13.6% | 5.1%  | 7.0%  | 7.0%  |       |        |
| EBITDA                          | 7.7   | 11.5  | 8.7    | 13.2  | 19.0   | 16.7   | 16.8  | 12.6   | 2.0     | 8.9    | 9.3    | 10.7  | 12.9  | 15.7  | 1.9%  | 18.9%  |
| EBITDA growth                   | n.a.  | 49.4% | -24.2% | 50.8% | 44.6%  | -12.1% | 0.7%  | -24.9% | -84.4%  | 350.1% | 5.3%   | 14.2% | 20.6% | 22.1% |       |        |
| EBITDA/Sales                    | 12.4% | 14.8% | 13.8%  | 16.6% | 19.9%  | 16.0%  | 14.6% | 13.9%  | 2.3%    | 7.8%   | 9.5%   | 10.3% | 11.6% | 13.2% |       |        |
| Net Profit                      | 4.0   | 6.7   | 4.0    | 6.7   | 10.5   | 8.9    | 8.7   | 6.0    | (1.5)   | 3.2    | 3.2    | 3.9   | 5.4   | 7.4   | -2.1% | 32.1%  |
| Net Profit growth               | n.a.  | 69.1% | -40.9% | 69.1% | 56.0%  | -14.9% | -2.2% | -31.7% | -124.8% | 313.3% | 2.4%   | 19.5% | 39.3% | 38.6% |       |        |
| Adjusted number shares (Mn)     | 9.9   | 10.0  | 10.0   | 10.0  | 10.0   | 10.0   | 10.0  | 10.0   | 10.0    | 10.0   | 10.0   | 10.0  | 10.0  | 10.0  |       |        |
| EPS (EUR)                       | 0.40  | 0.67  | 0.40   | 0.67  | 1.05   | 0.89   | 0.87  | 0.60   | -0.15   | 0.32   | 0.32   | 0.39  | 0.54  | 0.74  | -2.2% | 32.1%  |
| EPS growth                      | n.a.  | 67.3% | -40.9% | 69.1% | 56.0%  | -14.9% | -2.2% | -31.7% | n.a.    | n.a.   | 2.4%   | 19.5% | 39.3% | 38.6% |       |        |
| Ord. EPS (EUR)                  | 0.40  | 0.67  | 0.40   | 0.67  | 1.05   | 0.89   | 0.87  | 0.56   | -0.29   | 0.25   | 0.25   | 0.33  | 0.48  | 0.69  | -4.7% | 40.3%  |
| Ord. EPS growth                 | n.a.  | 67.3% | -40.9% | 69.1% | 56.0%  | -14.9% | -2.2% | -35.8% | n.a.    | n.a.   | -1.4%  | 31.6% | 46.2% | 43.3% |       |        |
| CAPEX                           | (3.5) | (6.1) | (3.5)  | (6.1) | (18.1) | (10.0) | (7.5) | (5.5)  | (5.2)   | (3.8)  | (8.8)  | (4.7) | (4.8) | (5.1) |       |        |
| CAPEX/Sales %                   | 5.6%  | 7.9%  | 5.5%   | 7.7%  | 18.9%  | 9.6%   | 6.5%  | 6.0%   | 6.1%    | 3.4%   | 8.9%   | 4.5%  | 4.3%  | 4.3%  |       |        |
| Free Cash Flow                  | 0.8   | 10.3  | 0.7    | 10.3  | (0.3)  | (0.7)  | 8.8   | 5.6    | (4.0)   | 0.9    | 13.4   | 3.3   | 4.8   | 6.6   | 32.3% | -20.9% |
| ND/EBITDA (x) <sup>(2)</sup>    | 0.7x  | -0.2x | 0.7x   | -0.2x | 0.2x   | 0.6x   | 0.9x  | 0.7x   | 10.1x   | 2.1x   | 1.0x   | 0.8x  | 0.6x  | 0.3x  |       |        |
| P/E (x)                         | 5.7x  | 4.4x  | 17.2x  | 17.8x | 14.7x  | 11.0x  | 14.4x | 18.8x  | n.a.    | 16.5x  | 19.0x  | 17.8x | 12.8x | 9.2x  |       |        |
| EV/Sales (x)                    | 0.56x | 0.50x | 1.44x  | 1.77x | 1.91x  | 1.17x  | 1.34x | 1.50x  | 1.60x   | 0.66x  | 0.82x  | 0.82x | 0.76x | 0.71x |       |        |
| EV/EBITDA (x) <sup>(2)</sup>    | 4.5x  | 3.4x  | 10.4x  | 10.7x | 9.6x   | 7.3x   | 9.1x  | 10.8x  | n.a.    | 8.5x   | 8.6x   | 7.9x  | 6.6x  | 5.4x  |       |        |
| Absolute performance            | 41.1% | 27.5% | 133.6% | 74.3% | 29.0%  | -36.4% | 27.8% | -10.7% | 3.2%    | -55.0% | 17.7%  | 12.4% |       |       |       |        |
| Relative performance vs Ibx 35  | 16.2% | 23.0% | 151.6% | 77.9% | 20.1%  | -25.2% | 14.3% | 5.6%   | -4.4%   | -52.3% | -4.1%  | 0.3%  |       |       |       |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LLYC is a communication consultancy company operating in the field of corporate communication, digital marketing and public affairs combining traditional corporate communication services with technological and creative capabilities. It has a leadership position in both Spain and Portugal (48% of 2023 revenue) and in Latam (c. 43% of 2023 revenue).

#### Market Data

|                                |                     |       |
|--------------------------------|---------------------|-------|
| Market Cap (Mn EUR and USD)    | 111.7               | 121.5 |
| EV (Mn EUR and USD)            | 127.4               | 138.5 |
| Shares Outstanding (Mn)        | 11.6                |       |
| -12m (Max/Med/Min EUR)         | 10.86 / 9.49 / 8.15 |       |
| Daily Avg volume (-12m Mn EUR) | 0.01                |       |
| Rotation <sup>(1)</sup>        | 2.4                 |       |
| Factset / Bloomberg            | LLYC-ES / LLYC SM   |       |
| Close fiscal year              | 31-Dec              |       |

#### Shareholders Structure (%)

|                                |      |
|--------------------------------|------|
| LLYC Partners                  | 54,3 |
| Herencia Jose Antonio Llorente | 15,6 |
| Otros socios LLYC*             | 9,1  |
| Indumenta Pueri                | 7,5  |
| Free Float                     | 13,5 |

#### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 11.6  | 11.6  | 11.6  | 11.6  |
| Total Revenues                      | 101.4 | 128.5 | 148.4 | 158.7 |
| Rec. EBITDA                         | 17.6  | 23.0  | 26.7  | 29.0  |
| % growth                            | 16.1  | 30.6  | 15.9  | 8.7   |
| % Rec. EBITDA/Rev.                  | 17.4  | 17.9  | 18.0  | 18.3  |
| % Inc. EBITDA sector <sup>(2)</sup> | 8.5   | 15.7  | 7.3   | 7.0   |
| Net Profit                          | 8.3   | 11.1  | 12.8  | 14.6  |
| EPS (EUR)                           | 0.72  | 0.95  | 1.10  | 1.26  |
| % growth                            | 22.8  | 33.2  | 15.5  | 14.2  |
| Ord. EPS (EUR)                      | 0.77  | 0.95  | 1.10  | 1.26  |
| % growth                            | 21.9  | 24.1  | 15.5  | 14.2  |
| Rec. Free Cash Flow                 | 3.9   | 9.4   | 12.2  | 14.8  |
| Pay-out (%)                         | 27.2  | 25.0  | 25.0  | 25.0  |
| DPS (EUR)                           | 0.20  | 0.24  | 0.28  | 0.31  |
| Net financial debt                  | 10.5  | 31.2  | 21.8  | 10.2  |
| ND/Rec. EBITDA (x)                  | 0.6   | 1.4   | 0.8   | 0.4   |
| ROE (%)                             | 23.0  | 25.9  | 24.5  | 23.2  |
| ROCE (%)                            | 25.4  | 20.9  | 18.6  | 20.2  |

#### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | 13.4 | 10.1 | 8.7  | 7.6  |
| Ord. P/E           | 12.5 | 10.1 | 8.7  | 7.6  |
| P/BV               | 2.9  | 2.4  | 2.0  | 1.6  |
| Dividend Yield (%) | 2.0  | 2.5  | 2.9  | 3.3  |
| EV/Sales           | 1.26 | 0.99 | 0.86 | 0.80 |
| EV/Rec. EBITDA     | 7.2  | 5.5  | 4.8  | 4.4  |
| EV/EBIT            | 8.9  | 6.8  | 6.0  | 5.5  |
| FCF Yield (%)      | 3.5  | 8.4  | 10.9 | 13.2 |

#### Historical behavior (base 100)



| (%)      | -1m | -3m | -12m  | -5Y  |
|----------|-----|-----|-------|------|
| Absolute | 8.5 | 1.1 | -11.6 | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Media.

#### MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**LLYC expanded its international footprint and delivered its 2023 guidance**, primarily thanks to the integration of BAM, which drove a sharp jump in revenue in the U.S. (+113%) and enabled LLYC to grow (2023 revenue: EUR101.4Mn vs EUR 89.5Mn in 2022) even in an adverse environment (average revenue 2024e peers: -8.5%). It did this without sacrificing profitability, with a recurring EBITDA margin 2023 of 17.4% (vs 17% in 2022).

#### Is this a deja vu? No. 2024 should be better, at least in terms of size and importance.

On 16 February 2024, LLYC announced the acquisition of a 70% stake in Lambert (firm specialised in public relations, integrated marketing and investor relations), while in May 2024e it acquired Dattis in Colombia. Our estimates point to combined pro-forma revenue of EUR 23.4Mn and EBITDA of EUR 6.5Mn.

**LLYC should again see double-digit growth in 2024e.** Growth should (again) be driven by M&A (now virtually "recurring" for LLYC). The acquisition of Dattis (May) has led us to revise up our estimates a touch. The inorganic-organic growth combination in 2024e leaves room for revenue of around EUR 128.5Mn (+27% vs 2023) and EBITDA of EUR 23.0Mn (+30.6% vs 2023).

#### EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**A defensive (acyclical) model...** For three reasons: i) strong competitive positioning (leader in Spain), ii) diversified business mix (by types of service and geographically), and iii) high recurrence in revenue (55% in 2023).

**...focused on growing internationally in mature markets.** Geographical diversification is a key component of LLYC's strategy. Its expansion in the U.S. market has become a short- and medium-term objective for several reasons: ii) broader customer range, iii) projects that command higher fees, and iii) lower currency risk.

**FCF generation ability will add momentum to the M&A growth strategy (FCF yield 2024e: 8.9%)...** LLYC boasts a business model with strong cash generation (capital- and asset-light). This should leave it well placed to (further) reduce debt (ND/recurring EBITDA 2024e: 1.4x).

**...that isn't visible in our numbers until 2026e.** LLYC's track record and strategic plan suggest that it is not through with M&A just yet. Looking strictly at organic growth, LLYC today is an investment opportunity with high revenue growth (CAGR 2023-2026e: 16.1%), defensive traits (EBITDA margin: c. 18%) and value (ROCE 2023: c. 25%).

#### RISKS: WHAT TO KEEP AN EYE ON?

**Adverse macro environment.** The current macroeconomic landscape (high interest rates and stubborn inflation) warrants caution, especially in the communication and marketing services sector. Growth prospects for 2024 are not especially bright, so organic growth for LLYC could underperform expectations (+7% YoY). This would push our estimates back.

**M&A.** Corporate deals always pose a risk in terms of price (high multiples) and operational integration into the inorganic growth model (the impairment recognised on the acquisition of BAM in 2023, though immaterial, exemplifies M&A risk).

#### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Low multiples and discount vs a heavily penalised sector.** The share price performance -12m (-11.6%) has left it trading a low multiples: P/E 24e 10.1x and EV/EBITDA 5.5x (vs sector averages of 11.7x and 8.4x, respectively). LLYC is clearly a cash generator (ROCE >20%) and a company delivering double-digit growth (CAGR -3y c.20%) in revenue and EPS.



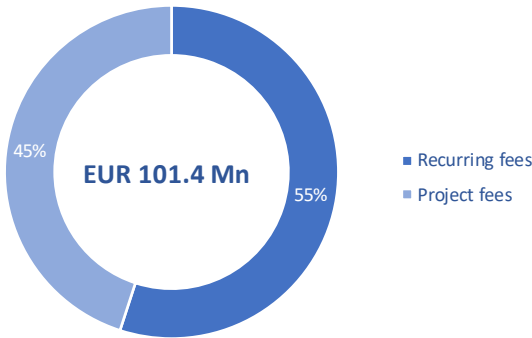
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020        | 2021        | 2022        | 2023         | 2024e         | 2025e        | 2026e         | CAGR          |              |
|--|-------------|-------------|-------------|-------------|--------------|---------------|--------------|---------------|---------------|--------------|
| Intangible assets                            | 10.5        | 10.2        | 12.7        | 13.1        | 15.5         | 16.7          | 17.9         | 19.1          |               |              |
| Fixed assets                                 | 1.4         | 2.4         | 2.3         | 2.2         | 2.3          | 30.2          | 29.2         | 28.4          |               |              |
| Other Non Current Assets                     | 1.0         | 1.2         | 1.7         | 1.8         | 3.1          | 3.1           | 3.1          | 3.1           |               |              |
| Financial Investments                        | 1.0         | 0.7         | 1.0         | 0.8         | 0.8          | 0.8           | 0.8          | 0.8           |               |              |
| Goodwill & Other Intangibles                 | 2.9         | 3.4         | 15.3        | 18.1        | 28.2         | 28.2          | 28.2         | 28.2          |               |              |
| Current assets                               | 16.4        | 13.3        | 22.1        | 22.9        | 26.8         | 31.5          | 35.1         | 36.9          |               |              |
| <b>Total assets</b>                          | <b>33.2</b> | <b>31.2</b> | <b>55.1</b> | <b>58.9</b> | <b>76.6</b>  | <b>110.4</b>  | <b>114.2</b> | <b>116.5</b>  |               |              |
| Equity                                       | 22.0        | 20.9        | 28.2        | 34.2        | 38.4         | 47.3          | 57.3         | 68.7          |               |              |
| Minority Interests                           | 3.5         | 3.4         | 1.2         | 1.1         | 1.8          | 3.2           | 4.8          | 6.6           |               |              |
| Provisions & Other L/T Liabilities           | 0.0         | 0.1         | 0.0         | 0.0         | 0.6          | 0.6           | 0.6          | 0.6           |               |              |
| Other Non Current Liabilities                | 5.3         | 6.2         | 8.1         | 7.4         | 7.0          | 7.0           | 7.0          | 7.0           |               |              |
| Net financial debt                           | (7.3)       | (8.1)       | (1.1)       | (1.5)       | 10.5         | 31.2          | 21.8         | 10.2          |               |              |
| Current Liabilities                          | 9.6         | 8.7         | 18.8        | 17.7        | 18.4         | 21.2          | 22.8         | 23.4          |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>33.2</b> | <b>31.2</b> | <b>55.1</b> | <b>58.9</b> | <b>76.6</b>  | <b>110.4</b>  | <b>114.2</b> | <b>116.5</b>  |               |              |
| P&L (EUR Mn)                                 | 2019        | 2020        | 2021        | 2022        | 2023         | 2024e         | 2025e        | 2026e         | 19-23         | 23-26e       |
| <b>Total Revenues</b>                        | <b>48.2</b> | <b>44.7</b> | <b>64.1</b> | <b>89.5</b> | <b>101.4</b> | <b>128.5</b>  | <b>148.4</b> | <b>158.7</b>  | <b>20.4%</b>  | <b>16.1%</b> |
| <i>Total Revenues growth</i>                 | 16.0%       | -7.2%       | 43.5%       | 39.5%       | 13.3%        | 26.8%         | 15.5%        | 6.9%          |               |              |
| COGS   | (7.2)       | (6.6)       | (10.9)      | (16.8)      | (18.3)       | (20.2)        | (23.1)       | (24.6)        |               |              |
| <b>Gross Margin</b>                          | <b>40.9</b> | <b>38.1</b> | <b>53.3</b> | <b>72.7</b> | <b>83.1</b>  | <b>108.3</b>  | <b>125.3</b> | <b>134.1</b>  | <b>19.4%</b>  | <b>17.3%</b> |
| <i>Gross Margin/Revenues</i>                 | 85.0%       | 85.3%       | 83.1%       | 81.3%       | 82.0%        | 84.3%         | 84.4%        | 84.5%         |               |              |
| Personnel Expenses                           | (24.6)      | (24.3)      | (31.6)      | (45.9)      | (53.8)       | (69.7)        | (81.4)       | (86.8)        |               |              |
| Other Operating Expenses                     | (6.2)       | (5.4)       | (9.0)       | (11.7)      | (11.7)       | (15.6)        | (17.3)       | (18.3)        |               |              |
| <b>Recurrent EBITDA</b>                      | <b>10.1</b> | <b>8.4</b>  | <b>12.7</b> | <b>15.2</b> | <b>17.6</b>  | <b>23.0</b>   | <b>26.7</b>  | <b>29.0</b>   | <b>14.9%</b>  | <b>18.0%</b> |
| <i>Recurrent EBITDA growth</i>               | 22.6%       | -16.4%      | 50.2%       | 19.6%       | 16.1%        | 30.6%         | 15.9%        | 8.7%          |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | 21.0%       | 18.9%       | 19.8%       | 17.0%       | 17.4%        | 17.9%         | 18.0%        | 18.3%         |               |              |
| Restructuring Expense & Other non-rec.       | (0.0)       | (0.3)       | (1.5)       | (0.8)       | (0.8)        | -             | -            | -             |               |              |
| <b>EBITDA</b>                                | <b>10.1</b> | <b>8.1</b>  | <b>11.2</b> | <b>14.4</b> | <b>16.8</b>  | <b>23.0</b>   | <b>26.7</b>  | <b>29.0</b>   | <b>13.7%</b>  | <b>19.9%</b> |
| Depreciation & Provisions                    | (0.8)       | (1.0)       | (1.2)       | (1.4)       | (1.7)        | (3.2)         | (4.7)        | (4.7)         |               |              |
| Capitalized Expense                          | -           | -           | -           | 0.8         | 1.3          | 1.2           | 1.2          | 1.2           |               |              |
| Rentals (IFRS 16 impact)                     | (1.5)       | (1.3)       | (1.5)       | (2.1)       | (2.1)        | (2.1)         | (2.1)        | (2.1)         |               |              |
| <b>EBIT</b>                                  | <b>7.8</b>  | <b>5.8</b>  | <b>8.5</b>  | <b>11.7</b> | <b>14.3</b>  | <b>18.9</b>   | <b>21.1</b>  | <b>23.4</b>   | <b>16.4%</b>  | <b>17.8%</b> |
| <i>EBIT growth</i>                           | 66.5%       | -25.3%      | 45.9%       | 37.6%       | 22.2%        | 32.2%         | 11.6%        | 10.9%         |               |              |
| <i>EBIT/Revenues</i>                         | 16.2%       | 13.0%       | 13.2%       | 13.0%       | 14.1%        | 14.7%         | 14.2%        | 14.7%         |               |              |
| Impact of Goodwill & Others                  | -           | -           | -           | -           | -            | -             | -            | -             |               |              |
| Net Financial Result                         | (0.5)       | (0.7)       | (0.6)       | (1.5)       | (1.9)        | (1.8)         | (1.3)        | (0.8)         |               |              |
| Income by the Equity Method                  | -           | -           | -           | -           | -            | -             | -            | -             |               |              |
| <b>Ordinary Profit</b>                       | <b>7.3</b>  | <b>5.1</b>  | <b>7.9</b>  | <b>10.1</b> | <b>12.4</b>  | <b>17.1</b>   | <b>19.7</b>  | <b>22.5</b>   | <b>14.1%</b>  | <b>22.2%</b> |
| <i>Ordinary Profit Growth</i>                | 73.1%       | -29.6%      | 54.4%       | 27.7%       | 21.9%        | 38.3%         | 15.5%        | 14.2%         |               |              |
| Extraordinary Results                        | -           | -           | -           | -           | -            | -             | -            | -             |               |              |
| <b>Profit Before Tax</b>                     | <b>7.3</b>  | <b>5.1</b>  | <b>7.9</b>  | <b>10.1</b> | <b>12.4</b>  | <b>17.1</b>   | <b>19.7</b>  | <b>22.5</b>   | <b>14.1%</b>  | <b>22.2%</b> |
| Tax Expense                                  | (2.2)       | (2.2)       | (2.4)       | (2.9)       | (3.2)        | (4.6)         | (5.3)        | (6.1)         |               |              |
| <i>Effective Tax Rate</i>                    | 29.9%       | 42.5%       | 30.4%       | 28.8%       | 25.8%        | 27.0%         | 27.0%        | 27.0%         |               |              |
| Minority Interests                           | (0.9)       | (0.7)       | (0.2)       | (0.4)       | (0.8)        | (1.4)         | (1.6)        | (1.8)         |               |              |
| Discontinued Activities                      | -           | -           | -           | -           | -            | -             | -            | -             |               |              |
| <b>Net Profit</b>                            | <b>4.3</b>  | <b>2.3</b>  | <b>5.3</b>  | <b>6.8</b>  | <b>8.3</b>   | <b>11.1</b>   | <b>12.8</b>  | <b>14.6</b>   | <b>18.3%</b>  | <b>20.6%</b> |
| <i>Net Profit growth</i>                     | 138.7%      | -46.6%      | 134.6%      | 27.4%       | 23.0%        | 33.2%         | 15.5%        | 14.2%         |               |              |
| <b>Ordinary Net Profit</b>                   | <b>4.3</b>  | <b>3.1</b>  | <b>6.4</b>  | <b>7.3</b>  | <b>8.9</b>   | <b>11.1</b>   | <b>12.8</b>  | <b>14.6</b>   | <b>20.3%</b>  | <b>17.8%</b> |
| <i>Ordinary Net Profit growth</i>            | 76.8%       | -26.9%      | 105.1%      | 14.3%       | 22.0%        | 24.1%         | 15.5%        | 14.2%         |               |              |
| Cash Flow (EUR Mn)                           | 2019        | 2020        | 2021        | 2022        | 2023         | 2024e         | 2025e        | 2026e         | 19-23         | 23-26e       |
| <b>Recurrent EBITDA</b>                      |             |             |             |             |              | <b>23.0</b>   | <b>26.7</b>  | <b>29.0</b>   | <b>14.9%</b>  | <b>18.0%</b> |
| Rentals (IFRS 16 impact)                     |             |             |             |             |              | (2.1)         | (2.1)        | (2.1)         |               |              |
| Working Capital Increase                     |             |             |             |             |              | (1.9)         | (2.0)        | (1.3)         |               |              |
| <b>Recurrent Operating Cash Flow</b>         |             |             |             |             |              | <b>19.0</b>   | <b>22.6</b>  | <b>25.6</b>   | <b>11.3%</b>  | <b>27.6%</b> |
| CAPEX  |             |             |             |             |              | (3.2)         | (3.7)        | (4.0)         |               |              |
| Net Financial Result affecting the Cash Flow |             |             |             |             |              | (1.8)         | (1.3)        | (0.8)         |               |              |
| Tax Expense                                  |             |             |             |             |              | (4.6)         | (5.3)        | (6.1)         |               |              |
| <b>Recurrent Free Cash Flow</b>              |             |             |             |             |              | <b>9.4</b>    | <b>12.2</b>  | <b>14.8</b>   | <b>-5.4%</b>  | <b>56.3%</b> |
| Restructuring Expense & Other non-rec.       |             |             |             |             |              | -             | -            | -             |               |              |
| - Acquisitions / + Divestures of assets      |             |             |             |             |              | (27.9)        | -            | -             |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |             |             |             |              | -             | -            | -             |               |              |
| <b>Free Cash Flow</b>                        |             |             |             |             |              | <b>(18.5)</b> | <b>12.2</b>  | <b>14.8</b>   | <b>-40.2%</b> | <b>53.9%</b> |
| Capital Increase                             |             |             |             |             |              | -             | -            | -             |               |              |
| Dividends                                    |             |             |             |             |              | (2.2)         | (2.8)        | (3.2)         |               |              |
| <b>Net Debt Variation</b>                    |             |             |             |             |              | <b>20.7</b>   | <b>(9.4)</b> | <b>(11.5)</b> |               |              |

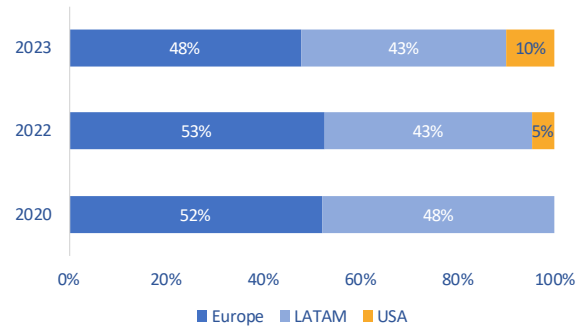


## The company in 8 charts

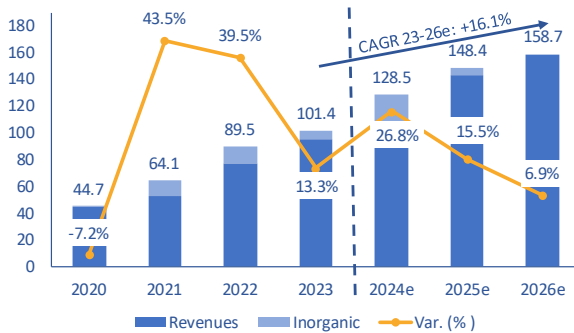
LLYC's business enjoys a (broad) base of recurring revenue (c. 55% of total revenue in 2023)...



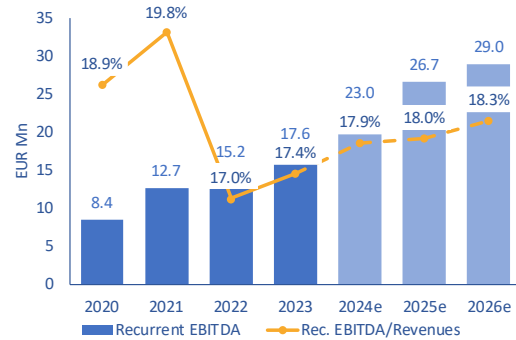
... and a global footprint (with significant exposure to emerging markets)



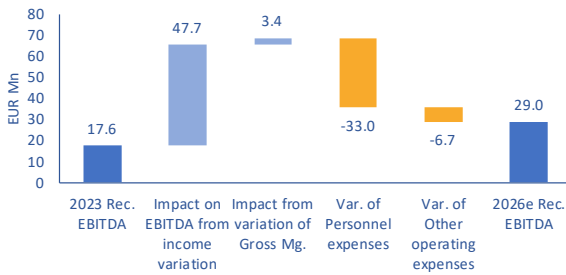
A diversified and recurring service offering that leaves scope for continued growth (revenue: CAGR 23-26e: +16.1%)



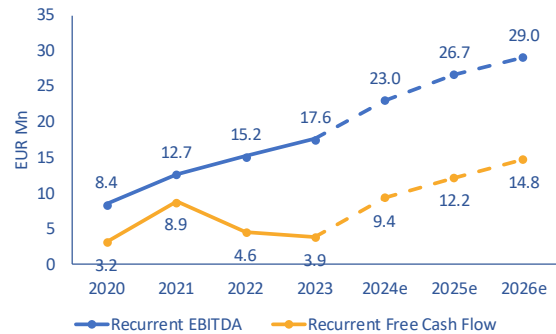
Without losing sight of the "focus" on profitability (EBITDA margin of 18%)



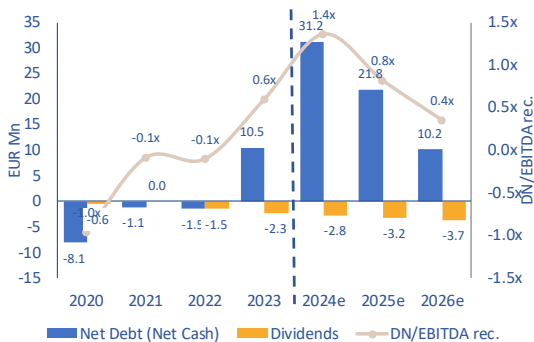
... And allowing the revenue improvement to be passed on to EBITDA (23-26e CAGR 18.0%)



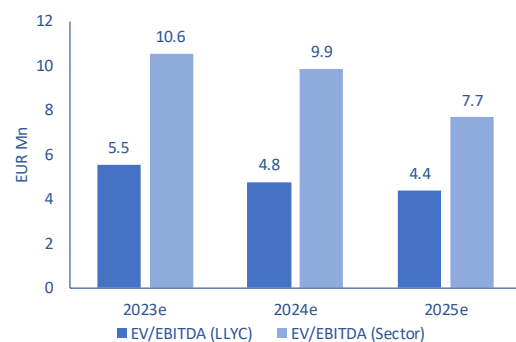
High cash generation capacity (FCF yield 2024e: c. 8%)...



...keeping its debt under control (despite M&A; ND 2024e>1.4x)



With low multiples within reach (EV/EBITDA 2024e 5.5x vs. 10.6x)



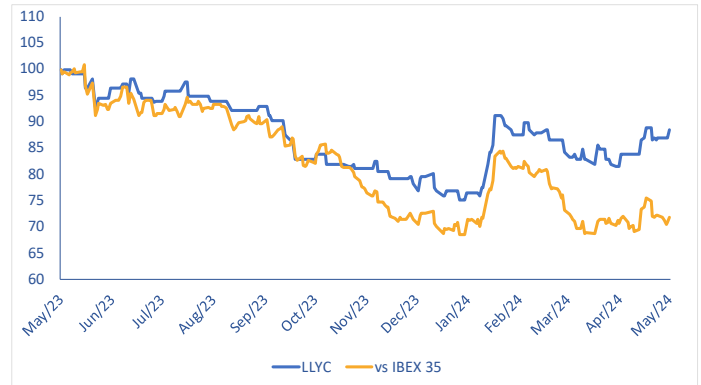


## Evolution of the share price

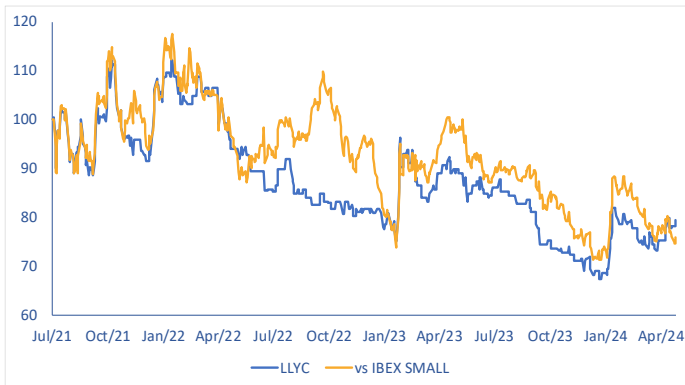
**Historical behavior vs Ibex 35 (base 100)**



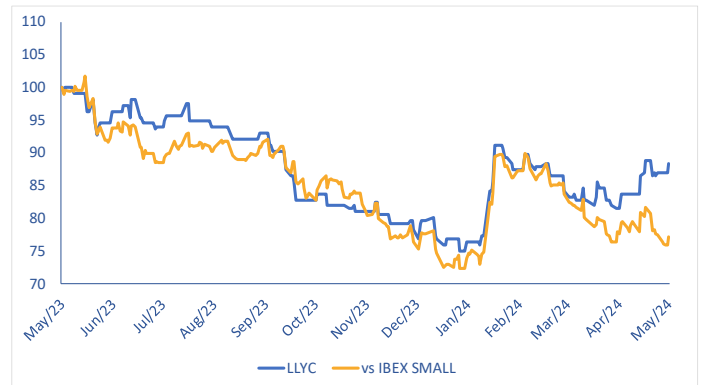
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



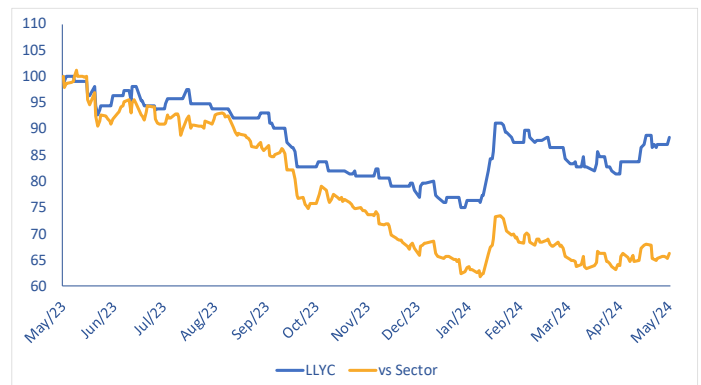
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Media

| Stock performance (%)                     | -1m  | -3m   | -12m  | YTD  | -3Y  | -5Y  |
|---|------|-------|-------|------|------|------|
| <b>Absolute</b>                           | 8.5  | 1.1   | -11.6 | 15.0 | n.a. | n.a. |
| <b>vs Market</b>                          |      |       |       |      |      |      |
| vs Ibex 35                                | 1.8  | -11.8 | -28.1 | 2.5  | n.a. | n.a. |
| vs Euro STOXX 50                          | 5.3  | -4.9  | -24.5 | 2.6  | n.a. | n.a. |
| <b>vs Small Cap References</b>            |      |       |       |      |      |      |
| vs Ibex Small Cap Index                   | -0.7 | -11.6 | -22.8 | 3.3  | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 2.8  | -6.4  | -15.9 | 6.7  | n.a. | n.a. |
| vs MSCI Europe Micro Cap                  | 2.2  | -5.8  | -14.1 | 8.8  | n.a. | n.a. |
| <b>vs Sector</b>                          |      |       |       |      |      |      |
| vs Stoxx Europe 600 Media                 | 3.5  | -3.3  | -33.7 | 1.0  | n.a. | n.a. |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

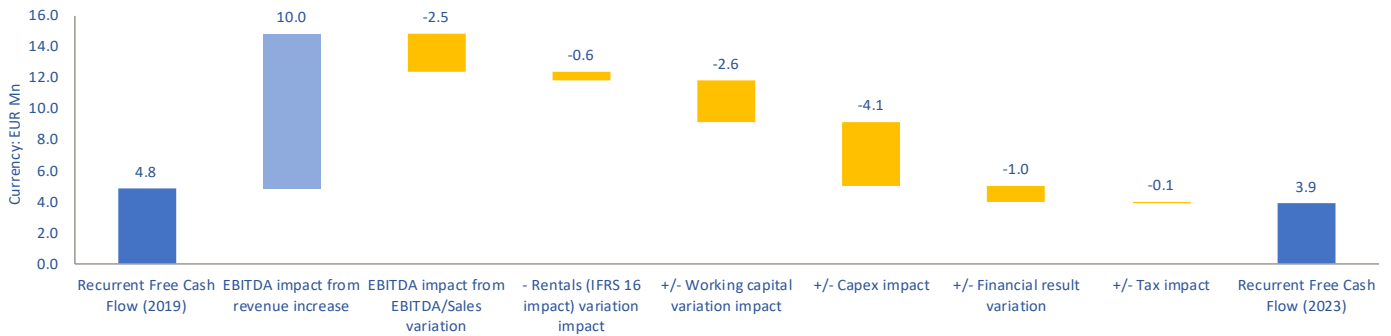
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e       | 2026e       | CAGR          |              |
|---|--------------|--------------|--------------|--------------|---------------|-------------|-------------|---------------|--------------|
|   |              |              |              |              |               |             |             | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>8.4</b>   | <b>12.7</b>  | <b>15.2</b>  | <b>17.6</b>  | <b>23.0</b>   | <b>26.7</b> | <b>29.0</b> | <b>27.8%</b>  | <b>18.0%</b> |
| <i>Recurrent EBITDA growth</i>  | -16.4%       | 50.2%        | 19.6%        | 16.1%        | 30.6%         | 15.9%       | 8.7%        |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 18.9%        | 19.8%        | 17.0%        | 17.4%        | 17.9%         | 18.0%       | 18.3%       |               |              |
| - Rentals (IFRS 16 impact)  | (1.3)        | (1.5)        | (2.1)        | (2.1)        | (2.1)         | (2.1)       | (2.1)       |               |              |
| +/- Working Capital increase  | 2.2          | 1.3          | (1.9)        | (3.2)        | (1.9)         | (2.0)       | (1.3)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>9.3</b>   | <b>12.4</b>  | <b>11.2</b>  | <b>12.3</b>  | <b>19.0</b>   | <b>22.6</b> | <b>25.6</b> | <b>9.9%</b>   | <b>27.6%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | 15.7%        | 34.1%        | -10.2%       | 10.3%        | 54.2%         | 18.9%       | 13.5%       |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 20.8%        | 19.4%        | 12.5%        | 12.2%        | 14.8%         | 15.2%       | 16.1%       |               |              |
| - CAPEX   | (3.2)        | (1.5)        | (2.5)        | (4.6)        | (3.2)         | (3.7)       | (4.0)       |               |              |
| - Net Financial Result affecting Cash Flow  | (0.7)        | (0.6)        | (1.0)        | (1.5)        | (1.8)         | (1.3)       | (0.8)       |               |              |
| - Taxes   | (2.2)        | (1.6)        | (3.0)        | (2.3)        | (4.6)         | (5.3)       | (6.1)       |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>3.2</b>   | <b>8.9</b>   | <b>4.6</b>   | <b>3.9</b>   | <b>9.4</b>    | <b>12.2</b> | <b>14.8</b> | <b>6.2%</b>   | <b>56.3%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -33.2%       | 174.4%       | -47.8%       | -16.4%       | 143.1%        | 30.0%       | 20.8%       |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 7.2%         | 13.8%        | 5.2%         | 3.8%         | 7.3%          | 8.2%        | 9.3%        |               |              |
| - Restructuring expenses & others   | (0.3)        | (1.5)        | (0.8)        | (0.8)        | -             | -           | -           |               |              |
| - Acquisitions / + Divestments  | (2.2)        | (16.4)       | -            | (12.0)       | (27.9)        | -           | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -             | -           | -           |               |              |
| <b>= Free Cash Flow</b>   | <b>0.7</b>   | <b>(9.0)</b> | <b>3.9</b>   | <b>(9.0)</b> | <b>(18.5)</b> | <b>12.2</b> | <b>14.8</b> | <i>n.a.</i>   | <b>53.9%</b> |
| <i>Free Cash Flow growth</i>  | -84.5%       | n.a.         | 142.7%       | -332.4%      | -106.7%       | 166.0%      | 20.8%       |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 2.9%         | 7.9%         | 4.1%         | 3.5%         | 8.4%          | 10.9%       | 13.2%       |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 0.7%         | n.a.         | 3.4%         | n.a.         | n.a.          | 10.9%       | 13.2%       |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |               |             |             |               |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e       | 2026e       | CAGR          |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>4.8</b>   | <b>3.2</b>   | <b>8.9</b>   | <b>4.6</b>   | <b>3.9</b>    | <b>9.4</b>  | <b>12.2</b> |               |              |
| EBITDA impact from revenue increase   | (0.7)        | 3.7          | 5.0          | 2.0          | 4.7           | 3.6         | 1.8         |               |              |
| EBITDA impact from EBITDA/Sales variation   | (0.9)        | 0.6          | (2.5)        | 0.4          | 0.7           | 0.1         | 0.5         |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(1.7)</b> | <b>4.2</b>   | <b>2.5</b>   | <b>2.4</b>   | <b>5.4</b>    | <b>3.7</b>  | <b>2.3</b>  |               |              |
| - Rentals (IFRS 16 impact) variation impact   | 0.2          | (0.2)        | (0.6)        | 0.0          | -             | -           | -           |               |              |
| +/- Working capital variation impact  | 2.7          | (0.9)        | (3.2)        | (1.3)        | 1.3           | (0.1)       | 0.7         |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>1.3</b>   | <b>3.2</b>   | <b>(1.3)</b> | <b>1.2</b>   | <b>6.7</b>    | <b>3.6</b>  | <b>3.0</b>  |               |              |
| +/- CAPEX impact  | (2.7)        | 1.7          | (1.0)        | (2.1)        | 1.4           | (0.5)       | (0.3)       |               |              |
| +/- Financial result variation  | (0.2)        | 0.1          | (0.5)        | (0.5)        | (0.3)         | 0.4         | 0.5         |               |              |
| +/- Tax impact  | (0.0)        | 0.6          | (1.5)        | 0.7          | (2.3)         | (0.7)       | (0.8)       |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(1.6)</b> | <b>5.6</b>   | <b>(4.2)</b> | <b>(0.8)</b> | <b>5.5</b>    | <b>2.8</b>  | <b>2.5</b>  |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>3.2</b>   | <b>8.9</b>   | <b>4.6</b>   | <b>3.9</b>   | <b>9.4</b>    | <b>12.2</b> | <b>14.8</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |               |             |             |               |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e       | 2026e       | CAGR          |              |
| <b>EBIT</b>   | <b>5.8</b>   | <b>8.5</b>   | <b>11.7</b>  | <b>14.3</b>  | <b>18.9</b>   | <b>21.1</b> | <b>23.4</b> | <b>34.9%</b>  | <b>17.8%</b> |
| * <i>Theoretical Tax rate</i>   | 30.0%        | 30.0%        | 28.8%        | 25.8%        | 27.0%         | 27.0%       | 27.0%       |               |              |
| = Taxes (pre- Net Financial Result)   | (1.7)        | (2.5)        | (3.4)        | (3.7)        | (5.1)         | (5.7)       | (6.3)       |               |              |
| <b>Recurrent EBITDA</b>   | <b>8.4</b>   | <b>12.7</b>  | <b>15.2</b>  | <b>17.6</b>  | <b>23.0</b>   | <b>26.7</b> | <b>29.0</b> | <b>27.8%</b>  | <b>18.0%</b> |
| - Rentals (IFRS 16 impact)  | (1.3)        | (1.5)        | (2.1)        | (2.1)        | (2.1)         | (2.1)       | (2.1)       |               |              |
| +/- Working Capital increase  | 2.2          | 1.3          | (1.9)        | (3.2)        | (1.9)         | (2.0)       | (1.3)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>9.3</b>   | <b>12.4</b>  | <b>11.2</b>  | <b>12.3</b>  | <b>19.0</b>   | <b>22.6</b> | <b>25.6</b> | <b>9.9%</b>   | <b>27.6%</b> |
| - CAPEX   | (3.2)        | (1.5)        | (2.5)        | (4.6)        | (3.2)         | (3.7)       | (4.0)       |               |              |
| - Taxes (pre- Financial Result)   | (1.7)        | (2.5)        | (3.4)        | (3.7)        | (5.1)         | (5.7)       | (6.3)       |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>4.3</b>   | <b>8.4</b>   | <b>5.3</b>   | <b>4.0</b>   | <b>10.7</b>   | <b>13.2</b> | <b>15.4</b> | <b>-2.6%</b>  | <b>56.3%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -15.9%       | 93.7%        | -37.1%       | -24.1%       | 166.1%        | 23.3%       | 16.4%       |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 9.7%         | 13.1%        | 5.9%         | 4.0%         | 8.3%          | 8.9%        | 9.7%        |               |              |
| - Acquisitions / + Divestments  | (2.2)        | (16.4)       | -            | (12.0)       | (27.9)        | -           | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -             | -           | -           |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>2.2</b>   | <b>(8.0)</b> | <b>5.3</b>   | <b>(8.0)</b> | <b>(17.2)</b> | <b>13.2</b> | <b>15.4</b> | <b>-78.5%</b> | <b>57.7%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -58.1%       | -467.7%      | 166.6%       | -250.7%      | -115.6%       | 176.6%      | 16.4%       |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 3.4%         | 6.6%         | 4.2%         | 3.2%         | 8.4%          | 10.4%       | 12.1%       |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 1.7%         | n.a.         | 4.2%         | n.a.         | n.a.          | 10.4%       | 12.1%       |               |              |



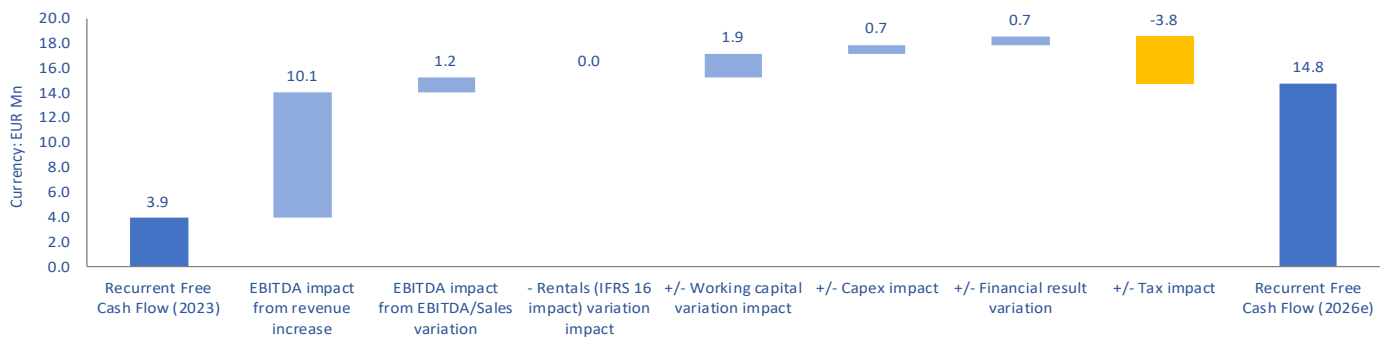


## Free Cash Flow (II)

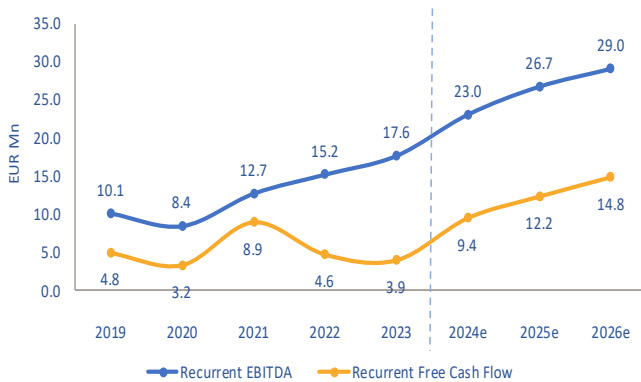
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e  | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|--------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | (17.2) | 13.2                                | 15.4  | 255.8                         |           |            |  |
| Market Cap                     | 111.7  | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 10.5   | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |        |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 4.5%   | Net debt cost                       |       |                               | 4.3%      | 4.8%       |  |
| Tax rate (T)                   | 20.0%  | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 3.6%   | Kd = Cost of Net Debt * (1-T)       |       |                               | 3.4%      | 3.8%       |  |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%   | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.0    | B (own estimate)                    |       |                               | 0.9       | 1.1        |  |
| Cost of Equity                 | 9.3%   | Ke = Rf + (R * B)                   |       |                               | 8.2%      | 10.4%      |  |
| Equity / (Equity + Net Debt)   | 91.4%  | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 8.6%   | D                                   |       |                               | =         | =          |  |
| WACC                           | 8.8%   | WACC = Kd * D + Ke * E              |       |                               | 7.8%      | 9.8%       |  |
| G "Fair"                       | 2.0%   |                                     |       |                               | 2.0%      | 1.5%       |  |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 111.7        |                  |
| + Minority Interests                 | 1.8          | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 7.6          | 12m Results 2023 |
| + Net financial debt                 | 10.5         | 12m Results 2023 |
| - Financial Investments              | 0.8          | 12m Results 2023 |
| +/- Others <sup>(1)</sup>            | (3.4)        | 12m Results 2023 |
| <b>Enterprise Value (EV)</b>         | <b>127.4</b> |                  |

(1) Related to the market value of treasury stock.

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021  | 2022  | 2023  |
|----------------------|-------|-------|-------|-------|-------|
| ROCE (evolution -5y) | 33.2% | 24.8% | 27.7% | 27.6% | 25.4% |
|                      | 2023  | 2026e |       |       |       |
| ROCE - WACC          | 16.6% | 11.4% |       |       |       |
| FCF Yield - WACC     | -5.3% | 4.4%  |       |       |       |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 18.9%            | 28.0       | 4.6x          |
| Central  | 18.0%            | 26.7       | 4.8x          |
| Min      | 17.1%            | 25.3       | 5.0x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |       |       |
|-----------------|-----------------|------|------|----------|--------------------|-------|-------|
| EBITDA 25e      | 2.2%            | 2.5% | 2.8% |          | Max                | 12.5% | 12.1% |
| 28.0            | 14.0            | 13.6 | 13.1 | Central  | 11.3%              | 10.9% | 10.5% |
| 26.7            | 12.7            | 12.2 | 11.8 | Min      | 10.1%              | 9.7%  | 9.3%  |
| 25.3            | 11.3            | 10.9 | 10.4 |          |                    |       |       |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 33.3% | 33.3% | 55.6% |
| % of proprietary directors           | 55.6% | 55.6% | 44.4% |
| % of executive directors             | 11.1% | 11.1% | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 55.6% | 55.6% | 55.6% |
| % of women out of total workforce    | 62.4% | 62.6% | 63.8% |
| Board remuneration/staff cost        | 4.0%  | 3.8%  | 3.6%  |



## Main peers 2024e

|                             |                         | Media    |          |          |             | Communication Agencies |              |                 |         |         |
|-----------------------------|-------------------------|----------|----------|----------|-------------|------------------------|--------------|-----------------|---------|---------|
| EUR Mn                      |                         | WPP-GB   | Publicis | Omnicom  | Interpublic | Average                | Next Fifteen | Hopscotch Group | Average | LLYC    |
| Market data                 | Ticker (Factset)        | WPP-GB   | PUB-FR   | OMC-US   | IPG-US      |                        | NFG-GB       | ALHOP-FR        |         | LLYC-ES |
|                             | Country                 | UK       | France   | USA      | USA         |                        | UK           | France          |         | Spain   |
|                             | Market cap              | 10,690.4 | 27,084.2 | 17,341.1 | 11,109.1    |                        | 1,108.8      | 62.2            |         | 111.7   |
|                             | Enterprise value (EV)   | 16,668.9 | 27,593.2 | 21,860.3 | 13,671.1    |                        | 1,149.8      | 77.0            |         | 127.4   |
| Basic financial information | Total Revenues          | 14,062.7 | 13,821.6 | 14,405.8 | 8,692.5     |                        | 718.3        | 308.7           |         | 128.5   |
|                             | Total Revenues growth   | -19.0%   | -6.6%    | 6.5%     | -13.3%      | -8.1%                  | -16.4%       | 13.7%           | -1.3%   | 26.8%   |
|                             | 2y CAGR (2024e - 2026e) | 2.9%     | 4.3%     | 4.2%     | 3.0%        | 3.6%                   | 5.6%         | 2.7%            | 4.2%    | 11.1%   |
|                             | EBITDA                  | 2,487.2  | 3,017.6  | 2,395.0  | 1,616.3     |                        | 164.9        | 17.2            |         | 23.0    |
|                             | EBITDA growth           | -2.6%    | 2.1%     | 12.4%    | 0.5%        | 3.1%                   | 6.7%         | 20.4%           | 13.6%   | 36.9%   |
|                             | 2y CAGR (2024e - 2026e) | 3.2%     | 4.8%     | 5.2%     | 3.8%        | 4.2%                   | 6.5%         | 2.5%            | 4.5%    | 12.3%   |
|                             | EBITDA/Revenues         | 17.7%    | 21.8%    | 16.6%    | 18.6%       | 18.7%                  | 23.0%        | 5.6%            | 14.3%   | 17.9%   |
|                             | EBIT                    | 2,087.0  | 2,422.7  | 2,195.7  | 1,375.8     |                        | 153.0        | 12.2            |         | 18.9    |
|                             | EBIT growth             | 77.0%    | 9.8%     | 13.3%    | 0.8%        | 25.2%                  | 36.9%        | 22.4%           | 29.6%   | 32.2%   |
|                             | 2y CAGR (2024e - 2026e) | 4.7%     | 5.2%     | 5.6%     | 4.4%        | 5.0%                   | 7.2%         | 4.4%            | 5.8%    | 11.2%   |
|                             | EBIT/Revenues           | 14.8%    | 17.5%    | 15.2%    | 15.8%       | 15.9%                  | 21.3%        | 4.0%            | 12.6%   | 14.7%   |
|                             | Net Profit              | 1,145.8  | 1,644.7  | 1,456.6  | 976.3       |                        | 61.5         | 7.7             |         | 11.1    |
|                             | Net Profit growth       | 787.3%   | 25.4%    | 13.7%    | -3.4%       | 205.7%                 | -0.7%        | 68.6%           | 33.9%   | 33.2%   |
|                             | 2y CAGR (2024e - 2026e) | 6.7%     | 6.3%     | 5.8%     | 5.0%        | 6.0%                   | 13.6%        | 10.5%           | 12.1%   | 14.8%   |
|                             | CAPEX/Sales %           | 2.6%     | 1.5%     | 0.7%     | 1.9%        | 1.7%                   | 1.1%         | 0.2%            | 0.7%    | 2.5%    |
| Free Cash Flow              | 1,090.5                 | 1,985.6  | 1,548.3  | 1,077.1  |             | 108.1                  | 10.3         |                 | (18.5)  |         |
| Net financial debt          | 3,885.6                 | (258.0)  | 1,434.8  | 666.7    |             | 62.1                   | 14.9         |                 | 31.2    |         |
| ND/EBITDA (x)               | 1.6                     | n.a.     | 0.6      | 0.4      | 0.9         | 0.4                    | 0.9          | 0.6             | 1.4     |         |
| Pay-out                     | 41.9%                   | 54.3%    | 37.1%    | 47.3%    | 45.2%       | 31.3%                  | 23.8%        | 27.6%           | 25.0%   |         |
| Multiples and Ratios        | P/E (x)                 | 9.3      | 14.6     | 11.8     | 11.1        | 11.7                   | 10.9         | 8.4             | 9.7     | 10.1    |
|                             | P/BV (x)                | 2.3      | 2.5      | 4.4      | 2.9         | 3.0                    | 10.0         | 2.2             | 6.1     | 2.4     |
|                             | EV/Revenues (x)         | 1.2      | 2.0      | 1.5      | 1.6         | 1.6                    | 1.6          | 0.2             | 0.9     | 1.0     |
|                             | EV/EBITDA (x)           | 6.7      | 9.1      | 9.1      | 8.5         | 8.4                    | 7.0          | 4.5             | 5.7     | 5.5     |
|                             | EV/EBIT (x)             | 8.0      | 11.4     | 10.0     | 9.9         | 9.8                    | 7.5          | 6.3             | 6.9     | 6.8     |
|                             | ROE                     | 24.3     | 17.2     | 37.0     | 25.9        | 26.1                   | 91.3         | 26.2            | 58.7    | 25.9    |
|                             | FCF Yield (%)           | 10.2     | 7.3      | 8.9      | 9.7         | 9.0                    | 9.7          | 16.6            | 13.2    | 8.4     |
|                             | DPS                     | 0.45     | 3.56     | 2.71     | 1.20        | 1.98                   | 0.19         | 0.70            | 0.45    | 0.24    |
|                             | Dvd Yield               | 4.5%     | 3.3%     | 3.1%     | 4.1%        | 3.8%                   | 1.7%         | 3.4%            | 2.6%    | 2.5%    |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015 | 2016  | 2017   | 2018  | 2019   | 2020   | 2021   | 2022  | 2023   | 2024e  | 2025e | 2026e | 13-23 | 23-26e |
|---------------------------------|------|------|------|-------|--------|-------|--------|--------|--------|-------|--------|--------|-------|-------|-------|--------|
| Total Revenues                  |      |      |      | 34.4  | 38.7   | 41.5  | 48.2   | 44.7   | 64.1   | 89.5  | 101.4  | 128.5  | 148.4 | 158.7 | n.a.  | 16.1%  |
| Total Revenues growth           |      |      |      | n.a.  | 12.5%  | 7.2%  | 16.0%  | -7.2%  | 43.5%  | 39.5% | 13.3%  | 26.8%  | 15.5% | 6.9%  |       |        |
| EBITDA                          |      |      |      | 5.2   | 8.0    | 7.8   | 10.1   | 8.1    | 11.2   | 14.4  | 16.8   | 23.0   | 26.7  | 29.0  | n.a.  | 19.9%  |
| EBITDA growth                   |      |      |      | n.a.  | 51.8%  | -2.3% | 29.5%  | -19.1% | 37.3%  | 28.9% | 16.6%  | 36.9%  | 15.9% | 8.7%  |       |        |
| EBITDA/Sales                    |      |      |      | 15.2% | 20.5%  | 18.7% | 20.9%  | 18.2%  | 17.4%  | 16.1% | 16.6%  | 17.9%  | 18.0% | 18.3% |       |        |
| Net Profit                      |      |      |      | 1.8   | 1.5    | 1.8   | 4.3    | 2.3    | 5.3    | 6.8   | 8.3    | 11.1   | 12.8  | 14.6  | n.a.  | 20.6%  |
| Net Profit growth               |      |      |      | n.a.  | -19.5% | 20.0% | 138.7% | -46.6% | 134.6% | 27.4% | 23.0%  | 33.2%  | 15.5% | 14.2% |       |        |
| Adjusted number shares (Mn)     |      |      |      | -     | 10.6   | 10.6  | 10.6   | 10.6   | 11.6   | 11.6  | 11.6   | 11.6   | 11.6  | 11.6  |       |        |
| EPS (EUR)                       |      |      |      | n.a.  | 0.14   | 0.17  | 0.40   | 0.21   | 0.46   | 0.58  | 0.72   | 0.95   | 1.10  | 1.26  | n.a.  | 20.6%  |
| EPS growth                      |      |      |      | n.a.  | n.a.   | 20.0% | n.a.   | -46.6% | n.a.   | 27.4% | 22.8%  | 33.2%  | 15.5% | 14.2% |       |        |
| Ord. EPS (EUR)                  |      |      |      | n.a.  | 0.15   | 0.20  | 0.40   | 0.30   | 0.55   | 0.63  | 0.77   | 0.95   | 1.10  | 1.26  | n.a.  | 17.8%  |
| Ord. EPS growth                 |      |      |      | n.a.  | n.a.   | 30.9% | n.a.   | -26.9% | 86.5%  | 14.3% | 21.9%  | 24.1%  | 15.5% | 14.2% |       |        |
| CAPEX                           |      |      |      | -     | (1.8)  | (1.4) | (0.5)  | (3.2)  | (1.5)  | (2.5) | (4.6)  | (3.2)  | (3.7) | (4.0) |       |        |
| CAPEX/Sales %                   |      |      |      | 0.0%  | 4.7%   | 3.3%  | 1.1%   | 7.1%   | 2.3%   | 2.8%  | 4.6%   | 2.5%   | 2.5%  | 2.5%  |       |        |
| Free Cash Flow                  |      |      |      | -     | 2.6    | 0.4   | 4.8    | 0.7    | (9.0)  | 3.9   | (9.0)  | (18.5) | 12.2  | 14.8  | n.a.  | 53.9%  |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      |      | -0.9x | -0.7x  | -0.6x | -0.7x  | -1.0x  | -0.1x  | -0.1x | 0.6x   | 1.4x   | 0.8x  | 0.4x  |       |        |
| P/E (x)                         |      |      |      | n.a.  | n.a.   | n.a.  | n.a.   | n.a.   | 24.5x  | 16.9x | 11.6x  | 10.1x  | 8.7x  | 7.6x  |       |        |
| EV/Sales (x)                    |      |      |      | n.a.  | n.a.   | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.   | 0.99x  | 0.86x | 0.80x |       |        |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      |      | n.a.  | n.a.   | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | n.a.   | 5.5x   | 4.8x  | 4.4x  |       |        |
| Absolute performance            |      |      |      | n.a.  | n.a.   | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | -11.9% | -15.4% | 15.0% |       |       |        |
| Relative performance vs Ibx 35  |      |      |      | n.a.  | n.a.   | n.a.  | n.a.   | n.a.   | n.a.   | n.a.  | -6.8%  | -31.1% | 2.5%  |       |       |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Natac Natural Ingredients (NAT)**, is the result of the merger between IFFE Futura and Natac Group. Combining Natac Group's expertise in research, development, production and commercialization of natural ingredients derived mainly from herbal extracts, with IFFE Futura's specialization in the development and refining of Omega 3. This allows NAT to offer a wider range of high quality natural products.

**Market Data**

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 287.0              | 312.1 |
| EV (Mn EUR and USD)            | 352.2              | 383.1 |
| Shares Outstanding (Mn)        | 434.8              |       |
| -12m (Max/Med/Min EUR)         | 1.13 / 0.80 / 0.60 |       |
| Daily Avg volume (-12m Mn EUR) | 0.03               |       |
| Rotation <sup>(1)</sup>        | 2.5                |       |
| Factset / Bloomberg            | NAT-ES / NAT SM    |       |
| Close fiscal year              | 31-Dec             |       |

**Shareholders Structure (%)<sup>(3)</sup>**

|                                |      |
|--------------------------------|------|
| Antonio Angel Delgado Romero   | 30.4 |
| José Carlos Quintero Fernández | 14.7 |
| María Jesús Pérez Pérez        | 14.7 |
| Inveready                      | 11.8 |
| Free Float                     | 22.4 |

| Financials (Mn EUR)                 | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 102.5 | 432.9 | 434.8 | 434.8 |
| Total Revenues                      | 26.7  | 39.8  | 50.2  | 62.2  |
| Rec. EBITDA                         | 8.6   | 13.9  | 17.9  | 22.1  |
| % growth                            | 29.1  | 61.2  | 29.3  | 23.1  |
| % Rec. EBITDA/Rev.                  | 32.2  | 34.8  | 35.7  | 35.4  |
| % Inc. EBITDA sector <sup>(2)</sup> | 9.0   | 9.7   | 8.4   | 6.9   |
| Net Profit                          | 6.4   | 4.7   | 7.9   | 11.2  |
| EPS (EUR)                           | 0.06  | 0.01  | 0.02  | 0.03  |
| % growth                            | 146.9 | -82.6 | 66.3  | 42.2  |
| Ord. EPS (EUR)                      | 0.07  | 0.01  | 0.02  | 0.03  |
| % growth                            | 15.6  | -84.5 | 66.3  | 42.2  |
| Rec. Free Cash Flow                 | 2.3   | 1.7   | 2.5   | 9.2   |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 59.3  | 57.6  | 55.0  | 45.8  |
| ND/Rec. EBITDA (x)                  | 6.9   | 4.2   | 3.1   | 2.1   |
| ROE (%)                             | 52.3  | 10.8  | 15.7  | 18.8  |
| ROCE (%)                            | 2.7   | 6.2   | 8.6   | 11.0  |

**Ratios & Multiples (x)**

|                    |       |      |      |      |
|--------------------|-------|------|------|------|
| P/E                | 10.6  | 60.5 | 36.4 | 25.6 |
| Ord. P/E           | 9.4   | 60.5 | 36.4 | 25.6 |
| P/BV               | 6.9   | 6.2  | 5.3  | 4.4  |
| Dividend Yield (%) | 0.0   | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 13.20 | 8.84 | 7.02 | 5.66 |
| EV/Rec. EBITDA     | 41.0  | 25.4 | 19.7 | 16.0 |
| EV/EBIT            | n.a.  | 39.3 | 27.3 | 20.6 |
| FCF Yield (%)      | 0.8   | 0.6  | 0.9  | 3.2  |

**Historical behavior (base 100)**


| (%)      | -1m  | -3m  | -12m  | -5Y   |
|----------|------|------|-------|-------|
| Absolute | -2.9 | -5.0 | -35.9 | -64.5 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Food & Beverage.

(3) Others: Onchena 6.0%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**Strong growth in both revenue and recurring EBITDA in 2023.** NAT reported revenue in 2023 of EUR 26.7Mn (+18.7% vs 2022), propelled by product sales (vegetable extracts; +26% vs 2022). The APAC region (penetrated in 2022) contributed EUR 5.3Mn of revenue, helping raise recurring EBITDA to EUR 8.6Mn (vs EUR 6.7Mn in 2022) for a number of reasons; e.g. more efficient production (shorter production time and higher raw material utilisation).

**We expect revenue and recurring EBITDA to really "take off" in 2024e** surging to EUR 39.8Mn (+49% vs 2023) and EUR 13.9Mn (+61% vs 2023), respectively. This jump will be the result of: (i) a larger customer base (international expansion), (ii) growth among existing customers (through cross selling), (iii) greater production capacity utilisation (we currently estimate c. 40% in vegetable extracts and 0% in Omega-3) and (iv) the ability to produce at highly competitive prices (building economies of scale).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**"Catch-up" for utilisation.** Installed capacity, on our estimates, would leave room for c. EUR 120Mn of revenue (with no major additional investment requirements). Put another way, NAT boasts excellent potential (on its own) to continue to deliver high double-digit growth rates by simply raising capacity utilisation in both extracts and Omega-3 (which we expect as early as 2024e).

**Larger share of the pharma industry.** Driven by: (i) GMP certification, enabling the Hervás factory to focus on active pharmaceutical ingredients (APIs) for medicinal plants and (ii) a customer acquisition (in the U.S.) with FDA approval to produce a drug that requires a unique extract that NAT produces (from olive trees). This will give rise to a recurring revenue base (in a defensive/anticyclical industry). And wider margins.

**Highly diversified business and geographic mixes.** The company boasts a vast product/service portfolio, which means the business model is inherently exposed to less risk. This bodes well for organic revenue growth (via cross selling). It also enjoys good geographic diversification, reducing (in addition) business risk by avoiding concentration in an activity and reliance on a small number of countries and customers. International expansion should drive growth in the coming years (NAT exported c.91% of its production in 2023).

**2024e-2026e: across-the-board increases (revenue, EBITDA, FCF).** In 2026e, we should see a company with revenue of EUR 62.2Mn (CAGR 2023e-26e: 33%; in line with its long-run growth rate) and recurring EBITDA of EUR 22.1Mn (vs EUR 13.9Mn in 2024e). That will drive cash generation up to EUR 9.2Mn. FCF in 2024e and (primarily) 2025e will be affected by non-recurring CAPEX of EUR 9Mn.

**RISKS: WHAT TO KEEP AN EYE ON?**

**Debt.** NAT ended 2023 with net debt of EUR 59.3Mn (including EUR 9.9Mn of convertible bonds). This puts it on a net debt/recurring EBITDA multiple of 6.9x. However, we expect NAT's cash generation capacity (due to the "leap" in EBITDA) to help it deleverage.

**Working capital management.** Across the industry, supplies are obtained during the harvest season (generally once a year), so it takes long to turn sales from the purchase of inventories into cash (impacting working capital).

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**A start-up that should be viewed with a 2-year horizon.** After the slump in the share price (NAT: YTD: -9.6% absolute, -19.4% vs Ibex 35, -10.4% vs sector), our 2026e estimates put it trading at an EV/recurring EBITDA multiple of 16x (while the sector is trending towards c.20x).



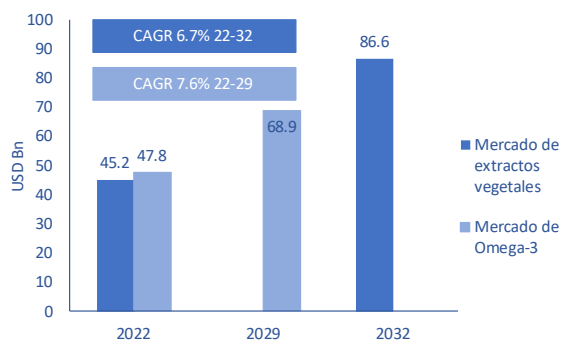
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019 | 2020 | 2021 | 2022         | 2023          | 2024e         | 2025e        | 2026e        | CAGR        |              |
|--|------|------|------|--------------|---------------|---------------|--------------|--------------|-------------|--------------|
| Intangible assets                            |      |      |      | 9.9          | 9.9           | 10.0          | 10.0         | 10.1         |             |              |
| Fixed assets                                 |      |      |      | 15.8         | 26.0          | 25.4          | 27.6         | 24.7         |             |              |
| Other Non Current Assets                     |      |      |      | 0.7          | 0.7           | 0.7           | 0.7          | 0.7          |             |              |
| Financial Investments                        |      |      |      | 8.0          | 12.3          | 12.3          | 12.3         | 12.3         |             |              |
| Goodwill & Other Intangibles                 |      |      |      | 4.0          | 48.7          | 48.7          | 48.7         | 48.7         |             |              |
| Current assets                               |      |      |      | 31.8         | 28.9          | 34.8          | 39.7         | 46.7         |             |              |
| <b>Total assets</b>                          |      |      |      | <b>70.2</b>  | <b>126.5</b>  | <b>131.9</b>  | <b>139.1</b> | <b>143.3</b> |             |              |
| Equity                                       |      |      |      | (16.9)       | 41.4          | 46.2          | 54.0         | 65.3         |             |              |
| Minority Interests                           |      |      |      | 0.7          | 2.5           | 2.4           | 2.2          | 2.1          |             |              |
| Provisions & Other L/T Liabilities           |      |      |      | 7.1          | 16.5          | 16.5          | 16.5         | 16.5         |             |              |
| Other Non Current Liabilities                |      |      |      | 0.4          | 0.3           | 0.3           | 0.3          | 0.3          |             |              |
| Net financial debt                           |      |      |      | 71.8         | 59.3          | 57.6          | 55.0         | 45.8         |             |              |
| Current Liabilities                          |      |      |      | 7.1          | 6.4           | 9.0           | 11.0         | 13.3         |             |              |
| <b>Equity &amp; Total Liabilities</b>        |      |      |      | <b>70.2</b>  | <b>126.5</b>  | <b>131.9</b>  | <b>139.1</b> | <b>143.3</b> |             |              |
| P&L (EUR Mn)                                 | 2019 | 2020 | 2021 | 2022         | 2023          | 2024e         | 2025e        | 2026e        | 19-23       | 23-26e       |
| <b>Total Revenues</b>                        |      |      |      | <b>22.5</b>  | <b>26.7</b>   | <b>39.8</b>   | <b>50.2</b>  | <b>62.2</b>  | <i>n.a.</i> | <b>32.6%</b> |
| <i>Total Revenues growth</i>                 |      |      |      | <i>n.a.</i>  | <i>18.7%</i>  | <i>49.3%</i>  | <i>26.0%</i> | <i>24.0%</i> |             |              |
| COGS   |      |      |      | (5.9)        | (6.3)         | (11.2)        | (15.1)       | (20.2)       |             |              |
| <b>Gross Margin</b>                          |      |      |      | <b>16.6</b>  | <b>20.4</b>   | <b>28.7</b>   | <b>35.1</b>  | <b>42.0</b>  | <i>n.a.</i> | <b>27.2%</b> |
| <i>Gross Margin/Revenues</i>                 |      |      |      | <i>73.8%</i> | <i>76.4%</i>  | <i>72.0%</i>  | <i>70.0%</i> | <i>67.5%</i> |             |              |
| Personnel Expenses                           |      |      |      | (5.6)        | (7.0)         | (8.4)         | (9.7)        | (11.2)       |             |              |
| Other Operating Expenses                     |      |      |      | (4.3)        | (4.8)         | (6.5)         | (7.5)        | (8.8)        |             |              |
| <b>Recurrent EBITDA</b>                      |      |      |      | <b>6.7</b>   | <b>8.6</b>    | <b>13.9</b>   | <b>17.9</b>  | <b>22.1</b>  | <i>n.a.</i> | <b>36.9%</b> |
| <i>Recurrent EBITDA growth</i>               |      |      |      | <i>n.a.</i>  | <i>29.1%</i>  | <i>61.2%</i>  | <i>29.3%</i> | <i>23.1%</i> |             |              |
| <i>Rec. EBITDA/Revenues</i>                  |      |      |      | <i>29.6%</i> | <i>32.2%</i>  | <i>34.8%</i>  | <i>35.7%</i> | <i>35.4%</i> |             |              |
| Restructuring Expense & Other non-rec.       |      |      |      | (1.2)        | (1.1)         | -             | -            | -            |             |              |
| <b>EBITDA</b>                                |      |      |      | <b>5.5</b>   | <b>7.5</b>    | <b>13.9</b>   | <b>17.9</b>  | <b>22.1</b>  | <i>n.a.</i> | <b>43.2%</b> |
| Depreciation & Provisions                    |      |      |      | (3.5)        | (4.5)         | (4.8)         | (4.9)        | (4.9)        |             |              |
| Capitalized Expense                          |      |      |      | -            | 0.1           | 0.1           | 0.1          | 0.1          |             |              |
| Rentals (IFRS 16 impact)                     |      |      |      | (0.1)        | (0.2)         | (0.2)         | (0.2)        | (0.2)        |             |              |
| <b>EBIT</b>                                  |      |      |      | <b>1.9</b>   | <b>3.0</b>    | <b>9.0</b>    | <b>12.9</b>  | <b>17.1</b>  | <i>n.a.</i> | <b>79.0%</b> |
| <i>EBIT growth</i>                           |      |      |      | <i>n.a.</i>  | <i>56.4%</i>  | <i>201.0%</i> | <i>43.9%</i> | <i>32.3%</i> |             |              |
| <i>EBIT/Revenues</i>                         |      |      |      | <i>8.5%</i>  | <i>11.2%</i>  | <i>22.5%</i>  | <i>25.7%</i> | <i>27.5%</i> |             |              |
| Impact of Goodwill & Others                  |      |      |      | -            | -             | -             | -            | -            |             |              |
| Net Financial Result                         |      |      |      | 0.4          | 5.5           | (2.9)         | (2.6)        | (2.3)        |             |              |
| Income by the Equity Method                  |      |      |      | -            | -             | -             | -            | -            |             |              |
| <b>Ordinary Profit</b>                       |      |      |      | <b>2.3</b>   | <b>8.5</b>    | <b>6.1</b>    | <b>10.3</b>  | <b>14.7</b>  | <i>n.a.</i> | <b>20.4%</b> |
| <i>Ordinary Profit Growth</i>                |      |      |      | <i>n.a.</i>  | <i>273.8%</i> | <i>-27.9%</i> | <i>69.3%</i> | <i>43.0%</i> |             |              |
| Extraordinary Results                        |      |      |      | (0.0)        | -             | -             | -            | -            |             |              |
| <b>Profit Before Tax</b>                     |      |      |      | <b>2.3</b>   | <b>8.5</b>    | <b>6.1</b>    | <b>10.3</b>  | <b>14.7</b>  | <i>n.a.</i> | <b>20.4%</b> |
| Tax Expense                                  |      |      |      | (1.2)        | (2.2)         | (1.5)         | (2.6)        | (3.7)        |             |              |
| <i>Effective Tax Rate</i>                    |      |      |      | <i>53.4%</i> | <i>25.9%</i>  | <i>25.0%</i>  | <i>25.0%</i> | <i>25.0%</i> |             |              |
| Minority Interests                           |      |      |      | (0.1)        | 0.2           | 0.2           | 0.2          | 0.2          |             |              |
| Discontinued Activities                      |      |      |      | -            | -             | -             | -            | -            |             |              |
| <b>Net Profit</b>                            |      |      |      | <b>1.0</b>   | <b>6.4</b>    | <b>4.7</b>    | <b>7.9</b>   | <b>11.2</b>  | <i>n.a.</i> | <b>20.5%</b> |
| <i>Net Profit growth</i>                     |      |      |      | <i>n.a.</i>  | <i>569.8%</i> | <i>-26.4%</i> | <i>67.0%</i> | <i>42.2%</i> |             |              |
| <b>Ordinary Net Profit</b>                   |      |      |      | <b>2.3</b>   | <b>7.2</b>    | <b>4.7</b>    | <b>7.9</b>   | <b>11.2</b>  | <i>n.a.</i> | <b>15.8%</b> |
| <i>Ordinary Net Profit growth</i>            |      |      |      | <i>n.a.</i>  | <i>213.7%</i> | <i>-34.6%</i> | <i>67.0%</i> | <i>42.2%</i> |             |              |
| Cash Flow (EUR Mn)                           | 2019 | 2020 | 2021 | 2022         | 2023          | 2024e         | 2025e        | 2026e        | 19-23       | 23-26e       |
| <b>Recurrent EBITDA</b>                      |      |      |      |              |               | <b>13.9</b>   | <b>17.9</b>  | <b>22.1</b>  | <i>n.a.</i> | <b>36.9%</b> |
| Rentals (IFRS 16 impact)                     |      |      |      |              |               | (0.2)         | (0.2)        | (0.2)        |             |              |
| Working Capital Increase                     |      |      |      |              |               | (3.4)         | (2.9)        | (4.7)        |             |              |
| <b>Recurrent Operating Cash Flow</b>         |      |      |      |              |               | <b>10.3</b>   | <b>14.9</b>  | <b>17.2</b>  | <i>n.a.</i> | <b>17.5%</b> |
| CAPEX  |      |      |      |              |               | (4.2)         | (7.2)        | (2.0)        |             |              |
| Net Financial Result affecting the Cash Flow |      |      |      |              |               | (2.9)         | (2.6)        | (2.3)        |             |              |
| Tax Expense                                  |      |      |      |              |               | (1.5)         | (2.6)        | (3.7)        |             |              |
| <b>Recurrent Free Cash Flow</b>              |      |      |      |              |               | <b>1.7</b>    | <b>2.5</b>   | <b>9.2</b>   | <i>n.a.</i> | <b>58.9%</b> |
| Restructuring Expense & Other non-rec.       |      |      |      |              |               | -             | -            | -            |             |              |
| - Acquisitions / + Divestures of assets      |      |      |      |              |               | -             | -            | -            |             |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |      |      |      |              |               | -             | -            | -            |             |              |
| <b>Free Cash Flow</b>                        |      |      |      |              |               | <b>1.7</b>    | <b>2.5</b>   | <b>9.2</b>   | <i>n.a.</i> | <i>n.a.</i>  |
| Capital Increase                             |      |      |      |              |               | -             | -            | -            |             |              |
| Dividends                                    |      |      |      |              |               | -             | -            | -            |             |              |
| <b>Net Debt Variation</b>                    |      |      |      |              |               | <b>(1.7)</b>  | <b>(2.5)</b> | <b>(9.2)</b> |             |              |

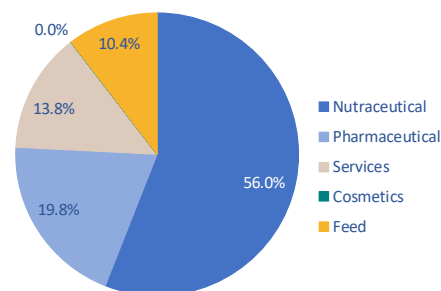


## The company in 8 charts

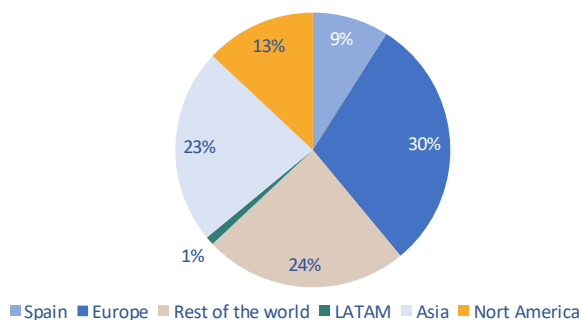
*The world plant extracts market is forecast to grow at a CAGR 2022-2032e of 6.7% and Omega-3 at 7.6%.*



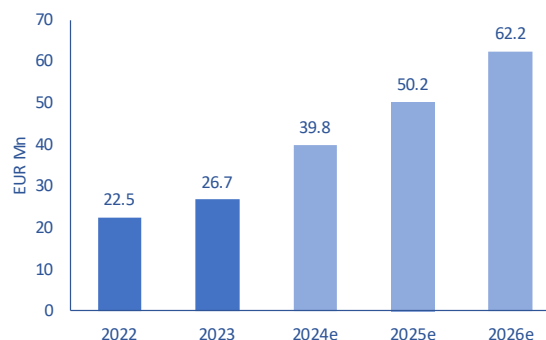
*NAT: a company with a highly diversified business mix...*



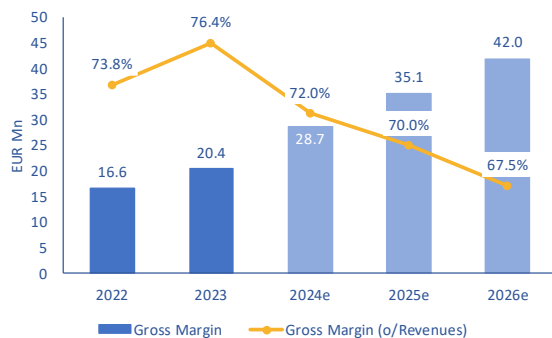
*...and geographic mix. In 2023, sales outside Spain accounted for 91%*



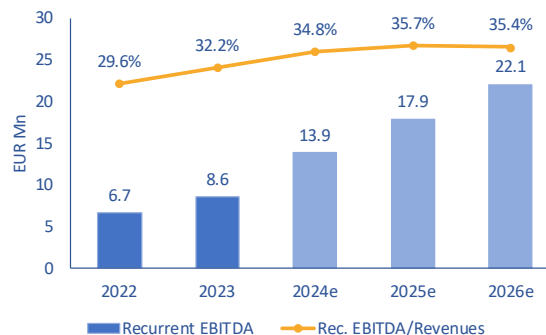
*Paving the way for organic growth over the next few years (along with higher capacity utilisation)*



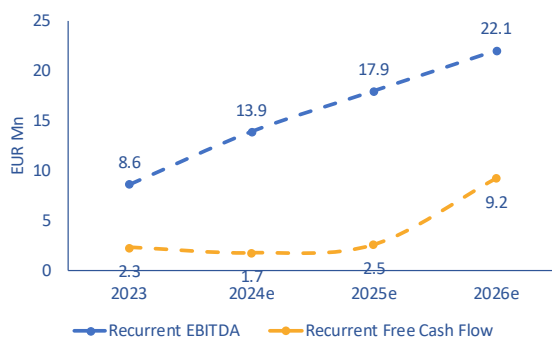
*As the share of Omega-3 business (50% gross margin) ups its weight in the mix, gross margin should contract to 67.5% in 2026e.*



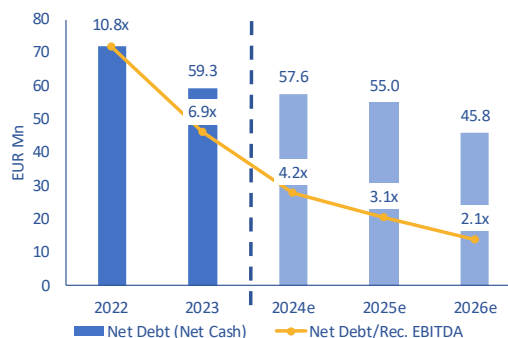
*However, thanks to high operating leverage, recurring EBITDA should improve (EBITDA margin 26e: 35%)...*



*...lifting recurring cash flow generation to EUR 9.2Mn in 2026e (vs EUR 1.7Mn in 2024e)...*



*...which would leave NAT prudently leveraged in 2026e (ND: EUR 45.8Mn; ND/rec. EBITDA: 2.1x)*



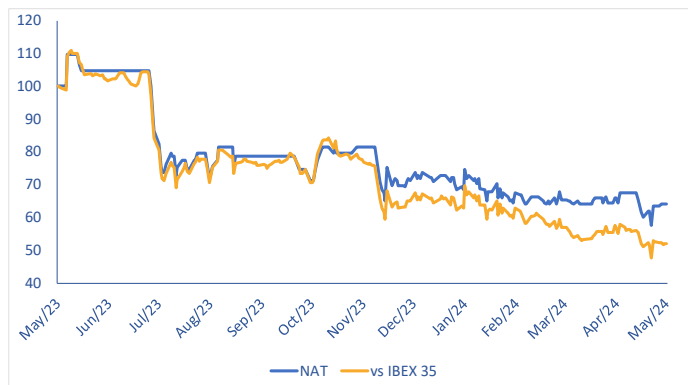


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



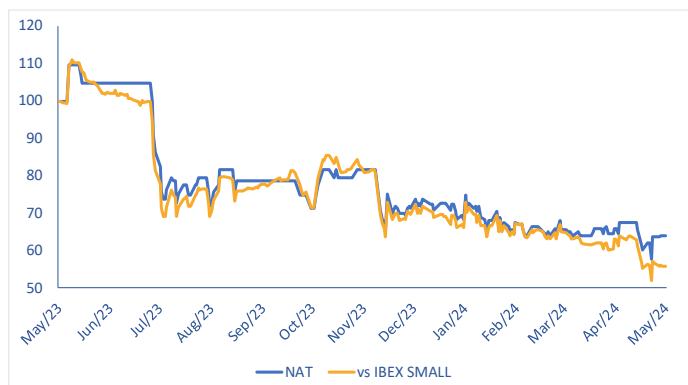
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



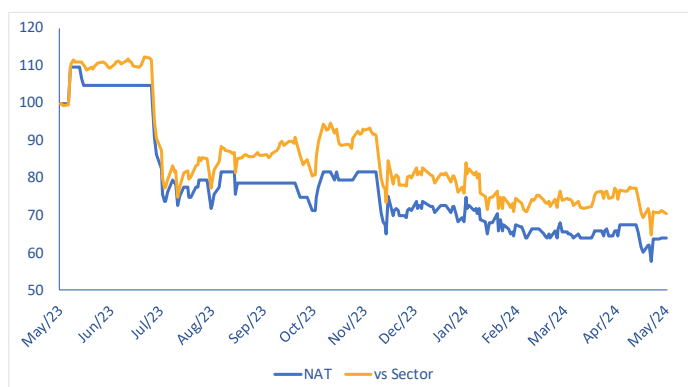
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Food & Beverage

| Stock performance (%)                     | -1m   | -3m   | -12m  | YTD   | -3Y   | -5Y   |
|---|-------|-------|-------|-------|-------|-------|
| Absolute                                  | -2.9  | -5.0  | -35.9 | -9.6  | -34.0 | -64.5 |
| <b>vs Market</b>                          |       |       |       |       |       |       |
| vs Ibex 35                                | -8.9  | -17.1 | -47.9 | -19.4 | -46.7 | -70.9 |
| vs Euro STOXX 50                          | -5.8  | -10.6 | -45.3 | -19.3 | -47.8 | -76.0 |
| <b>vs Small Cap References</b>            |       |       |       |       |       |       |
| vs Ibex Small Cap Index                   | -11.1 | -16.9 | -44.0 | -18.8 | -35.4 | -72.8 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -8.0  | -12.1 | -39.0 | -16.1 | -28.6 | -70.6 |
| vs MSCI Europe Micro Cap                  | -8.5  | -11.5 | -37.8 | -14.5 | -19.0 | -70.4 |
| <b>vs Sector</b>                          |       |       |       |       |       |       |
| vs Stoxx Europe 600 Food & Beverage       | -7.7  | -5.3  | -29.5 | -10.4 | -29.8 | -63.6 |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

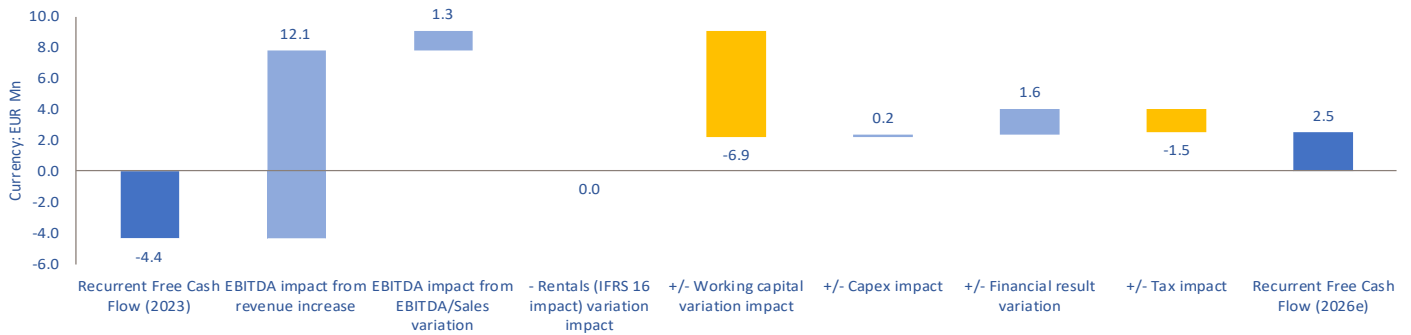
| A) Cash Flow Analysis (EUR Mn)  | 2020 | 2021 | 2022          | 2023        | 2024e        | 2025e       | 2026e       | CAGR  |        |
|---|------|------|---------------|-------------|--------------|-------------|-------------|-------|--------|
|   |      |      |               |             |              |             |             | 20-23 | 23-26e |
| <b>Recurrent EBITDA</b>   |      |      | 6.7           | 8.6         | 13.9         | 17.9        | 22.1        | n.a.  | 36.9%  |
| <i>Recurrent EBITDA growth</i>  |      |      | n.a.          | 29.1%       | 61.2%        | 29.3%       | 23.1%       |       |        |
| <i>Rec. EBITDA/Revenues</i>   |      |      | 29.6%         | 32.2%       | 34.8%        | 35.7%       | 35.4%       |       |        |
| - Rentals (IFRS 16 impact)  |      |      | (0.1)         | (0.2)       | (0.2)        | (0.2)       | (0.2)       |       |        |
| +/- Working Capital increase  |      |      | (24.7)        | 2.2         | (3.4)        | (2.9)       | (4.7)       |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      |      | <b>(18.1)</b> | <b>10.6</b> | <b>10.3</b>  | <b>14.9</b> | <b>17.2</b> | n.a.  | 17.5%  |
| <i>Rec. Operating Cash Flow growth</i>  |      |      | n.a.          | 158.7%      | -2.7%        | 44.3%       | 15.4%       |       |        |
| <i>Rec. Operating Cash Flow / Sales</i>   |      |      | n.a.          | 39.8%       | 25.9%        | 29.7%       | 27.7%       |       |        |
| - CAPEX   |      |      | -             | (2.2)       | (4.2)        | (7.2)       | (2.0)       |       |        |
| - Net Financial Result affecting Cash Flow  |      |      | -             | (4.0)       | (2.9)        | (2.6)       | (2.3)       |       |        |
| - Taxes   |      |      | -             | (2.2)       | (1.5)        | (2.6)       | (3.7)       |       |        |
| <b>= Recurrent Free Cash Flow</b>   |      |      | <b>(18.1)</b> | <b>2.3</b>  | <b>1.7</b>   | <b>2.5</b>  | <b>9.2</b>  | n.a.  | 58.9%  |
| <i>Rec. Free Cash Flow growth</i>   |      |      | n.a.          | 112.7%      | -24.5%       | 46.4%       | 262.8%      |       |        |
| <i>Rec. Free Cash Flow / Revenues</i>   |      |      | n.a.          | 8.6%        | 4.3%         | 5.0%        | 14.8%       |       |        |
| - Restructuring expenses & others   |      |      | -             | (1.1)       | -            | -           | -           |       |        |
| - Acquisitions / + Divestments  |      |      | -             | (0.7)       | -            | -           | -           |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      |      | -             | -           | -            | -           | -           |       |        |
| <b>= Free Cash Flow</b>   |      |      | <b>(18.1)</b> | <b>0.5</b>  | <b>1.7</b>   | <b>2.5</b>  | <b>9.2</b>  | n.a.  | n.a.   |
| <i>Free Cash Flow growth</i>  |      |      | n.a.          | 102.8%      | 237.4%       | 46.4%       | 262.8%      |       |        |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 |      |      | n.a.          | 0.8%        | 0.6%         | 0.9%        | 3.2%        |       |        |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   |      |      | n.a.          | 0.2%        | 0.6%         | 0.9%        | 3.2%        |       |        |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |      |      |               |             |              |             |             |       |        |
|   | 2020 | 2021 | 2022          | 2023        | 2024e        | 2025e       | 2026e       | CAGR  |        |
| <b>Recurrent FCF(FY - 1)</b>  |      |      | -             | (18.1)      | 2.3          | 1.7         | 2.5         |       |        |
| EBITDA impact from revenue increase   |      |      | n.a.          | 1.2         | 4.2          | 3.6         | 4.3         |       |        |
| EBITDA impact from EBITDA/Sales variation   |      |      | n.a.          | 0.7         | 1.0          | 0.5         | (0.2)       |       |        |
| <b>= Recurrent EBITDA variation</b>   |      |      | n.a.          | <b>1.9</b>  | <b>5.3</b>   | <b>4.1</b>  | <b>4.1</b>  |       |        |
| - Rentals (IFRS 16 impact) variation impact   |      |      | (0.1)         | (0.1)       | -            | -           | -           |       |        |
| +/- Working capital variation impact  |      |      | (24.7)        | 26.8        | (5.5)        | 0.5         | (1.8)       |       |        |
| <b>= Recurrent Operating Cash Flow variation</b>                                    |      |      | <b>(24.7)</b> | <b>28.7</b> | <b>(0.3)</b> | <b>4.6</b>  | <b>2.3</b>  |       |        |
| +/- CAPEX impact  |      |      | -             | (2.2)       | (2.0)        | (3.0)       | 5.2         |       |        |
| +/- Financial result variation  |      |      | -             | (4.0)       | 1.1          | 0.3         | 0.3         |       |        |
| +/- Tax impact  |      |      | -             | (2.2)       | 0.7          | (1.1)       | (1.1)       |       |        |
| <b>= Recurrent Free Cash Flow variation</b>   |      |      | <b>(24.7)</b> | <b>20.4</b> | <b>(0.6)</b> | <b>0.8</b>  | <b>6.7</b>  |       |        |
| <b>Recurrent Free Cash Flow</b>   |      |      | <b>(24.7)</b> | <b>2.3</b>  | <b>1.7</b>   | <b>2.5</b>  | <b>9.2</b>  |       |        |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |      |      |               |             |              |             |             |       |        |
|   | 2020 | 2021 | 2022          | 2023        | 2024e        | 2025e       | 2026e       | CAGR  |        |
| <b>EBIT</b>   |      |      | 1.9           | 3.0         | 9.0          | 12.9        | 17.1        | n.a.  | 79.0%  |
| * <i>Theoretical Tax rate</i>   |      |      | 30.0%         | 25.9%       | 25.0%        | 25.0%       | 25.0%       |       |        |
| = Taxes (pre- Net Financial Result)   |      |      | (0.6)         | (0.8)       | (2.2)        | (3.2)       | (4.3)       |       |        |
| <b>Recurrent EBITDA</b>   |      |      | 6.7           | 8.6         | 13.9         | 17.9        | 22.1        | n.a.  | 36.9%  |
| - Rentals (IFRS 16 impact)  |      |      | (0.1)         | (0.2)       | (0.2)        | (0.2)       | (0.2)       |       |        |
| +/- Working Capital increase  |      |      | (24.7)        | 2.2         | (3.4)        | (2.9)       | (4.7)       |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      |      | <b>(18.1)</b> | <b>10.6</b> | <b>10.3</b>  | <b>14.9</b> | <b>17.2</b> | n.a.  | 17.5%  |
| - CAPEX   |      |      | -             | (2.2)       | (4.2)        | (7.2)       | (2.0)       |       |        |
| - Taxes (pre- Financial Result)   |      |      | (0.6)         | (0.8)       | (2.2)        | (3.2)       | (4.3)       |       |        |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     |      |      | <b>(18.7)</b> | <b>7.7</b>  | <b>3.9</b>   | <b>4.5</b>  | <b>10.9</b> | n.a.  | 12.4%  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     |      |      | n.a.          | 141.3%      | -49.5%       | 15.3%       | 143.9%      |       |        |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 |      |      | n.a.          | 28.8%       | 9.8%         | 8.9%        | 17.6%       |       |        |
| - Acquisitions / + Divestments  |      |      | -             | (0.7)       | -            | -           | -           |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      |      | -             | -           | -            | -           | -           |       |        |
| <b>= Free Cash Flow "To the Firm"</b>   |      |      | <b>(18.7)</b> | <b>7.0</b>  | <b>3.9</b>   | <b>4.5</b>  | <b>10.9</b> | n.a.  | 16.1%  |
| <i>Free Cash Flow (To the Firm) growth</i>  |      |      | n.a.          | 137.5%      | -44.4%       | 15.3%       | 143.9%      |       |        |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 |      |      | n.a.          | 2.2%        | 1.1%         | 1.3%        | 3.1%        |       |        |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  |      |      | n.a.          | 2.0%        | 1.1%         | 1.3%        | 3.1%        |       |        |



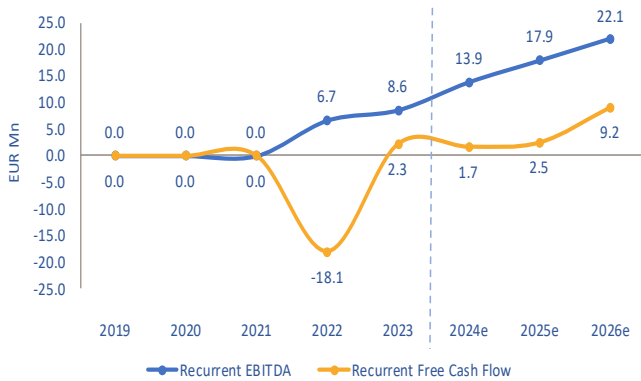


## Free Cash Flow (II)

### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | 3.9   | 4.5                                 | 10.9  | n.a.                          |           |            |  |
| Market Cap                     | 287.0 | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 59.3  | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 6.0%  | Net debt cost                       |       |                               | 5.8%      | 6.3%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.8%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 4.6%      | 5.0%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.1   | B (own estimate)                    |       |                               | 1.0       | 1.2        |  |
| Cost of Equity                 | 9.9%  | Ke = Rf + (R * B)                   |       |                               | 8.8%      | 11.1%      |  |
| Equity / (Equity + Net Debt)   | 82.9% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 17.1% | D                                   |       |                               | =         | =          |  |
| WACC                           | 9.0%  | WACC = Kd * D + Ke * E              |       |                               | 8.0%      | 10.0%      |  |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.0%      | 1.5%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 287.0        |                  |
| + Minority Interests                 | 2.5          | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 16.5         | 12m Results 2023 |
| + Net financial debt                 | 59.3         | 12m Results 2023 |
| - Financial Investments              | 13.1         | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>352.2</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | n.a.  | n.a.  | n.a. | n.a. | 2.7% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -6.3% | 2.0%  |      |      |      |
| FCF Yield - WACC     | -8.2% | -5.8% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 39.3%            | 19.7       | 17.9x         |
| Central  | 35.7%            | 17.9       | 19.7x         |
| Min      | 32.1%            | 16.1       | 21.9x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       | Scenario | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|-------|-------|----------|--------------------|------|------|
| EBITDA 25e      | 12.9%           | 14.3% | 15.7% |          | Max                | 1.8% | 1.5% |
| 19.7            | 5.0             | 4.3   | 3.6   | Central  | 1.1%               | 0.9% | 0.6% |
| 17.9            | 3.2             | 2.5   | 1.8   | Min      | 0.5%               | 0.3% | 0.0% |
| 16.1            | 1.4             | 0.7   | 0.0   |          |                    |      |      |

### Main Corporate Governance indicators

| KPI                                  | 2021 | 2022 | 2023  |
|--------------------------------------|------|------|-------|
| % of independent directors           | n.a. | n.a. | 60.0% |
| % of proprietary directors           | n.a. | n.a. | 40.0% |
| % of executive directors             | n.a. | n.a. | 0.0%  |
| % of other directors                 | n.a. | n.a. | 0.0%  |
| % of women on the board of directors | n.a. | n.a. | 0.0%  |
| % of women out of total workforce    | n.a. | n.a. | 32.9% |
| Board remuneration/staff cost        | n.a. | n.a. | n.a.  |



## Main peers 2024e

|                             |                         | Herbal Extracts             |          |             | Omega-3  |          |        |
|-----------------------------|-------------------------|-----------------------------|----------|-------------|----------|----------|--------|
| EUR Mn                      |                         | Inter. Flavors & Fragrances | Symrise  | Givaudan    | Average  | BASF     | NAT    |
| Market data                 | Ticker (Factset)        | IFF-US                      | SY1-DE   | GIVN-CH     |          | BAS-DE   | NAT-ES |
|                             | Country                 | United States               | Germany  | Switzerland |          | Germany  | Spain  |
|                             | Market cap              | 23,405.6                    | 14,312.7 | 39,124.3    |          | 43,687.2 | 287.0  |
|                             | Enterprise value (EV)   | 32,909.1                    | 16,518.9 | 43,458.3    |          | 63,187.0 | 352.2  |
| Basic financial information | Total Revenues          | 10,231.5                    | 4,969.1  | 7,321.4     |          | 68,668.1 | 39.8   |
|                             | Total Revenues growth   | -3.1%                       | 4.6%     | 4.4%        | 2.0%     | -0.3%    | 49.3%  |
|                             | 2y CAGR (2024e - 2026e) | 2.0%                        | 6.2%     | 4.7%        | 4.3%     | 4.0%     | 25.0%  |
|                             | EBITDA                  | 1,933.7                     | 1,006.4  | 1,682.6     |          | 8,378.9  | 13.9   |
|                             | EBITDA growth           | 6.6%                        | 26.4%    | 12.8%       | 15.3%    | 14.1%    | 84.3%  |
|                             | 2y CAGR (2024e - 2026e) | 5.8%                        | 8.3%     | 6.1%        | 6.7%     | 10.5%    | 26.2%  |
|                             | EBITDA/Revenues         | 18.9%                       | 20.3%    | 23.0%       | 20.7%    | 12.2%    | 34.8%  |
|                             | EBIT                    | 879.2                       | 707.9    | 1,319.4     |          | 4,396.6  | 9.0    |
|                             | EBIT growth             | 15.1%                       | 39.7%    | 16.6%       | 23.8%    | 28.6%    | 201.0% |
|                             | 2y CAGR (2024e - 2026e) | 17.2%                       | 10.4%    | 7.7%        | 11.8%    | 17.3%    | 38.0%  |
|                             | EBIT/Revenues           | 8.6%                        | 14.2%    | 18.0%       | 13.6%    | 6.4%     | 22.5%  |
|                             | Net Profit              | 923.0                       | 470.8    | 1,004.3     |          | 2,893.7  | 4.7    |
|                             | Net Profit growth       | 139.1%                      | 38.3%    | 10.9%       | 62.8%    | n.a.     | -26.4% |
|                             | 2y CAGR (2024e - 2026e) | 11.9%                       | 12.6%    | 9.2%        | 11.2%    | 18.2%    | 54.1%  |
|                             | CAPEX/Sales %           | 4.8%                        | 5.3%     | 3.8%        | 4.7%     | 9.0%     | 10.5%  |
| Free Cash Flow              | 568.8                   | 445.5                       | 1,052.3  |             | 728.7    | 1.7      |        |
| Net financial debt          | 8,190.2                 | 1,855.8                     | 4,040.1  |             | 18,719.7 | 57.6     |        |
| ND/EBITDA (x)               | 4.2                     | 1.8                         | 2.4      | 2.8         | 2.2      | 4.2      |        |
| Pay-out                     | 45.8%                   | 36.6%                       | 66.0%    | 49.5%       | 102.0%   | 0.0%     |        |
| Multiples and Ratios        | P/E (x)                 | 25.0                        | 31.8     | 37.6        | 31.5     | 13.5     | 60.5   |
|                             | P/BV (x)                | 1.8                         | 3.6      | 8.8         | 4.7      | 1.2      | 6.2    |
|                             | EV/Revenues (x)         | 3.2                         | 3.3      | 5.9         | 4.2      | 0.9      | 8.8    |
|                             | EV/EBITDA (x)           | 17.0                        | 16.4     | 25.8        | 19.8     | 7.5      | 25.4   |
|                             | EV/EBIT (x)             | 37.4                        | 23.3     | 32.9        | 31.2     | 14.4     | 39.3   |
|                             | ROE                     | 7.0                         | 11.5     | 23.4        | 14.0     | 9.2      | 10.8   |
|                             | FCF Yield (%)           | 2.4                         | 3.1      | 2.7         | 2.7      | 1.7      | 0.6    |
|                             | DPS                     | 1.66                        | 1.23     | 71.81       | 24.90    | 3.31     | 0.00   |
| Dvd Yield                   | 1.8%                    | 1.2%                        | 1.7%     | 1.6%        | 6.8%     | 0.0%     |        |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Naturhouse Health (NTH) is a small family group with headquarters in Madrid (Spain), specialising (c. 30 years) in nutrition and the re-education of eating habits (dietetics). With an international presence (c. 80% of revenue; France (37%), Italy (30%) and Poland (11%) being its core markets). It is managed and controlled by the founding family (78.1% of capital).

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**2023: Slowdown in revenue contraction.** NTH ended 2023 with 1,433 establishments (-123 vs 2022; -130 in 2022). However, the growth in average sales per store (+5%; LFL: +3.8%) and in online sales (5% of 2023 revenue) slowed (but did not prevent) the drop in revenue in 2023 (EUR 50.9Mn; -3.2% vs 2022). These numbers reflect weak business momentum and the advent of substitute products such as Ozempic and Wegovy.

**Margins, at record highs, saved the year.** Excellent management of operating costs and a gross margin of 73% in 2023 (thanks to vertical integration) unlocked double-digit growth in EBITDA (EUR 16.3Mn; +18% vs 2022) and net profit (EUR 11.3Mn; +17% vs 2022) despite the topline contraction. NTH ended 2023 with EUR 22.5Mn of net cash.

**Will 2024e mark the turning point?** The growth in average sales per store could signal the beginning of the end of the restructuring process. We are looking for stable revenue at EUR 50Mn in 2024e despite a smaller number of establishments (-47 in 2024e), coupled with margin normalisation (EBITDA margin: 32%). NTH's big draw is its ability to generate cash (FCF yield 24e: 9.6%) and its dividend policy (dividend yield 24e: c.8%).

### Market Data

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 99.9               | 108.7 |
| EV (Mn EUR and USD)            | 85.1               | 92.5  |
| Shares Outstanding (Mn)        | 60.0               |       |
| -12m (Max/Med/Min EUR)         | 1.74 / 1.58 / 1.49 |       |
| Daily Avg volume (-12m Mn EUR) | 0.03               |       |
| Rotation <sup>(1)</sup>        | 8.1                |       |
| Factset / Bloomberg            | NTH-ES / NTH SM    |       |
| Close fiscal year              | 31-Dec             |       |

### Shareholders Structure (%)

|                          |      |
|--------------------------|------|
| D. F. Revuelta y Familia | 78.1 |
| Free Float               | 22.0 |

### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 60.0  | 60.0  | 60.0  | 60.0  |
| Total Revenues                      | 50.9  | 50.0  | 51.0  | 52.4  |
| Rec. EBITDA                         | 18.6  | 16.3  | 16.5  | 16.6  |
| % growth                            | 18.0  | -12.0 | 1.0   | 0.9   |
| % Rec. EBITDA/Rev.                  | 36.5  | 32.6  | 32.3  | 31.7  |
| % Inc. EBITDA sector <sup>(2)</sup> | 9.0   | 9.7   | 8.4   | 6.9   |
| Net Profit                          | 11.3  | 10.3  | 10.5  | 10.5  |
| EPS (EUR)                           | 0.19  | 0.17  | 0.17  | 0.17  |
| % growth                            | 17.3  | -9.2  | 1.9   | 0.2   |
| Ord. EPS (EUR)                      | 0.19  | 0.17  | 0.17  | 0.17  |
| % growth                            | 12.6  | -9.3  | 1.9   | 0.2   |
| Rec. Free Cash Flow                 | 18.4  | 9.6   | 9.4   | 9.6   |
| Pay-out (%)                         | 53.1  | 80.0  | 80.0  | 80.0  |
| DPS (EUR)                           | 0.10  | 0.14  | 0.14  | 0.14  |
| Net financial debt                  | -22.5 | -23.0 | -25.0 | -26.1 |
| ND/Rec. EBITDA (x)                  | -1.2  | -1.4  | -1.5  | -1.6  |
| ROE (%)                             | 38.7  | 32.9  | 31.3  | 29.2  |
| ROCE (%)                            | 72.3  | 78.8  | 75.2  | 70.3  |

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Slowdown in point-of-sale closures.** Since 2017, the company has closed 927 points of sale (400 in 2020; annual average of 155). Our model assumes a floor of 1,384 establishments in 2025e (vs 1,433 in 2023 and 2,360 in 2017). Points of sale are projected to be stable after that. We see scope for c.EUR 52.4Mn of revenue in 2026e (vs EUR 50.9Mn in 2023).

**Margin resilience.** NTH's margins (EBITDA margin > 30%) are attributable to: i) vertical integration (it owns c.49% of its main supplier), locking in a gross margin of > 70%; and ii) a light cost structure, by virtue of using a franchise model (OPEX c.40% of revenue). Its business model can also be flexible: recent years have proven the company's ability to control costs tightly (OPEX: -51% vs 2017) especially in adverse moments (revenue: -46% vs 2017).

**Abundant cash generation and strong shareholder remuneration commitment.** The cornerstone of NTH's strategy is handsome shareholder remuneration (long-run payout of 85%-100%; 2023: 53%). We are looking for a payout of c.80% +3y. NTH's low WC requirement (7% of revenue) and low CAPEX requirement (1.5% of revenue) imply strong cash generation (FCF yield: c.9.5% +3y) and guarantee a high dividend (dividend yield: c.8%) in 2024e-2026e.

## RISKS: WHAT TO KEEP AN EYE ON?

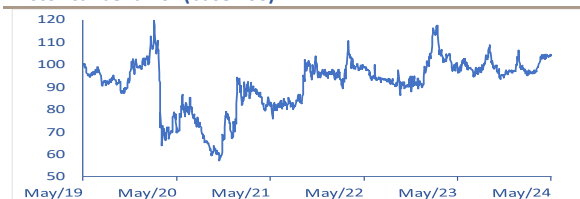
**Intense competition and emergence of substitute products:** Barriers to entry are low. The dietary and food supplements market is highly competitive which makes it hard to gain market share. The advent of new weight control drugs has drawn newcomers to an already saturated market.

**Inability to stem the point of sale closures.** This is the risk of becoming an obsolete product, the risk that the younger generations will not buy in to the product. This could jeopardise revenue growth in the medium and long term.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**The share price is stable (+4.4% -12m) as visibility around the next few years is low.** NTH is currently a real "value" story, protected by a c.8% dividend yield. Negative sector momentum is not only affecting NTH, which is trading at EV/EBITDA 2024e and P/E 2024e multiples of 5.2x and 9.7x, respectively (vs 5.9x and 6.4x, for Herbalife). The challenge remains reversing the contraction in revenue (initiated in 2019), while maintaining the company's low risk profile (net cash at year-end 2023: c.23% of mkt cap).

### Historical behavior (base 100)



| (%)      | -1m | -3m | -12m | -5Y |
|----------|-----|-----|------|-----|
| Absolute | 1.6 | 9.4 | 4.4  | 4.3 |

(1) Rotation is the % of the capitalisation traded - 12m.  
 (2) Sector: Stoxx Europe 600 Food & Beverage.



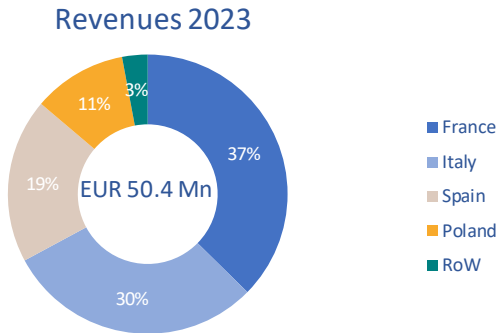
Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020        | 2021        | 2022        | 2023        | 2024e        | 2025e        | 2026e        | CAGR          |               |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|---------------|---------------|
| Intangible assets                            | 8.9         | 3.7         | 2.5         | 3.4         | 3.1         | 2.8          | 2.5          | 2.2          |               |               |
| Fixed assets                                 | 2.0         | 1.2         | 0.9         | 1.2         | 1.0         | 1.3          | 1.6          | 2.0          |               |               |
| Other Non Current Assets                     | 3.4         | 3.5         | 7.0         | 10.7        | 10.0        | 10.0         | 10.0         | 10.0         |               |               |
| Financial Investments                        | 0.8         | 0.6         | 1.3         | 0.5         | 0.4         | 0.4          | 0.4          | 0.4          |               |               |
| Goodwill & Other Intangibles                 | -           | -           | -           | -           | -           | -            | -            | -            |               |               |
| Current assets                               | 12.2        | 11.8        | 10.0        | 15.0        | 10.0        | 9.7          | 10.6         | 11.3         |               |               |
| <b>Total assets</b>                          | <b>27.3</b> | <b>21.0</b> | <b>21.8</b> | <b>30.7</b> | <b>24.5</b> | <b>24.2</b>  | <b>25.1</b>  | <b>25.8</b>  |               |               |
| Equity                                       | 16.5        | 26.0        | 36.0        | 27.8        | 30.6        | 31.8         | 34.9         | 36.8         |               |               |
| Minority Interests                           | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1          | 0.1          | 0.1          |               |               |
| Provisions & Other L/T Liabilities           | 1.1         | 1.4         | 1.5         | 2.7         | 4.9         | 4.9          | 4.9          | 4.9          |               |               |
| Other Non Current Liabilities                | 7.7         | 3.7         | 2.2         | 3.3         | 3.2         | 3.2          | 3.2          | 3.2          |               |               |
| Net financial debt                           | (7.6)       | (18.3)      | (25.1)      | (10.0)      | (22.5)      | (23.0)       | (25.0)       | (26.1)       |               |               |
| Current Liabilities                          | 9.5         | 8.1         | 7.1         | 6.9         | 8.2         | 7.3          | 7.1          | 6.9          |               |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>27.3</b> | <b>21.0</b> | <b>21.8</b> | <b>30.7</b> | <b>24.5</b> | <b>24.2</b>  | <b>25.1</b>  | <b>25.8</b>  |               |               |
| P&L (EUR Mn)                                 | 2019        | 2020        | 2021        | 2022        | 2023        | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e        |
| <b>Total Revenues</b>                        | <b>82.4</b> | <b>56.2</b> | <b>57.9</b> | <b>52.6</b> | <b>50.9</b> | <b>50.0</b>  | <b>51.0</b>  | <b>52.4</b>  | <b>-11.3%</b> | <b>1.0%</b>   |
| <i>Total Revenues growth</i>                 | -7.1%       | -31.7%      | 3.0%        | -9.3%       | -3.2%       | -1.7%        | 1.9%         | 2.9%         |               |               |
| COGS   | (23.8)      | (15.9)      | (16.3)      | (14.9)      | (13.7)      | (13.9)       | (14.2)       | (14.6)       |               |               |
| <b>Gross Margin</b>                          | <b>58.5</b> | <b>40.4</b> | <b>41.6</b> | <b>37.7</b> | <b>37.2</b> | <b>36.1</b>  | <b>36.8</b>  | <b>37.8</b>  | <b>-10.7%</b> | <b>0.6%</b>   |
| <i>Gross Margin/Revenues</i>                 | 71.0%       | 71.8%       | 71.8%       | 71.6%       | 73.1%       | 72.1%        | 72.2%        | 72.1%        |               |               |
| Personnel Expenses                           | (19.3)      | (12.4)      | (10.8)      | (10.6)      | (9.3)       | (9.3)        | (9.7)        | (10.0)       |               |               |
| Other Operating Expenses                     | (16.1)      | (10.6)      | (10.3)      | (11.3)      | (9.3)       | (10.5)       | (10.7)       | (11.2)       |               |               |
| <b>Recurrent EBITDA</b>                      | <b>23.1</b> | <b>17.4</b> | <b>20.5</b> | <b>15.7</b> | <b>18.6</b> | <b>16.3</b>  | <b>16.5</b>  | <b>16.6</b>  | <b>-5.4%</b>  | <b>-3.6%</b>  |
| <i>Recurrent EBITDA growth</i>               | -0.3%       | -24.8%      | 18.1%       | -23.4%      | 18.0%       | -12.0%       | 1.0%         | 0.9%         |               |               |
| <i>Rec. EBITDA/Revenues</i>                  | 28.1%       | 30.9%       | 35.4%       | 29.9%       | 36.5%       | 32.6%        | 32.3%        | 31.7%        |               |               |
| Restructuring Expense & Other non-rec.       | (0.2)       | 0.1         | (0.6)       | (0.6)       | (0.0)       | -            | -            | -            |               |               |
| <b>EBITDA</b>                                | <b>22.9</b> | <b>17.4</b> | <b>19.9</b> | <b>15.2</b> | <b>18.5</b> | <b>16.3</b>  | <b>16.5</b>  | <b>16.6</b>  | <b>-5.2%</b>  | <b>-3.5%</b>  |
| Depreciation & Provisions                    | (2.6)       | (2.0)       | (1.6)       | (0.6)       | (0.6)       | (0.6)        | (0.6)        | (0.6)        |               |               |
| Capitalized Expense                          | -           | -           | -           | -           | -           | -            | -            | -            |               |               |
| Rentals (IFRS 16 impact)                     | (1.7)       | (1.2)       | (0.9)       | (1.7)       | (1.6)       | (1.6)        | (1.5)        | (1.7)        |               |               |
| <b>EBIT</b>                                  | <b>18.6</b> | <b>14.2</b> | <b>17.5</b> | <b>12.9</b> | <b>16.3</b> | <b>14.1</b>  | <b>14.3</b>  | <b>14.3</b>  | <b>-3.3%</b>  | <b>-4.1%</b>  |
| <i>EBIT growth</i>                           | -15.9%      | -24.0%      | 23.4%       | -26.5%      | 26.5%       | -13.4%       | 1.7%         | 0.0%         |               |               |
| <i>EBIT/Revenues</i>                         | 22.6%       | 25.2%       | 30.2%       | 24.4%       | 32.0%       | 28.2%        | 28.1%        | 27.3%        |               |               |
| Impact of Goodwill & Others                  | -           | (0.9)       | (0.1)       | -           | -           | -            | -            | -            |               |               |
| Net Financial Result                         | (0.2)       | (0.0)       | 0.3         | (0.1)       | (0.7)       | (0.0)        | (0.0)        | 0.0          |               |               |
| Income by the Equity Method                  | 0.2         | 0.3         | 0.6         | 0.3         | (0.2)       | -            | -            | -            |               |               |
| <b>Ordinary Profit</b>                       | <b>18.7</b> | <b>13.5</b> | <b>18.2</b> | <b>13.1</b> | <b>15.4</b> | <b>14.1</b>  | <b>14.3</b>  | <b>14.4</b>  | <b>-4.7%</b>  | <b>-2.3%</b>  |
| <i>Ordinary Profit Growth</i>                | -17.7%      | -27.7%      | 35.0%       | -28.2%      | 17.6%       | -8.8%        | 1.9%         | 0.2%         |               |               |
| Extraordinary Results                        | 0.5         | -           | -           | -           | -           | -            | -            | -            |               |               |
| <b>Profit Before Tax</b>                     | <b>19.2</b> | <b>13.5</b> | <b>18.2</b> | <b>13.1</b> | <b>15.4</b> | <b>14.1</b>  | <b>14.3</b>  | <b>14.4</b>  | <b>-5.4%</b>  | <b>-2.3%</b>  |
| Tax Expense                                  | (6.0)       | (4.1)       | (4.9)       | (3.5)       | (4.2)       | (3.8)        | (3.9)        | (3.9)        |               |               |
| <i>Effective Tax Rate</i>                    | 31.4%       | 30.5%       | 26.7%       | 26.6%       | 27.0%       | 27.0%        | 27.0%        | 27.0%        |               |               |
| Minority Interests                           | 0.1         | (0.0)       | (0.0)       | 0.0         | 0.0         | -            | -            | -            |               |               |
| Discontinued Activities                      | -           | -           | -           | -           | -           | -            | -            | -            |               |               |
| <b>Net Profit</b>                            | <b>13.3</b> | <b>9.4</b>  | <b>13.4</b> | <b>9.6</b>  | <b>11.3</b> | <b>10.3</b>  | <b>10.5</b>  | <b>10.5</b>  | <b>-3.9%</b>  | <b>-2.5%</b>  |
| <i>Net Profit growth</i>                     | -13.8%      | -29.3%      | 42.5%       | -27.9%      | 17.3%       | -9.2%        | 1.9%         | 0.2%         |               |               |
| <b>Ordinary Net Profit</b>                   | <b>13.3</b> | <b>9.4</b>  | <b>13.8</b> | <b>10.0</b> | <b>11.3</b> | <b>10.3</b>  | <b>10.5</b>  | <b>10.5</b>  | <b>-3.9%</b>  | <b>-2.5%</b>  |
| <i>Ordinary Net Profit growth</i>            | -16.4%      | -29.0%      | 46.5%       | -27.2%      | 12.6%       | -9.3%        | 1.9%         | 0.2%         |               |               |
| Cash Flow (EUR Mn)                           | 2019        | 2020        | 2021        | 2022        | 2023        | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e        |
| <b>Recurrent EBITDA</b>                      |             |             |             |             |             | <b>16.3</b>  | <b>16.5</b>  | <b>16.6</b>  | <b>-5.4%</b>  | <b>-3.6%</b>  |
| Rentals (IFRS 16 impact)                     |             |             |             |             |             | (1.6)        | (1.5)        | (1.7)        |               |               |
| Working Capital Increase                     |             |             |             |             |             | (0.7)        | (1.0)        | (0.8)        |               |               |
| <b>Recurrent Operating Cash Flow</b>         |             |             |             |             |             | <b>14.0</b>  | <b>13.9</b>  | <b>14.1</b>  | <b>-0.6%</b>  | <b>-15.3%</b> |
| CAPEX  |             |             |             |             |             | (0.6)        | (0.6)        | (0.6)        |               |               |
| Net Financial Result affecting the Cash Flow |             |             |             |             |             | (0.0)        | (0.0)        | 0.0          |               |               |
| Tax Expense                                  |             |             |             |             |             | (3.8)        | (3.9)        | (3.9)        |               |               |
| <b>Recurrent Free Cash Flow</b>              |             |             |             |             |             | <b>9.6</b>   | <b>9.4</b>   | <b>9.6</b>   | <b>2.6%</b>   | <b>-19.6%</b> |
| Restructuring Expense & Other non-rec.       |             |             |             |             |             | -            | -            | -            |               |               |
| - Acquisitions / + Divestures of assets      |             |             |             |             |             | -            | -            | -            |               |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |             |             |             |             | -            | -            | -            |               |               |
| <b>Free Cash Flow</b>                        |             |             |             |             |             | <b>9.6</b>   | <b>9.4</b>   | <b>9.6</b>   | <b>-0.5%</b>  | <b>-19.6%</b> |
| Capital Increase                             |             |             |             |             |             | -            | -            | -            |               |               |
| Dividends                                    |             |             |             |             |             | (9.1)        | (7.4)        | (8.5)        |               |               |
| <b>Net Debt Variation</b>                    |             |             |             |             |             | <b>(0.5)</b> | <b>(2.0)</b> | <b>(1.1)</b> |               |               |

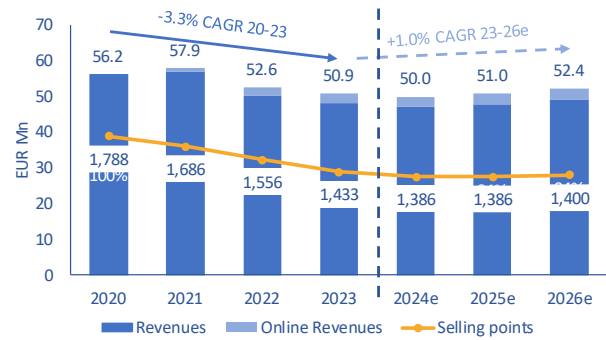


The company in 8 charts

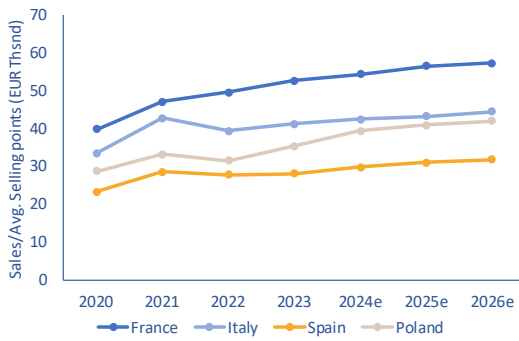
A geographically diversified business (especially in Europe)



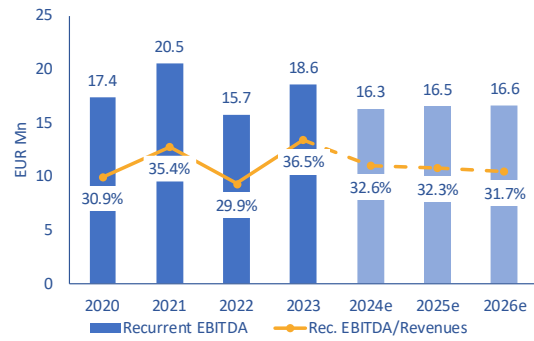
The halting of store closures is the key catalyst but will have to wait until 2025e



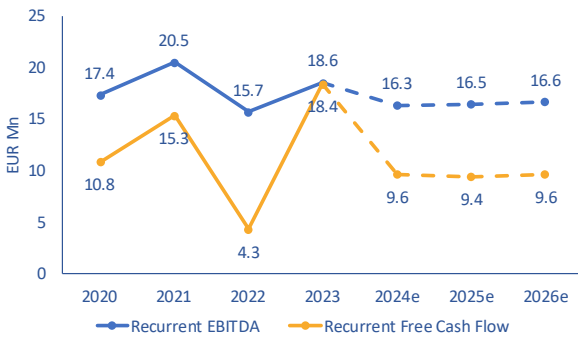
The expect sales per store to remain stable (+3.4% CAGR 23-26e) despite the restructuring of the retail network



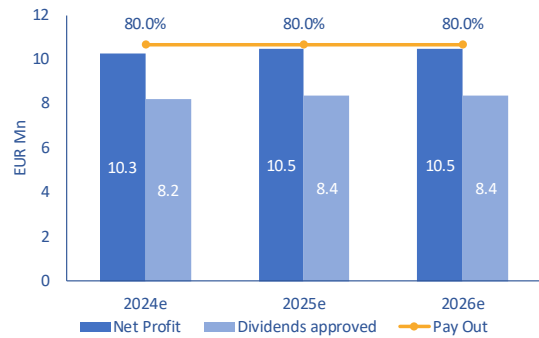
NTH's cost-light structure will allow it to maintain high margins (EBITDA margin > 30%)



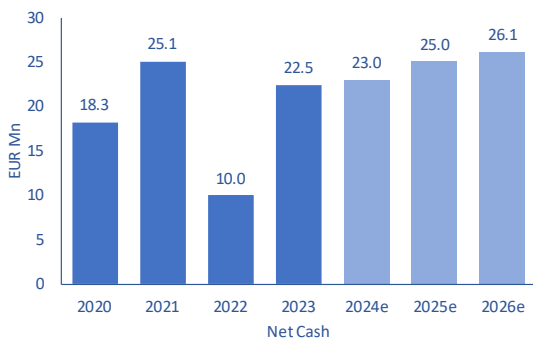
High capacity to convert EBITDA into cash (c. 60%). FCF Yield >10%...



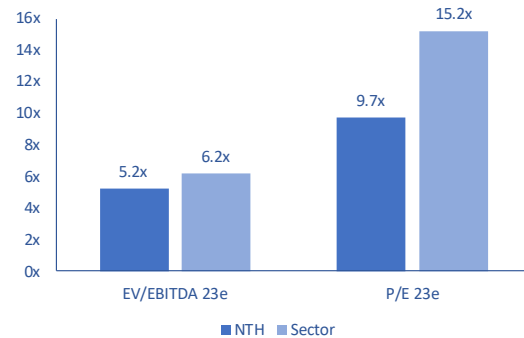
... that will allow a high pay-out (80%) and a 2024e Dividend Yield of 9% to be maintained



And a very robust balance sheet position (2024e Net Cash EUR 23Mn), especially interesting in a climate of rising rates



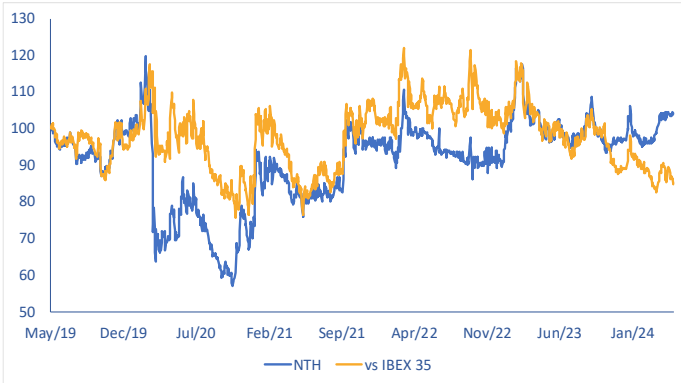
Trading at 2024e EV/EBITDA 2024e 5.2x vs 6.2x for its sector



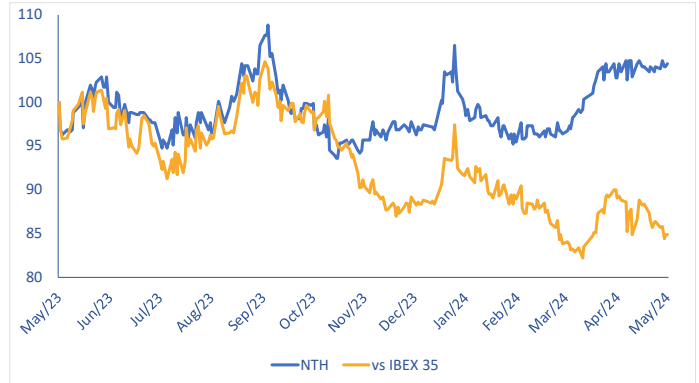


Evolution of the share price

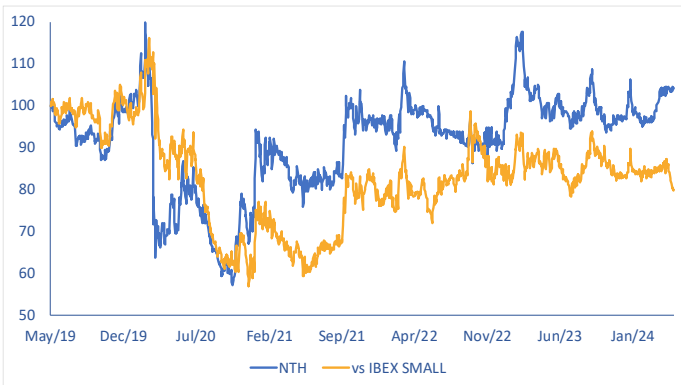
Historical behavior vs Ibex 35 (base 100)



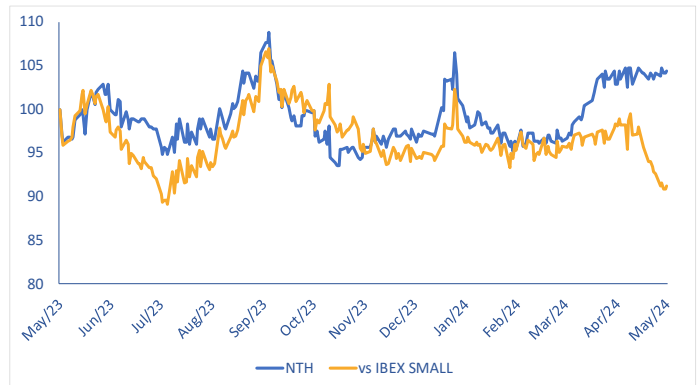
Behavior -1y vs Ibex 35 (base 100)



Historical behavior vs Ibex Small Cap (base 100)



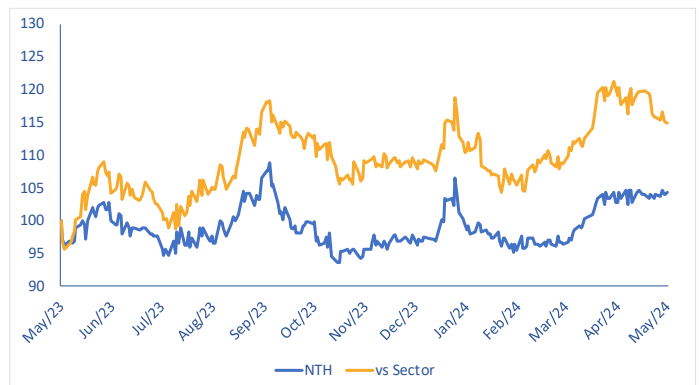
Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector<sup>(1)</sup> (base 100)



Behavior -1y vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Stoxx Europe 600 Food & Beverage

| Stock performance (%)                     | -1m  | -3m  | -12m  | YTD  | -3Y  | -5Y   |
|---|------|------|-------|------|------|-------|
| Absolute                                  | 1.6  | 9.4  | 4.4   | 7.8  | 28.3 | 4.3   |
| <b>vs Market</b>                          |      |      |       |      |      |       |
| vs Ibex 35                                | -4.7 | -4.5 | -15.1 | -3.9 | 3.7  | -14.5 |
| vs Euro STOXX 50                          | -1.5 | 2.9  | -10.9 | -3.8 | 1.5  | -29.4 |
| <b>vs Small Cap References</b>            |      |      |       |      |      |       |
| vs Ibex Small Cap Index                   | -7.0 | -4.3 | -8.8  | -3.2 | 25.5 | -19.9 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -3.7 | 1.3  | -0.6  | 0.0  | 38.7 | -13.7 |
| vs MSCI Europe Micro Cap                  | -4.3 | 1.9  | 1.4   | 2.0  | 57.4 | -13.0 |
| <b>vs Sector</b>                          |      |      |       |      |      |       |
| vs Stoxx Europe 600 Food & Beverage       | -3.5 | 9.1  | 14.9  | 6.7  | 36.4 | 6.9   |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

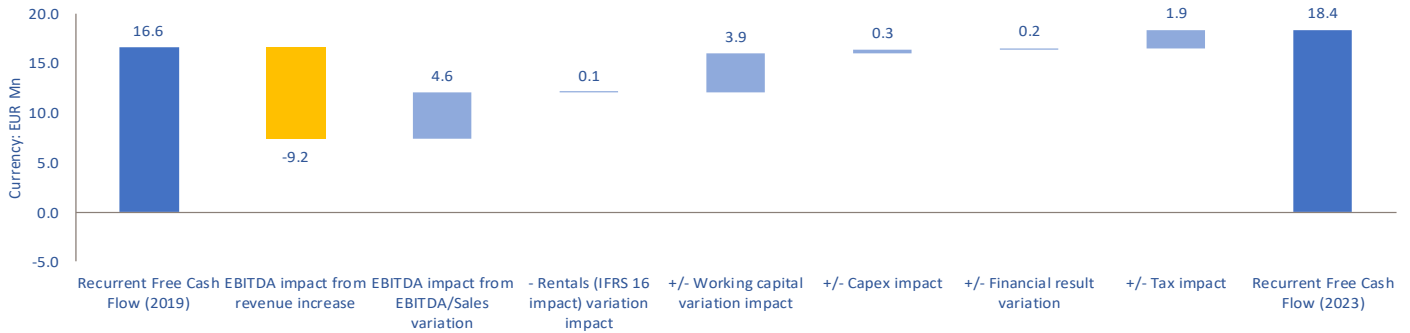
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021        | 2022          | 2023        | 2024e        | 2025e        | 2026e       | CAGR         |               |
|---|--------------|-------------|---------------|-------------|--------------|--------------|-------------|--------------|---------------|
|   |              |             |               |             |              |              |             | 20-23        | 23-26e        |
| <b>Recurrent EBITDA</b>   | <b>17.4</b>  | <b>20.5</b> | <b>15.7</b>   | <b>18.6</b> | <b>16.3</b>  | <b>16.5</b>  | <b>16.6</b> | <b>2.2%</b>  | <b>-3.6%</b>  |
| <i>Recurrent EBITDA growth</i>  | -24.8%       | 18.1%       | -23.4%        | 18.0%       | -12.0%       | 1.0%         | 0.9%        |              |               |
| <i>Rec. EBITDA/Revenues</i>   | 30.9%        | 35.4%       | 29.9%         | 36.5%       | 32.6%        | 32.3%        | 31.7%       |              |               |
| - Rentals (IFRS 16 impact)  | (1.2)        | (0.9)       | (1.7)         | (1.6)       | (1.6)        | (1.5)        | (1.7)       |              |               |
| +/- Working Capital increase  | (1.0)        | 0.7         | (5.1)         | 6.3         | (0.7)        | (1.0)        | (0.8)       |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>15.2</b>  | <b>20.4</b> | <b>8.9</b>    | <b>23.2</b> | <b>14.0</b>  | <b>13.9</b>  | <b>14.1</b> | <b>15.3%</b> | <b>-15.3%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | -36.3%       | 34.3%       | -56.4%        | 161.4%      | -39.6%       | -0.9%        | 1.4%        |              |               |
| <i>Rec. Operating Cash Flow / Sales</i>   | 27.0%        | 35.2%       | 16.9%         | 45.7%       | 28.1%        | 27.3%        | 26.9%       |              |               |
| - CAPEX   | (0.2)        | (0.1)       | (1.0)         | (0.6)       | (0.6)        | (0.6)        | (0.6)       |              |               |
| - Net Financial Result affecting Cash Flow  | (0.0)        | (0.1)       | (0.1)         | (0.0)       | (0.0)        | (0.0)        | 0.0         |              |               |
| - Taxes   | (4.1)        | (4.9)       | (3.5)         | (4.2)       | (3.8)        | (3.9)        | (3.9)       |              |               |
| <b>= Recurrent Free Cash Flow</b>   | <b>10.8</b>  | <b>15.3</b> | <b>4.3</b>    | <b>18.4</b> | <b>9.6</b>   | <b>9.4</b>   | <b>9.6</b>  | <b>19.4%</b> | <b>-19.6%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -34.8%       | 41.6%       | -71.7%        | 324.7%      | -48.0%       | -1.9%        | 2.1%        |              |               |
| <i>Rec. Free Cash Flow / Revenues</i>   | 19.3%        | 26.5%       | 8.3%          | 36.3%       | 19.2%        | 18.4%        | 18.3%       |              |               |
| - Restructuring expenses & others   | -            | (0.7)       | 1.0           | -           | -            | -            | -           |              |               |
| - Acquisitions / + Divestments  | 0.2          | (3.5)       | (4.4)         | -           | -            | -            | -           |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -           | -             | -           | -            | -            | -           |              |               |
| <b>= Free Cash Flow</b>   | <b>11.0</b>  | <b>11.1</b> | <b>0.9</b>    | <b>18.4</b> | <b>9.6</b>   | <b>9.4</b>   | <b>9.6</b>  | <b>18.7%</b> | <b>-19.6%</b> |
| <i>Free Cash Flow growth</i>  | -41.6%       | 1.0%        | -91.7%        | n.a.        | -48.0%       | -1.9%        | 2.1%        |              |               |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 10.8%        | 15.4%       | 4.3%          | 18.5%       | 9.6%         | 9.4%         | 9.6%        |              |               |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 11.0%        | 11.1%       | 0.9%          | 18.5%       | 9.6%         | 9.4%         | 9.6%        |              |               |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |             |               |             |              |              |             |              |               |
|   | 2020         | 2021        | 2022          | 2023        | 2024e        | 2025e        | 2026e       | CAGR         |               |
| <b>Recurrent FCF(FY - 1)</b>  | <b>16.6</b>  | <b>10.8</b> | <b>15.3</b>   | <b>4.3</b>  | <b>18.4</b>  | <b>9.6</b>   | <b>9.4</b>  |              |               |
| EBITDA impact from revenue increase   | (7.3)        | 0.5         | (1.9)         | (0.5)       | (0.3)        | 0.3          | 0.5         |              |               |
| EBITDA impact from EBITDA/Sales variation   | 1.6          | 2.6         | (2.9)         | 3.3         | (1.9)        | (0.2)        | (0.3)       |              |               |
| <b>= Recurrent EBITDA variation</b>   | <b>(5.7)</b> | <b>3.2</b>  | <b>(4.8)</b>  | <b>2.8</b>  | <b>(2.2)</b> | <b>0.2</b>   | <b>0.2</b>  |              |               |
| - Rentals (IFRS 16 impact) variation impact   | 0.4          | 0.3         | (0.8)         | 0.1         | -            | 0.1          | (0.2)       |              |               |
| +/- Working capital variation impact  | (3.3)        | 1.7         | (5.9)         | 11.4        | (7.0)        | (0.4)        | 0.2         |              |               |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(8.6)</b> | <b>5.2</b>  | <b>(11.5)</b> | <b>14.3</b> | <b>(9.2)</b> | <b>(0.1)</b> | <b>0.2</b>  |              |               |
| +/- CAPEX impact  | 0.7          | 0.2         | (0.9)         | 0.4         | (0.0)        | (0.0)        | (0.0)       |              |               |
| +/- Financial result variation  | 0.3          | (0.1)       | 0.0           | 0.0         | 0.0          | 0.0          | 0.0         |              |               |
| +/- Tax impact  | 1.9          | (0.8)       | 1.4           | (0.7)       | 0.4          | (0.1)        | (0.0)       |              |               |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(5.8)</b> | <b>4.5</b>  | <b>(11.0)</b> | <b>14.1</b> | <b>(8.9)</b> | <b>(0.2)</b> | <b>0.2</b>  |              |               |
| <b>Recurrent Free Cash Flow</b>   | <b>10.8</b>  | <b>15.3</b> | <b>4.3</b>    | <b>18.4</b> | <b>9.6</b>   | <b>9.4</b>   | <b>9.6</b>  |              |               |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |             |               |             |              |              |             |              |               |
|   | 2020         | 2021        | 2022          | 2023        | 2024e        | 2025e        | 2026e       | CAGR         |               |
| <b>EBIT</b>   | <b>14.2</b>  | <b>17.5</b> | <b>12.9</b>   | <b>16.3</b> | <b>14.1</b>  | <b>14.3</b>  | <b>14.3</b> | <b>4.7%</b>  | <b>-4.1%</b>  |
| * <i>Theoretical Tax rate</i>   | 30.0%        | 26.7%       | 26.6%         | 27.0%       | 27.0%        | 27.0%        | 27.0%       |              |               |
| = Taxes (pre- Net Financial Result)   | (4.3)        | (4.7)       | (3.4)         | (4.4)       | (3.8)        | (3.9)        | (3.9)       |              |               |
| <b>Recurrent EBITDA</b>   | <b>17.4</b>  | <b>20.5</b> | <b>15.7</b>   | <b>18.6</b> | <b>16.3</b>  | <b>16.5</b>  | <b>16.6</b> | <b>2.2%</b>  | <b>-3.6%</b>  |
| - Rentals (IFRS 16 impact)  | (1.2)        | (0.9)       | (1.7)         | (1.6)       | (1.6)        | (1.5)        | (1.7)       |              |               |
| +/- Working Capital increase  | (1.0)        | 0.7         | (5.1)         | 6.3         | (0.7)        | (1.0)        | (0.8)       |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>15.2</b>  | <b>20.4</b> | <b>8.9</b>    | <b>23.2</b> | <b>14.0</b>  | <b>13.9</b>  | <b>14.1</b> | <b>15.3%</b> | <b>-15.3%</b> |
| - CAPEX   | (0.2)        | (0.1)       | (1.0)         | (0.6)       | (0.6)        | (0.6)        | (0.6)       |              |               |
| - Taxes (pre- Financial Result)   | (4.3)        | (4.7)       | (3.4)         | (4.4)       | (3.8)        | (3.9)        | (3.9)       |              |               |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>10.7</b>  | <b>15.6</b> | <b>4.5</b>    | <b>18.3</b> | <b>9.6</b>   | <b>9.4</b>   | <b>9.6</b>  | <b>19.4%</b> | <b>-19.3%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -38.1%       | 46.0%       | -71.2%        | 305.4%      | -47.4%       | -2.1%        | 1.9%        |              |               |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 19.1%        | 27.0%       | 8.6%          | 35.9%       | 19.2%        | 18.5%        | 18.3%       |              |               |
| - Acquisitions / + Divestments  | 0.2          | (3.5)       | (4.4)         | -           | -            | -            | -           |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -           | -             | -           | -            | -            | -           |              |               |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>10.9</b>  | <b>12.1</b> | <b>0.1</b>    | <b>18.3</b> | <b>9.6</b>   | <b>9.4</b>   | <b>9.6</b>  | <b>18.8%</b> | <b>-19.3%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -44.2%       | 11.3%       | -99.0%        | n.a.        | -47.4%       | -2.1%        | 1.9%        |              |               |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 12.6%        | 18.4%       | 5.3%          | 21.5%       | 11.3%        | 11.1%        | 11.3%       |              |               |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 12.8%        | 14.3%       | 0.1%          | 21.5%       | 11.3%        | 11.1%        | 11.3%       |              |               |



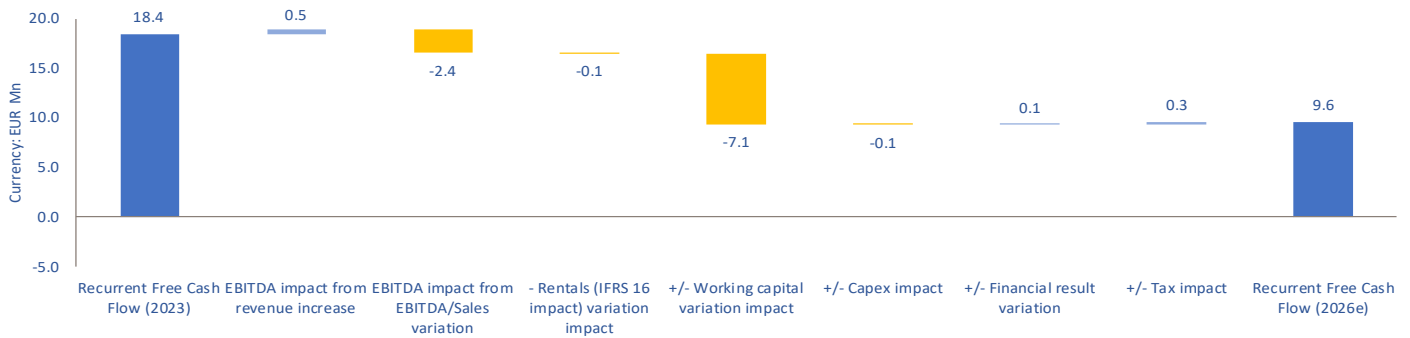


Free Cash Flow (II)

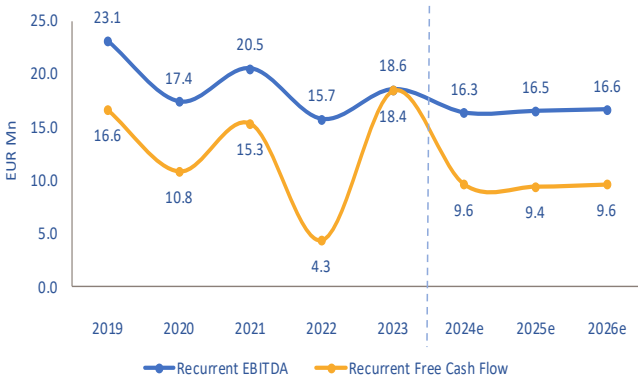
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Stock performance vs EBITDA 12m forward





Valuation inputs

Inputs for the DCF Valuation Approach

|                                | 2024e  | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|--------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 9.6    | 9.4                                 | 9.6   | 129.5                         |           |            |
| Market Cap                     | 99.9   | At the date of this report          |       |                               |           |            |
| Net financial debt             | -22.5  | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |        |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 4.5%   | Net debt cost                       |       |                               | 4.3%      | 4.8%       |
| Tax rate (T)                   | 20.0%  | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 3.6%   | Kd = Cost of Net Debt * (1-T)       |       |                               | 3.4%      | 3.8%       |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%   | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.0    | B (own estimate)                    |       |                               | 0.9       | 1.1        |
| Cost of Equity                 | 9.3%   | Ke = Rf + (R * B)                   |       |                               | 8.2%      | 10.4%      |
| Equity / (Equity + Net Debt)   | 100.0% | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 0.0%   | D                                   |       |                               | =         | =          |
| WACC                           | 9.3%   | WACC = Kd * D + Ke * E              |       |                               | 8.2%      | 10.4%      |
| G "Fair"                       | 1.0%   |                                     |       |                               | 1.0%      | 0.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 99.9        |                  |
| + Minority Interests                 | 0.0         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 8.1         | 12m Results 2023 |
| + Net financial debt                 | (22.5)      | 12m Results 2023 |
| - Financial Investments              | 0.4         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>85.1</b> |                  |

Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019   | 2020   | 2021   | 2022  | 2023  |
|----------------------|--------|--------|--------|-------|-------|
| ROCE (evolution -5y) | 112.6% | 111.4% | 130.4% | 60.4% | 72.3% |
|                      | 2023   | 2026e  |        |       |       |
| ROCE - WACC          | 63.0%  | 61.0%  |        |       |       |
| FCF Yield - WACC     | 9.2%   | 0.4%   |        |       |       |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

Free Cash Flow sensitivity analysis (2025e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 35.5%            | 18.1       | 4.7x          |
| Central  | 32.3%            | 16.5       | 5.2x          |
| Min      | 29.1%            | 14.9       | 5.7x          |

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |       |       |
|-----------------|-----------------|------|------|----------|--------------------|-------|-------|
| EBITDA 25e      | 1.1%            | 1.2% | 1.3% |          | Max                | 11.1% | 11.0% |
| 18.1            | 11.1            | 11.0 | 11.0 | Central  | 9.5%               | 9.4%  | 9.4%  |
| 16.5            | 9.5             | 9.4  | 9.4  | Min      | 7.8%               | 7.8%  | 7.7%  |
| 14.9            | 7.8             | 7.8  | 7.7  |          |                    |       |       |

Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 42.9% | 42.9% | 42.9% |
| % of proprietary directors           | 14.3% | 57.1% | 57.1% |
| % of executive directors             | 42.9% | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 14.3% | 14.3% | 14.3% |
| % of women out of total workforce    | 81.4% | 81.7% | 81.6% |
| Board remuneration/staff cost        | 2.9%  | 3.0%  | 3.4%  |



Main peers 2024e

|                             |                         | Weight Management |          |          |         | Diet Supplements |         |         |        |
|-----------------------------|-------------------------|-------------------|----------|----------|---------|------------------|---------|---------|--------|
| EUR Mn                      |                         | Herbalife Nut.    | Medifast | WW Intl. | Average | Nu Skin          | Glanbia | Average | NTH    |
| Market data                 | Ticker (Factset)        | HLF-US            | MED-US   | WW-US    |         | NUS-US           | GL9-IE  |         | NTH-ES |
|                             | Country                 | Cayman Isl.       | USA      | USA      |         | USA              | USA     |         | Spain  |
|                             | Market cap              | 1,002.9           | 245.9    | 132.1    |         | 616.2            | 4,675.4 |         | 99.9   |
|                             | Enterprise value (EV)   | 3,028.1           | 120.9    | 1,440.7  |         | 925.6            | 4,999.6 |         | 85.1   |
| Basic financial information | Total Revenues          | 4,727.0           | 594.8    | 776.7    |         | 1,632.2          | 3,770.0 |         | 50.0   |
|                             | Total Revenues growth   | 1.5%              | -39.7%   | -5.1%    | -14.5%  | -9.9%            | -24.9%  | -17.4%  | -1.7%  |
|                             | 2y CAGR (2024e - 2026e) | 4.6%              | n.a.     | 11.0%    | 7.8%    | n.a.             | 0.9%    | 0.9%    | 2.4%   |
|                             | EBITDA                  | 513.5             | 27.3     | 139.5    |         | 162.5            | 482.7   |         | 16.3   |
|                             | EBITDA growth           | 28.7%             | -79.4%   | 14.7%    | -12.0%  | 28.3%            | 6.0%    | 17.1%   | -11.9% |
|                             | 2y CAGR (2024e - 2026e) | 15.0%             | n.a.     | 12.1%    | 13.5%   | n.a.             | 6.4%    | 6.4%    | 1.0%   |
|                             | EBITDA/Revenues         | 10.9%             | 4.6%     | 18.0%    | 11.1%   | 10.0%            | 12.8%   | 11.4%   | 32.6%  |
|                             | EBIT                    | 388.3             | 7.1      | 97.3     |         | 94.5             | 358.0   |         | 14.1   |
|                             | EBIT growth             | 31.8%             | -93.9%   | 32.7%    | -9.8%   | 50.9%            | 12.7%   | 31.8%   | -13.4% |
|                             | 2y CAGR (2024e - 2026e) | 19.0%             | n.a.     | 23.6%    | 21.3%   | n.a.             | 7.8%    | 7.8%    | 0.8%   |
|                             | EBIT/Revenues           | 8.2%              | 1.2%     | 12.5%    | 7.3%    | 5.8%             | 9.5%    | 7.6%    | 28.2%  |
|                             | Net Profit              | 131.1             | 8.8      | (292.5)  |         | 44.5             | 290.4   |         | 10.3   |
|                             | Net Profit growth       | 0.2%              | -90.4%   | -183.1%  | -91.1%  | 462.4%           | -9.7%   | 226.3%  | -9.2%  |
|                             | 2y CAGR (2024e - 2026e) | 45.8%             | n.a.     | 46.2%    | 46.0%   | n.a.             | 8.2%    | 8.2%    | 1.0%   |
| CAPEX/Sales %               | 2.8%                    | 1.2%              | 0.8%     | 1.6%     | 3.1%    | 2.0%             | 2.5%    | 1.2%    |        |
| Free Cash Flow              | 107.3                   | 28.0              | (0.6)    |          | 47.8    | 335.4            |         | 9.6     |        |
| Net financial debt          | n.a.                    | (164.0)           | 1,279.1  |          | 176.7   | 299.0            |         | (23.0)  |        |
| ND/EBITDA (x)               | n.a.                    | (6.0)             | 9.2      | 1.6      | 1.1     | 0.6              | 0.9     | (1.4)   |        |
| Pay-out                     | 0.0%                    | n.a.              | 0.0%     | 0.0%     | 24.7%   | 34.8%            | 29.7%   | 80.0%   |        |
| Multiples and Ratios        | P/E (x)                 | 6.4               | 31.9     | 12.9     | 17.1    | 12.0             | 14.0    | 13.0    | 9.7    |
|                             | P/BV (x)                | n.a.              | n.a.     | n.a.     | n.a.    | n.a.             | 2.3     | 2.3     | 3.1    |
|                             | EV/Revenues (x)         | 0.6               | 0.2      | 1.9      | 0.9     | 0.6              | 1.3     | 0.9     | 1.7    |
|                             | EV/EBITDA (x)           | 5.9               | 4.4      | 10.3     | 6.9     | 5.7              | 10.4    | 8.0     | 5.2    |
|                             | EV/EBIT (x)             | 7.8               | 16.9     | 14.8     | 13.2    | 9.8              | 14.0    | 11.9    | 6.0    |
|                             | ROE                     | n.a.              | n.a.     | n.a.     | n.a.    | n.a.             | 16.5    | 16.5    | 32.9   |
|                             | FCF Yield (%)           | 10.7              | 11.4     | n.a.     | 11.0    | 7.8              | 7.2     | 7.5     | 9.6    |
|                             | DPS                     | 0.00              | n.a.     | 0.00     | 0.00    | 0.22             | 0.38    | 0.30    | 0.14   |
|                             | Dvd Yield               | 0.0%              | n.a.     | 0.0%     | 0.0%    | 1.8%             | 2.1%    | 1.9%    | 8.2%   |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Historical performance

| Historical performance (EUR Mn) | 2013 | 2014  | 2015  | 2016  | 2017   | 2018   | 2019   | 2020   | 2021  | 2022   | 2023   | 2024e  | 2025e | 2026e | CAGR 17-23 | 23-26e |
|---------------------------------|------|-------|-------|-------|--------|--------|--------|--------|-------|--------|--------|--------|-------|-------|------------|--------|
| Total Revenues                  |      | 96.4  | 96.6  | 98.3  | 95.4   | 88.7   | 82.4   | 56.2   | 57.9  | 52.6   | 50.9   | 50.0   | 51.0  | 52.4  | -10.0%     | 1.0%   |
| Total Revenues growth           |      | n.a.  | 0.2%  | 1.8%  | -2.9%  | -7.1%  | -7.1%  | -31.7% | 3.0%  | -9.3%  | -3.2%  | -1.7%  | 1.9%  | 2.9%  |            |        |
| EBITDA                          |      | 33.7  | 33.6  | 32.4  | 29.4   | 23.3   | 22.9   | 17.4   | 19.9  | 15.2   | 18.5   | 16.3   | 16.5  | 16.6  | -7.4%      | -3.5%  |
| EBITDA growth                   |      | n.a.  | -0.2% | -3.7% | -9.3%  | -20.8% | -1.4%  | -24.0% | 14.4% | -24.0% | 22.3%  | -11.9% | 1.0%  | 0.9%  |            |        |
| EBITDA/Sales                    |      | 34.9% | 34.8% | 32.9% | 30.8%  | 26.2%  | 27.8%  | 31.0%  | 34.4% | 28.8%  | 36.4%  | 32.6%  | 32.3% | 31.7% |            |        |
| Net Profit                      |      | 22.6  | 22.9  | 22.5  | 19.9   | 15.4   | 13.3   | 9.4    | 13.4  | 9.6    | 11.3   | 10.3   | 10.5  | 10.5  | -9.0%      | -2.5%  |
| Net Profit growth               |      | n.a.  | 1.3%  | -1.6% | -11.8% | -22.6% | -13.8% | -29.3% | 42.5% | -27.9% | 17.3%  | -9.2%  | 1.9%  | 0.2%  |            |        |
| Adjusted number shares (Mn)     |      | 60.0  | 59.9  | 60.0  | 60.0   | 60.0   | 60.0   | 60.0   | 60.0  | 60.0   | 60.0   | 60.0   | 60.0  | 60.0  |            |        |
| EPS (EUR)                       |      | 0.38  | 0.38  | 0.38  | 0.33   | 0.26   | 0.22   | 0.16   | 0.22  | 0.16   | 0.19   | 0.17   | 0.17  | 0.17  | -9.0%      | -2.5%  |
| EPS growth                      |      | n.a.  | 1.4%  | -1.6% | -11.8% | -22.6% | -13.8% | -29.3% | 42.5% | -27.9% | 17.3%  | -9.2%  | 1.9%  | 0.2%  |            |        |
| Ord. EPS (EUR)                  |      | 0.38  | 0.38  | 0.38  | 0.34   | 0.26   | 0.22   | 0.16   | 0.23  | 0.17   | 0.19   | 0.17   | 0.17  | 0.17  | -9.4%      | -2.5%  |
| Ord. EPS growth                 |      | n.a.  | 1.9%  | -1.3% | -9.7%  | -25.2% | -13.4% | -29.0% | 46.5% | -27.2% | 12.6%  | -9.3%  | 1.9%  | 0.2%  |            |        |
| CAPEX                           |      | (3.1) | (0.9) | (1.2) | (1.3)  | (0.7)  | (0.9)  | (0.2)  | (0.1) | (1.0)  | (0.6)  | (0.6)  | (0.6) | (0.6) |            |        |
| CAPEX/Sales %                   |      | 3.2%  | 0.9%  | 1.2%  | 1.4%   | 0.8%   | 1.1%   | 0.4%   | 0.1%  | 1.8%   | 1.1%   | 1.2%   | 1.2%  | 1.2%  |            |        |
| Free Cash Flow                  |      | 38.9  | 30.9  | 14.4  | 14.8   | 20.8   | 18.9   | 11.0   | 11.1  | 0.9    | 18.4   | 9.6    | 9.4   | 9.6   | 3.8%       | -19.6% |
| ND/EBITDA (x) <sup>(2)</sup>    |      | 0.0x  | -0.4x | -0.4x | -0.2x  | -0.2x  | -0.3x  | -1.0x  | -1.3x | -0.7x  | -1.2x  | -1.4x  | -1.5x | -1.6x |            |        |
| P/E (x)                         |      | n.a.  | 5.9x  | 7.8x  | 8.0x   | 4.4x   | 7.1x   | 7.8x   | 7.0x  | 8.9x   | 8.2x   | 9.7x   | 9.6x  | 9.5x  |            |        |
| EV/Sales (x)                    |      | n.a.  | 2.25x | 2.78x | 2.49x  | 1.01x  | 1.37x  | 1.34x  | 1.56x | 1.65x  | 1.56x  | 1.70x  | 1.67x | 1.62x |            |        |
| EV/EBITDA (x) <sup>(2)</sup>    |      | n.a.  | 6.5x  | 8.4x  | 8.1x   | 3.9x   | 4.9x   | 4.3x   | 4.5x  | 5.7x   | 4.3x   | 5.2x   | 5.2x  | 5.1x  |            |        |
| Absolute performance            |      | n.a.  | n.a.  | 29.2% | -9.3%  | -57.6% | 39.2%  | -22.3% | 27.7% | -7.3%  | 7.7%   | 7.8%   |       |       |            |        |
| Relative performance vs Ibx 35  |      | n.a.  | n.a.  | 31.8% | -15.5% | -50.1% | 24.5%  | -8.2%  | 18.3% | -1.8%  | -12.3% | -3.9%  |       |       |            |        |

(1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Netex (NTX), is a Spanish technology company (A Coruña) dedicated to the development and commercialisation of software for the education sector. Its two main lines of business are the sale/renewal of licences (30% of revenues 2023) and the development of projects with customised content (70% of revenues 2023). Revenues outside Spain represent c. 55%. The founders control c. 51% of the capital.

Any reference to the results of a certain year refers to the period between: 30-Sep (previous year) and 30-Sep (year). After the date of prices in this report (17 May) GD Capital launched a takeover bid (24 May) for 100% of NTX's share capital.

### MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**BD Capital launches takeover bid for 100% of NTX's capital.** BD Capital (private equity firm specialised in European mid-market) has launched a takeover bid for NTX at a price of EUR 4.75/share; i.e. a 25% premium to the pre-takeover price (23 May; EUR 3.80). It is an all-cash offer. BD Capital has acceptance commitments for 50.5% (enough to delist NTX). First, it needs a waiver of the mandatory early repayment of financing. José Carlos López Ezquerro and José Ramón Mosteiro have reached an agreement with BD Capital to retain 30.3% of the capital (not included in the bid; so it only effectively target 69.7%; of which, in theory, 30.7% is free float). The Board recommends accepting the offer.

**The 2023 results prove the business model's operational gearing potential.** NTX's FY23 results (revenue: +14.6% and recurring EBITDA: +75.3%) fell short of expectations (due to a delay in an international project worth c.EUR 3Mn, pushed back to 2024). However, NTX did demonstrate its ability to eke out significant margin expansion (EBITDA margin 2023: 14.2%; +4.9pp vs 2022).

**2024: the year we will see NTX's full potential?** Despite the strategic fit offered by Virtual College (VC; acquired in Dec. 21), the integration charges have dragged on earnings in recent years. Against the backdrop of extremely dynamic sector growth (e-learning) and with a scalable product (licences), NTX should be able to lift its revenue to around EUR 28Mn in 2024e and generate recurring EBITDA of EUR 4.9Mn. Meanwhile, debt remains high (ND/EBITDA 24e: 3.4x), albeit mitigated by FCF generation (FCF yield 24e: 4.0%).

### EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**What is the timing of the bid?** In the wake of the strong rally by the share price (NTX-12M: +44.8%, +17.7% vs Ibxex 35, +14.7% vs sector) our 2024 estimates put NTX trading at an EV/recurring EBITDA multiple of 12.3x (17 May price) vs 14.6x for its comps (current multiple). The bid price equates to an implicit EV/EBITDA multiple of 13.8x (-5% vs sector). So, the multiple implied in premium offered (+25% vs to pre-takeover price) would be in line with the sector.

**What does the intrinsic valuation tell us?** Discounting cash flows (2024e-2026e) using a WACC of 8.3% (see pg 234 of this report) and assuming that NTX is capable to generate FCF "to the firm" in 2026e of EUR 5.0Mn (with an impact of EUR -0.2Mn per year for working capital management), we obtain a fundamental valuation of EUR 47Mn or a price per share of EUR 53/share (+11% vs the takeover offer price) for NTX. This also factors in FCF long-term potential FCF generation assuming reasonable growth ('g' of 2%). The price offered would be in line with NTX's intrinsic value. Looking at NTX as more of a growth stock — an IT company in the education sector can be considered one — would give a higher 'g' (3%?) and imply valuations (not our baseline scenario) of c.EUR 6.7/share.

**In short, the takeover bid price would reflect NTX's intrinsic value.** That's what the numbers say. The timing of the takeover bid is not with the shares at their lows (after the strong rally of the last few months). And so it would be considering the potential for improvement in recurring EBITDA and FCF generation in the 2024e-2026e period.

### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**The acceptance period starts on 28 May 2024** and runs up to and including 28 June 2024. BD Capital could extend the acceptance period (at its discretion). Any extension would have to be announced by 27 June at the latest. Settlement of the offer is expected to be on 9 July 2024.

### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 34.4               | 37.4 |
| EV (Mn EUR and USD)            | 54.4               | 59.1 |
| Shares Outstanding (Mn)        | 8.9                |      |
| -12m (Max/Med/Min EUR)         | 4.08 / 3.40 / 2.48 |      |
| Daily Avg volume (-12m Mn EUR) | n.m.               |      |
| Rotation <sup>(1)</sup>        | 4.8                |      |
| Factset / Bloomberg            | NTX-ES / NTX SM    |      |
| Close fiscal year              | 30-Sep             |      |

### Shareholders Structure (%)

|                            |      |
|----------------------------|------|
| José Carlos López Ezquerro | 25,4 |
| José Ramón Mosteiro López  | 25,2 |
| Ángel Fandos (Odre 2005)   | 12,1 |
| 3-Gutinvest, S.L.          | 5,0  |
| Free Float                 | 30,7 |

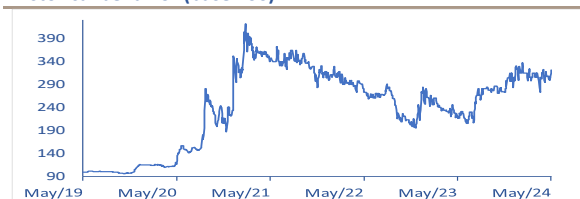
### Financials (Mn EUR)

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 8,9   | 8,9   | 8,9   | 8,9   |
| Total Revenues                      | 23,9  | 28,0  | 32,7  | 37,9  |
| Rec. EBITDA                         | 3,4   | 4,9   | 6,1   | 7,6   |
| % growth                            | 75,3  | 44,2  | 25,7  | 24,3  |
| % Rec. EBITDA/Rev.                  | 14,2  | 17,4  | 18,8  | 20,1  |
| % Inc. EBITDA sector <sup>(2)</sup> | 17,8  | 9,4   | 21,0  | 12,5  |
| Net Profit                          | -1,1  | 1,4   | 2,8   | 4,2   |
| EPS (EUR)                           | -0,12 | 0,16  | 0,31  | 0,47  |
| % growth                            | 19,9  | 235,9 | 94,0  | 50,5  |
| Ord. EPS (EUR)                      | -0,03 | 0,16  | 0,31  | 0,47  |
| % growth                            | 64,6  | 690,2 | 94,0  | 50,5  |
| Rec. Free Cash Flow                 | 3,5   | 1,4   | 2,4   | 3,5   |
| Pay-out (%)                         | 0,0   | 0,0   | 0,0   | 0,0   |
| DPS (EUR)                           | 0,00  | 0,00  | 0,00  | 0,00  |
| Net financial debt                  | 18,0  | 16,6  | 14,2  | 10,7  |
| ND/Rec. EBITDA (x)                  | 5,3   | 3,4   | 2,3   | 1,4   |
| ROE (%)                             | n.a.  | 130,5 | 86,8  | 62,6  |
| ROCE (%)                            | 7,8   | 13,4  | 18,5  | 23,7  |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | 23,9 | 12,3 | 8,2  |
| Ord. P/E           | n.a. | 23,9 | 12,3 | 8,2  |
| P/BV               | n.a. | 18,9 | 7,5  | 3,9  |
| Dividend Yield (%) | 0,0  | 0,0  | 0,0  | 0,0  |
| EV/Sales           | 2,50 | 2,13 | 1,83 | 1,58 |
| EV/Rec. EBITDA     | 17,7 | 12,3 | 9,7  | 7,8  |
| EV/EBIT            | 37,5 | 16,4 | 11,7 | 8,9  |
| FCF Yield (%)      | 10,2 | 4,0  | 6,9  | 10,2 |

### Historical behavior (base 100)



| (%)      | -1m | -3m | -12m | -5Y   |
|----------|-----|-----|------|-------|
| Absolute | 0.0 | 4.9 | 44.8 | 220.7 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Technology.

(3) Other shareholders: Treasury stock 1.7%.



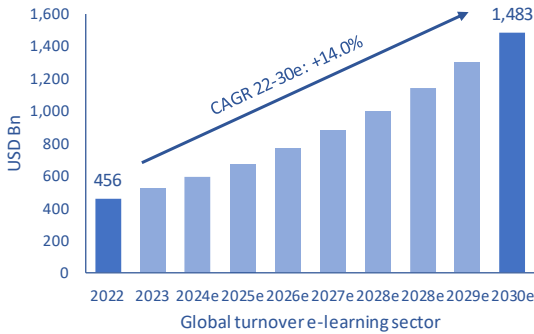
## Financial Projections

| <b>Balance Sheet (EUR Mn)</b>                | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 6.2          | 6.5          | 6.1          | 10.2         | 9.4          | 8.1          | 7.1          | 6.2          |               |              |
| Fixed assets                                 | 0.4          | 0.4          | 0.3          | 0.5          | 0.4          | 0.9          | 1.6          | 2.4          |               |              |
| Other Non Current Assets                     | 0.2          | 0.2          | 0.5          | 1.3          | 2.7          | 2.7          | 2.7          | 2.7          |               |              |
| Financial Investments                        | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          |               |              |
| Goodwill & Other Intangibles                 | -            | -            | -            | 5.9          | 6.4          | 6.4          | 6.4          | 6.4          |               |              |
| Current assets                               | 4.4          | 3.7          | 7.1          | 8.6          | 8.0          | 9.1          | 10.3         | 11.6         |               |              |
| <b>Total assets</b>                          | <b>11.4</b>  | <b>11.1</b>  | <b>14.3</b>  | <b>26.7</b>  | <b>27.0</b>  | <b>27.4</b>  | <b>28.2</b>  | <b>29.4</b>  |               |              |
| Equity                                       | 2.2          | 1.3          | 2.3          | 1.1          | 0.4          | 1.8          | 4.6          | 8.8          |               |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| Provisions & Other L/T Liabilities           | 0.1          | 0.2          | 0.1          | 0.6          | 2.2          | 2.2          | 2.2          | 2.2          |               |              |
| Other Non Current Liabilities                | -            | -            | -            | 0.8          | 0.9          | 0.9          | 0.9          | 0.9          |               |              |
| Net financial debt                           | 5.8          | 6.8          | 9.0          | 18.9         | 18.0         | 16.6         | 14.2         | 10.7         |               |              |
| Current Liabilities                          | 3.2          | 2.8          | 2.9          | 5.2          | 5.6          | 6.0          | 6.3          | 6.8          |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>11.4</b>  | <b>11.1</b>  | <b>14.3</b>  | <b>26.7</b>  | <b>27.0</b>  | <b>27.4</b>  | <b>28.2</b>  | <b>29.4</b>  |               |              |
| <b>P&amp;L (EUR Mn)</b>                      | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |              |
| <b>Total Revenues</b>                        | <b>8.7</b>   | <b>9.8</b>   | <b>12.3</b>  | <b>20.9</b>  | <b>23.9</b>  | <b>28.0</b>  | <b>32.7</b>  | <b>37.9</b>  | <b>28.7%</b>  | <b>16.6%</b> |
| <i>Total Revenues growth</i>                 | 29.8%        | 12.4%        | 25.4%        | 70.0%        | 14.6%        | 17.3%        | 16.6%        | 16.0%        |               |              |
| COGS   | (1.8)        | (2.5)        | (3.2)        | (6.1)        | (6.5)        | (7.7)        | (8.8)        | (10.0)       |               |              |
| <b>Gross Margin</b>                          | <b>6.9</b>   | <b>7.3</b>   | <b>9.1</b>   | <b>14.7</b>  | <b>17.4</b>  | <b>20.3</b>  | <b>23.8</b>  | <b>27.9</b>  | <b>25.9%</b>  | <b>17.0%</b> |
| <i>Gross Margin/Revenues</i>                 | 79.5%        | 74.2%        | 74.0%        | 70.7%        | 72.7%        | 72.6%        | 73.0%        | 73.5%        |               |              |
| Personnel Expenses                           | (6.0)        | (6.4)        | (6.7)        | (10.2)       | (10.5)       | (11.4)       | (13.1)       | (14.9)       |               |              |
| Other Operating Expenses                     | (1.3)        | (1.3)        | (1.4)        | (2.6)        | (3.5)        | (4.0)        | (4.6)        | (5.3)        |               |              |
| <b>Recurrent EBITDA</b>                      | <b>(0.4)</b> | <b>(0.5)</b> | <b>1.0</b>   | <b>1.9</b>   | <b>3.4</b>   | <b>4.9</b>   | <b>6.1</b>   | <b>7.6</b>   | <b>77.7%</b>  | <b>31.1%</b> |
| <i>Recurrent EBITDA growth</i>               | 77.0%        | -10.8%       | 304.8%       | 100.3%       | 75.3%        | 44.2%        | 25.7%        | 24.3%        |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | n.a.         | n.a.         | 7.9%         | 9.3%         | 14.2%        | 17.4%        | 18.8%        | 20.1%        |               |              |
| Restructuring Expense & Other non-rec.       | (0.0)        | 0.2          | 0.2          | (0.9)        | (0.6)        | -            | -            | -            |               |              |
| <b>EBITDA</b>                                | <b>(0.4)</b> | <b>(0.2)</b> | <b>1.2</b>   | <b>1.1</b>   | <b>2.8</b>   | <b>4.9</b>   | <b>6.1</b>   | <b>7.6</b>   | <b>69.7%</b>  | <b>39.3%</b> |
| Depreciation & Provisions                    | (1.8)        | (2.0)        | (2.2)        | (3.6)        | (3.4)        | (3.4)        | (3.2)        | (3.1)        |               |              |
| Capitalized Expense                          | 2.4          | 2.5          | 1.7          | 2.2          | 2.2          | 2.2          | 2.2          | 2.2          |               |              |
| Rentals (IFRS 16 impact)                     | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>EBIT</b>                                  | <b>0.2</b>   | <b>0.3</b>   | <b>0.6</b>   | <b>(0.3)</b> | <b>1.6</b>   | <b>3.6</b>   | <b>5.1</b>   | <b>6.7</b>   | <b>77.7%</b>  | <b>61.2%</b> |
| <i>EBIT growth</i>                           | 111.2%       | 60.2%        | 143.8%       | -149.0%      | 620.3%       | 128.3%       | 39.7%        | 31.3%        |               |              |
| <i>EBIT/Revenues</i>                         | 1.8%         | 2.6%         | 5.1%         | n.a.         | 6.7%         | 13.0%        | 15.6%        | 17.6%        |               |              |
| Impact of Goodwill & Others                  | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| Net Financial Result                         | (0.2)        | (0.2)        | (0.4)        | (1.2)        | (2.4)        | (1.7)        | (1.4)        | (1.1)        |               |              |
| Income by the Equity Method                  | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Ordinary Profit</b>                       | <b>(0.0)</b> | <b>0.0</b>   | <b>0.2</b>   | <b>(1.5)</b> | <b>(0.8)</b> | <b>1.9</b>   | <b>3.7</b>   | <b>5.6</b>   | <b>n.a.</b>   | <b>n.a.</b>  |
| <i>Ordinary Profit Growth</i>                | 97.3%        | 128.7%       | n.a.         | -926.3%      | 47.9%        | 337.5%       | 94.0%        | 50.5%        |               |              |
| Extraordinary Results                        | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>(0.0)</b> | <b>0.0</b>   | <b>0.2</b>   | <b>(1.5)</b> | <b>(0.8)</b> | <b>1.9</b>   | <b>3.7</b>   | <b>5.6</b>   | <b>n.a.</b>   | <b>n.a.</b>  |
| Tax Expense                                  | 0.1          | 0.1          | 0.5          | 0.2          | (0.3)        | (0.5)        | (0.9)        | (1.4)        |               |              |
| <i>Effective Tax Rate</i>                    | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 25.0%        | 25.0%        | 25.0%        |               |              |
| Minority Interests                           | -            | -            | -            | (0.0)        | -            | -            | -            | -            |               |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>0.1</b>   | <b>0.1</b>   | <b>0.6</b>   | <b>(1.3)</b> | <b>(1.1)</b> | <b>1.4</b>   | <b>2.8</b>   | <b>4.2</b>   | <b>n.a.</b>   | <b>81.4%</b> |
| <i>Net Profit growth</i>                     | 104.6%       | 86.4%        | 358.7%       | -306.3%      | 19.9%        | 235.9%       | 94.0%        | 50.5%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>(0.0)</b> | <b>(0.2)</b> | <b>(0.0)</b> | <b>(0.7)</b> | <b>(0.2)</b> | <b>1.4</b>   | <b>2.8</b>   | <b>4.2</b>   | <b>-86.1%</b> | <b>n.a.</b>  |
| <i>Ordinary Net Profit growth</i>            | 98.7%        | -980.1%      | 90.7%        | n.a.         | 64.6%        | 690.2%       | 94.0%        | 50.5%        |               |              |
| <b>Cash Flow (EUR Mn)</b>                    | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> | <b>CAGR</b>   |              |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>4.9</b>   | <b>6.1</b>   | <b>7.6</b>   | <b>77.7%</b>  | <b>31.1%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | -            | -            | -            |               |              |
| Working Capital Increase                     |              |              |              |              |              | (0.7)        | (0.8)        | (0.9)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>4.2</b>   | <b>5.3</b>   | <b>6.7</b>   | <b>97.9%</b>  | <b>16.0%</b> |
| CAPEX  |              |              |              |              |              | (0.6)        | (0.7)        | (0.8)        |               |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (1.7)        | (1.4)        | (1.1)        |               |              |
| Tax Expense                                  |              |              |              |              |              | (0.5)        | (0.9)        | (1.4)        |               |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>1.4</b>   | <b>2.4</b>   | <b>3.5</b>   | <b>67.8%</b>  | <b>-0.2%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | -            | -            | -            |               |              |
| - Acquisitions / + Divestitures of assets    |              |              |              |              |              | -            | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -            | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>1.4</b>   | <b>2.4</b>   | <b>3.5</b>   | <b>37.2%</b>  | <b>54.2%</b> |
| Capital Increase                             |              |              |              |              |              | -            | -            | -            |               |              |
| Dividends                                    |              |              |              |              |              | -            | -            | -            |               |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>(1.4)</b> | <b>(2.4)</b> | <b>(3.5)</b> |               |              |

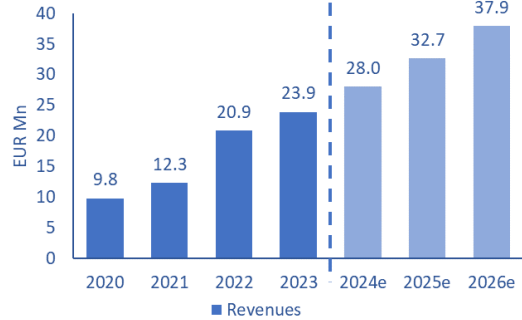


## The company in 8 charts

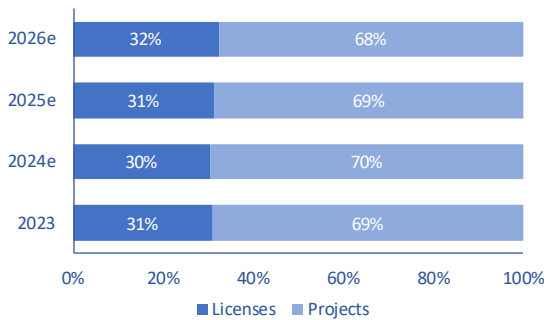
**NTX is going to benefit from a very strong sector driver (e-learning)...**



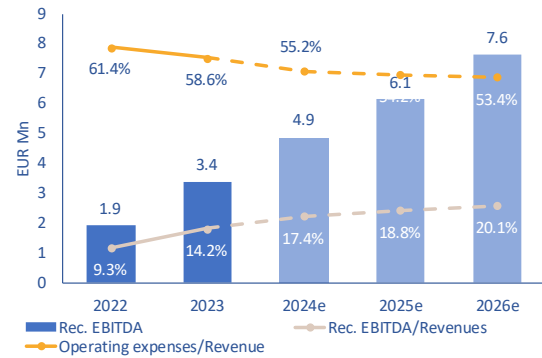
**...that will accelerate revenue growth (+16.6% CAGR 2023-2026e)**



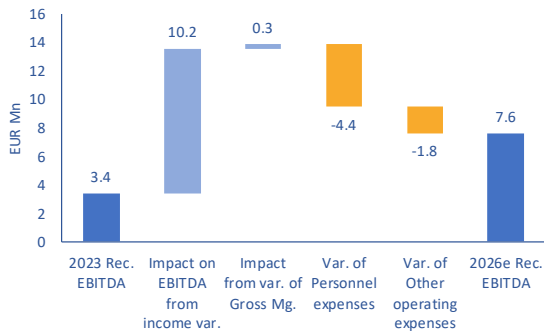
**We estimate a progressive increase in the licences business (the most profitable)...**



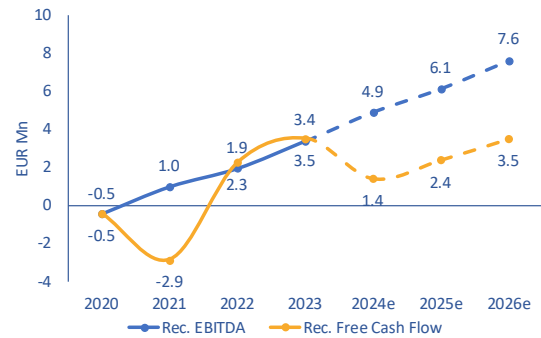
**...And high potential for leveraging on its cost structure**



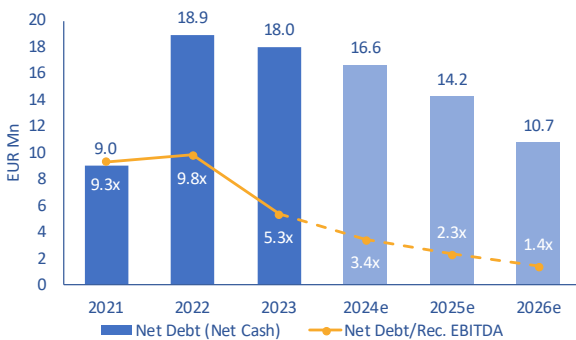
**That will enable EBITDA to take off (EUR 7.6Mn in 2026e)**



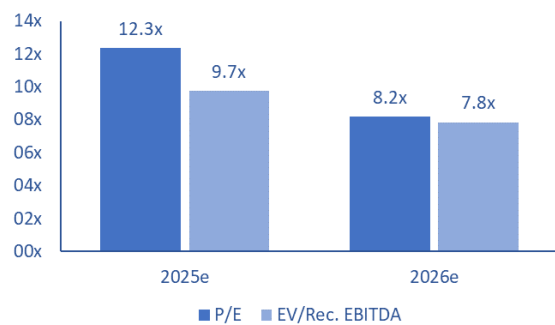
**With capacity for cash generation (FCF Yield 24e: 04%)**



**...that will cut debt in half, taking ND/EBITDA 2026e to 1.4x**



**The multiples, an attraction: 26e P/E 8.2x and 26e EV/EBITDA 7.8x**



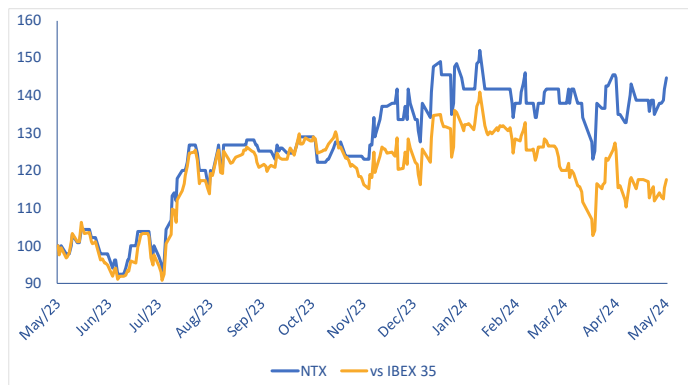


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



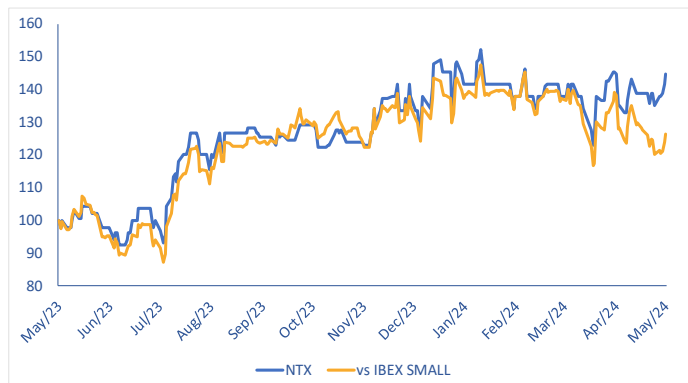
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



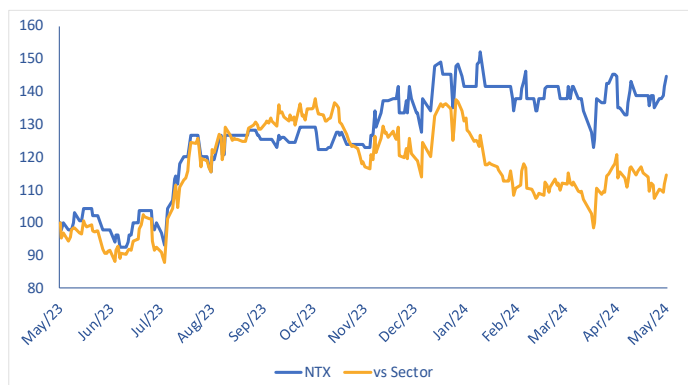
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Technology

| Stock performance (%)                     | -1m  | -3m  | -12m | YTD   | -3Y   | -5Y   |
|---|------|------|------|-------|-------|-------|
| Absolute                                  | 0.0  | 4.9  | 44.8 | -2.0  | -7.2  | 220.7 |
| <b>vs Market</b>                          |      |      |      |       |       |       |
| vs Ibex 35                                | -6.1 | -8.5 | 17.7 | -12.6 | -25.0 | 162.7 |
| vs Euro STOXX 50                          | -3.0 | -1.3 | 23.6 | -12.5 | -26.6 | 116.9 |
| <b>vs Small Cap References</b>            |      |      |      |       |       |       |
| vs Ibex Small Cap Index                   | -8.4 | -8.3 | 26.4 | -12.0 | -9.2  | 146.1 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -5.2 | -2.9 | 37.8 | -9.1  | 0.3   | 165.3 |
| vs MSCI Europe Micro Cap                  | -5.8 | -2.3 | 40.6 | -7.3  | 13.9  | 167.5 |
| <b>vs Sector</b>                          |      |      |      |       |       |       |
| vs Stoxx Europe 600 Technology            | -5.1 | 3.7  | 14.7 | -13.6 | -28.4 | 79.0  |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

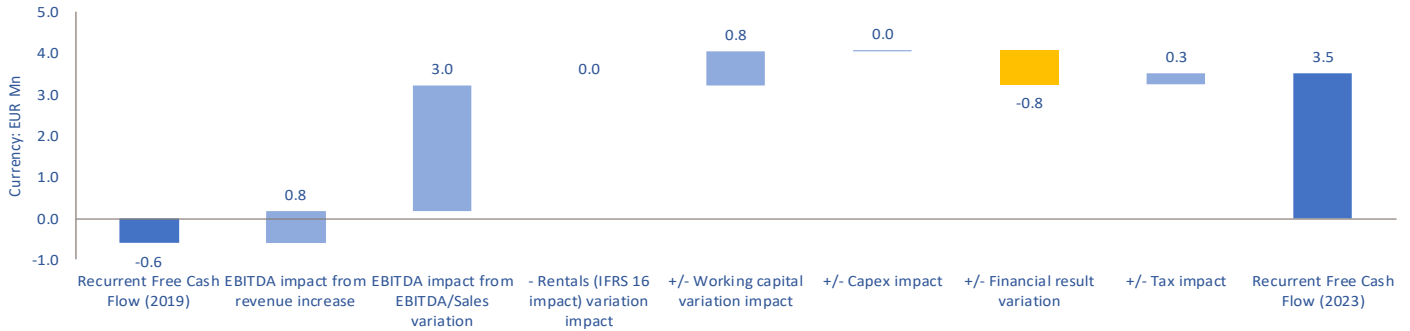
| A) Cash Flow Analysis (EUR Mn)  | 2020          | 2021           | 2022           | 2023          | 2024e         | 2025e        | 2026e        | CAGR         |              |
|---|---------------|----------------|----------------|---------------|---------------|--------------|--------------|--------------|--------------|
|   |               |                |                |               |               |              |              | 20-23        | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>(0.5)</b>  | <b>1.0</b>     | <b>1.9</b>     | <b>3.4</b>    | <b>4.9</b>    | <b>6.1</b>   | <b>7.6</b>   | <i>n.a.</i>  | <b>31.1%</b> |
| <i>Recurrent EBITDA growth</i>  | <i>-10.8%</i> | <i>304.8%</i>  | <i>100.3%</i>  | <i>75.3%</i>  | <i>44.2%</i>  | <i>25.7%</i> | <i>24.3%</i> |              |              |
| <i>Rec. EBITDA/Revenues</i>   | <i>n.a.</i>   | <i>7.9%</i>    | <i>9.3%</i>    | <i>14.2%</i>  | <i>17.4%</i>  | <i>18.8%</i> | <i>20.1%</i> |              |              |
| - Rentals (IFRS 16 impact)  | -             | -              | -              | -             | -             | -            | -            |              |              |
| +/- Working Capital increase  | 0.2           | (3.4)          | 0.9            | 0.9           | (0.7)         | (0.8)        | (0.9)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(0.2)</b>  | <b>(2.4)</b>   | <b>2.9</b>     | <b>4.3</b>    | <b>4.2</b>    | <b>5.3</b>   | <b>6.7</b>   | <i>n.a.</i>  | <b>16.0%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | <i>26.5%</i>  | <i>-902.4%</i> | <i>220.3%</i>  | <i>50.4%</i>  | <i>-3.9%</i>  | <i>28.3%</i> | <i>26.6%</i> |              |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | <i>n.a.</i>   | <i>n.a.</i>    | <i>13.8%</i>   | <i>18.1%</i>  | <i>14.8%</i>  | <i>16.3%</i> | <i>17.8%</i> |              |              |
| - CAPEX   | (0.0)         | (0.0)          | (0.2)          | (0.0)         | (0.6)         | (0.7)        | (0.8)        |              |              |
| - Net Financial Result affecting Cash Flow  | (0.2)         | (0.4)          | (0.7)          | (1.0)         | (1.7)         | (1.4)        | (1.1)        |              |              |
| - Taxes   | -             | -              | 0.2            | 0.3           | (0.5)         | (0.9)        | (1.4)        |              |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(0.5)</b>  | <b>(2.9)</b>   | <b>2.3</b>     | <b>3.5</b>    | <b>1.4</b>    | <b>2.4</b>   | <b>3.5</b>   | <i>n.a.</i>  | <b>-0.2%</b> |
| <i>Rec. Free Cash Flow growth</i>   | <i>22.8%</i>  | <i>-526.6%</i> | <i>178.7%</i>  | <i>55.7%</i>  | <i>-60.6%</i> | <i>71.0%</i> | <i>47.6%</i> |              |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | <i>n.a.</i>   | <i>n.a.</i>    | <i>10.8%</i>   | <i>14.7%</i>  | <i>4.9%</i>   | <i>7.2%</i>  | <i>9.2%</i>  |              |              |
| - Restructuring expenses & others   | 0.2           | 0.2            | (0.9)          | (0.6)         | -             | -            | -            |              |              |
| - Acquisitions / + Divestments  | -             | -              | (8.5)          | (2.2)         | -             | -            | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -              | 0.1            | 0.2           | -             | -            | -            |              |              |
| <b>= Free Cash Flow</b>   | <b>(0.2)</b>  | <b>(2.7)</b>   | <b>(7.0)</b>   | <b>1.0</b>    | <b>1.4</b>    | <b>2.4</b>   | <b>3.5</b>   | <b>84.0%</b> | <b>54.2%</b> |
| <i>Free Cash Flow growth</i>  | <i>63.4%</i>  | <i>n.a.</i>    | <i>-163.6%</i> | <i>113.6%</i> | <i>45.1%</i>  | <i>71.0%</i> | <i>47.6%</i> |              |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | <i>n.a.</i>   | <i>n.a.</i>    | <i>6.6%</i>    | <i>10.2%</i>  | <i>4.0%</i>   | <i>6.9%</i>  | <i>10.2%</i> |              |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>    | <i>2.8%</i>   | <i>4.0%</i>   | <i>6.9%</i>  | <i>10.2%</i> |              |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |                |                |               |               |              |              |              |              |
|   | 2020          | 2021           | 2022           | 2023          | 2024e         | 2025e        | 2026e        | CAGR         |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(0.6)</b>  | <b>(0.5)</b>   | <b>(2.9)</b>   | <b>2.3</b>    | <b>3.5</b>    | <b>1.4</b>   | <b>2.4</b>   |              |              |
| EBITDA impact from revenue increase   | (0.1)         | (0.1)          | 0.7            | 0.3           | 0.6           | 0.8          | 1.0          |              |              |
| EBITDA impact from EBITDA/Sales variation   | 0.0           | 1.6            | 0.3            | 1.2           | 0.9           | 0.4          | 0.5          |              |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.0)</b>  | <b>1.4</b>     | <b>1.0</b>     | <b>1.5</b>    | <b>1.5</b>    | <b>1.3</b>   | <b>1.5</b>   |              |              |
| - Rentals (IFRS 16 impact) variation impact   | -             | -              | -              | -             | -             | -            | -            |              |              |
| +/- Working capital variation impact  | 0.1           | (3.6)          | 4.3            | (0.0)         | (1.7)         | (0.1)        | (0.1)        |              |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>0.1</b>    | <b>(2.2)</b>   | <b>5.3</b>     | <b>1.4</b>    | <b>(0.2)</b>  | <b>1.2</b>   | <b>1.4</b>   |              |              |
| +/- CAPEX impact  | 0.0           | 0.0            | (0.1)          | 0.1           | (0.5)         | (0.1)        | (0.1)        |              |              |
| +/- Financial result variation  | 0.0           | (0.3)          | (0.2)          | (0.4)         | (0.7)         | 0.4          | 0.3          |              |              |
| +/- Tax impact  | -             | -              | 0.2            | 0.0           | (0.8)         | (0.5)        | (0.5)        |              |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>0.1</b>    | <b>(2.4)</b>   | <b>5.1</b>     | <b>1.3</b>    | <b>(2.1)</b>  | <b>1.0</b>   | <b>1.1</b>   |              |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(0.5)</b>  | <b>(2.9)</b>   | <b>2.3</b>     | <b>3.5</b>    | <b>1.4</b>    | <b>2.4</b>   | <b>3.5</b>   |              |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |                |                |               |               |              |              |              |              |
|   | 2020          | 2021           | 2022           | 2023          | 2024e         | 2025e        | 2026e        | CAGR         |              |
| <b>EBIT</b>   | <b>0.3</b>    | <b>0.6</b>     | <b>(0.3)</b>   | <b>1.6</b>    | <b>3.6</b>    | <b>5.1</b>   | <b>6.7</b>   | <b>83.9%</b> | <b>61.2%</b> |
| * <i>Theoretical Tax rate</i>   | <i>0.0%</i>   | <i>0.0%</i>    | <i>0.0%</i>    | <i>0.0%</i>   | <i>25.0%</i>  | <i>25.0%</i> | <i>25.0%</i> |              |              |
| = Taxes (pre- Net Financial Result)   | -             | -              | -              | -             | (0.9)         | (1.3)        | (1.7)        |              |              |
| <b>Recurrent EBITDA</b>   | <b>(0.5)</b>  | <b>1.0</b>     | <b>1.9</b>     | <b>3.4</b>    | <b>4.9</b>    | <b>6.1</b>   | <b>7.6</b>   | <i>n.a.</i>  | <b>31.1%</b> |
| - Rentals (IFRS 16 impact)  | -             | -              | -              | -             | -             | -            | -            |              |              |
| +/- Working Capital increase  | 0.2           | (3.4)          | 0.9            | 0.9           | (0.7)         | (0.8)        | (0.9)        |              |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(0.2)</b>  | <b>(2.4)</b>   | <b>2.9</b>     | <b>4.3</b>    | <b>4.2</b>    | <b>5.3</b>   | <b>6.7</b>   | <i>n.a.</i>  | <b>16.0%</b> |
| - CAPEX   | (0.0)         | (0.0)          | (0.2)          | (0.0)         | (0.6)         | (0.7)        | (0.8)        |              |              |
| - Taxes (pre- Financial Result)   | -             | -              | -              | -             | (0.9)         | (1.3)        | (1.7)        |              |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(0.3)</b>  | <b>(2.4)</b>   | <b>2.7</b>     | <b>4.3</b>    | <b>2.7</b>    | <b>3.4</b>   | <b>4.3</b>   | <i>n.a.</i>  | <b>0.3%</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | <i>27.0%</i>  | <i>-757.0%</i> | <i>211.9%</i>  | <i>57.4%</i>  | <i>-37.3%</i> | <i>26.8%</i> | <i>27.0%</i> |              |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | <i>n.a.</i>   | <i>n.a.</i>    | <i>13.0%</i>   | <i>17.9%</i>  | <i>9.6%</i>   | <i>10.4%</i> | <i>11.4%</i> |              |              |
| - Acquisitions / + Divestments  | -             | -              | (8.5)          | (2.2)         | -             | -            | -            |              |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -              | 0.1            | 0.2           | -             | -            | -            |              |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(0.3)</b>  | <b>(2.4)</b>   | <b>(5.7)</b>   | <b>2.3</b>    | <b>2.7</b>    | <b>3.4</b>   | <b>4.3</b>   | <i>n.a.</i>  | <b>23.6%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | <i>27.0%</i>  | <i>-757.0%</i> | <i>-134.2%</i> | <i>140.2%</i> | <i>17.4%</i>  | <i>26.8%</i> | <i>27.0%</i> |              |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | <i>n.a.</i>   | <i>n.a.</i>    | <i>5.0%</i>    | <i>7.9%</i>   | <i>4.9%</i>   | <i>6.3%</i>  | <i>7.9%</i>  |              |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>    | <i>4.2%</i>   | <i>4.9%</i>   | <i>6.3%</i>  | <i>7.9%</i>  |              |              |



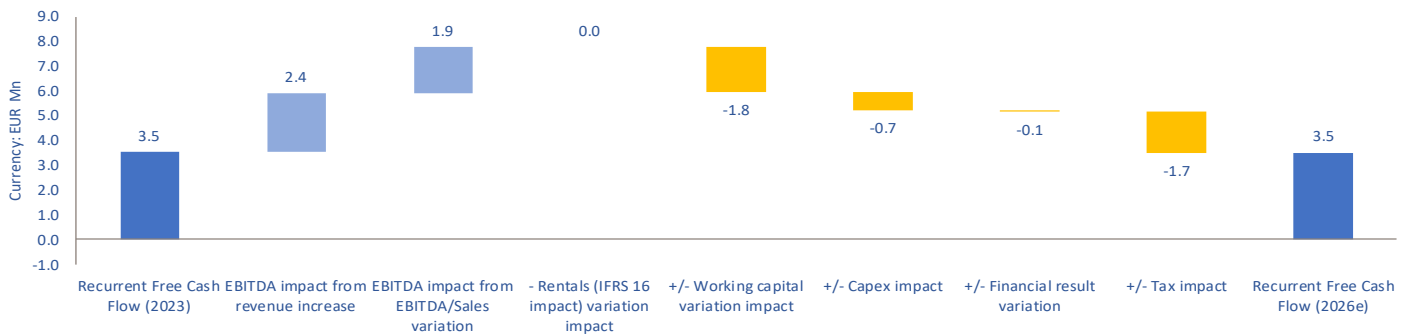


## Free Cash Flow (II)

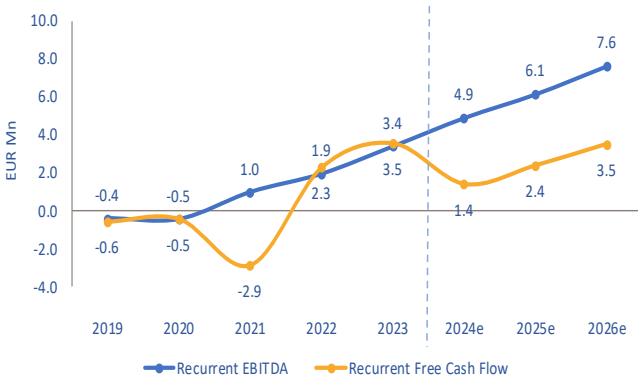
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 2.7   | 3.4                                 | 4.3   | 71.3                          |           |            |
| Market Cap                     | 34.4  | At the date of this report          |       |                               |           |            |
| Net financial debt             | 18.0  | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |       |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 6.5%  | Net debt cost                       |       |                               | 6.3%      | 6.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 5.2%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 5.0%      | 5.4%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2   | B (own estimate)                    |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5% | Ke = Rf + (R * B)                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 59.5% | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 40.5% | D                                   |       |                               | =         | =          |
| WACC                           | 8.3%  | WACC = Kd * D + Ke * E              |       |                               | 7.6%      | 9.2%       |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 34.4        |                  |
| + Minority Interests                 | -           | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 2.2         | 12m Results 2023 |
| + Net financial debt                 | 23.4        | 12m Results 2023 |
| - Financial Investments              | 0.2         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>59.8</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 2.1%  | 3.2%  | 6.5% | n.a. | 7.8% |
|                      | 2022  | 2026e |      |      |      |
| ROCE - WACC          | -0.8% | 15.0% |      |      |      |
| FCF Yield - WACC     | 1.6%  | 1.5%  |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 20.7%            | 6.8        | 8.0x          |
| Central  | 18.8%            | 6.1        | 8.9x          |
| Min      | 16.9%            | 5.5        | 9.8x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |      |         |
|-----------------|-----------------|------|------|----------|--------------------|------|---------|
|                 | EBITDA 25e      | 1.8% | 2.0% |          | 2.2%               | Max  | Central |
| 6.8             | 3.1             | 3.0  | 2.9  | Max      | 8.9%               | 8.7% | 8.5%    |
| 6.1             | 2.4             | 2.4  | 2.3  | Central  | 7.1%               | 6.9% | 6.7%    |
| 5.5             | 1.8             | 1.7  | 1.7  | Min      | 5.3%               | 5.1% | 4.9%    |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent board members       | 50.0% | 50.0% | 50.0% |
| % of proprietary board members       | 50.0% | 50.0% | 50.0% |
| % of executive board members         | 0.0%  | 0.0%  | 0.0%  |
| % of executive board members         | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 0.0%  | 0.0%  | 0.0%  |
| % de mujeres en la plantilla         | 37.1% | 46.2% | 46.0% |
| Board remuneration/staff costs (%)   | 4.6%  | 3.1%  | 3.0%  |



## Main peers 2024e

### E-learning

| EUR Mn                      |                         | Instructure Holdings | Learning Technologies Group | Docebo  | Skillssoft | Average | NTX    |
|-----------------------------|-------------------------|----------------------|-----------------------------|---------|------------|---------|--------|
| Market data                 | Ticker (Factset)        | INST-US              | LTG-GB                      | DCBO-CA | SKIL-US    |         | NTX-ES |
|                             | Country                 | USA                  | UK                          | Canada  | USA        |         | Spain  |
|                             | Market cap              | 2,719.7              | 708.5                       | 1,043.0 | 72.9       |         | 34.4   |
|                             | Enterprise value (EV)   | 3,716.7              | 810.7                       | 971.7   | 527.7      |         | 54.4   |
| Basic financial information | Total Revenues          | 609.7                | 623.2                       | 197.0   | 500.0      |         | 28.0   |
|                             | Total Revenues growth   | 25.1%                | -5.1%                       | 19.4%   | -1.7%      | 9.4%    | 17.3%  |
|                             | 2y CAGR (2024e - 2026e) | 9.7%                 | 3.4%                        | 19.3%   | 2.6%       | 8.7%    | 16.3%  |
|                             | EBITDA                  | 250.9                | 138.2                       | 29.9    | 99.4       |         | 4.9    |
|                             | EBITDA growth           | 60.2%                | 5.0%                        | 757.2%  | 57.9%      | 220.0%  | 73.0%  |
|                             | 2y CAGR (2024e - 2026e) | 11.4%                | 4.9%                        | 39.1%   | n.a.       | 18.5%   | 25.0%  |
|                             | EBITDA/Revenues         | 41.1%                | 22.2%                       | 15.2%   | 19.9%      | 24.6%   | 17.4%  |
|                             | EBIT                    | 245.5                | 119.2                       | 18.8    | (73.9)     |         | 3.6    |
|                             | EBIT growth             | n.a.                 | 54.9%                       | n.a.    | 8.0%       | 31.5%   | 128.3% |
|                             | 2y CAGR (2024e - 2026e) | 11.1%                | 4.7%                        | 54.1%   | n.a.       | 23.3%   | 35.4%  |
|                             | EBIT/Revenues           | 40.3%                | 19.1%                       | 9.5%    | n.a.       | 23.0%   | 13.0%  |
|                             | Net Profit              | (54.5)               | 80.1                        | 22.1    | (100.9)    |         | 1.4    |
|                             | Net Profit growth       | -73.9%               | 110.4%                      | 752.6%  | 68.5%      | 214.4%  | 235.9% |
|                             | 2y CAGR (2024e - 2026e) | n.a.                 | 7.6%                        | 39.2%   | n.a.       | 23.4%   | 70.9%  |
|                             | CAPEX/Sales %           | 1.2%                 | 1.1%                        | 0.4%    | 2.3%       | 1.3%    | 2.0%   |
| Free Cash Flow              | 156.4                   | 52.2                 | 32.6                        | (0.6)   |            | 1.4     |        |
| Net financial debt          | 757.5                   | 46.0                 | (98.1)                      | n.a.    |            | 16.6    |        |
| ND/EBITDA (x)               | 3.0                     | 0.3                  | n.a.                        | n.a.    | 1.7        | 3.4     |        |
| Pay-out                     | 0.0%                    | 17.8%                | n.a.                        | 0.0%    | 5.9%       | 0.0%    |        |
| Multiples and Ratios        | P/E (x)                 | 23.9                 | 10.0                        | 40.5    | n.a.       | 24.8    | 23.9   |
|                             | P/BV (x)                | 2.3                  | n.a.                        | 13.8    | n.a.       | 8.1     | 18.9   |
|                             | EV/Revenues (x)         | 6.1                  | 1.3                         | 4.9     | 1.1        | 3.3     | 1.9    |
|                             | EV/EBITDA (x)           | 14.8                 | 5.9                         | 32.5    | 5.3        | 14.6    | 11.1   |
|                             | EV/EBIT (x)             | 15.1                 | 6.8                         | n.a.    | n.a.       | 11.0    | 14.9   |
|                             | ROE                     | 9.8                  | n.a.                        | 34.2    | n.a.       | 22.0    | 130.5  |
|                             | FCF Yield (%)           | 5.8                  | 7.4                         | 3.1     | n.a.       | 5.4     | 4.0    |
|                             | DPS                     | 0.00                 | 0.02                        | n.a.    | 0.00       | 0.01    | 0.00   |
|                             | Dvd Yield               | 0.0%                 | 2.0%                        | n.a.    | 0.0%       | 0.7%    | 0.0%   |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn)  | 2013 | 2014 | 2015 | 2016 | 2017  | 2018   | 2019   | 2020   | 2021   | 2022    | 2023   | 2024e  | 2025e | 2026e | CAGR  |        |
|----------------------------------|------|------|------|------|-------|--------|--------|--------|--------|---------|--------|--------|-------|-------|-------|--------|
|                                  |      |      |      |      |       |        |        |        |        |         |        |        |       |       | 13-23 | 23-26e |
| Total Revenues                   |      |      |      |      | 5.1   | 6.7    | 8.7    | 9.8    | 12.3   | 20.9    | 23.9   | 28.0   | 32.7  | 37.9  | n.a.  | 16.6%  |
| Total Revenues growth            |      |      |      |      | -6.2% | 31.6%  | 29.8%  | 12.4%  | 25.4%  | 70.0%   | 14.6%  | 17.3%  | 16.6% | 16.0% |       |        |
| EBITDA                           |      |      |      |      | (1.9) | (1.8)  | (0.4)  | (0.2)  | 1.2    | 1.1     | 2.8    | 4.9    | 6.1   | 7.6   | n.a.  | 39.3%  |
| EBITDA growth                    |      |      |      |      | n.a.  | 0.8%   | 75.7%  | 46.8%  | 591.0% | -8.7%   | 163.7% | 73.0%  | 25.7% | 24.3% |       |        |
| EBITDA/Sales                     |      |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 9.6%   | 5.1%    | 11.8%  | 17.4%  | 18.8% | 20.1% |       |        |
| Net Profit                       |      |      |      |      | (2.2) | (1.6)  | 0.1    | 0.1    | 0.6    | (1.3)   | (1.1)  | 1.4    | 2.8   | 4.2   | n.a.  | 81.4%  |
| Net Profit growth                |      |      |      |      | n.a.  | 25.1%  | 104.6% | 86.4%  | 358.7% | -306.3% | 19.9%  | 235.9% | 94.0% | 50.5% |       |        |
| Adjusted number shares (Mn)      |      |      |      |      | -     | -      | -      | 8.9    | 8.9    | 8.9     | 8.9    | 8.9    | 8.9   | 8.9   |       |        |
| EPS (EUR)                        |      |      |      |      | n.a.  | n.a.   | n.a.   | 0.02   | 0.07   | -0.15   | -0.12  | 0.16   | 0.31  | 0.47  | n.a.  | 81.4%  |
| EPS growth                       |      |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | n.a.   | n.a.    | 19.9%  | n.a.   | 94.0% | 50.5% |       |        |
| Ord. EPS (EUR)                   |      |      |      |      | n.a.  | n.a.   | n.a.   | -0.02  | 0.00   | -0.08   | -0.03  | 0.16   | 0.31  | 0.47  | n.a.  | n.a.   |
| Ord. EPS growth                  |      |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 90.7%  | n.a.    | 64.6%  | n.a.   | 94.0% | 50.5% |       |        |
| CAPEX                            |      |      |      |      | (0.1) | (0.2)  | (0.1)  | (0.0)  | (0.0)  | (0.2)   | (0.0)  | (0.6)  | (0.7) | (0.8) |       |        |
| CAPEX/Sales %                    |      |      |      |      | 1.1%  | 2.5%   | 0.7%   | 0.5%   | 0.3%   | 0.7%    | 0.2%   | 2.0%   | 2.0%  | 2.0%  |       |        |
| Free Cash Flow                   |      |      |      |      | (1.0) | (2.7)  | (0.6)  | (0.2)  | (2.7)  | (7.0)   | 1.0    | 1.4    | 2.4   | 3.5   | n.a.  | 54.2%  |
| ND/EBITDA (x) <sup>(2)</sup>     |      |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 7.7x   | 17.7x   | 6.4x   | 3.4x   | 2.3x  | 1.4x  |       |        |
| P/E (x)                          |      |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 50.2x  | n.a.    | n.a.   | 23.9x  | 12.3x | 8.2x  |       |        |
| EV/Sales (x)                     |      |      |      |      | n.a.  | 3.39x  | 1.97x  | 1.94x  | 3.38x  | 2.70x   | 1.84x  | 1.94x  | 1.66x | 1.43x |       |        |
| EV/EBITDA (x) <sup>(2)</sup>     |      |      |      |      | n.a.  | n.a.   | n.a.   | n.a.   | 35.4x  | n.a.    | 15.6x  | 11.1x  | 8.9x  | 7.1x  |       |        |
| Absolute performance             |      |      |      |      | n.a.  | -34.8% | 7.8%   | 164.7% | -1.6%  | -9.1%   | 20.4%  | -2.0%  |       |       |       |        |
| Relative performance vs Ibxex 35 |      |      |      |      | n.a.  | -23.4% | -3.6%  | 213.1% | -8.9%  | -3.8%   | -2.0%  | -12.6% |       |       |       |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Nicolás Correa (NEA) is a Spanish industrial (Burgos), whose core business is the design and manufacture of chip removal machine tools, specialising in milling machines for the general mechanical engineering industry (aerospace, defense, renewable energy and nuclear sectors standing out). Currently, sales in Spain account for 8% (2023) of the total, with a c. 60% of sales made in the rest of Europe.

**Market Data**

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 82.5               | 89.8 |
| EV (Mn EUR and USD)            | 71.2               | 77.4 |
| Shares Outstanding (Mn)        | 12.3               |      |
| -12m (Max/Med/Min EUR)         | 7.04 / 5.98 / 5.28 |      |
| Daily Avg volume (-12m Mn EUR) | 0.04               |      |
| Rotation <sup>(1)</sup>        | 13.1               |      |
| Factset / Bloomberg            | NEA-ES / NEA SM    |      |
| Close fiscal year              | 31-Dec             |      |

**Shareholders Structure (%)<sup>(3)</sup>**

|                                |      |
|--------------------------------|------|
| Familia Nicolás-Correa         | 29.0 |
| Onchena                        | 5.4  |
| Jose Maria Galíndez            | 5.4  |
| Consejo (Excl. Nicolás-Correa) | 5.6  |
| Free Float                     | 49.6 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 12.3  | 12.3  | 12.3  | 12.3  |
| Total Revenues                      | 110.5 | 119.3 | 128.8 | 142.9 |
| Rec. EBITDA                         | 14.1  | 15.2  | 17.1  | 19.9  |
| % growth                            | 26.6  | 7.8   | 12.8  | 16.4  |
| % Rec. EBITDA/Rev.                  | 12.7  | 12.7  | 13.3  | 13.9  |
| % Inc. EBITDA sector <sup>(2)</sup> | 10.6  | 11.4  | 17.8  | 15.0  |
| Net Profit                          | 10.5  | 10.5  | 11.5  | 13.5  |
| EPS (EUR)                           | 0.86  | 0.85  | 0.94  | 1.10  |
| % growth                            | 16.6  | -0.3  | 9.8   | 17.1  |
| Ord. EPS (EUR)                      | 0.85  | 0.85  | 0.94  | 1.10  |
| % growth                            | 14.1  | 0.0   | 9.8   | 17.1  |
| Rec. Free Cash Flow                 | 3.3   | -0.1  | 2.7   | 8.8   |
| Pay-out (%)                         | 31.0  | 31.0  | 31.0  | 31.0  |
| DPS (EUR)                           | 0.27  | 0.26  | 0.29  | 0.34  |
| Net financial debt                  | -12.5 | -9.1  | -8.6  | -13.8 |
| ND/Rec. EBITDA (x)                  | -0.9  | -0.6  | -0.5  | -0.7  |
| ROE (%)                             | 15.1  | 13.6  | 13.6  | 14.3  |
| ROCE (%)                            | 16.9  | 14.9  | 14.5  | 15.8  |

**Ratios & Multiples (x)**

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | 7.8  | 7.9   | 7.2   | 6.1   |
| Ord. P/E           | 7.9  | 7.9   | 7.2   | 6.1   |
| P/BV               | 1.1  | 1.0   | 0.9   | 0.8   |
| Dividend Yield (%) | 4.0  | 3.9   | 4.3   | 5.1   |
| EV/Sales           | 0.64 | 0.60  | 0.55  | 0.50  |
| EV/Rec. EBITDA     | 5.1  | 4.7   | 4.2   | 3.6   |
| EV/EBIT            | 5.9  | 5.5   | 5.0   | 4.3   |
| FCF Yield (%)      | 4.0  | n.a.  | 3.3   | 10.6  |

**Historical behavior (base 100)**


| (%)      | -1m | -3m | -12m | -5Y  |
|----------|-----|-----|------|------|
| Absolute | 0.5 | 9.7 | 23.5 | 84.5 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Europe Industrial Machinery.

(3) Others: Masaveu Finanzas 5.0%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

NEA pierced the EUR 100Mn revenue threshold in 2023... proof of the company's healthy current momentum. Double-digit revenue growth (+11.6% vs 2022). Better still, the company is leveraging its cost structure to eke out economies of scale (recurring EBITDA 2023: EUR 14.1Mn; +26.6% vs 2022).

...and ended 2023 with a record orderbook (again), foreshadowing an even better 2024e (topping the 2008 figures). Year-end orderbook of EUR 107Mn (+14.7% vs 2022) and an order intake of EUR 132Mn. We think the momentum in new orders will push revenue to EUR 119.3Mn (+8% vs 2022) and EBITDA to EUR 15.2Mn (+7.8% vs 2022). The need to add/enhance capacity to absorb the growth in demand will curb profitability in 2024e (recurring EBITDA margin 2024e: 12.7%, in line with 2023).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Benchmark position in an industrial niche (large milling machines).** That gives it its "own cycle", independent of macroeconomic developments. The business model (customised development, high entry barriers) makes us think NEA can outperform its peers.

**Geographical diversification and exposure to growth sectors.** 92% of NEA's sales are exports, with exposure to Europe (62% of revenue) and China (c.20%). It is exposed to a range of sectors (mitigating business risk), with strong positioning in the energy, automotive, aerospace and rail industries.

**Super healthy capital structure (net cash).** 2023 marked NEA's fifth year running with a net cash position (EUR 12.5Mn; c.15% of mkt cap). This shores up NEA's ability to invest, facilitated by a light cost structure (CAPEX: 4% of revenue 2023). Locking in dividend continuity (dividend yield 2024e: c.4%). And mitigating the impact of high interest rates.

**2024-2026e: A period of heavy growth that is not expected to weigh on its ability to deliver profitable growth.** Our positive outlook for NEA remains intact and we think its current momentum can continue in the medium term. Highlights: i) sustained revenue growth (CAGR 23-26e: +8.9%), ii) profitability - EBITDA of c.EUR 20Mn by 2026e (CAGR 23-26e: +12.3%), iii) FCF generation; and iv) an active dividend distribution policy. All this with an evident store of value (ROCE: 14.9% vs WACC: 10.5%).

**RISKS: WHAT TO KEEP AN EYE ON?**

**Growth in CAPEX.** Our numbers factor in significant growth in CAPEX, especially in 2024e and 2025e, to build a new machining factory in Burgos. The new facility will be built beside the parent's current facility on a 21,000m<sup>2</sup> site acquired in October 2022 (EUR 1.5Mn). The higher CAPEX requirement will erode cash generation.

**Slowdown in demand.** This risk factor is partially mitigated by product diversification and the company's deep specialisation. However, a contraction in the orderbook or slowdown in the order intake could signal a slowdown in volumes. Which would have a (negative) impact on our estimates.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Current multiples point to further upside.** Despite a strong performance (+19.9% vs MSCI Europe Micro cap -12m, in line with the Ibx 35), we see further upside. Particularly for a company that is evidently generating value (ROCE 24e: 14.9%). One that is among the most profitable in its sector. Its multiples are clearly attractive: EV/EBITDA 24e 4.7x and P/E 24e 7.9x (vs 6.8x and 12.6x for its comps).



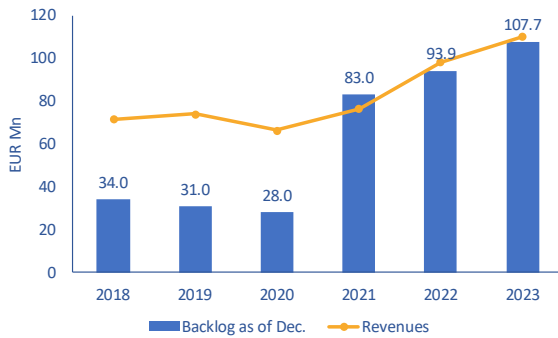
Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020        | 2021        | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |              |
|--|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 1.0         | 1.0         | 1.1         | 1.5          | 1.8          | 1.8          | 1.8          | 1.8          |               |              |
| Fixed assets                                 | 13.8        | 14.8        | 15.3        | 18.9         | 21.2         | 28.5         | 34.7         | 35.8         |               |              |
| Other Non Current Assets                     | 11.6        | 11.6        | 11.0        | 11.4         | 11.4         | 11.4         | 11.4         | 11.4         |               |              |
| Financial Investments                        | 2.0         | 2.1         | 2.5         | 3.0          | 3.3          | 4.1          | 4.9          | 5.7          |               |              |
| Goodwill & Other Intangibles                 | 9.5         | 9.5         | 9.5         | 9.5          | 9.5          | 9.5          | 9.5          | 9.5          |               |              |
| Current assets                               | 37.1        | 40.6        | 51.1        | 56.3         | 70.8         | 77.3         | 83.3         | 92.3         |               |              |
| <b>Total assets</b>                          | <b>75.2</b> | <b>79.7</b> | <b>90.5</b> | <b>100.6</b> | <b>118.0</b> | <b>132.5</b> | <b>145.5</b> | <b>156.4</b> |               |              |
| Equity                                       | 53.0        | 56.3        | 59.6        | 66.2         | 73.7         | 80.9         | 89.2         | 99.1         |               |              |
| Minority Interests                           | 0.8         | 0.7         | 0.4         | 1.0          | 1.1          | 1.3          | 1.6          | 1.9          |               |              |
| Provisions & Other L/T Liabilities           | 3.6         | 3.5         | 3.6         | 4.6          | 5.0          | 5.0          | 5.0          | 5.0          |               |              |
| Other Non Current Liabilities                | 0.8         | 0.8         | 0.8         | 0.7          | 0.8          | 0.8          | 0.8          | 0.8          |               |              |
| Net financial debt                           | (4.9)       | (1.8)       | (13.1)      | (11.4)       | (12.5)       | (9.1)        | (8.6)        | (13.8)       |               |              |
| Current Liabilities                          | 21.8        | 20.1        | 39.3        | 39.6         | 49.9         | 53.5         | 57.4         | 63.3         |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>75.2</b> | <b>79.7</b> | <b>90.5</b> | <b>100.6</b> | <b>118.0</b> | <b>132.5</b> | <b>145.5</b> | <b>156.4</b> |               |              |
| P&L (EUR Mn)                                 | 2019        | 2020        | 2021        | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |              |
| <b>Total Revenues</b>                        | <b>74.3</b> | <b>67.5</b> | <b>78.2</b> | <b>99.1</b>  | <b>110.5</b> | <b>119.3</b> | <b>128.8</b> | <b>142.9</b> | <b>10.4%</b>  | <b>8.9%</b>  |
| Total Revenues growth                        | 3.0%        | -9.1%       | 15.8%       | 26.7%        | 11.6%        | 8.0%         | 8.0%         | 10.9%        |               |              |
| COGS   | (34.0)      | (29.2)      | (34.2)      | (45.9)       | (49.2)       | (54.3)       | (58.6)       | (65.0)       |               |              |
| <b>Gross Margin</b>                          | <b>40.2</b> | <b>38.3</b> | <b>44.0</b> | <b>53.2</b>  | <b>61.3</b>  | <b>65.0</b>  | <b>70.2</b>  | <b>77.9</b>  | <b>11.1%</b>  | <b>8.3%</b>  |
| Gross Margin/Revenues                        | 54.2%       | 56.7%       | 56.3%       | 53.7%        | 55.5%        | 54.5%        | 54.5%        | 54.5%        |               |              |
| Personnel Expenses                           | (17.7)      | (17.8)      | (18.8)      | (21.9)       | (25.8)       | (27.2)       | (29.0)       | (31.8)       |               |              |
| Other Operating Expenses                     | (13.2)      | (12.3)      | (16.0)      | (20.2)       | (21.4)       | (22.6)       | (24.1)       | (26.1)       |               |              |
| <b>Recurrent EBITDA</b>                      | <b>9.3</b>  | <b>8.1</b>  | <b>9.2</b>  | <b>11.1</b>  | <b>14.1</b>  | <b>15.2</b>  | <b>17.1</b>  | <b>19.9</b>  | <b>10.8%</b>  | <b>12.3%</b> |
| Recurrent EBITDA growth                      | 11.0%       | -13.0%      | 12.7%       | 21.3%        | 26.6%        | 7.8%         | 12.8%        | 16.4%        |               |              |
| Rec. EBITDA/Revenues                         | 12.6%       | 12.0%       | 11.7%       | 11.2%        | 12.7%        | 12.7%        | 13.3%        | 13.9%        |               |              |
| Restructuring Expense & Other non-rec.       | -           | -           | (0.1)       | (0.2)        | 0.0          | -            | -            | -            |               |              |
| <b>EBITDA</b>                                | <b>9.3</b>  | <b>8.1</b>  | <b>9.0</b>  | <b>10.9</b>  | <b>14.1</b>  | <b>15.2</b>  | <b>17.1</b>  | <b>19.9</b>  | <b>10.9%</b>  | <b>12.1%</b> |
| Depreciation & Provisions                    | (1.3)       | (1.5)       | (1.6)       | (1.8)        | (1.9)        | (2.3)        | (2.9)        | (3.2)        |               |              |
| Capitalized Expense                          | 0.3         | -           | -           | -            | -            | -            | -            | -            |               |              |
| Rentals (IFRS 16 impact)                     | (0.2)       | (0.2)       | (0.2)       | (0.1)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        |               |              |
| <b>EBIT</b>                                  | <b>8.2</b>  | <b>6.5</b>  | <b>7.3</b>  | <b>9.0</b>   | <b>12.1</b>  | <b>12.8</b>  | <b>14.2</b>  | <b>16.7</b>  | <b>10.4%</b>  | <b>11.1%</b> |
| EBIT growth                                  | 13.4%       | -20.5%      | 12.0%       | 23.7%        | 34.9%        | 5.7%         | 10.6%        | 17.5%        |               |              |
| EBIT/Revenues                                | 11.0%       | 9.6%        | 9.3%        | 9.1%         | 11.0%        | 10.8%        | 11.0%        | 11.7%        |               |              |
| Impact of Goodwill & Others                  | -           | -           | -           | 1.2          | -            | -            | -            | -            |               |              |
| Net Financial Result                         | (0.2)       | (0.1)       | (0.6)       | (0.4)        | (0.1)        | (0.2)        | (0.2)        | (0.2)        |               |              |
| Income by the Equity Method                  | 0.1         | 0.1         | 0.4         | 0.6          | 0.8          | 0.8          | 0.8          | 0.8          |               |              |
| <b>Ordinary Profit</b>                       | <b>8.0</b>  | <b>6.5</b>  | <b>7.0</b>  | <b>10.3</b>  | <b>12.8</b>  | <b>13.4</b>  | <b>14.8</b>  | <b>17.3</b>  | <b>12.5%</b>  | <b>10.6%</b> |
| Ordinary Profit Growth                       | 18.3%       | -18.9%      | 8.9%        | 46.5%        | 24.0%        | 5.1%         | 9.8%         | 17.1%        |               |              |
| Extraordinary Results                        | -           | -           | -           | -            | -            | -            | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>8.0</b>  | <b>6.5</b>  | <b>7.0</b>  | <b>10.3</b>  | <b>12.8</b>  | <b>13.4</b>  | <b>14.8</b>  | <b>17.3</b>  | <b>12.5%</b>  | <b>10.6%</b> |
| Tax Expense                                  | 0.2         | (0.6)       | (1.4)       | (1.1)        | (2.0)        | (2.7)        | (3.0)        | (3.5)        |               |              |
| Effective Tax Rate                           | n.a.        | 9.0%        | 19.4%       | 11.1%        | 15.7%        | 20.0%        | 20.0%        | 20.0%        |               |              |
| Minority Interests                           | (0.2)       | (0.1)       | (0.1)       | (0.1)        | (0.2)        | (0.2)        | (0.3)        | (0.3)        |               |              |
| Discontinued Activities                      | -           | -           | -           | -            | -            | -            | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>8.1</b>  | <b>5.8</b>  | <b>5.6</b>  | <b>9.0</b>   | <b>10.5</b>  | <b>10.5</b>  | <b>11.5</b>  | <b>13.5</b>  | <b>7.0%</b>   | <b>8.6%</b>  |
| Net Profit growth                            | 2.8%        | -28.4%      | -3.3%       | 62.2%        | 16.6%        | -0.3%        | 9.8%         | 17.1%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>7.8</b>  | <b>5.8</b>  | <b>5.7</b>  | <b>9.2</b>   | <b>10.5</b>  | <b>10.5</b>  | <b>11.5</b>  | <b>13.5</b>  | <b>7.6%</b>   | <b>8.8%</b>  |
| Ordinary Net Profit growth                   | 19.1%       | -26.3%      | -1.7%       | 62.4%        | 14.1%        | 0.0%         | 9.8%         | 17.1%        |               |              |
| Cash Flow (EUR Mn)                           | 2019        | 2020        | 2021        | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |              |
| <b>Recurrent EBITDA</b>                      |             |             |             |              |              | <b>15.2</b>  | <b>17.1</b>  | <b>19.9</b>  | <b>10.8%</b>  | <b>12.3%</b> |
| Rentals (IFRS 16 impact)                     |             |             |             |              |              | (0.1)        | (0.1)        | (0.1)        |               |              |
| Working Capital Increase                     |             |             |             |              |              | (2.8)        | (2.1)        | (3.1)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |             |             |             |              |              | <b>12.3</b>  | <b>14.9</b>  | <b>16.7</b>  | <b>7.8%</b>   | <b>19.5%</b> |
| CAPEX  |             |             |             |              |              | (9.5)        | (9.0)        | (4.3)        |               |              |
| Net Financial Result affecting the Cash Flow |             |             |             |              |              | (0.2)        | (0.2)        | (0.2)        |               |              |
| Tax Expense                                  |             |             |             |              |              | (2.7)        | (3.0)        | (3.5)        |               |              |
| <b>Recurrent Free Cash Flow</b>              |             |             |             |              |              | <b>(0.1)</b> | <b>2.7</b>   | <b>8.8</b>   | <b>-6.5%</b>  | <b>38.2%</b> |
| Restructuring Expense & Other non-rec.       |             |             |             |              |              | -            | -            | -            |               |              |
| - Acquisitions / + Divestures of assets      |             |             |             |              |              | -            | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |             |             |              |              | -            | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |             |             |             |              |              | <b>(0.1)</b> | <b>2.7</b>   | <b>8.8</b>   | <b>-15.6%</b> | <b>27.4%</b> |
| Capital Increase                             |             |             |             |              |              | -            | -            | -            |               |              |
| Dividends                                    |             |             |             |              |              | (3.3)        | (3.3)        | (3.6)        |               |              |
| <b>Net Debt Variation</b>                    |             |             |             |              |              | <b>3.4</b>   | <b>0.5</b>   | <b>(5.2)</b> |               |              |

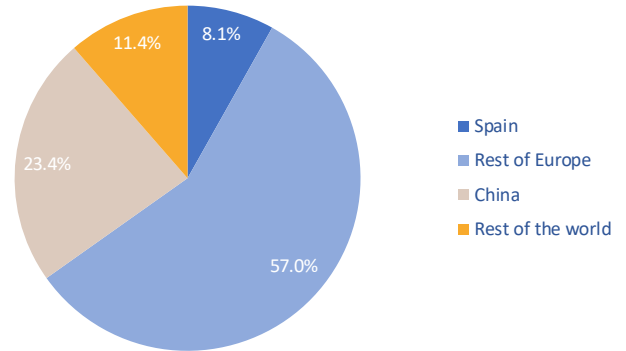


## The company in 8 charts

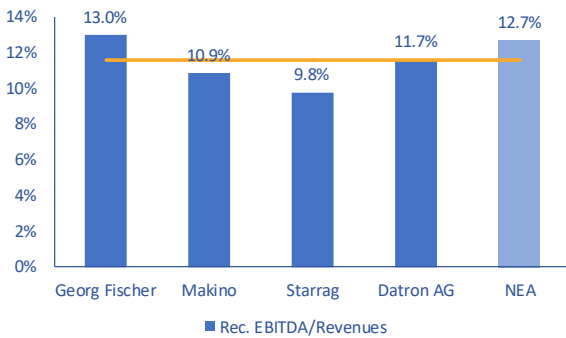
### Excellent momentum, supported by a record high order book



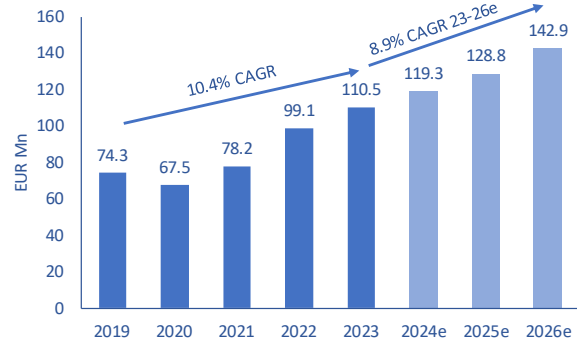
### Revenue mix: geographical diversification and exposure to growth markets



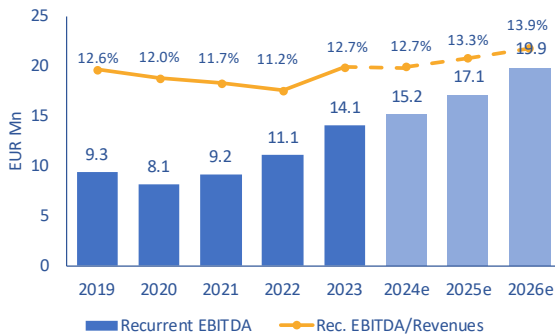
### A company with one of the highest levels of profitability relative to its peers



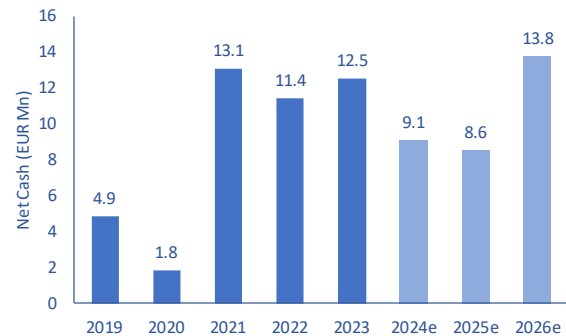
### 2024e-2026e: we expect similar sales growth to that observed in recent years



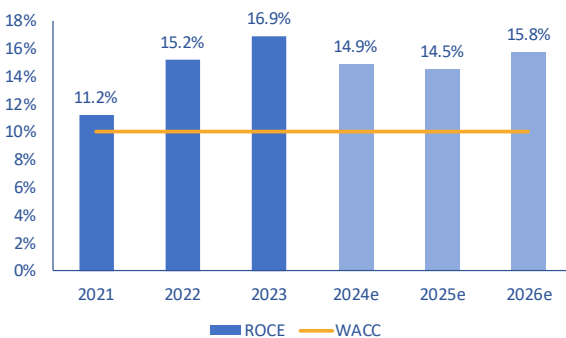
### Operational gearing should enable EBITDA margin to recovery to c. 14% in 2026e (+1p.p. vs 2023)



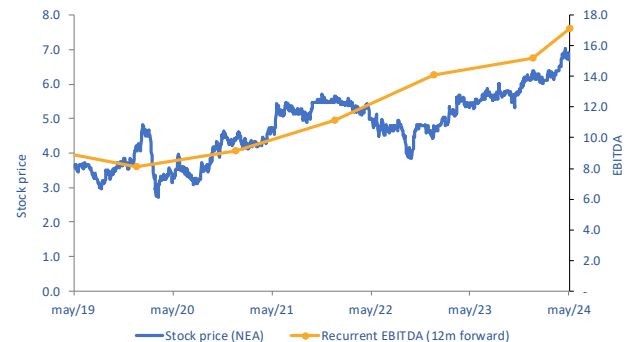
### NEA's net cash position (15% of market cap) underlines its capacity for investment and growth



### At a company that is clearly - and increasingly - generating value: ROCE 2024e: c. 15% vs 11% in 2021



### Strong earnings momentum earnings coupled with relatively low multiples (EV/EBITDA 24e: 4.7x)



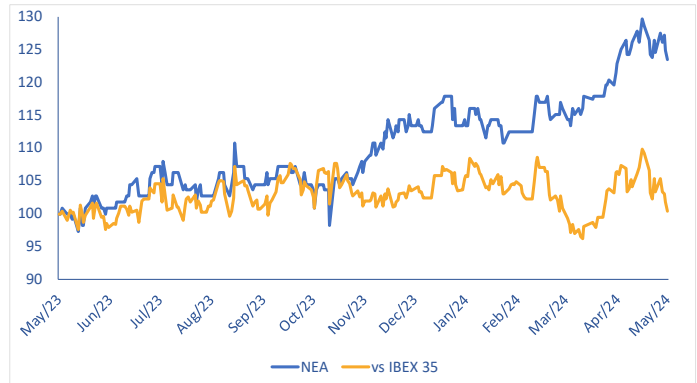


## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



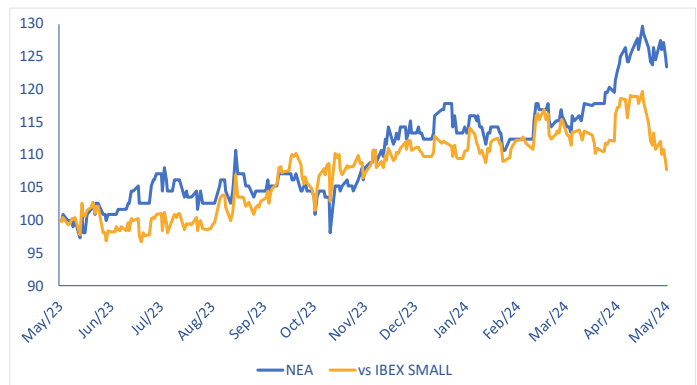
**Behavior -1y vs Ibex 35 (base 100)**



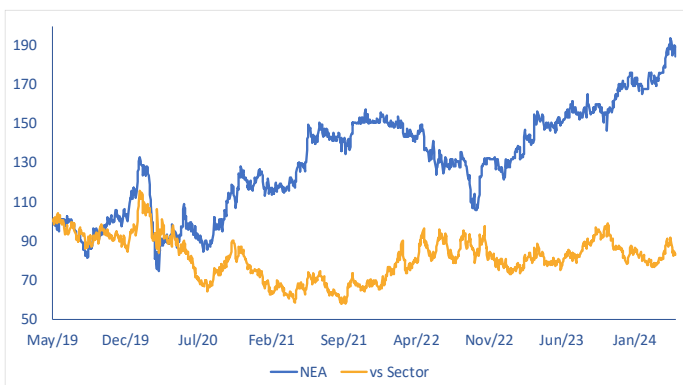
**Historical behavior vs Ibex Small Cap (base 100)**



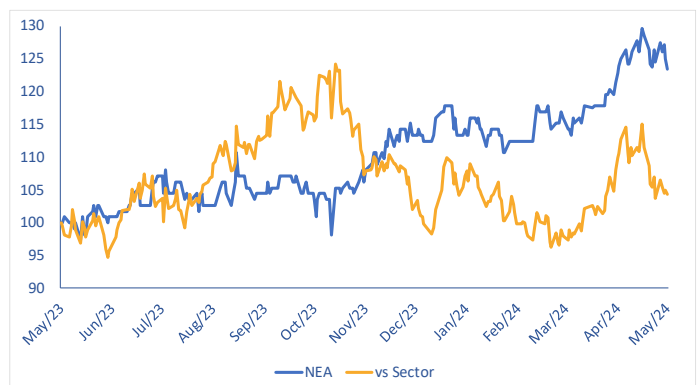
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Europe Industrial Machinery

| Stock performance (%)                     | -1m  | -3m  | -12m | YTD  | -3Y  | -5Y   |
|---|------|------|------|------|------|-------|
| <b>Absolute</b>                           | 0.5  | 9.7  | 23.5 | 6.4  | 41.8 | 84.5  |
| <b>vs Market</b>                          |      |      |      |      |      |       |
| vs Ibex 35                                | -5.7 | -4.2 | 0.4  | -5.1 | 14.6 | 51.1  |
| vs Euro STOXX 50                          | -2.5 | 3.3  | 5.4  | -5.0 | 12.2 | 24.8  |
| <b>vs Small Cap References</b>            |      |      |      |      |      |       |
| vs Ibex Small Cap Index                   | -8.0 | -4.0 | 7.8  | -4.4 | 38.7 | 41.6  |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -4.7 | 1.6  | 17.5 | -1.3 | 53.3 | 52.6  |
| vs MSCI Europe Micro Cap                  | -5.3 | 2.3  | 19.9 | 0.6  | 74.0 | 53.9  |
| <b>vs Sector</b>                          |      |      |      |      |      |       |
| vs Europe Industrial Machinery            | -5.0 | 4.6  | 4.4  | 2.3  | 22.9 | -16.9 |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

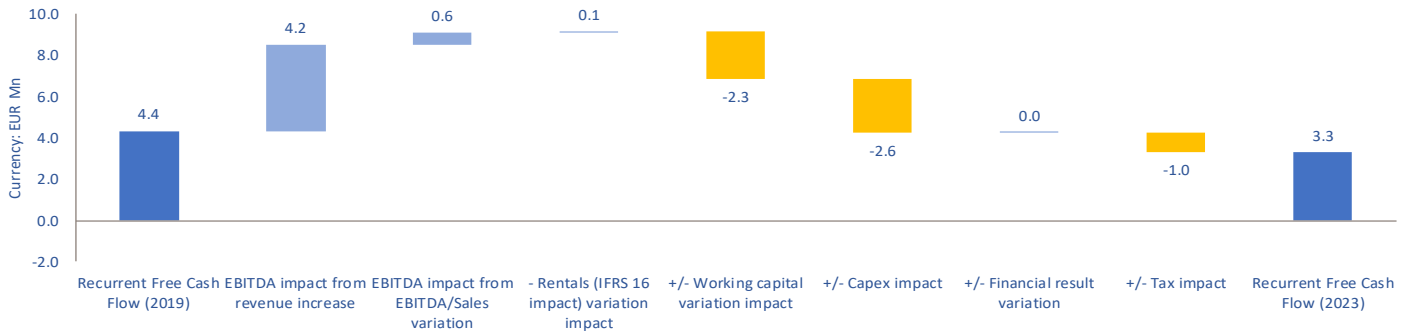
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022          | 2023        | 2024e        | 2025e        | 2026e       | CAGR          |              |
|---|--------------|--------------|---------------|-------------|--------------|--------------|-------------|---------------|--------------|
|   |              |              |               |             |              |              |             | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>8.1</b>   | <b>9.2</b>   | <b>11.1</b>   | <b>14.1</b> | <b>15.2</b>  | <b>17.1</b>  | <b>19.9</b> | <b>20.1%</b>  | <b>12.3%</b> |
| <i>Recurrent EBITDA growth</i>  | -13.0%       | 12.7%        | 21.3%         | 26.6%       | 7.8%         | 12.8%        | 16.4%       |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 12.0%        | 11.7%        | 11.2%         | 12.7%       | 12.7%        | 13.3%        | 13.9%       |               |              |
| - Rentals (IFRS 16 impact)  | (0.2)        | (0.2)        | (0.1)         | (0.1)       | (0.1)        | (0.1)        | (0.1)       |               |              |
| +/- Working Capital increase  | (5.2)        | 8.7          | (4.9)         | (4.2)       | (2.8)        | (2.1)        | (3.1)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>2.8</b>   | <b>17.6</b>  | <b>6.2</b>    | <b>9.8</b>  | <b>12.3</b>  | <b>14.9</b>  | <b>16.7</b> | <b>52.0%</b>  | <b>19.5%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | -61.6%       | 533.5%       | -65.0%        | 58.4%       | 25.4%        | 21.7%        | 11.9%       |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 4.1%         | 22.6%        | 6.2%          | 8.8%        | 10.3%        | 11.6%        | 11.7%       |               |              |
| - CAPEX   | (2.8)        | (2.3)        | (2.9)         | (4.4)       | (9.5)        | (9.0)        | (4.3)       |               |              |
| - Net Financial Result affecting Cash Flow  | 8.1          | (0.6)        | (0.4)         | (0.1)       | (0.2)        | (0.2)        | (0.2)       |               |              |
| - Taxes   | 8.1          | (1.4)        | (1.1)         | (2.0)       | (2.7)        | (3.0)        | (3.5)       |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>16.2</b>  | <b>13.3</b>  | <b>1.7</b>    | <b>3.3</b>  | <b>(0.1)</b> | <b>2.7</b>   | <b>8.8</b>  | <b>-41.1%</b> | <b>38.2%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 273.3%       | -18.0%       | -87.2%        | 94.8%       | -104.5%      | n.a.         | 220.9%      |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 24.1%        | 17.0%        | 1.7%          | 3.0%        | n.a.         | 2.1%         | 6.1%        |               |              |
| - Restructuring expenses & others   | -            | -            | -             | -           | -            | -            | -           |               |              |
| - Acquisitions / + Divestments  | -            | -            | (1.8)         | -           | -            | -            | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | (0.1)        | 1.3           | 0.9         | -            | -            | -           |               |              |
| <b>= Free Cash Flow</b>   | <b>16.2</b>  | <b>13.2</b>  | <b>1.2</b>    | <b>4.2</b>  | <b>(0.1)</b> | <b>2.7</b>   | <b>8.8</b>  | <b>-36.1%</b> | <b>27.4%</b> |
| <i>Free Cash Flow growth</i>  | 94.5%        | -18.7%       | -90.6%        | 240.6%      | -103.5%      | n.a.         | 220.9%      |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 19.7%        | 16.2%        | 2.1%          | 4.0%        | n.a.         | 3.3%         | 10.6%       |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 19.7%        | 16.0%        | 1.5%          | 5.1%        | n.a.         | 3.3%         | 10.6%       |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |               |             |              |              |             |               |              |
|   | 2020         | 2021         | 2022          | 2023        | 2024e        | 2025e        | 2026e       | CAGR          |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>4.4</b>   | <b>16.2</b>  | <b>13.3</b>   | <b>1.7</b>  | <b>3.3</b>   | <b>(0.1)</b> | <b>2.7</b>  |               |              |
| EBITDA impact from revenue increase   | (0.9)        | 1.3          | 2.4           | 1.3         | 1.1          | 1.2          | 1.9         |               |              |
| EBITDA impact from EBITDA/Sales variation   | (0.4)        | (0.2)        | (0.5)         | 1.7         | (0.0)        | 0.7          | 0.9         |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(1.2)</b> | <b>1.0</b>   | <b>2.0</b>    | <b>3.0</b>  | <b>1.1</b>   | <b>1.9</b>   | <b>2.8</b>  |               |              |
| - Rentals (IFRS 16 impact) variation impact   | (0.0)        | (0.0)        | 0.1           | (0.0)       | -            | -            | -           |               |              |
| +/- Working capital variation impact  | (3.2)        | 13.8         | (13.5)        | 0.6         | 1.4          | 0.7          | (1.0)       |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>(4.5)</b> | <b>14.9</b>  | <b>(11.5)</b> | <b>3.6</b>  | <b>2.5</b>   | <b>2.7</b>   | <b>1.8</b>  |               |              |
| +/- CAPEX impact  | (1.0)        | 0.5          | (0.5)         | (1.5)       | (5.2)        | 0.5          | 4.7         |               |              |
| +/- Financial result variation  | 8.2          | (8.7)        | 0.2           | 0.4         | (0.1)        | (0.0)        | 0.0         |               |              |
| +/- Tax impact  | 9.2          | (9.5)        | 0.2           | (0.9)       | (0.7)        | (0.3)        | (0.5)       |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>11.9</b>  | <b>(2.9)</b> | <b>(11.6)</b> | <b>1.6</b>  | <b>(3.5)</b> | <b>2.9</b>   | <b>6.0</b>  |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>16.2</b>  | <b>13.3</b>  | <b>1.7</b>    | <b>3.3</b>  | <b>(0.1)</b> | <b>2.7</b>   | <b>8.8</b>  |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |               |             |              |              |             |               |              |
|   | 2020         | 2021         | 2022          | 2023        | 2024e        | 2025e        | 2026e       | CAGR          |              |
| <b>EBIT</b>   | <b>6.5</b>   | <b>7.3</b>   | <b>9.0</b>    | <b>12.1</b> | <b>12.8</b>  | <b>14.2</b>  | <b>16.7</b> | <b>23.2%</b>  | <b>11.1%</b> |
| * <i>Theoretical Tax rate</i>   | 9.0%         | 19.4%        | 11.1%         | 15.7%       | 20.0%        | 20.0%        | 20.0%       |               |              |
| = Taxes (pre- Net Financial Result)   | (0.6)        | (1.4)        | (1.0)         | (1.9)       | (2.6)        | (2.8)        | (3.3)       |               |              |
| <b>Recurrent EBITDA</b>   | <b>8.1</b>   | <b>9.2</b>   | <b>11.1</b>   | <b>14.1</b> | <b>15.2</b>  | <b>17.1</b>  | <b>19.9</b> | <b>20.1%</b>  | <b>12.3%</b> |
| - Rentals (IFRS 16 impact)  | (0.2)        | (0.2)        | (0.1)         | (0.1)       | (0.1)        | (0.1)        | (0.1)       |               |              |
| +/- Working Capital increase  | (5.2)        | 8.7          | (4.9)         | (4.2)       | (2.8)        | (2.1)        | (3.1)       |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>2.8</b>   | <b>17.6</b>  | <b>6.2</b>    | <b>9.8</b>  | <b>12.3</b>  | <b>14.9</b>  | <b>16.7</b> | <b>52.0%</b>  | <b>19.5%</b> |
| - CAPEX   | (2.8)        | (2.3)        | (2.9)         | (4.4)       | (9.5)        | (9.0)        | (4.3)       |               |              |
| - Taxes (pre- Financial Result)   | (0.6)        | (1.4)        | (1.0)         | (1.9)       | (2.6)        | (2.8)        | (3.3)       |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(0.6)</b> | <b>13.9</b>  | <b>2.3</b>    | <b>3.5</b>  | <b>0.2</b>   | <b>3.1</b>   | <b>9.1</b>  | <b>99.0%</b>  | <b>37.5%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -110.8%      | n.a.         | -83.5%        | 51.9%       | -95.7%       | n.a.         | 195.8%      |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.         | 17.8%        | 2.3%          | 3.2%        | 0.1%         | 2.4%         | 6.3%        |               |              |
| - Acquisitions / + Divestments  | -            | -            | (1.8)         | -           | -            | -            | -           |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | (0.1)        | 1.3           | 0.9         | -            | -            | -           |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(0.6)</b> | <b>13.8</b>  | <b>1.8</b>    | <b>4.4</b>  | <b>0.2</b>   | <b>3.1</b>   | <b>9.1</b>  | <b>n.a.</b>   | <b>27.2%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -106.3%      | n.a.         | -86.7%        | 140.1%      | -96.6%       | n.a.         | 195.8%      |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.         | 19.5%        | 3.2%          | 4.9%        | 0.2%         | 4.3%         | 12.7%       |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.         | 19.4%        | 2.6%          | 6.2%        | 0.2%         | 4.3%         | 12.7%       |               |              |



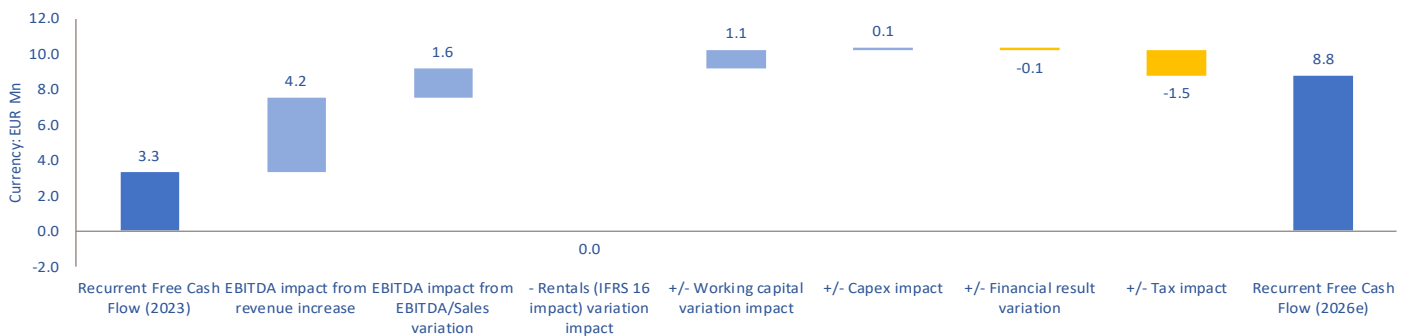


## Free Cash Flow (II)

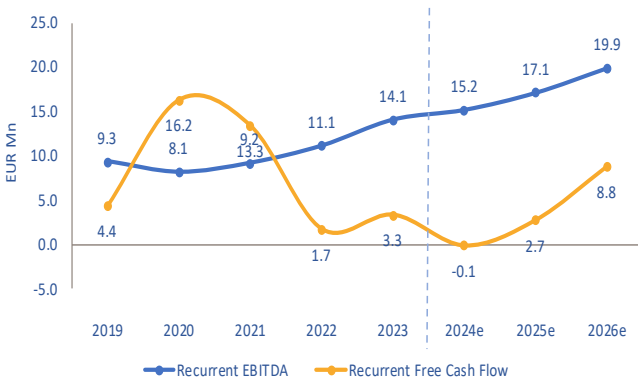
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e  | 2025e                                   | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|--------|---|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | 0.2    | 3.1                                     | 9.1   | 118.8                         |           |            |
| Market Cap                     | 82.5   | At the date of this report              |       |                               |           |            |
| Net financial debt             | -12.5  | Debt net of Cash (12m Results 2023)     |       |                               |           |            |
|                                |        |   |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 2.5%   | Net debt cost                           |       |                               | 2.3%      | 2.8%       |
| Tax rate (T)                   | 20.0%  | T (Normalised tax rate)                 |       |                               | =         | =          |
| Net debt cost                  | 2.0%   | $K_d = \text{Cost of Net Debt} * (1-T)$ |       |                               | 1.8%      | 2.2%       |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)             |       |                               | =         | =          |
| Equity risk premium            | 6.0%   | R (own estimate)                        |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.2    | B (own estimate)                        |       |                               | 1.1       | 1.3        |
| Cost of Equity                 | 10.5%  | $K_e = R_f + (R * B)$                   |       |                               | 9.3%      | 11.7%      |
| Equity / (Equity + Net Debt)   | 100.0% | E (Market Cap as equity value)          |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 0.0%   | D                                       |       |                               | =         | =          |
| WACC                           | 10.5%  | $WACC = K_d * D + K_e * E$              |       |                               | 9.3%      | 11.7%      |
| G "Fair"                       | 2.0%   |   |       |                               | 2.0%      | 1.5%       |

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 82.5        |                  |
| + Minority Interests                 | 1.1         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 3.4         | 12m Results 2023 |
| + Net financial debt                 | (12.5)      | 12m Results 2023 |
| - Financial Investments              | 3.3         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>71.2</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021  | 2022  | 2023  |
|----------------------|-------|-------|-------|-------|-------|
| ROCE (evolution -5y) | 16.8% | 11.0% | 11.2% | 15.2% | 16.9% |
|                      | 2023  | 2026e |       |       |       |
| ROCE - WACC          | 6.4%  | 5.3%  |       |       |       |
| FCF Yield - WACC     | -6.4% | 0.2%  |       |       |       |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 14.6%            | 18.8       | 3.8x          |
| Central  | 13.3%            | 17.1       | 4.2x          |
| Min      | 12.0%            | 15.4       | 4.6x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      |          | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|------|------|----------|--------------------|------|------|
| EBITDA 25e      | 6.3%            | 7.0% | 7.7% | Scenario |                    |      |      |
| 18.8            | 5.3             | 4.4  | 3.5  | Max      | 6.4%               | 5.3% | 4.3% |
| 17.1            | 3.6             | 2.7  | 1.8  | Central  | 4.4%               | 3.3% | 2.2% |
| 15.4            | 2.0             | 1.1  | 0.2  | Min      | 2.4%               | 1.3% | 0.2% |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 28.6% | 28.6% | 28.6% |
| % of proprietary directors           | 28.6% | 28.6% | 28.6% |
| % of executive directors             | 14.3% | 14.3% | 14.3% |
| % of other directors                 | 28.6% | 28.6% | 28.6% |
| % of women on the board of directors | 42.9% | 42.9% | 42.9% |
| % of women out of total workforce    | 11.4% | 11.9% | 12.4% |
| Board remuneration/staff cost        | 3.4%  | 3.1%  | 3.6%  |



## Main peers 2024e

|                             |                         | Machine-tools |         |             |           |         |        |
|-----------------------------|-------------------------|---------------|---------|-------------|-----------|---------|--------|
| EUR Mn                      |                         | Georg Fischer | Makino  | Starrag     | Datron AG | Average | NEA    |
| Market data                 | Ticker (Factset)        | GF-CH         | 6135-JP | STGN-CH     | DAR-DE    |         | NEA-ES |
|                             | Country                 | Switzerland   | Japan   | Switzerland | Germany   |         | Spain  |
|                             | Market cap              | 5,748.6       | 960.0   | 286.5       | 38.6      |         | 82.5   |
|                             | Enterprise value (EV)   | 7,712.8       | 852.4   | 266.4       | 38.7      |         | 71.2   |
| Basic financial information | Total Revenues          | 5,150.6       | 1,311.2 | 557.5       | 67.5      |         | 119.3  |
|                             | Total Revenues growth   | 26.2%         | -1.3%   | 34.5%       | 5.8%      | 16.3%   | 8.0%   |
|                             | 2y CAGR (2024e - 2026e) | 4.0%          | 4.9%    | 4.4%        | 9.8%      | 5.8%    | 9.4%   |
|                             | EBITDA                  | 669.1         | 142.4   | 54.5        | 7.9       |         | 15.2   |
|                             | EBITDA growth           | 44.1%         | -2.0%   | 23.3%       | 26.6%     | 23.0%   | 7.4%   |
|                             | 2y CAGR (2024e - 2026e) | 7.2%          | 11.5%   | 7.5%        | 20.1%     | 11.6%   | 14.6%  |
|                             | EBITDA/Revenues         | 13.0%         | 10.9%   | 9.8%        | 11.7%     | 11.3%   | 12.7%  |
|                             | EBIT                    | 507.6         | 93.2    | 39.5        | 6.0       |         | 12.8   |
|                             | EBIT growth             | 49.0%         | -3.5%   | 8.9%        | 18.0%     | 18.1%   | 5.7%   |
|                             | 2y CAGR (2024e - 2026e) | 9.1%          | 12.1%   | 8.6%        | 11.1%     | 10.2%   | 14.0%  |
|                             | EBIT/Revenues           | 9.9%          | 7.1%    | 7.1%        | 8.8%      | 8.2%    | 10.8%  |
|                             | Net Profit              | 306.3         | 79.0    | 29.4        | 3.6       |         | 10.5   |
|                             | Net Profit growth       | 28.6%         | -16.2%  | 15.2%       | -20.8%    | 1.7%    | -0.3%  |
|                             | 2y CAGR (2024e - 2026e) | 13.3%         | 12.2%   | 9.9%        | 11.8%     | 11.8%   | 13.4%  |
| CAPEX/Sales %               | 4.0%                    | 10.3%         | 2.5%    | n.a.        | 5.6%      | 8.0%    |        |
| Free Cash Flow              | 218.1                   | (3.8)         | 7.0     | (18.6)      |           | (0.1)   |        |
| Net financial debt          | 1,839.9                 | (71.7)        | (13.3)  | n.a.        |           | (9.1)   |        |
| ND/EBITDA (x)               | 2.7                     | (0.5)         | (0.2)   | n.a.        |           | (0.6)   |        |
| Pay-out                     | 37.7%                   | 27.9%         | 30.1%   | 27.4%       | 30.8%     | 31.0%   |        |
| Multiples and Ratios        | P/E (x)                 | 18.1          | 11.8    | 9.8         | 10.7      | 12.6    | 7.9    |
|                             | P/BV (x)                | 3.0           | 0.7     | 0.9         | n.a.      | 1.6     | 1.0    |
|                             | EV/Revenues (x)         | 1.5           | 0.7     | 0.5         | 0.6       | 0.8     | 0.6    |
|                             | EV/EBITDA (x)           | 11.5          | 6.0     | 4.9         | 4.9       | 6.8     | 4.7    |
|                             | EV/EBIT (x)             | 15.2          | 9.1     | 6.7         | 6.5       | 9.4     | 5.5    |
|                             | ROE                     | 16.8          | 5.9     | 9.4         | n.a.      | 10.7    | 13.6   |
|                             | FCF Yield (%)           | 3.8           | n.a.    | 2.4         | n.a.      | 3.1     | n.a.   |
|                             | DPS                     | 1.41          | 0.92    | 2.53        | 0.25      | 1.28    | 0.26   |
| Dvd Yield                   | 2.0%                    | 2.3%          | 4.8%    | 2.6%        | 2.9%      | 3.9%    |        |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance<br>(EUR Mn) |        |        |       |        |        |        |       |        |       |        |       | CAGR  |       |       |       |        |
|------------------------------------|--------|--------|-------|--------|--------|--------|-------|--------|-------|--------|-------|-------|-------|-------|-------|--------|
|                                    | 2013   | 2014   | 2015  | 2016   | 2017   | 2018   | 2019  | 2020   | 2021  | 2022   | 2023  | 2024e | 2025e | 2026e | 13-23 | 23-26e |
| Total Revenues                     | 54.7   | 55.6   | 55.9  | 59.6   | 58.4   | 72.1   | 74.3  | 67.5   | 78.2  | 99.1   | 110.5 | 119.3 | 128.8 | 142.9 | 7.3%  | 8.9%   |
| Total Revenues growth              | 72.7%  | 1.6%   | 0.5%  | 6.7%   | -2.0%  | 23.5%  | 3.0%  | -9.1%  | 15.8% | 26.7%  | 11.6% | 8.0%  | 8.0%  | 10.9% |       |        |
| EBITDA                             | 1.4    | 3.0    | 3.7   | 14.1   | 3.5    | 8.4    | 9.3   | 8.1    | 9.0   | 10.9   | 14.1  | 15.2  | 17.1  | 19.9  | 25.9% | 12.1%  |
| EBITDA growth                      | 122.2% | 110.6% | 23.4% | 286.7% | -75.3% | 140.5% | 11.0% | -13.0% | 11.3% | 20.8%  | 29.2% | 7.4%  | 12.8% | 16.4% |       |        |
| EBITDA/Sales                       | 2.6%   | 5.3%   | 6.5%  | 23.7%  | 6.0%   | 11.7%  | 12.6% | 12.0%  | 11.6% | 11.0%  | 12.8% | 12.7% | 13.3% | 13.9% |       |        |
| Net Profit                         | (0.1)  | 1.4    | 1.4   | 4.1    | 2.2    | 7.8    | 8.1   | 5.8    | 5.6   | 9.0    | 10.5  | 10.5  | 11.5  | 13.5  | 62.4% | 8.6%   |
| Net Profit growth                  | 98.8%  | n.a.   | 0.2%  | 203.0% | -45.6% | 250.0% | 2.8%  | -28.4% | -3.3% | 62.2%  | 16.6% | -0.3% | 9.8%  | 17.1% |       |        |
| Adjusted number shares (Mn)        | 12.3   | 12.3   | 12.3  | 12.3   | 12.3   | 12.3   | 12.3  | 12.3   | 12.3  | 12.3   | 12.3  | 12.3  | 12.3  | 12.3  |       |        |
| EPS (EUR)                          | -0.01  | 0.11   | 0.11  | 0.33   | 0.18   | 0.64   | 0.65  | 0.47   | 0.45  | 0.73   | 0.86  | 0.85  | 0.94  | 1.10  | 62.4% | 8.6%   |
| EPS growth                         | 98.8%  | n.a.   | 0.2%  | n.a.   | -45.6% | n.a.   | 2.8%  | -28.4% | -3.3% | 62.2%  | 16.6% | -0.3% | 9.8%  | 17.1% |       |        |
| Ord. EPS (EUR)                     | -0.01  | 0.11   | 0.11  | 0.33   | 0.18   | 0.60   | 0.63  | 0.47   | 0.46  | 0.75   | 0.85  | 0.85  | 0.94  | 1.10  | 62.3% | 8.8%   |
| Ord. EPS growth                    | 98.8%  | n.a.   | 0.2%  | n.a.   | -45.6% | n.a.   | 5.7%  | -26.3% | -1.7% | 62.4%  | 14.1% | 0.0%  | 9.8%  | 17.1% |       |        |
| CAPEX                              | (1.7)  | (0.9)  | (1.5) | (0.9)  | (1.0)  | (1.9)  | (1.8) | (2.8)  | (2.3) | (2.9)  | (4.4) | (9.5) | (9.0) | (4.3) |       |        |
| CAPEX/Sales %                      | 3.2%   | 1.7%   | 2.7%  | 1.6%   | 1.8%   | 2.7%   | 2.4%  | 4.1%   | 3.0%  | 2.9%   | 4.0%  | 8.0%  | 7.0%  | 3.0%  |       |        |
| Free Cash Flow                     | 0.3    | 3.2    | 1.9   | 2.8    | 2.9    | 5.0    | 8.4   | 16.2   | 13.2  | 1.2    | 4.2   | (0.1) | 2.7   | 8.8   | 31.1% | 27.4%  |
| ND/EBITDA (x) <sup>(2)</sup>       | 14.7x  | 6.1x   | 2.3x  | 0.9x   | 2.4x   | 0.2x   | -0.5x | -0.2x  | -1.4x | -1.0x  | -0.9x | -0.6x | -0.5x | -0.7x |       |        |
| P/E (x)                            | n.a.   | 8.3x   | 9.7x  | 4.4x   | 14.8x  | 4.3x   | 6.2x  | 9.3x   | 12.1x | 6.1x   | 7.4x  | 7.9x  | 7.2x  | 6.1x  |       |        |
| EV/Sales (x)                       | 0.73x  | 0.63x  | 0.49x | 0.57x  | 0.82x  | 0.54x  | 0.67x | 0.81x  | 0.74x | 0.45x  | 0.64x | 0.60x | 0.55x | 0.50x |       |        |
| EV/EBITDA (x) <sup>(2)</sup>       | 28.2x  | 11.7x  | 7.5x  | 2.4x   | 13.8x  | 4.7x   | 5.3x  | 6.8x   | 6.4x  | 4.1x   | 5.0x  | 4.7x  | 4.2x  | 3.6x  |       |        |
| Absolute performance               | 85.0%  | -15.8% | 17.0% | 36.9%  | 83.1%  | 1.7%   | 48.5% | 7.6%   | 25.7% | -18.6% | 41.4% | 6.4%  |       |       |       |        |
| Relative performance vs Ibx 35     | 52.4%  | -18.8% | 26.0% | 39.7%  | 70.5%  | 19.6%  | 32.8% | 27.2%  | 16.5% | -13.8% | 15.2% | -5.1% |       |       |       |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Pangaea Oncology (PANG)** is a small Spanish biotech company (Zaragoza), specialising in differentiated cancer diagnosis and treatment and corporate services (molecular diagnostics and biomarker discovery for the pharmaceutical industry). It is run by a prestigious medical team that includes its founders (c.14% of capital). The Villagrà family (Villagrà) and GPI (Mayoral) are reference shareholders.

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**The 2023 results still don't reflect PANG's true potential...** Partial integration of acquirees doubled revenue in 2023 (EUR 8Mn vs EUR 4.4Mn in 2022). However, the business services line (flat YoY) prevented materialisation of the (anticipated) improvement in profitability and increased cash consumption (FCF 2023: EUR -5.4Mn), pushing ND to EUR 2.9Mn (vs net cash at year-end 2022).

**... as they do not include the full impact of all the acquisitions completed last year.** Since early 2023, the company has closed three acquisitions - IOB, Pectus and IOBCC - and reached collaboration agreements with the pulmonology unit at Catalonia's general teaching hospital (HUGC) and NG Oncology. Their full integration implies pro forma revenue of c.EUR 9.5Mn in 2024e.

**2024e should mark the starting point for the new "PANG".** It should unlock synergies with the newly acquired businesses during their first full year of integration. For 2024e, our estimates point to revenue of EUR 13.8Mn and recurring EBITDA of EUR -1.1Mn.

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Circular business model.** The growth in patient volumes expected in 2024e is key to taking advantage of the circular nature of the business. The combination of the molecular biology laboratory team with the clinical care medical team brings therapeutic innovation to patients. In turn fuelling the generation of oncology R&D ideas (capitalisation of development costs -5y: EUR 10.6Mn) for the pharmaceutical industry.

**Renowned team of doctors.** This is essential at oncology/biotechnology firms. PANG's medical/scientific team is one of its main assets. PANG boasts eminences in oncology across a number of specialisations (lung, intestine cancers). That means high visibility and recognition around cancer treatments. This is essential to the equity story.

**Growth in the main KPIs (visits, new tests, operations) should fuel margins (not visible in 2023).** The leap in scale should open the door to tangible operational gearing (breakeven at the EBITDA level in 2025e?). Three reasons: i) improved conditions on contracts already signed with QuironSalud; ii) cross-selling of higher added value services (e.g., clinical trials, surgeries, new treatments); and iii) rollout of the business services line by obtaining (and executing) important contracts with the pharmaceutical industry.

**The pillars of the equity story: digestion of the M&A activity and breakeven in EBITDA.** The target for 2026e is to become profitable (and not only grow). We are estimating revenue of EUR 15.7Mn (CAGR 23-26e: +25.1%) and positive net profit in 2026e. No balance sheet stress expected despite cash consumption (ND 26e: EUR 5.6Mn).

## RISKS: WHAT TO KEEP AN EYE ON?

**Dependence on key personnel:** The departure of any of the high-profile oncologists would impact the group's business considerably, undermining its growth and revenue potential.

**Volatile margins.** Contracts with big pharma are crucial to the trend in margins (particularly recurring EBITDA). If the shift towards the clinical care business does not deliver the desired levels of profitability, it would have an adverse impact on PANG over the medium and long-term.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Share price momentum is currently weak (-10.7% -12m; -27.4% vs IBEX).** An improvement in profit indicators (as is our baseline scenario for 2024e) is the key catalyst for a recovery in the share price. PANG is trading at a P/BV 24e multiple of 3.4x and an EV/revenue 24e multiple of 4.2x.

### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 56.1               | 61.0 |
| EV (Mn EUR and USD)            | 58.3               | 63.4 |
| Shares Outstanding (Mn)        | 30.5               |      |
| -12m (Max/Med/Min EUR)         | 2.42 / 1.98 / 1.68 |      |
| Daily Avg volume (-12m Mn EUR) | 0.03               |      |
| Rotation <sup>(1)</sup>        | 14.6               |      |
| Factset / Bloomberg            | PANG-ES / PANG SM  |      |
| Close fiscal year              | 31-Dec             |      |

### Shareholders Structure (%)<sup>(3)</sup>

|                                    |      |
|------------------------------------|------|
| GPI (Familia Domínguez, Mayoral)   | 13.8 |
| Hersol XXI (Familia Solans)        | 4.4  |
| Vidaro Inv. (Fam. Villagrà Blanco) | 8.2  |
| Mirling Europe                     | 6.6  |
| Free Float                         | 12.4 |

| Financials (Mn EUR)                 | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 27.1  | 30.5  | 30.5  | 30.5  |
| Total Revenues                      | 8.0   | 13.8  | 14.8  | 15.7  |
| Rec. EBITDA                         | -3.0  | -1.1  | -0.3  | 0.2   |
| % growth                            | 9.5   | 64.3  | 74.5  | 181.2 |
| % Rec. EBITDA/Rev.                  | n.a.  | n.a.  | n.a.  | 1.4   |
| % Inc. EBITDA sector <sup>(2)</sup> | -20.2 | 15.0  | 34.1  | 28.2  |
| Net Profit                          | -4.7  | -1.5  | -0.7  | -0.1  |
| EPS (EUR)                           | -0.17 | -0.05 | -0.02 | 0.00  |
| % growth                            | -44.7 | 70.6  | 54.1  | 81.5  |
| Ord. EPS (EUR)                      | -0.11 | -0.05 | -0.03 | -0.01 |
| % growth                            | 2.3   | 52.8  | 47.3  | 61.0  |
| Rec. Free Cash Flow                 | -3.5  | -2.2  | -0.9  | -0.3  |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 2.9   | 4.9   | 5.6   | 5.6   |
| ND/Rec. EBITDA (x)                  | n.a.  | n.a.  | n.a.  | 25.2  |
| ROE (%)                             | n.a.  | n.a.  | n.a.  | n.a.  |
| ROCE (%)                            | n.a.  | n.a.  | n.a.  | 0.6   |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | n.a. | n.a. | n.a. |
| Ord. P/E           | n.a. | n.a. | n.a. | n.a. |
| P/BV               | 3.1  | 3.4  | 3.6  | 3.6  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 7.28 | 4.22 | 3.92 | 3.72 |
| EV/Rec. EBITDA     | n.a. | n.a. | n.a. | n.a. |
| EV/EBIT            | n.a. | n.a. | n.a. | n.a. |
| FCF Yield (%)      | n.a. | n.a. | n.a. | n.a. |

### Historical behavior (base 100)



| (%)      | -1m  | -3m | -12m  | -5Y  |
|----------|------|-----|-------|------|
| Absolute | -1.1 | 1.1 | -10.7 | -1.9 |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Europe Biotechnology.

(3) Others: Founders 13.2%, Iriegen 6.6%, Eléctrica del Oeste 6.3%, Areyhold S.L.U. 6.2%, Serpis 5.9%, Ideas de Bombero. 5.8%, Orensanas, 5.5%, Asfodel 5.1%.



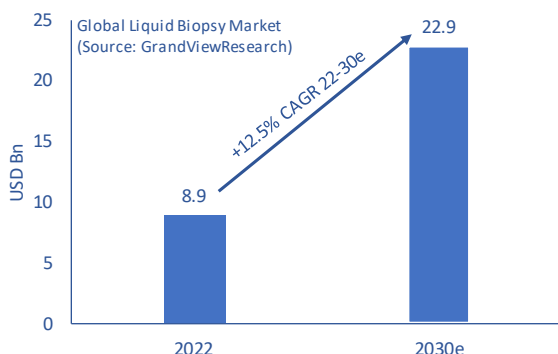
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Intangible assets                            | 7.1          | 7.0          | 8.2          | 9.6          | 12.7         | 12.4         | 12.3         | 12.1         |               |              |
| Fixed assets                                 | 0.6          | 0.6          | 0.4          | 0.4          | 0.5          | 0.5          | 0.5          | 0.5          |               |              |
| Other Non Current Assets                     | 4.0          | 3.9          | 4.0          | 4.0          | 2.7          | 2.2          | 1.8          | 1.5          |               |              |
| Financial Investments                        | 0.0          | 0.0          | 0.6          | 0.5          | 0.1          | (0.0)        | (0.1)        | (0.2)        |               |              |
| Goodwill & Other Intangibles                 | 0.0          | 0.0          | 0.0          | 0.6          | 3.2          | 3.2          | 3.2          | 3.2          |               |              |
| Current assets                               | 3.6          | 4.3          | 4.6          | 4.8          | 6.8          | 10.5         | 11.4         | 11.9         |               |              |
| <b>Total assets</b>                          | <b>15.4</b>  | <b>15.8</b>  | <b>17.9</b>  | <b>19.9</b>  | <b>26.0</b>  | <b>28.9</b>  | <b>29.1</b>  | <b>29.0</b>  |               |              |
| Equity                                       | 8.3          | 8.3          | 14.1         | 22.9         | 17.8         | 16.3         | 15.6         | 15.4         |               |              |
| Minority Interests                           | -            | -            | -            | 0.2          | 1.0          | 0.8          | 0.7          | 0.6          |               |              |
| Provisions & Other L/T Liabilities           | 0.3          | 0.2          | 0.3          | 0.3          | 1.0          | 1.0          | 1.0          | 1.0          |               |              |
| Other Non Current Liabilities                | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| Net financial debt                           | 5.5          | 5.7          | 2.4          | (4.8)        | 2.9          | 4.9          | 5.6          | 5.6          |               |              |
| Current Liabilities                          | 1.3          | 1.5          | 1.1          | 1.3          | 3.2          | 5.9          | 6.3          | 6.4          |               |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>15.4</b>  | <b>15.8</b>  | <b>17.9</b>  | <b>19.9</b>  | <b>26.0</b>  | <b>28.9</b>  | <b>29.1</b>  | <b>29.0</b>  |               |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Total Revenues</b>                        | <b>3.3</b>   | <b>4.1</b>   | <b>4.6</b>   | <b>4.4</b>   | <b>8.0</b>   | <b>13.8</b>  | <b>14.8</b>  | <b>15.7</b>  | <b>24.6%</b>  | <b>25.1%</b> |
| <i>Total Revenues growth</i>                 | 8.4%         | 23.6%        | 12.3%        | -5.1%        | 83.1%        | 72.5%        | 7.6%         | 5.5%         |               |              |
| COGS   | (1.1)        | (1.6)        | (1.5)        | (2.6)        | (2.2)        | (3.0)        | (3.2)        | (3.3)        |               |              |
| <b>Gross Margin</b>                          | <b>2.2</b>   | <b>2.5</b>   | <b>3.1</b>   | <b>1.8</b>   | <b>5.8</b>   | <b>10.8</b>  | <b>11.7</b>  | <b>12.3</b>  | <b>27.1%</b>  | <b>28.6%</b> |
| <i>Gross Margin/Revenues</i>                 | 66.9%        | 61.9%        | 66.6%        | 41.3%        | 72.5%        | 77.9%        | 78.8%        | 78.8%        |               |              |
| Personnel Expenses                           | (2.7)        | (2.8)        | (3.2)        | (3.6)        | (5.6)        | (8.0)        | (8.1)        | (8.2)        |               |              |
| Other Operating Expenses                     | (1.3)        | (1.2)        | (1.5)        | (1.5)        | (3.2)        | (3.8)        | (3.9)        | (3.9)        |               |              |
| <b>Recurrent EBITDA</b>                      | <b>(1.7)</b> | <b>(1.5)</b> | <b>(1.6)</b> | <b>(3.3)</b> | <b>(3.0)</b> | <b>(1.1)</b> | <b>(0.3)</b> | <b>0.2</b>   | <b>-14.7%</b> | <b>27.5%</b> |
| <i>Recurrent EBITDA growth</i>               | 25.3%        | 11.7%        | -2.8%        | -110.5%      | 9.5%         | 64.3%        | 74.5%        | 181.2%       |               |              |
| <i>Rec. EBITDA/Revenues</i>                  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 1.4%         |               |              |
| Restructuring Expense & Other non-rec.       | 0.3          | 0.2          | (0.1)        | (0.3)        | (0.4)        | 0.2          | 0.2          | 0.2          |               |              |
| <b>EBITDA</b>                                | <b>(1.4)</b> | <b>(1.3)</b> | <b>(1.6)</b> | <b>(3.6)</b> | <b>(3.5)</b> | <b>(0.8)</b> | <b>(0.0)</b> | <b>0.4</b>   | <b>-25.2%</b> | <b>28.7%</b> |
| Depreciation & Provisions                    | (3.1)        | (2.4)        | (1.0)        | (1.2)        | (2.3)        | (2.2)        | (2.2)        | (2.2)        |               |              |
| Capitalized Expense                          | 2.2          | 2.1          | 2.1          | 2.3          | 2.0          | 1.9          | 1.9          | 1.9          |               |              |
| Rentals (IFRS 16 impact)                     | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>EBIT</b>                                  | <b>(2.3)</b> | <b>(1.6)</b> | <b>(0.5)</b> | <b>(2.6)</b> | <b>(3.8)</b> | <b>(1.2)</b> | <b>(0.4)</b> | <b>0.1</b>   | <b>-13.6%</b> | <b>26.8%</b> |
| <i>EBIT growth</i>                           | -26.7%       | 29.3%        | 67.1%        | -380.1%      | -49.3%       | 68.6%        | 68.7%        | 139.5%       |               |              |
| <i>EBIT/Revenues</i>                         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 0.9%         |               |              |
| Impact of Goodwill & Others                  | (2.5)        | -            | -            | -            | -            | -            | -            | -            |               |              |
| Net Financial Result                         | (0.2)        | (0.2)        | (0.4)        | (0.1)        | 0.4          | (0.2)        | (0.2)        | (0.3)        |               |              |
| Income by the Equity Method                  | -            | (0.0)        | (0.2)        | (0.2)        | (0.1)        | (0.1)        | (0.1)        | (0.1)        |               |              |
| <b>Ordinary Profit</b>                       | <b>(5.0)</b> | <b>(1.9)</b> | <b>(1.1)</b> | <b>(2.8)</b> | <b>(3.5)</b> | <b>(1.5)</b> | <b>(0.7)</b> | <b>(0.2)</b> | <b>8.4%</b>   | <b>59.5%</b> |
| <i>Ordinary Profit Growth</i>                | -134.2%      | 62.6%        | 41.1%        | -158.5%      | -23.5%       | 58.3%        | 49.7%        | 68.3%        |               |              |
| Extraordinary Results                        | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Profit Before Tax</b>                     | <b>(5.0)</b> | <b>(1.9)</b> | <b>(1.1)</b> | <b>(2.8)</b> | <b>(3.5)</b> | <b>(1.5)</b> | <b>(0.7)</b> | <b>(0.2)</b> | <b>8.4%</b>   | <b>59.5%</b> |
| Tax Expense                                  | 0.1          | 0.1          | 0.5          | 0.1          | (1.3)        | (0.2)        | (0.1)        | (0.0)        |               |              |
| <i>Effective Tax Rate</i>                    | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |
| Minority Interests                           | -            | -            | -            | 0.0          | 0.1          | 0.1          | 0.1          | 0.1          |               |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Net Profit</b>                            | <b>(4.8)</b> | <b>(1.8)</b> | <b>(0.6)</b> | <b>(2.7)</b> | <b>(4.7)</b> | <b>(1.5)</b> | <b>(0.7)</b> | <b>(0.1)</b> | <b>1.0%</b>   | <b>69.6%</b> |
| <i>Net Profit growth</i>                     | -286.4%      | 63.8%        | 63.4%        | -322.5%      | -71.7%       | 66.9%        | 54.1%        | 81.5%        |               |              |
| <b>Ordinary Net Profit</b>                   | <b>(5.3)</b> | <b>(2.1)</b> | <b>(1.0)</b> | <b>(2.5)</b> | <b>(2.9)</b> | <b>(1.6)</b> | <b>(0.8)</b> | <b>(0.3)</b> | <b>13.9%</b>  | <b>52.2%</b> |
| <i>Ordinary Net Profit growth</i>            | -123.7%      | 60.3%        | 51.1%        | -144.6%      | -15.9%       | 46.8%        | 47.3%        | 61.0%        |               |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23         | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>(1.1)</b> | <b>(0.3)</b> | <b>0.2</b>   | <b>-14.7%</b> | <b>27.5%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | -            | -            | -            |               |              |
| Working Capital Increase                     |              |              |              |              |              | (1.0)        | (0.5)        | (0.4)        |               |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>-2.1</b>  | <b>-0.8</b>  | <b>-0.1</b>  | <b>-10.1%</b> | <b>64.5%</b> |
| CAPEX  |              |              |              |              |              | (0.1)        | (0.1)        | (0.2)        |               |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (0.2)        | (0.2)        | (0.3)        |               |              |
| Tax Expense                                  |              |              |              |              |              | 0.3          | 0.3          | 0.3          |               |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>(2.2)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>-16.6%</b> | <b>56.9%</b> |
| Restructuring Expense & Other non-rec.       |              |              |              |              |              | 0.2          | 0.2          | 0.2          |               |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | -            | -            | -            |               |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -            | -            | -            |               |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>(2.0)</b> | <b>(0.7)</b> | <b>(0.1)</b> | <b>-34.3%</b> | <b>78.8%</b> |
| Capital Increase                             |              |              |              |              |              | -            | -            | -            |               |              |
| Dividends                                    |              |              |              |              |              | -            | -            | -            |               |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>2.0</b>   | <b>0.7</b>   | <b>0.1</b>   |               |              |

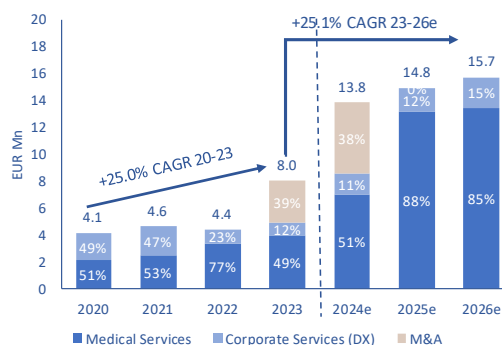


## The company in 8 charts

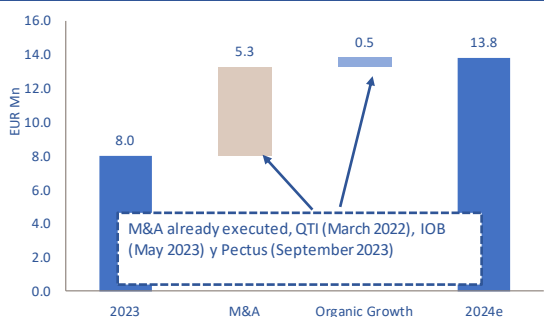
**PANG is committed to a technology (liquid biopsy) with rational expectations for high growth ...**



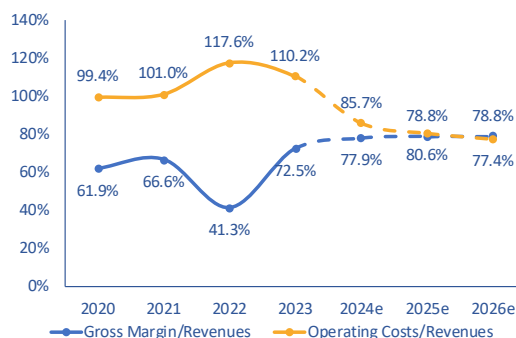
**... and is faced with a genuine step up in scale (+25.1% CAGR 23-26e)**



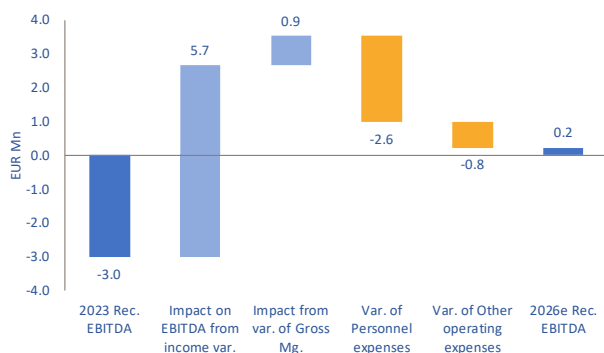
**The M&A already executed in 2023e will explain c. 91% of total growth for the year 2024e**



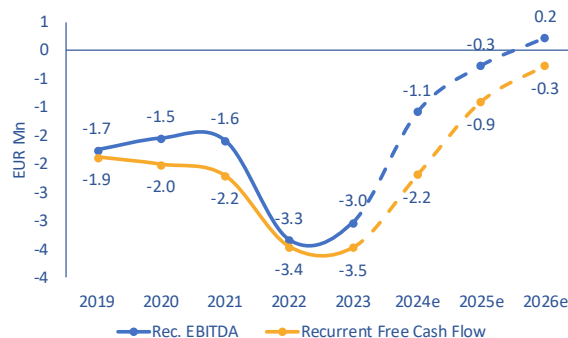
**The improvement of margins is the business' main catalyst (gross margin c. 79% from 2024e)**



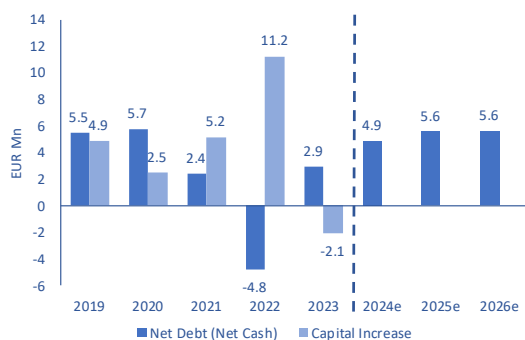
**The combination of growth and improved margins points to breakeven in EBITDA in 2026e...**



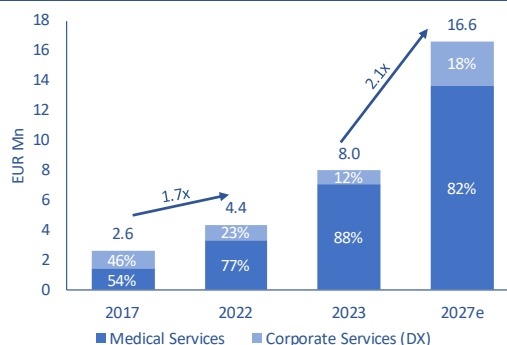
**... and will make it possible to reduce cash consumption (breakeven) as early as 2026e**



**With a strong balance sheet structure (net cash) that will allow it to finance inorganic growth without capital increase**



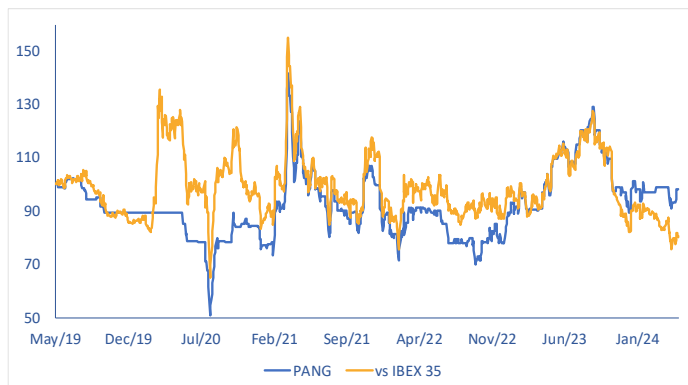
**The high volume of activity will increase the speed of expansion of molecular diagnostics (liquid biopsy) in the long term**



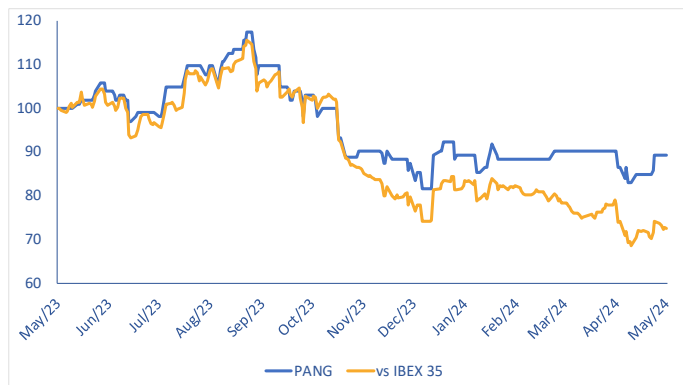


## Evolution of the share price

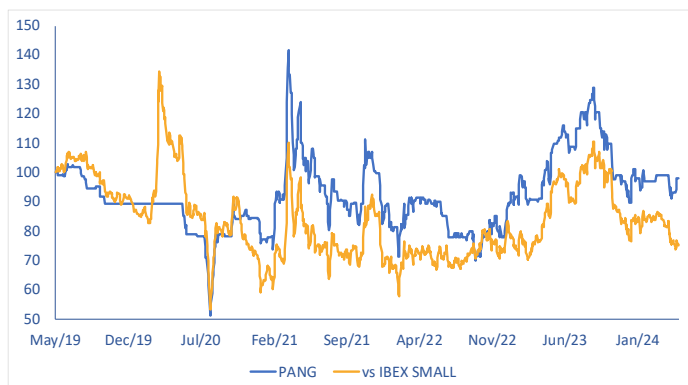
**Historical behavior vs Ibex 35 (base 100)**



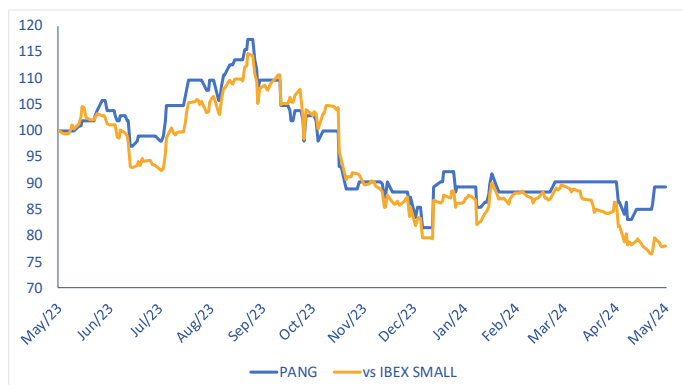
**Behavior -1y vs Ibex 35 (base 100)**



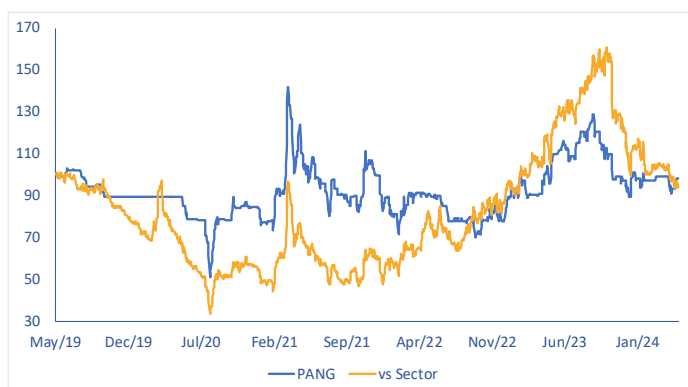
**Historical behavior vs Ibex Small Cap (base 100)**



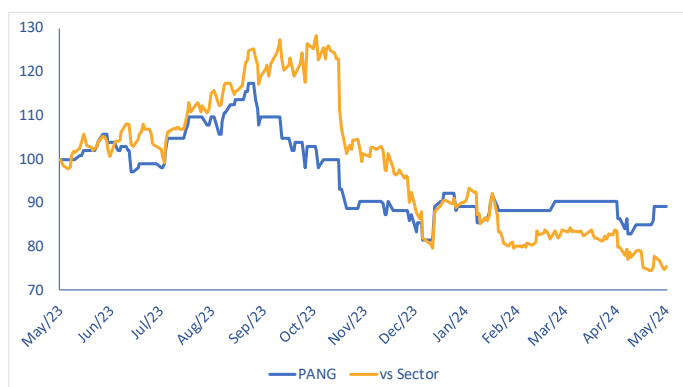
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Europe Biotechnology

| Stock performance (%)                     | -1m  | -3m   | -12m  | YTD   | -3Y   | -5Y   |
|---|------|-------|-------|-------|-------|-------|
| <b>Absolute</b>                           | -1.1 | 1.1   | -10.7 | 0.0   | -6.6  | -1.9  |
| <b>vs Market</b>                          |      |       |       |       |       |       |
| vs Ibex 35                                | -7.1 | -11.8 | -27.4 | -10.8 | -24.5 | -19.6 |
| vs Euro STOXX 50                          | -4.0 | -4.9  | -23.7 | -10.7 | -26.1 | -33.6 |
| <b>vs Small Cap References</b>            |      |       |       |       |       |       |
| vs Ibex Small Cap Index                   | -9.4 | -11.6 | -22.0 | -10.2 | -8.7  | -24.7 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -6.2 | -6.4  | -15.0 | -7.2  | 0.9   | -18.8 |
| vs MSCI Europe Micro Cap                  | -6.8 | -5.8  | -13.2 | -5.4  | 14.5  | -18.2 |
| <b>vs Sector</b>                          |      |       |       |       |       |       |
| vs Europe Biotechnology                   | -9.7 | -5.8  | -24.5 | -14.1 | 40.1  | -5.3  |

(1) [Constituents on page 10.](#)



Free Cash Flow (I)

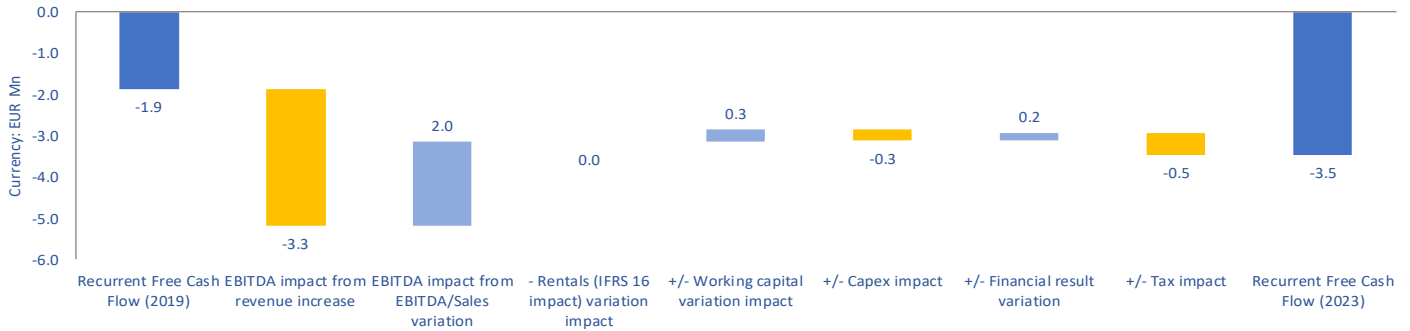
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
|   |              |              |              |              |              |              |              | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | (1.5)        | (1.6)        | (3.3)        | (3.0)        | (1.1)        | (0.3)        | 0.2          | -25.1%        | 27.5%        |
| <i>Recurrent EBITDA growth</i>  | 11.7%        | -2.8%        | -110.5%      | 9.5%         | 64.3%        | 74.5%        | 181.2%       |               |              |
| <i>Rec. EBITDA/Revenues</i>   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 1.4%         |               |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -            | -            | -            |               |              |
| +/- Working Capital increase  | (0.5)        | (0.7)        | (0.0)        | (0.1)        | (1.0)        | (0.5)        | (0.4)        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(2.0)</b> | <b>(2.3)</b> | <b>(3.4)</b> | <b>(3.1)</b> | <b>(2.1)</b> | <b>(0.8)</b> | <b>(0.1)</b> | <b>-14.9%</b> | <b>64.5%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | 3.2%         | -11.0%       | -49.7%       | 8.7%         | 31.8%        | 61.9%        | 82.8%        |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |
| - CAPEX   | (0.1)        | (0.3)        | (0.0)        | (0.3)        | (0.1)        | (0.1)        | (0.2)        |               |              |
| - Net Financial Result affecting Cash Flow  | (0.2)        | (0.4)        | (0.1)        | (0.0)        | (0.2)        | (0.2)        | (0.3)        |               |              |
| - Taxes   | 0.3          | 0.7          | 0.1          | (0.1)        | 0.3          | 0.3          | 0.3          |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>(2.0)</b> | <b>(2.2)</b> | <b>(3.4)</b> | <b>(3.5)</b> | <b>(2.2)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>-20.0%</b> | <b>56.9%</b> |
| <i>Rec. Free Cash Flow growth</i>   | -6.9%        | -10.0%       | -56.4%       | -0.5%        | 36.7%        | 58.7%        | 69.4%        |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |
| - Restructuring expenses & others   | (0.0)        | 0.1          | (0.3)        | (0.4)        | 0.2          | 0.2          | 0.2          |               |              |
| - Acquisitions / + Divestments  | (0.3)        | (0.2)        | (0.1)        | (1.5)        | -            | -            | -            |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>= Free Cash Flow</b>   | <b>(2.3)</b> | <b>(2.4)</b> | <b>(3.9)</b> | <b>(5.4)</b> | <b>(2.0)</b> | <b>(0.7)</b> | <b>(0.1)</b> | <b>-32.0%</b> | <b>78.8%</b> |
| <i>Free Cash Flow growth</i>  | -41.1%       | -0.8%        | -63.3%       | -39.9%       | 63.8%        | 65.3%        | 92.4%        |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |              |              |              |              |              |               |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |               |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(1.9)</b> | <b>(2.0)</b> | <b>(2.2)</b> | <b>(3.4)</b> | <b>(3.5)</b> | <b>(2.2)</b> | <b>(0.9)</b> |               |              |
| EBITDA impact from revenue increase   | (0.4)        | (0.2)        | 0.1          | (2.8)        | (2.2)        | (0.1)        | (0.0)        |               |              |
| EBITDA impact from EBITDA/Sales variation   | 0.6          | 0.1          | (1.8)        | 3.1          | 4.1          | 0.9          | 0.5          |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>0.2</b>   | <b>(0.0)</b> | <b>(1.7)</b> | <b>0.3</b>   | <b>1.9</b>   | <b>0.8</b>   | <b>0.5</b>   |               |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -            | -            | -            | -            | -            |               |              |
| +/- Working capital variation impact  | (0.1)        | (0.2)        | 0.6          | (0.0)        | (1.0)        | 0.5          | 0.2          |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>0.1</b>   | <b>(0.2)</b> | <b>(1.1)</b> | <b>0.3</b>   | <b>1.0</b>   | <b>1.3</b>   | <b>0.7</b>   |               |              |
| +/- CAPEX impact  | (0.1)        | (0.3)        | 0.3          | (0.2)        | 0.1          | (0.0)        | (0.0)        |               |              |
| +/- Financial result variation  | (0.0)        | (0.2)        | 0.2          | 0.1          | (0.2)        | (0.0)        | (0.0)        |               |              |
| +/- Tax impact  | (0.1)        | 0.4          | (0.7)        | (0.2)        | 0.4          | 0.0          | (0.0)        |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>(0.1)</b> | <b>(0.2)</b> | <b>(1.2)</b> | <b>(0.0)</b> | <b>1.3</b>   | <b>1.3</b>   | <b>0.6</b>   |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>(2.0)</b> | <b>(2.2)</b> | <b>(3.4)</b> | <b>(3.5)</b> | <b>(2.2)</b> | <b>(0.9)</b> | <b>(0.3)</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |              |              |              |              |              |               |              |
|   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR          |              |
| <b>EBIT</b>   | <b>(1.6)</b> | <b>(0.5)</b> | <b>(2.6)</b> | <b>(3.8)</b> | <b>(1.2)</b> | <b>(0.4)</b> | <b>0.1</b>   | <b>-33.0%</b> | <b>26.8%</b> |
| * Theoretical Tax rate  | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |               |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>Recurrent EBITDA</b>   | <b>(1.5)</b> | <b>(1.6)</b> | <b>(3.3)</b> | <b>(3.0)</b> | <b>(1.1)</b> | <b>(0.3)</b> | <b>0.2</b>   | <b>-25.1%</b> | <b>27.5%</b> |
| - Rentals (IFRS 16 impact)  | -            | -            | -            | -            | -            | -            | -            |               |              |
| +/- Working Capital increase  | (0.5)        | (0.7)        | (0.0)        | (0.1)        | (1.0)        | (0.5)        | (0.4)        |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(2.0)</b> | <b>(2.3)</b> | <b>(3.4)</b> | <b>(3.1)</b> | <b>(2.1)</b> | <b>(0.8)</b> | <b>(0.1)</b> | <b>-14.9%</b> | <b>64.5%</b> |
| - CAPEX   | (0.1)        | (0.3)        | (0.0)        | (0.3)        | (0.1)        | (0.1)        | (0.2)        |               |              |
| - Taxes (pre- Financial Result)   | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(2.1)</b> | <b>(2.6)</b> | <b>(3.4)</b> | <b>(3.3)</b> | <b>(2.2)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>-16.6%</b> | <b>55.5%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | -0.2%        | -22.5%       | -31.8%       | 1.7%         | 32.9%        | 57.6%        | 68.9%        |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |
| - Acquisitions / + Divestments  | (0.3)        | (0.2)        | (0.1)        | (1.5)        | -            | -            | -            |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | -            | -            | -            | -            | -            | -            |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(2.4)</b> | <b>(2.8)</b> | <b>(3.5)</b> | <b>(4.8)</b> | <b>(2.2)</b> | <b>(0.9)</b> | <b>(0.3)</b> | <b>-25.8%</b> | <b>60.7%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | -15.8%       | -16.1%       | -24.6%       | -37.7%       | 53.7%        | 57.6%        | 68.9%        |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |               |              |



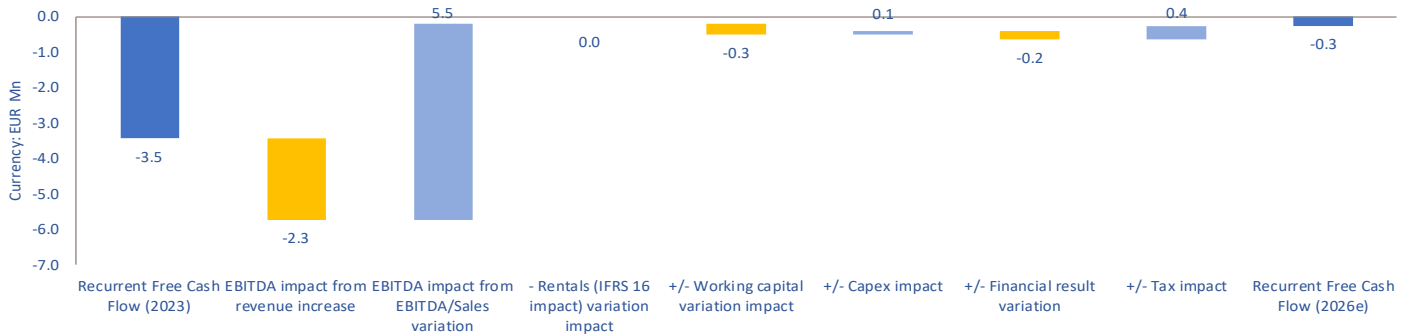


## Free Cash Flow (II)

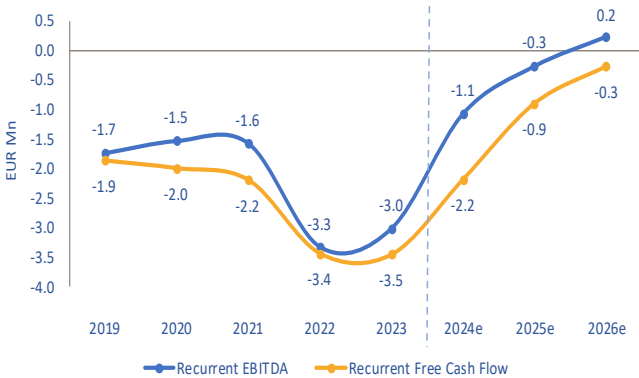
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



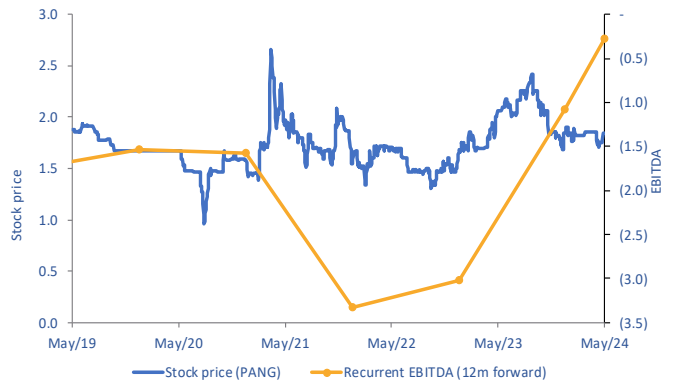
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | (2.2) | (0.9)                               | (0.3) | n.a.                          |           |            |  |
| Market Cap                     | 56.1  | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 2.9   | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 5.0%  | Net debt cost                       |       |                               | 4.8%      | 5.3%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.0%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 3.8%      | 4.2%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.3   | B (own estimate)                    |       |                               | 1.2       | 1.4        |  |
| Cost of Equity                 | 11.1% | Ke = Rf + (R * B)                   |       |                               | 9.9%      | 12.4%      |  |
| Equity / (Equity + Net Debt)   | 95.0% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 5.0%  | D                                   |       |                               | =         | =          |  |
| WACC                           | 10.7% | WACC = Kd * D + Ke * E              |       |                               | 9.6%      | 12.0%      |  |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.5%      | 1.5%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 56.1        |                  |
| + Minority Interests                 | 1.0         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 1.0         | 12m Results 2023 |
| + Net financial debt                 | 2.9         | 12m Results 2023 |
| - Financial Investments              | 0.1         | 12m Results 2023 |
| +/- Others <sup>(1)</sup>            | (2.7)       | 12m Results 2023 |
| <b>Enterprise Value (EV)</b>         | <b>58.3</b> |                  |

(1) Tax loss carry forward

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020   | 2021 | 2022 | 2023 |
|----------------------|------|--------|------|------|------|
| ROCE (evolution -5y) | n.a. | n.a.   | n.a. | n.a. | n.a. |
|                      | 2023 | 2026e  |      |      |      |
| ROCE - WACC          | n.a. | -10.1% |      |      |      |
| FCF Yield - WACC     | n.a. | n.a.   |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | -8.6%            | (1.3)      | -45.6x        |
| Central  | -7.8%            | (1.2)      | -50.3x        |
| Min      | -7.0%            | (1.0)      | -56.0x        |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       |
|-----------------|-----------------|-------|-------|
| EBITDA 25e      | 0.9%            | 1.0%  | 1.1%  |
| (1.3)           | (1.9)           | (1.9) | (1.9) |
| (1.2)           | (1.8)           | (1.8) | (1.8) |
| (1.0)           | (1.7)           | (1.7) | (1.7) |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 30.0% | 16.7% | 15.4% |
| % of proprietary directors           | 50.0% | 66.7% | 69.2% |
| % of executive directors             | 20.0% | 16.6% | 15.4% |
| % of other directors                 | 10.0% | 7.6%  | 7.1%  |
| % of women on the board of directors | 10.0% | 7.6%  | 14.2% |
| % of women out of total workforce    | 69.9% | 72.7% | 75.5% |
| Board remuneration/staff cost        | 7.8%  | 7.2%  | 4.7%  |



**Main peers 2024e**

|                             |                       | Molecular Diagnostic Laboratories |              |                     |                     |                  |           | Advanced Medical Equipment |             |          |          |                  |             | Global Leader |         |
|-----------------------------|-----------------------|-----------------------------------|--------------|---------------------|---------------------|------------------|-----------|----------------------------|-------------|----------|----------|------------------|-------------|---------------|---------|
|                             |                       | MDxHealth                         | Atrys Health | Guardant Health Inc | Exact Sciences Corp | Neogenomics Inc. | Average   | Thermo Fisher              | Qiagen      | DanaHER  | Agilent  | Becton Dickinson | Average     | Roche         | PANG    |
| Market data                 | EUR Mn                | SA                                | Spain        | USA                 | USA                 | USA              |           | USA                        | Netherlands | USA      | USA      | USA              |             | Switzerland   | Spain   |
|                             | Ticker (Factset)      | MDXH-BE                           | ATRY-ES      | GH-US               | EXAS-US             | NEO-US           |           | TMO-US                     | QGEN-US     | DHR-US   | A-US     | BDX-US           |             | ROG-CH        | PANG-ES |
| Country                     | Belgium               | Spain                             | USA          | USA                 | USA                 |                  | USA       | Netherlands                | USA         | USA      | USA      |                  | Switzerland | Spain         |         |
| Market cap                  | 69.6                  | 292.7                             | 2,655.8      | 9,094.0             | 1,738.1             |                  | 207,420.3 | 9,176.3                    | 181,795.6   | 41,467.6 | 62,501.0 |                  | 194,758.6   | 56.1          |         |
| Enterprise value (EV)       | 94.2                  | 504.5                             | 2,856.8      | 10,864.4            | 1,943.8             |                  | 233,624.5 | 9,738.2                    | 193,063.7   | 42,361.7 | 76,119.7 |                  | 213,801.0   | 58.3          |         |
| Basic financial information | Total Revenues        | 78.4                              | 220.6        | 626.6               | 2,606.1             | 603.7            |           | 39,570.2                   | 1,847.0     | 21,942.7 | 6,227.5  | 18,638.9         |             | 61,349.3      | 13.8    |
|                             | Total Revenues growth | 20.8%                             | 9.4%         | 20.7%               | 13.2%               | 10.8%            | 15.0%     | 0.3%                       | 2.1%        | -0.3%    | -1.0%    | 4.5%             | 1.1%        | 3.2%          | 72.5%   |
|                             | 2y CAGR (24e - 26e)   | 14.3%                             | 7.8%         | 21.2%               | 13.2%               | 9.7%             | 13.2%     | 7.3%                       | 6.7%        | 8.3%     | 6.4%     | 5.7%             | 6.9%        | 5.2%          | 6.5%    |
|                             | EBITDA                | (11.7)                            | 41.6         | (279.1)             | 309.1               | 21.5             |           | 9,957.8                    | 646.9       | 7,061.3  | 1,844.7  | 5,305.0          |             | 22,927.9      | (0.8)   |
|                             | EBITDA growth         | 36.7%                             | 24.2%        | 41.7%               | 539.6%              | 196.9%           | 167.8%    | -0.3%                      | 8.0%        | 3.0%     | 5.5%     | 32.2%            | 9.7%        | 14.2%         | 75.7%   |
|                             | 2y CAGR (24e - 26e)   | 59.5%                             | 19.1%        | 12.7%               | 36.3%               | 79.2%            | 41.4%     | 9.9%                       | 9.5%        | 10.3%    | 8.9%     | 10.3%            | 9.8%        | 6.5%          | 59.2%   |
|                             | EBITDA/Revenues       | n.a.                              | 18.8%        | n.a.                | 11.9%               | 3.6%             | 11.4%     | 25.2%                      | 35.0%       | 32.2%    | 29.6%    | 28.5%            | 30.1%       | 37.4%         | n.a.    |
|                             | EBIT                  | (18.4)                            | 16.0         | (382.3)             | (158.4)             | (80.5)           |           | 8,955.1                    | 513.7       | 6,431.4  | 1,699.0  | 4,496.7          |             | 20,278.2      | (1.2)   |
|                             | EBIT growth           | 26.1%                             | 321.8%       | 26.2%               | 44.7%               | 9.5%             | 85.7%     | 30.6%                      | 25.3%       | 32.3%    | 13.3%    | 122.4%           | 44.8%       | 22.5%         | 68.6%   |
|                             | 2y CAGR (24e - 26e)   | 85.9%                             | 49.7%        | 7.4%                | 73.5%               | 30.7%            | 49.4%     | 9.9%                       | 9.4%        | 11.8%    | 8.9%     | 8.5%             | 9.7%        | 7.1%          | 45.7%   |
|                             | EBIT/Revenues         | n.a.                              | 7.3%         | n.a.                | n.a.                | n.a.             | 7.3%      | 22.6%                      | 27.8%       | 29.3%    | 27.3%    | 24.1%            | 26.2%       | 33.1%         | n.a.    |
|                             | Net Profit            | (26.1)                            | (1.8)        | (369.0)             | (192.0)             | (66.1)           |           | 7,659.9                    | 435.9       | 5,261.0  | 1,485.7  | 3,492.5          |             | 13,822.2      | (1.5)   |
|                             | Net Profit growth     | 34.5%                             | 94.2%        | 16.4%               | -2.1%               | 18.4%            | 32.3%     | 38.8%                      | 38.7%       | 35.4%    | 30.1%    | 147.9%           | 58.2%       | 18.7%         | 66.9%   |
| 2y CAGR (24e - 26e)         | 38.0%                 | n.a.                              | 12.2%        | 65.0%               | 34.5%               | 37.4%            | 10.4%     | 9.4%                       | 12.5%       | 8.9%     | 9.6%     | 10.2%            | 8.5%        | 70.9%         |         |
| CAPEX/Sales %               | 6.7%                  | 5.4%                              | 6.1%         | 5.2%                | 3.8%                | 5.4%             | 6.656.4   | 465.0                      | 5,447.7     | 1,235.9  | 2,737.2  |                  | 13,722.4    | (2.0)         |         |
| Free Cash Flow              | 103.2                 | 175.8                             | 42.6         | 1,459.7             | 244.2               |                  | 21,434.6  | 301.0                      | 7,548.0     | 516.6    | 11,986.4 |                  | 14,217.6    | 4.9           |         |
| Net financial debt          | n.a.                  | 4.2                               | n.a.         | 4.7                 | 11.4                | 6.8              | 2.2       | 0.5                        | 1.1         | 0.3      | 2.3      | 1.2              | 0.6         | n.a.          |         |
| ND/EBITDA (x)               | 0.0%                  | 0.0%                              | 0.0%         | 0.0%                | 0.0%                | 0.0%             | 7.0%      | 0.0%                       | 12.4%       | 17.2%    | 28.5%    | 13.0%            | 57.5%       | 0.0%          |         |
| Pay-out                     | n.a.                  | 64.2                              | n.a.         | n.a.                | n.a.                | 64.2             | 27.4      | 20.8                       | 35.2        | 28.0     | 18.0     | 25.9             | 12.8        | n.a.          |         |
| P/E (x)                     | n.a.                  | 1.0                               | n.a.         | 3.0                 | 2.1                 | 2.0              | 4.7       | 2.4                        | 3.5         | 6.6      | 2.6      | 4.0              | 5.2         | 3.4           |         |
| P/BV (x)                    | n.a.                  | 2.3                               | 4.6          | 4.2                 | 3.2                 | 3.1              | 5.9       | 5.3                        | 8.8         | 6.8      | 4.1      | 6.2              | 3.5         | 4.2           |         |
| EV/Revenues (x)             | n.a.                  | 12.1                              | n.a.         | 35.1                | n.a.                | 23.6             | 23.5      | 15.1                       | 27.3        | 23.0     | 14.3     | 20.6             | 9.3         | n.a.          |         |
| EV/EBITDA (x)               | n.a.                  | 31.5                              | n.a.         | n.a.                | n.a.                | 31.5             | 26.1      | 19.0                       | 30.0        | 24.9     | 16.9     | 23.4             | 10.5        | n.a.          |         |
| EV/EBIT (x)                 | n.a.                  | 1.6                               | n.a.         | n.a.                | 0.3                 | 1.0              | 17.0      | 11.7                       | 9.9         | 23.7     | 14.6     | 15.4             | 40.8        | n.a.          |         |
| ROE                         | n.a.                  | 4.9                               | n.a.         | 1.5                 | n.a.                | 3.2              | 3.2       | 5.1                        | 3.0         | 3.0      | 4.4      | 3.7              | 7.0         | n.a.          |         |
| FCF Yield (%)               | 0.00                  | 0.00                              | 0.00         | 0.00                | 0.00                | 0.00             | 1.38      | 0.00                       | 0.89        | 0.87     | 3.48     | 1.32             | 9.95        | 0.00          |         |
| DPS                         | n.a.                  | 0.0%                              | 0.0%         | 0.0%                | 0.0%                | 0.0%             | 0.3%      | 0.0%                       | 0.4%        | 0.6%     | 1.6%     | 0.6%             | 4.2%        | 0.0%          |         |
| Dvd Yield                   | n.a.                  |                                   |              |                     |                     |                  |           |                            |             |          |          |                  |             |               |         |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).
- (2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Historical performance**

| Historical performance (EUR Mn) |        |         |         |        |         |        |         |       |        |         |        | CAGR   |       |       |        |        |
|---------------------------------|--------|---------|---------|--------|---------|--------|---------|-------|--------|---------|--------|--------|-------|-------|--------|--------|
|                                 | 2013   | 2014    | 2015    | 2016   | 2017    | 2018   | 2019    | 2020  | 2021   | 2022    | 2023   | 2024e  | 2025e | 2026e | 15-23  | 23-26e |
| Total Revenues                  | 3.1    | 1.7     | 1.9     | 2.5    | 2.6     | 3.1    | 3.3     | 4.1   | 4.6    | 4.4     | 8.0    | 13.8   | 14.8  | 15.7  | 19.3%  | 25.1%  |
| Total Revenues growth           | 17.7%  | -44.4%  | 13.5%   | 29.1%  | 4.1%    | 16.7%  | 8.4%    | 23.6% | 12.3%  | -5.1%   | 83.1%  | 72.5%  | 7.6%  | 5.5%  |        |        |
| EBITDA                          | (0.5)  | (1.6)   | (2.0)   | (3.3)  | (4.5)   | (2.1)  | (1.4)   | (1.3) | (1.6)  | (3.6)   | (3.5)  | (0.8)  | (0.0) | 0.4   | -7.4%  | 28.7%  |
| EBITDA growth                   | 61.2%  | -237.0% | -22.1%  | -69.4% | -37.0%  | 54.0%  | 32.7%   | 8.1%  | -27.6% | -120.3% | 4.8%   | 75.7%  | 94.1% | n.a.  |        |        |
| EBITDA/Sales                    | n.a.   | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | n.a.   | n.a.  | 2.9%  |        |        |
| Net Profit                      | 0.1    | (0.2)   | (0.5)   | (0.6)  | (1.6)   | (1.3)  | (4.8)   | (1.8) | (0.6)  | (2.7)   | (4.7)  | (1.5)  | (0.7) | (0.1) | -32.6% | 69.6%  |
| Net Profit growth               | 124.9% | -289.1% | -147.7% | -22.2% | -177.0% | 23.9%  | -286.4% | 63.8% | 63.4%  | -322.5% | -71.7% | 66.9%  | 54.1% | 81.5% |        |        |
| Adjusted number shares (Mn)     | 0.2    | 0.2     | 0.2     | 0.2    | 11.9    | 11.9   | 14.5    | 17.1  | 18.9   | 22.8    | 27.1   | 30.5   | 30.5  | 30.5  |        |        |
| EPS (EUR)                       | 0.63   | -1.20   | -2.63   | -3.23  | -0.14   | -0.10  | -0.33   | -0.10 | -0.03  | -0.12   | -0.17  | -0.05  | -0.02 | 0.00  | 28.9%  | 70.8%  |
| EPS growth                      | n.a.   | n.a.    | n.a.    | -23.0% | 95.7%   | 23.9%  | n.a.    | 69.3% | 66.8%  | n.a.    | -44.7% | 70.6%  | 54.1% | 81.5% |        |        |
| Ord. EPS (EUR)                  | 0.57   | -1.28   | -2.91   | -3.27  | -0.14   | -0.12  | -0.37   | -0.12 | -0.05  | -0.11   | -0.11  | -0.05  | -0.03 | -0.01 | 33.7%  | 54.0%  |
| Ord. EPS growth                 | n.a.   | n.a.    | n.a.    | -12.3% | 95.9%   | 13.2%  | n.a.    | 66.3% | 55.6%  | n.a.    | 2.3%   | 52.8%  | 47.3% | 61.0% |        |        |
| CAPEX                           | (0.1)  | (0.1)   | (0.2)   | (0.5)  | (0.2)   | (0.0)  | (0.0)   | (0.1) | (0.3)  | (0.0)   | (0.3)  | (0.1)  | (0.1) | (0.2) |        |        |
| CAPEX/Sales %                   | 3.5%   | 3.5%    | 12.0%   | 21.8%  | 5.9%    | 0.9%   | 0.0%    | 1.7%  | 7.0%   | 0.5%    | 3.2%   | 1.0%   | 1.0%  | 1.0%  |        |        |
| Free Cash Flow                  | (0.7)  | (1.9)   | (2.8)   | (2.8)  | (5.8)   | (2.7)  | (1.7)   | (2.3) | (2.4)  | (3.9)   | (5.4)  | (2.0)  | (0.7) | (0.1) | -8.6%  | 78.8%  |
| ND/EBITDA (x) <sup>(2)</sup>    | n.a.   | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | n.a.   | n.a.  | 12.5x |        |        |
| P/E (x)                         | n.a.   | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | n.a.   | n.a.  | n.a.  |        |        |
| EV/Sales (x)                    | 1.19x  | 3.26x   | 4.30x   | 1.92x  | 16.34x  | 10.84x | 10.50x  | 8.45x | 6.33x  | 6.99x   | 6.86x  | 4.22x  | 3.92x | 3.72x |        |        |
| EV/EBITDA (x) <sup>(2)</sup>    | n.a.   | n.a.    | n.a.    | n.a.   | n.a.    | n.a.   | n.a.    | n.a.  | n.a.   | n.a.    | n.a.   | n.a.   | n.a.  | n.a.  |        |        |
| Absolute performance            | n.a.   | n.a.    | n.a.    | n.a.   | -22.0%  | -3.8%  | -16.3%  | -5.9% | -1.9%  | 6.0%    | 12.2%  | 0.0%   |       |       |        |        |
| Relative performance vs Ibx 35  | n.a.   | n.a.    | n.a.    | n.a.   | -27.4%  | 13.2%  | -25.2%  | 11.3% | -9.1%  | 12.2%   | -8.6%  | -10.8% |       |       |        |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.
- (2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Seresco (SCO), is a highly diversified Spanish tech company: payroll and personnel administration, consulting and software development, IT infrastructures and systems, digital transformation, and land registry management and cartography. It also operates internationally (15% of revenue in 2023). Government agencies had a 50% weight in the 2023 revenue mix. SCO has been listed on BME Growth since December 2022..

**Market Data**

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 45.1               | 49.1 |
| EV (Mn EUR and USD)            | 52.6               | 57.2 |
| Shares Outstanding (Mn)        | 9.6                |      |
| -12m (Max/Med/Min EUR)         | 4.86 / 4.00 / 2.94 |      |
| Daily Avg volume (-12m Mn EUR) | n.m.               |      |
| Rotation <sup>(1)</sup>        | 1.1                |      |
| Factset / Bloomberg            | SCO-ES / SCO SM    |      |
| Close fiscal year              | 31-Dec             |      |

**Shareholders Structure (%)<sup>(3)</sup>**

|                          |      |
|--------------------------|------|
| Familia Suárez García    | 61.4 |
| Directivos               | 7.5  |
| Tomás Reinares Fernández | 5.9  |
| Manuel Angel Busto Riego | 5.7  |
| Free Float               | 19.3 |

**Financials (Mn EUR)**

|                                     | 2023 | 2024e | 2025e | 2026e |
|-------------------------------------|------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 9.6  | 9.6   | 9.6   | 9.6   |
| Total Revenues                      | 42.2 | 55.7  | 61.5  | 68.2  |
| Rec. EBITDA                         | 3.5  | 7.0   | 8.1   | 9.2   |
| % growth                            | 2.0  | 100.8 | 16.3  | 13.6  |
| % Rec. EBITDA/Rev.                  | 8.2  | 12.5  | 13.2  | 13.5  |
| % Inc. EBITDA sector <sup>(2)</sup> | 17.8 | 9.4   | 21.0  | 12.5  |
| Net Profit                          | 2.1  | 3.3   | 4.1   | 5.0   |
| EPS (EUR)                           | 0.21 | 0.35  | 0.43  | 0.52  |
| % growth                            | 9.9  | 61.6  | 24.5  | 21.7  |
| Ord. EPS (EUR)                      | 0.18 | 0.35  | 0.43  | 0.52  |
| % growth                            | -3.9 | 90.3  | 24.5  | 21.7  |
| Rec. Free Cash Flow                 | 1.3  | 3.7   | 4.5   | 5.3   |
| Pay-out (%)                         | 28.3 | 20.0  | 20.0  | 20.0  |
| DPS (EUR)                           | 0.06 | 0.07  | 0.09  | 0.10  |
| Net financial debt                  | 7.6  | 6.7   | 2.9   | -1.7  |
| ND/Rec. EBITDA (x)                  | 2.2  | 1.0   | 0.4   | -0.2  |
| ROE (%)                             | 32.9 | 42.4  | 39.5  | 34.7  |
| ROCE (%)                            | 19.5 | 25.6  | 29.6  | 34.4  |

**Ratios & Multiples (x)**

|                    | 2023 | 2024e | 2025e | 2026e |
|--------------------|------|-------|-------|-------|
| P/E                | 22.0 | 13.6  | 10.9  | 9.0   |
| Ord. P/E           | 25.9 | 13.6  | 10.9  | 9.0   |
| P/BV               | 6.4  | 5.2   | 3.7   | 2.7   |
| Dividend Yield (%) | 1.3  | 1.5   | 1.8   | 2.2   |
| EV/Sales           | 1.25 | 0.94  | 0.86  | 0.77  |
| EV/Rec. EBITDA     | 15.2 | 7.6   | 6.5   | 5.7   |
| EV/EBIT            | 16.0 | 9.7   | 8.3   | 7.2   |
| FCF Yield (%)      | 2.9  | 8.3   | 9.9   | 11.7  |

**Historical behavior (base 100)**


|          | (%) | -1m | -3m | -12m | -5Y  |
|----------|-----|-----|-----|------|------|
| Absolute |     | 2.2 | 0.0 | 31.1 | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Technology.

(3) Others: Treasury Stock 0.2%

**MOMENTUM: WHAT DO WE EXPECT FROM 2024E?**

**2023: sharp growth in revenue (+24% vs 2022)** to EUR 42.2Mn. Some of that growth (c.EUR 1.9Mn) is attributable to the ELO-SI acquisition (February 2023). Recurring EBITDA in 2023 was EUR 3.5Mn (8.2% of revenue; -1.8p.p. vs 2022), hurt by the contraction in gross margin and a sharp jump in overhead.

**For 2024e we expect a "leap" in recurring EBITDA to EUR 7.0Mn (2x 2023).** This should drive expansion in the margin to 12.5% (+4p.p. vs 2023) due (primarily) to consolidation of M&A deals already done. In turn, this should boost recurring FCF to EUR 3.7Mn, bearing out the company's inherently capital-light business.

**So, attention should focus on 2024e.** This year is crucial to determine, as we suspect, that the (organic and inorganic) growth of revenue feeds through to higher profitability. And, in turn, higher cash generation.

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**Highly diversified business.** A diversified product/service portfolio, which means the business model is inherently exposed to less risk. Certain business lines (e.g., payroll and personnel administration) are scalable and have high switching costs for clients. This helps build a "captive" customer base. Towards the end of 2023, SCO announced that it had renewed a (4-year) contract with the regional government of Asturias for EUR 16.2Mn (in the infrastructure business).

**Sharp growth in land registry management and cartography.** In line with the company's internationalisation (with a special focus on Latin America), SCO won two contracts at the end of 2023 in Peru, one for 2024e and one for 2025e, for a combined USD 15.7 million.

**Healthy balance sheet. ND 2023: EUR 7.6Mn.** This left a net debt/recurring EBITDA multiple of 2.2x. Leverage is conservative for a company in the "lift-off" phase, with positive cash flow. Therefore, we would not rule out SCO making more acquisitions in the short/medium term.

**2024e-26e: recurring EBITDA >13%.** For 2024e, we expect revenue of EUR 55.7Mn and recurring EBITDA of EUR 7.0Mn, driven by: (i) consolidation of M&A deals; (ii) very strong growth in land registry management and cartography; and (iii) volume growth across existing customers. Therefore, the key is still to watch the trend in revenue and how it feeds through to margins. Truly unlocking the potential implicit in the revenue growth and lifting the EBITDA margin above 13% in 2024e is the crux of the equity story. Meanwhile, it has a low (operational, financial and commercial) risk profile.

**RISKS: WHAT TO KEEP AN EYE ON?**

**Lower-than-expected operational gearing.** Margin expansion is the key driver of the forecast growth in EBITDA. A worse-than-forecast cost performance (lower-than-expected operational gearing) would have a significant impact on our estimates.

**Lack of M&A discipline.** Sector dynamics (trend towards concentration) will open up M&A opportunities in the short and medium term. This in itself implies a risk in relation to potential acquisition targets. And increased competition in M&A poses a risk of value destruction through higher prices.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Business momentum + value creation.** For 2024e, we estimate ROCE of 25.6% (vs 19.5% in 2023), leaving a favourable ROCE-WACC spread (10.2%). Even better news is that SCO has plenty of room to continue improving ROCE over the coming years. All this while trading at a recurring EV/EBITDA 2024e of 7.6x. Momentum growing at SCO.



## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019        | 2020        | 2021        | 2022        | 2023        | 2024e        | 2025e        | 2026e        | CAGR         |              |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets                            | 0.6         | 0.4         | 0.2         | 0.3         | 0.3         | 1.1          | 0.9          | 0.4          |              |              |
| Fixed assets                                 | 1.1         | 1.0         | 1.2         | 1.2         | 2.1         | 2.3          | 2.4          | 2.6          |              |              |
| Other Non Current Assets                     | 0.9         | 0.9         | 0.6         | 0.6         | 0.3         | 0.3          | 0.3          | 0.3          |              |              |
| Financial Investments                        | 0.7         | 0.5         | 0.6         | 0.4         | 0.3         | 0.3          | 0.3          | 0.3          |              |              |
| Goodwill & Other Intangibles                 | 4.7         | 4.2         | 3.7         | 4.2         | 8.0         | 7.2          | 6.4          | 5.6          |              |              |
| Current assets                               | 12.4        | 7.5         | 8.9         | 9.6         | 17.1        | 17.9         | 19.7         | 21.3         |              |              |
| <b>Total assets</b>                          | <b>20.4</b> | <b>14.5</b> | <b>15.2</b> | <b>16.3</b> | <b>28.3</b> | <b>29.2</b>  | <b>30.1</b>  | <b>30.5</b>  |              |              |
| Equity                                       | 3.5         | 3.7         | 3.9         | 5.4         | 7.0         | 8.6          | 12.3         | 16.7         |              |              |
| Minority Interests                           | -           | -           | -           | -           | 0.5         | 0.5          | 0.5          | 0.5          |              |              |
| Provisions & Other L/T Liabilities           | -           | -           | -           | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          |              |              |
| Other Non Current Liabilities                | -           | -           | -           | -           | -           | -            | -            | -            |              |              |
| Net financial debt                           | 10.7        | 5.3         | 5.0         | 4.5         | 7.6         | 6.7          | 2.9          | (1.7)        |              |              |
| Current Liabilities                          | 6.2         | 5.4         | 6.2         | 6.4         | 13.1        | 13.3         | 14.3         | 15.0         |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>20.4</b> | <b>14.5</b> | <b>15.2</b> | <b>16.3</b> | <b>28.3</b> | <b>29.2</b>  | <b>30.1</b>  | <b>30.5</b>  |              |              |
| P&L (EUR Mn)                                 | 2019        | 2020        | 2021        | 2022        | 2023        | 2024e        | 2025e        | 2026e        | CAGR         |              |
| <b>Total Revenues</b>                        | <b>30.6</b> | <b>28.7</b> | <b>30.6</b> | <b>34.0</b> | <b>42.2</b> | <b>55.7</b>  | <b>61.5</b>  | <b>68.2</b>  | <b>8.4%</b>  | <b>17.4%</b> |
| Total Revenues growth                        | n.a.        | -6.1%       | 6.7%        | 10.9%       | 24.0%       | 32.2%        | 10.3%        | 11.0%        |              |              |
| COGS   | (3.6)       | (3.5)       | (4.2)       | (4.7)       | (7.3)       | (9.4)        | (10.3)       | (11.5)       |              |              |
| <b>Gross Margin</b>                          | <b>27.0</b> | <b>25.2</b> | <b>26.5</b> | <b>29.3</b> | <b>34.8</b> | <b>46.4</b>  | <b>51.1</b>  | <b>56.8</b>  | <b>6.6%</b>  | <b>17.7%</b> |
| Gross Margin/Revenues                        | 88.2%       | 87.8%       | 86.4%       | 86.2%       | 82.6%       | 83.2%        | 83.2%        | 83.2%        |              |              |
| Personnel Expenses                           | (22.1)      | (21.4)      | (22.1)      | (23.9)      | (27.4)      | (34.9)       | (38.0)       | (42.0)       |              |              |
| Other Operating Expenses                     | (2.7)       | (1.8)       | (2.1)       | (2.0)       | (3.9)       | (4.5)        | (5.0)        | (5.5)        |              |              |
| <b>Recurrent EBITDA</b>                      | <b>2.2</b>  | <b>2.0</b>  | <b>2.3</b>  | <b>3.4</b>  | <b>3.5</b>  | <b>7.0</b>   | <b>8.1</b>   | <b>9.2</b>   | <b>12.4%</b> | <b>38.4%</b> |
| Recurrent EBITDA growth                      | n.a.        | -7.4%       | 13.4%       | 49.0%       | 2.0%        | 100.8%       | 16.3%        | 13.6%        |              |              |
| Rec. EBITDA/Revenues                         | 7.1%        | 7.0%        | 7.4%        | 10.0%       | 8.2%        | 12.5%        | 13.2%        | 13.5%        |              |              |
| Restructuring Expense & Other non-rec.       | 0.1         | 0.1         | 0.1         | 0.1         | 0.4         | -            | -            | -            |              |              |
| <b>EBITDA</b>                                | <b>2.3</b>  | <b>2.1</b>  | <b>2.4</b>  | <b>3.5</b>  | <b>3.9</b>  | <b>7.0</b>   | <b>8.1</b>   | <b>9.2</b>   | <b>14.1%</b> | <b>33.1%</b> |
| Depreciation & Provisions                    | (1.1)       | (1.2)       | (1.0)       | (1.0)       | (1.3)       | (1.8)        | (2.0)        | (2.1)        |              |              |
| Capitalized Expense                          | -           | -           | 0.3         | 0.2         | 0.7         | 0.3          | 0.3          | 0.3          |              |              |
| Rentals (IFRS 16 impact)                     | -           | -           | -           | -           | -           | -            | -            | -            |              |              |
| <b>EBIT</b>                                  | <b>1.2</b>  | <b>0.9</b>  | <b>1.6</b>  | <b>2.7</b>  | <b>3.3</b>  | <b>5.4</b>   | <b>6.4</b>   | <b>7.3</b>   | <b>29.1%</b> | <b>30.5%</b> |
| EBIT growth                                  | n.a.        | -21.0%      | 70.4%       | 67.6%       | 23.2%       | 63.9%        | 17.9%        | 14.9%        |              |              |
| EBIT/Revenues                                | 3.9%        | 3.3%        | 5.2%        | 7.9%        | 7.8%        | 9.7%         | 10.4%        | 10.7%        |              |              |
| Impact of Goodwill & Others                  | -           | -           | -           | -           | -           | -            | -            | -            |              |              |
| Net Financial Result                         | (0.5)       | (0.4)       | (0.6)       | (0.1)       | (0.3)       | (0.8)        | (0.6)        | (0.3)        |              |              |
| Income by the Equity Method                  | -           | -           | -           | -           | -           | -            | -            | -            |              |              |
| <b>Ordinary Profit</b>                       | <b>0.7</b>  | <b>0.5</b>  | <b>1.0</b>  | <b>2.6</b>  | <b>3.0</b>  | <b>4.6</b>   | <b>5.8</b>   | <b>7.0</b>   | <b>43.3%</b> | <b>33.0%</b> |
| Ordinary Profit Growth                       | n.a.        | -22.5%      | 76.4%       | 165.5%      | 16.3%       | 55.4%        | 24.5%        | 21.7%        |              |              |
| Extraordinary Results                        | -           | -           | -           | -           | -           | -            | -            | -            |              |              |
| <b>Profit Before Tax</b>                     | <b>0.7</b>  | <b>0.5</b>  | <b>1.0</b>  | <b>2.6</b>  | <b>3.0</b>  | <b>4.6</b>   | <b>5.8</b>   | <b>7.0</b>   | <b>43.3%</b> | <b>33.0%</b> |
| Tax Expense                                  | 0.2         | (0.2)       | (0.5)       | (0.7)       | (0.8)       | (1.3)        | (1.6)        | (2.0)        |              |              |
| Effective Tax Rate                           | n.a.        | 29.5%       | 52.0%       | 26.9%       | 28.1%       | 28.1%        | 28.1%        | 28.1%        |              |              |
| Minority Interests                           | -           | -           | -           | -           | (0.1)       | -            | -            | -            |              |              |
| Discontinued Activities                      | -           | -           | -           | -           | -           | -            | -            | -            |              |              |
| <b>Net Profit</b>                            | <b>0.9</b>  | <b>0.4</b>  | <b>0.5</b>  | <b>1.9</b>  | <b>2.1</b>  | <b>3.3</b>   | <b>4.1</b>   | <b>5.0</b>   | <b>22.3%</b> | <b>34.8%</b> |
| Net Profit growth                            | n.a.        | -58.1%      | 20.3%       | 304.0%      | 9.9%        | 61.6%        | 24.5%        | 21.7%        |              |              |
| <b>Ordinary Net Profit</b>                   | <b>0.6</b>  | <b>0.3</b>  | <b>0.6</b>  | <b>1.8</b>  | <b>1.7</b>  | <b>3.3</b>   | <b>4.1</b>   | <b>5.0</b>   | <b>31.8%</b> | <b>42.3%</b> |
| Ordinary Net Profit growth                   | n.a.        | -48.1%      | 106.4%      | 193.9%      | -3.9%       | 90.3%        | 24.5%        | 21.7%        |              |              |
| Cash Flow (EUR Mn)                           | 2019        | 2020        | 2021        | 2022        | 2023        | 2024e        | 2025e        | 2026e        | CAGR         |              |
| <b>Recurrent EBITDA</b>                      |             |             |             |             |             | <b>7.0</b>   | <b>8.1</b>   | <b>9.2</b>   | <b>12.4%</b> | <b>38.4%</b> |
| Rentals (IFRS 16 impact)                     |             |             |             |             |             | -            | -            | -            |              |              |
| Working Capital Increase                     |             |             |             |             |             | (0.6)        | (0.7)        | (0.9)        |              |              |
| <b>Recurrent Operating Cash Flow</b>         |             |             |             |             |             | <b>6.4</b>   | <b>7.3</b>   | <b>8.3</b>   | <b>27.8%</b> | <b>46.0%</b> |
| CAPEX  |             |             |             |             |             | (0.6)        | (0.6)        | (0.7)        |              |              |
| Net Financial Result affecting the Cash Flow |             |             |             |             |             | (0.8)        | (0.6)        | (0.3)        |              |              |
| Tax Expense                                  |             |             |             |             |             | (1.3)        | (1.6)        | (2.0)        |              |              |
| <b>Recurrent Free Cash Flow</b>              |             |             |             |             |             | <b>3.7</b>   | <b>4.5</b>   | <b>5.3</b>   | <b>22.3%</b> | <b>58.4%</b> |
| Restructuring Expense & Other non-rec.       |             |             |             |             |             | 0.3          | 0.2          | 0.2          |              |              |
| - Acquisitions / + Divestures of assets      |             |             |             |             |             | (1.1)        | (0.3)        | -            |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |             |             |             |             |             | -            | -            | -            |              |              |
| <b>Free Cash Flow</b>                        |             |             |             |             |             | <b>2.9</b>   | <b>4.4</b>   | <b>5.5</b>   | <b>31.4%</b> | <b>60.3%</b> |
| Capital Increase                             |             |             |             |             |             | (1.7)        | -            | -            |              |              |
| Dividends                                    |             |             |             |             |             | (0.3)        | (0.7)        | (0.8)        |              |              |
| <b>Net Debt Variation</b>                    |             |             |             |             |             | <b>(0.9)</b> | <b>(3.8)</b> | <b>(4.7)</b> |              |              |



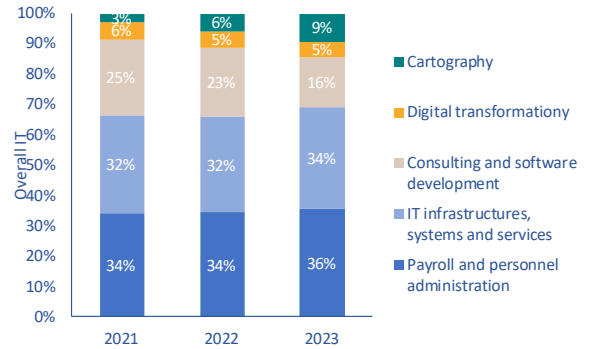
## The company in 8 charts

**Global IT market (6.8% 2024e), with uneven growth in 2024e led by software (12.7%) and IT services (8.7%)**

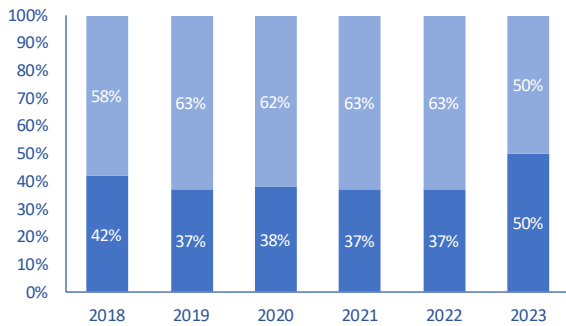
| (USD Mn)                | 2023             |          | 2024e            |             |
|-------------------------|------------------|----------|------------------|-------------|
|                         | 2023             | Growth % | 2024e            | Growth %    |
| Data Center Systems     | 243,063          | 7.1%     | 261,332          | 7.5%        |
| Software                | 913,334          | 12.4%    | 1,029,421        | 12.7%       |
| Devices                 | 699,791          | -8.7%    | 732,287          | 4.6%        |
| IT Services             | 1,381,832        | 5.8%     | 1,501,365        | 8.7%        |
| Communications Services | 1,440,827        | 1.5%     | 1,473,314        | 2.3%        |
| <b>Overall IT</b>       | <b>4,678,847</b> |          | <b>4,997,719</b> | <b>6.8%</b> |

Source: Gartner

**SCO: diversified by both business (focus on proprietary software as a services) ...**

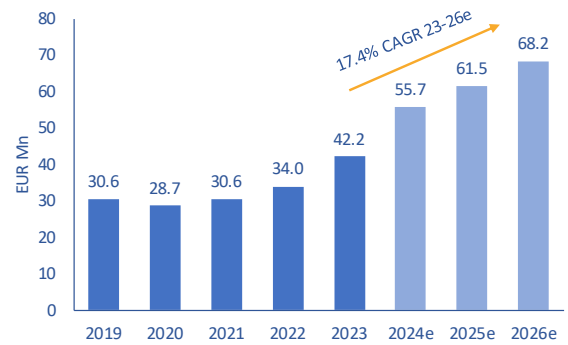


**...and client type. In 2023, 50% of sales came from the private sector and the rest from government agencies**

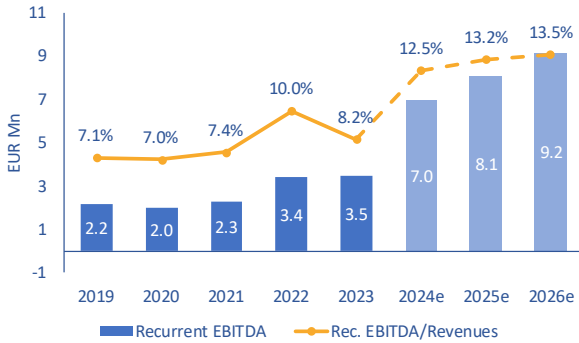


Note: some of its clients include Ence, Airbus, Jacobs, JLL, IDEPA, FEAGA...

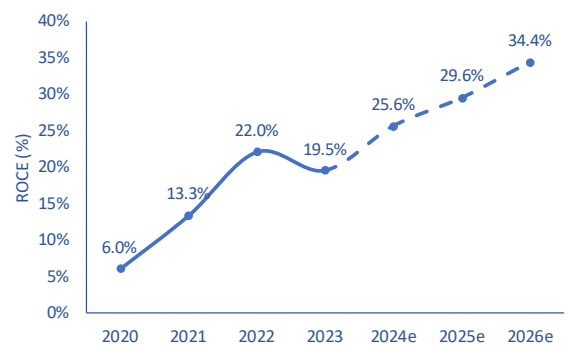
**With capacity to deliver organic revenue growth (17.4% CAGR 23-26e)**



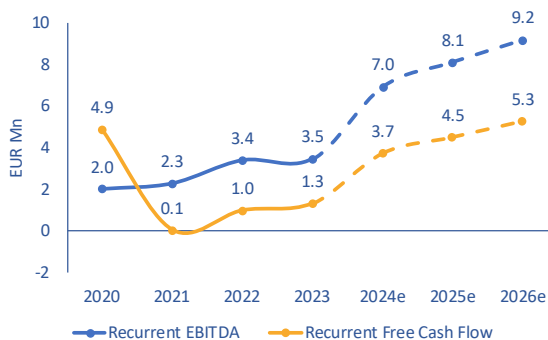
**Which should underline a gradual improvement in operating leverage (already visible in 2022) in the 2024e-2026e period...**



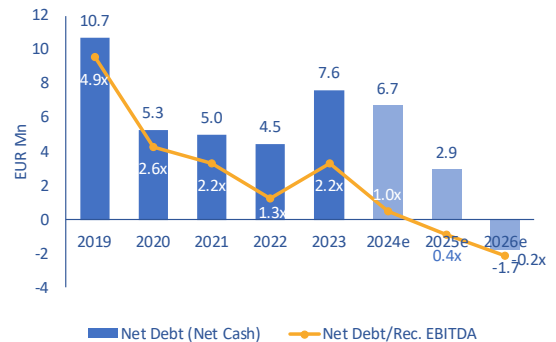
**...boosting the return on capital employed (ROCE 19% in 2023)**



**And lifting recurring free cash flow generation to EUR 5.3Mn in 2026e (vs EUR 1.3Mn in 2023)...**



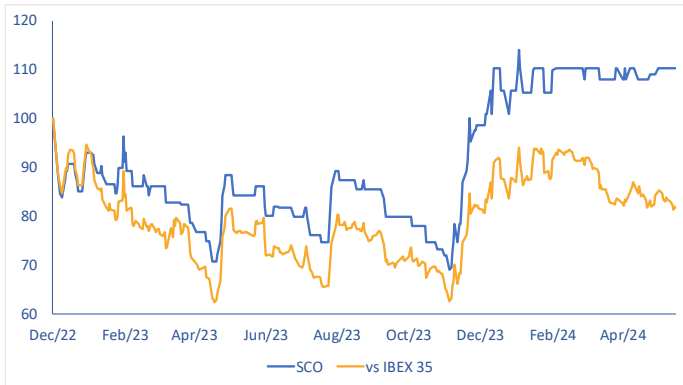
**... which would leave the company in a net cash position in 2026e (Net debt EUR -1.7Mn)**





## Evolution of the share price

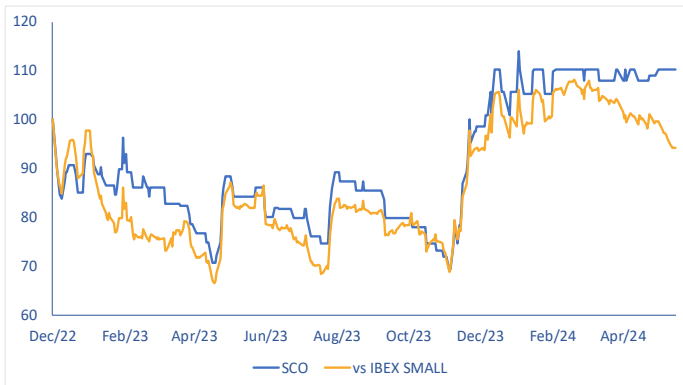
Historical behavior vs Ibex 35 (base 100)



Behavior -1y vs Ibex 35 (base 100)



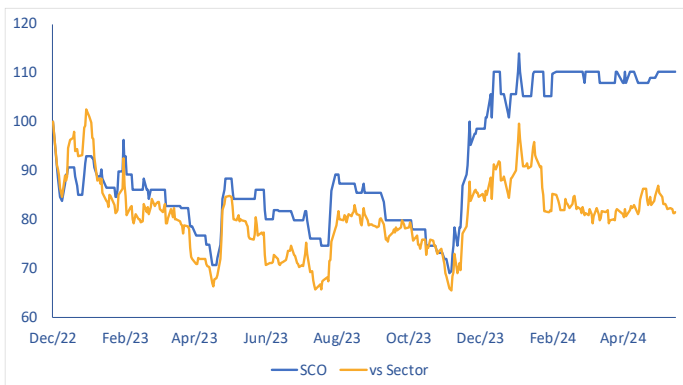
Historical behavior vs Ibex Small Cap (base 100)



Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector<sup>(1)</sup> (base 100)



Behavior -1y vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Stoxx Europe 600 Technology

| Stock performance (%)                     | -1m  | -3m   | -12m | YTD  | -3Y  | -5Y  |
|---|------|-------|------|------|------|------|
| Absolute                                  | 2.2  | 0.0   | 31.1 | 4.4  | n.a. | n.a. |
| <b>vs Market</b>                          |      |       |      |      |      |      |
| vs Ibex 35                                | -4.1 | -12.7 | 6.6  | -6.9 | n.a. | n.a. |
| vs Euro STOXX 50                          | -0.9 | -5.9  | 11.9 | -6.7 | n.a. | n.a. |
| <b>vs Small Cap References</b>            |      |       |      |      |      |      |
| vs Ibex Small Cap Index                   | -6.5 | -12.5 | 14.5 | -6.2 | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -3.2 | -7.4  | 24.8 | -3.1 | n.a. | n.a. |
| vs MSCI Europe Micro Cap                  | -3.7 | -6.8  | 27.3 | -1.2 | n.a. | n.a. |
| <b>vs Sector</b>                          |      |       |      |      |      |      |
| vs Stoxx Europe 600 Technology            | -3.1 | -1.1  | 3.8  | -7.9 | n.a. | n.a. |

(1) [Constituents on page 10.](#)



## Free Cash Flow (I)

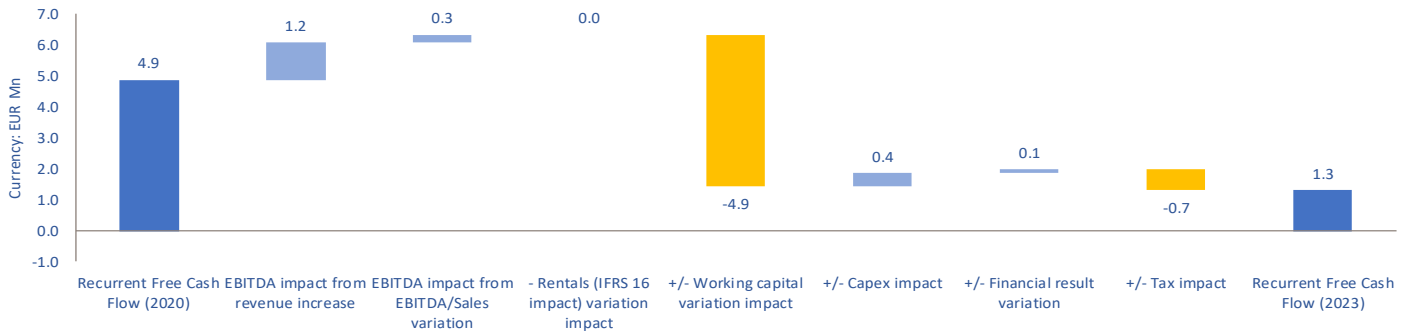
| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022       | 2023         | 2024e      | 2025e      | 2026e      | CAGR          |              |
|---|--------------|--------------|------------|--------------|------------|------------|------------|---------------|--------------|
|   |              |              |            |              |            |            |            | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>2.0</b>   | <b>2.3</b>   | <b>3.4</b> | <b>3.5</b>   | <b>7.0</b> | <b>8.1</b> | <b>9.2</b> | <b>19.9%</b>  | <b>38.4%</b> |
| <i>Recurrent EBITDA growth</i>  | -7.4%        | 13.4%        | 49.0%      | 2.0%         | 100.8%     | 16.3%      | 13.6%      |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 7.0%         | 7.4%         | 10.0%      | 8.2%         | 12.5%      | 13.2%      | 13.5%      |               |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -          | -            | -          | -          | -          |               |              |
| +/- Working Capital increase  | 4.1          | (0.5)        | (0.6)      | (0.8)        | (0.6)      | (0.7)      | (0.9)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>6.1</b>   | <b>1.7</b>   | <b>2.8</b> | <b>2.6</b>   | <b>6.4</b> | <b>7.3</b> | <b>8.3</b> | <b>-24.2%</b> | <b>46.0%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | 253.1%       | -71.3%       | 59.5%      | -4.8%        | 141.2%     | 15.0%      | 12.4%      |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 21.1%        | 5.7%         | 8.2%       | 6.3%         | 11.5%      | 11.9%      | 12.1%      |               |              |
| - CAPEX   | (0.6)        | (0.6)        | (1.0)      | (0.2)        | (0.6)      | (0.6)      | (0.7)      |               |              |
| - Net Financial Result affecting Cash Flow  | (0.4)        | (0.6)        | (0.1)      | (0.3)        | (0.8)      | (0.6)      | (0.3)      |               |              |
| - Taxes   | (0.2)        | (0.5)        | (0.7)      | (0.8)        | (1.3)      | (1.6)      | (2.0)      |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>4.9</b>   | <b>0.1</b>   | <b>1.0</b> | <b>1.3</b>   | <b>3.7</b> | <b>4.5</b> | <b>5.3</b> | <b>-35.2%</b> | <b>58.4%</b> |
| <i>Rec. Free Cash Flow growth</i>   | 187.1%       | -98.8%       | n.a.       | 34.1%        | 182.4%     | 19.8%      | 17.5%      |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 17.0%        | 0.2%         | 2.9%       | 3.1%         | 6.7%       | 7.3%       | 7.7%       |               |              |
| - Restructuring expenses & others   | 0.1          | 0.1          | -          | -            | 0.3        | 0.2        | 0.2        |               |              |
| - Acquisitions / + Divestments  | (0.2)        | 0.4          | 0.1        | (3.9)        | (1.1)      | (0.3)      | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 0.5          | 0.2          | (0.2)      | -            | -          | -          | -          |               |              |
| <b>= Free Cash Flow</b>   | <b>5.4</b>   | <b>0.8</b>   | <b>0.9</b> | <b>(2.6)</b> | <b>2.9</b> | <b>4.4</b> | <b>5.5</b> | <b>-35.4%</b> | <b>60.3%</b> |
| <i>Free Cash Flow growth</i>  | 145.9%       | -86.1%       | 16.9%      | -395.2%      | 213.8%     | 50.8%      | 23.5%      |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 10.8%        | 0.1%         | 2.2%       | 2.9%         | 8.3%       | 9.9%       | 11.7%      |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 11.9%        | 1.7%         | 1.9%       | n.a.         | 6.5%       | 9.8%       | 12.2%      |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |            |              |            |            |            |               |              |
|   | 2020         | 2021         | 2022       | 2023         | 2024e      | 2025e      | 2026e      | CAGR          |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(5.6)</b> | <b>4.9</b>   | <b>0.1</b> | <b>1.0</b>   | <b>1.3</b> | <b>3.7</b> | <b>4.5</b> |               |              |
| EBITDA impact from revenue increase   | (0.1)        | 0.1          | 0.2        | 0.8          | 1.1        | 0.7        | 0.9        |               |              |
| EBITDA impact from EBITDA/Sales variation   | (0.0)        | 0.1          | 0.9        | (0.7)        | 2.4        | 0.4        | 0.2        |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.2)</b> | <b>0.3</b>   | <b>1.1</b> | <b>0.1</b>   | <b>3.5</b> | <b>1.1</b> | <b>1.1</b> |               |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -          | -            | -          | -          | -          |               |              |
| +/- Working capital variation impact  | 10.2         | (4.6)        | (0.1)      | (0.2)        | 0.2        | (0.2)      | (0.2)      |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>10.0</b>  | <b>(4.3)</b> | <b>1.0</b> | <b>(0.1)</b> | <b>3.7</b> | <b>1.0</b> | <b>0.9</b> |               |              |
| +/- CAPEX impact  | 0.7          | 0.1          | (0.4)      | 0.8          | (0.3)      | (0.1)      | (0.1)      |               |              |
| +/- Financial result variation  | 0.1          | (0.2)        | 0.5        | (0.1)        | (0.5)      | 0.2        | 0.3        |               |              |
| +/- Tax impact  | (0.4)        | (0.3)        | (0.2)      | (0.1)        | (0.5)      | (0.3)      | (0.4)      |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>10.5</b>  | <b>(4.8)</b> | <b>0.9</b> | <b>0.3</b>   | <b>2.4</b> | <b>0.7</b> | <b>0.8</b> |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>4.9</b>   | <b>0.1</b>   | <b>1.0</b> | <b>1.3</b>   | <b>3.7</b> | <b>4.5</b> | <b>5.3</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |            |              |            |            |            |               |              |
|   | 2020         | 2021         | 2022       | 2023         | 2024e      | 2025e      | 2026e      | CAGR          |              |
| <b>EBIT</b>   | <b>0.9</b>   | <b>1.6</b>   | <b>2.7</b> | <b>3.3</b>   | <b>5.4</b> | <b>6.4</b> | <b>7.3</b> | <b>52.1%</b>  | <b>30.5%</b> |
| * <i>Theoretical Tax rate</i>   | 29.5%        | 30.0%        | 26.9%      | 28.1%        | 28.1%      | 28.1%      | 28.1%      |               |              |
| = Taxes (pre- Net Financial Result)   | (0.3)        | (0.5)        | (0.7)      | (0.9)        | (1.5)      | (1.8)      | (2.1)      |               |              |
| <b>Recurrent EBITDA</b>   | <b>2.0</b>   | <b>2.3</b>   | <b>3.4</b> | <b>3.5</b>   | <b>7.0</b> | <b>8.1</b> | <b>9.2</b> | <b>19.9%</b>  | <b>38.4%</b> |
| - Rentals (IFRS 16 impact)  | -            | -            | -          | -            | -          | -          | -          |               |              |
| +/- Working Capital increase  | 4.1          | (0.5)        | (0.6)      | (0.8)        | (0.6)      | (0.7)      | (0.9)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>6.1</b>   | <b>1.7</b>   | <b>2.8</b> | <b>2.6</b>   | <b>6.4</b> | <b>7.3</b> | <b>8.3</b> | <b>-24.2%</b> | <b>46.0%</b> |
| - CAPEX   | (0.6)        | (0.6)        | (1.0)      | (0.2)        | (0.6)      | (0.6)      | (0.7)      |               |              |
| - Taxes (pre- Financial Result)   | (0.3)        | (0.5)        | (0.7)      | (0.9)        | (1.5)      | (1.8)      | (2.1)      |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>5.2</b>   | <b>0.7</b>   | <b>1.1</b> | <b>1.5</b>   | <b>4.3</b> | <b>4.9</b> | <b>5.5</b> | <b>-33.7%</b> | <b>54.2%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 196.6%       | -86.5%       | 55.2%      | 39.4%        | 186.9%     | 14.5%      | 11.6%      |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 17.9%        | 2.3%         | 3.2%       | 3.6%         | 7.7%       | 8.0%       | 8.1%       |               |              |
| - Acquisitions / + Divestments  | (0.2)        | 0.4          | 0.1        | (3.9)        | (1.1)      | (0.3)      | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | 0.5          | 0.2          | (0.2)      | -            | -          | -          | -          |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>5.5</b>   | <b>1.3</b>   | <b>1.0</b> | <b>(2.4)</b> | <b>3.2</b> | <b>4.7</b> | <b>5.5</b> | <b>-34.6%</b> | <b>62.4%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | 147.8%       | -76.4%       | -26.1%     | -350.1%      | 232.2%     | 46.6%      | 17.8%      |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 9.8%         | 1.3%         | 2.0%       | 2.9%         | 8.2%       | 9.4%       | 10.5%      |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 10.5%        | 2.5%         | 1.8%       | n.a.         | 6.1%       | 8.9%       | 10.5%      |               |              |



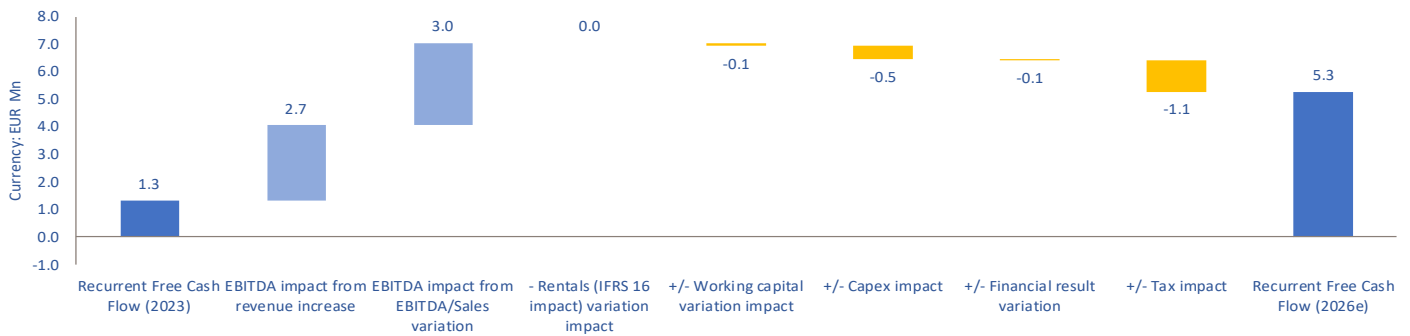


## Free Cash Flow (II)

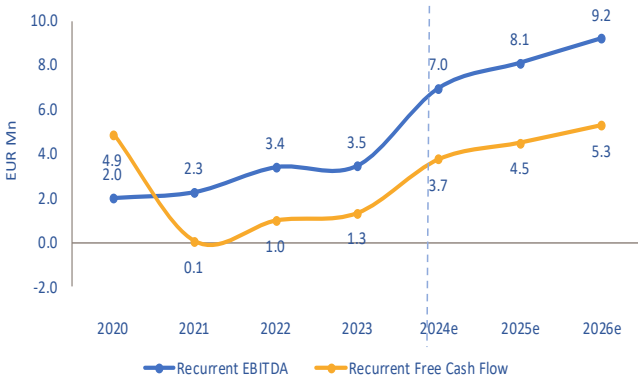
### Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023)



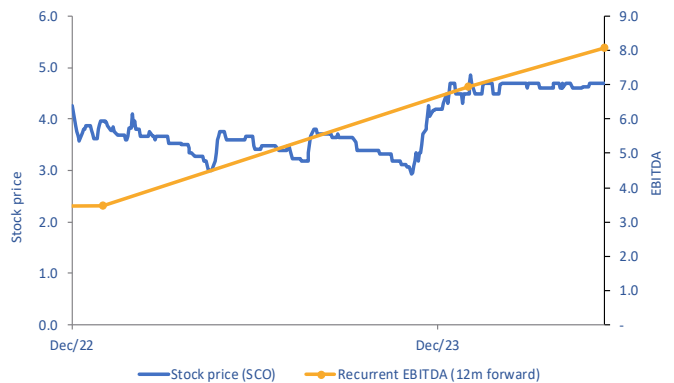
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | 3.2   | 4.7                                 | 5.5   | n.a.                          |           |            |  |
| Market Cap                     | 45.1  | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 7.6   | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 6.6%  | Net debt cost                       |       |                               | 6.4%      | 6.9%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 5.3%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 5.1%      | 5.5%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.3   | B (own estimate)                    |       |                               | 1.2       | 1.4        |  |
| Cost of Equity                 | 11.1% | Ke = Rf + (R * B)                   |       |                               | 9.9%      | 12.4%      |  |
| Equity / (Equity + Net Debt)   | 85.6% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 14.4% | D                                   |       |                               | =         | =          |  |
| WACC                           | 10.2% | WACC = Kd * D + Ke * E              |       |                               | 9.2%      | 11.4%      |  |
| G "Fair"                       | 2.5%  |                                     |       |                               | 2.5%      | 2.0%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 45.1        |                  |
| + Minority Interests                 | 0.5         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0.0         | 12m Results 2023 |
| + Net financial debt                 | 7.6         | 12m Results 2023 |
| - Financial Investments              | 0.7         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>52.6</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021  | 2022  | 2023  |
|----------------------|-------|-------|-------|-------|-------|
| ROCE (evolution -5y) | n.a.  | 6.0%  | 13.3% | 22.0% | 19.5% |
|                      | 2023  | 2026e |       |       |       |
| ROCE - WACC          | 9.3%  | 24.1% |       |       |       |
| FCF Yield - WACC     | -7.3% | 1.5%  |       |       |       |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 14.5%            | 8.9        | 5.9x          |
| Central  | 13.2%            | 8.1        | 6.5x          |
| Min      | 11.9%            | 7.3        | 7.2x          |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |      |      | Scenario | Rec. FCF/Yield 25e |       |       |
|-----------------|-----------------|------|------|----------|--------------------|-------|-------|
| EBITDA 25e      | 0.9%            | 1.0% | 1.1% |          | Max                | 11.9% | 11.7% |
| 8.9             | 5.4             | 5.3  | 5.2  | Central  | 10.1%              | 9.9%  | 9.8%  |
| 8.1             | 4.6             | 4.5  | 4.4  | Min      | 8.3%               | 8.2%  | 8.0%  |
| 7.3             | 3.8             | 3.7  | 3.6  |          |                    |       |       |

### Main Corporate Governance indicators

| KPI                                  | 2021 | 2022  | 2023  |
|--------------------------------------|------|-------|-------|
| % of independent directors           | n.a. | 33.3% | 28.6% |
| % of proprietary directors           | n.a. | 50.0% | 42.9% |
| % of executive directors             | n.a. | 0.0%  | 0.0%  |
| % of other directors                 | n.a. | 16.7% | 28.6% |
| % of women on the board of directors | n.a. | 0.0%  | 14.3% |
| % of women out of total workforce    | n.a. | 42.9% | 42.4% |
| Board remuneration/staff cost        | n.a. | 1.0%  | 1.4%  |



## Main peers 2024e

|                                    | EUR Mn                  | Sopra Steria | Indra   | Izertis | Capgemini | SAP       | SCO    |
|------------------------------------|-------------------------|--------------|---------|---------|-----------|-----------|--------|
| <b>Market data</b>                 | Ticker (Factset)        | SOP-FR       | IDR-ES  | IZER-ES | CAP-FR    | SAP-DE    | SCO-ES |
|                                    | Country                 | France       | Spain   | Spain   | France    | Germany   | Spain  |
|                                    | Market cap              | 4,528.7      | 3,607.3 | 237.7   | 35,798.9  | 217,469.8 | 45.1   |
|                                    | Enterprise value (EV)   | 5,942.6      | 3,803.6 | 271.1   | 38,442.1  | 202,871.9 | 52.6   |
| <b>Basic financial information</b> | Total Revenues          | 6,351.9      | 4,649.7 | 158.1   | 22,871.8  | 33,907.7  | 55.7   |
|                                    | Total Revenues growth   | 9.4%         | 7.1%    | 34.8%   | 1.6%      | 8.7%      | 32.2%  |
|                                    | 2y CAGR (2024e - 2026e) | 4.1%         | 6.8%    | 23.7%   | 6.3%      | 11.4%     | 10.6%  |
|                                    | EBITDA                  | 799.5        | 510.6   | 23.2    | 3,713.5   | 8,715.0   | 7.0    |
|                                    | EBITDA growth           | 18.0%        | 20.9%   | 51.9%   | 13.0%     | 9.5%      | 78.6%  |
|                                    | 2y CAGR (2024e - 2026e) | 5.3%         | 10.3%   | 27.2%   | 7.1%      | 23.0%     | 14.9%  |
|                                    | EBITDA/Revenues         | 12.6%        | 11.0%   | 14.7%   | 16.2%     | 25.7%     | 12.5%  |
|                                    | EBIT                    | 621.0        | 410.6   | 16.1    | 3,088.0   | 7,866.0   | 5.4    |
|                                    | EBIT growth             | 34.7%        | 27.0%   | 130.7%  | 19.4%     | 19.5%     | 63.9%  |
|                                    | 2y CAGR (2024e - 2026e) | 3.1%         | 11.4%   | 41.0%   | 8.5%      | 22.1%     | 16.4%  |
|                                    | EBIT/Revenues           | 9.8%         | 8.8%    | 10.2%   | 13.5%     | 23.2%     | 9.7%   |
|                                    | Net Profit              | 340.9        | 263.7   | 7.4     | 2,105.8   | 5,428.6   | 3.3    |
|                                    | Net Profit growth       | 85.6%        | 28.2%   | 47.6%   | 26.6%     | 49.4%     | 61.6%  |
|                                    | 2y CAGR (2024e - 2026e) | 12.2%        | 13.1%   | 37.2%   | 9.8%      | 23.1%     | 23.1%  |
|                                    | CAPEX/Sales %           | 1.5%         | 1.5%    | 7.0%    | 1.5%      | 2.6%      | 1.0%   |
| Free Cash Flow                     | 364.9                   | 236.9        | 5.0     | 1,968.8 | 3,847.6   | 2.9       |        |
| Net financial debt                 | 770.3                   | 43.6         | 56.7    | 999.7   | 125.1     | 6.7       |        |
| ND/EBITDA (x)                      | 1.0                     | 0.1          | 2.4     | 0.3     | 0.0       | 1.0       |        |
| Pay-out                            | 30.8%                   | 19.1%        | 0.0%    | 29.0%   | 46.9%     | 20.0%     |        |
| <b>Multiples and Ratios</b>        | P/E (x)                 | 11.6         | 13.7    | 26.0    | 17.4      | 38.7      | 13.6   |
|                                    | P/BV (x)                | 2.1          | 2.8     | 2.8     | 3.0       | 4.8       | 5.2    |
|                                    | EV/Revenues (x)         | 0.9          | 0.8     | 1.7     | 1.7       | 6.0       | 0.9    |
|                                    | EV/EBITDA (x)           | 7.4          | 7.4     | 11.7    | 10.4      | 23.3      | 7.6    |
|                                    | EV/EBIT (x)             | 9.6          | 9.3     | 16.8    | 12.4      | 25.8      | 9.7    |
|                                    | ROE                     | 18.2         | 20.4    | 10.9    | 17.5      | 12.4      | 42.4   |
|                                    | FCF Yield (%)           | 8.1          | 6.6     | 2.1     | 5.5       | 1.8       | 8.3    |
|                                    | DPS                     | 5.20         | 0.29    | 0.00    | 3.57      | 2.18      | 0.07   |
|                                    | Dvd Yield               | 2.4%         | 1.4%    | 0.0%    | 1.7%      | 1.2%      | 1.5%   |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Squirrel Media (SQRL), is a Spanish group present throughout the value chain of the entertainment and media sector through its businesses of: (i) Advertising (25% of revenue), (ii) Content (production and distribution of audiovisual content; 43%), (iii) TMT services (8%) and (iv) Media (24%).

#### Market Data

|                                |                    |       |
|--------------------------------|--------------------|-------|
| Market Cap (Mn EUR and USD)    | 145.1              | 157.8 |
| EV (Mn EUR and USD)            | 193.7              | 210.6 |
| Shares Outstanding (Mn)        | 90.7               |       |
| -12m (Max/Med/Min EUR)         | 2.46 / 1.80 / 1.31 |       |
| Daily Avg volume (-12m Mn EUR) | 0.03               |       |
| Rotation <sup>(1)</sup>        | 4.9                |       |
| Factset / Bloomberg            | SQRL-ES / SQRL SM  |       |
| Close fiscal year              | 31-Dec             |       |

#### Shareholders Structure (%)

|                  |      |
|------------------|------|
| Squirrel Capital | 90.4 |
| Free Float       | 9.6  |

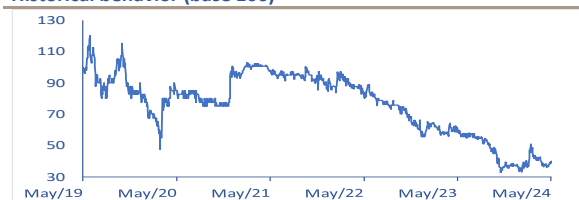
#### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 145.1        |                  |
| + Minority Interests                 | 9.6          | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 27.6         | 12m Results 2023 |
| + Net financial debt                 | 24.0         | 12m Results 2023 |
| - Financial Investments              | 12.6         | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>193.7</b> |                  |

#### Principales indicadores Gobierno Corporativo

| KPI                               | 2021  | 2022  | 2023  |
|-----------------------------------|-------|-------|-------|
| % of independent directors        | 57.1% | 66.7% | 57.1% |
| % of proprietary directors        | 42.9% | 33.3% | 42.9% |
| % of executive directors          | 0.0%  | 0.0%  | 0.0%  |
| % of other directors              | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of        | 28.6% | 33.3% | 28.6% |
| % of women out of total workforce | 56.8% | 46.0% | 47.7% |
| Board remuneration/staff cost     | 14.4% | 11.7% | 5.3%  |

#### Historical behavior (base 100)



| (%)      | -1m | -3m | -12m  | -5Y   |
|----------|-----|-----|-------|-------|
| Absolute | 9.6 | 8.8 | -35.0 | -59.9 |

(1) Rotation is the % of the capitalisation traded - 12m.  
 (2) Sector: Stoxx Europe 600 Media.

#### MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

As expected, 2023 was marked by lift-off in the content line, which accounted for 43% of revenue (vs 9.3% in 2022). And because this is the most profitable line (gross margin c.44% compared to 30% or less in the other businesses), the 2023 gross margin widened 3pp to 32%. Despite M&A activity, SQRL managed to squeeze the topline growth (EUR 129.6Mn; +64.9%) through to recurring EBITDA (EUR 22Mn; +59.7%).

In 2024, SQRL has already closed M&A deals that will be pivotal to understanding the business in 2024e and beyond. We are referring to: i) the SPA over 100% of Design Thinking Sweden (January 2024) and ii) 51% of EVA Films (April 2024). We do not have the purchases price or revenue figures for either deal. Moreover, the recently announced acquisition of 100% of IKI Group (May 2024) changes the company radically. IKI Group is an independent advertising agency that ended 2023 with EUR 93Mn of revenue and EUR 5Mn of EBITDA (c.72% of SQRL's 2023 revenue and c.22% of its EBITDA). The merger makes strategic sense by adding to SQRL's advertising business (SQRL's ad revenue in 2023: EUR 32Mn). It should bring synergies and fresh business opportunities.

Transactions that (really) change the company. Once integrated they will have a significant impact on the P&L (>80% of 2023 revenue) and net debt (ND 2023: EUR 24Mn; up to 30% of the IKI Group acquisition may be financed using debt). Once the company discloses the impact (on earnings and debt) of these acquisitions (especially IKI Group) we will adjust our estimates for 2024e-2026e.

#### EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

The content line and the integration of IKI are the key business growth drivers. Revenue in the content line should continue to register strong growth, thanks to the significant effort made to invest in catalogue expansion: cumulative investment of c.EUR 60Mn in the last few years (at year-end 2023, it had 131 new releases committed to in Spain, Italy, Portugal, Andorra and Latam). And this line, which is more profitable, should drive margin expansion. Elsewhere, the integration of IKI could double advertising revenue in 2024e.

A (dizzying) quantum leap. The impact of the acquisitions and releases won't be visible before 2025e. That year we think the company could be looking at revenue of c.EUR 300Mn (vs EUR 32.6Mn in 2020) by our estimates. However, visibility is currently very low. SQRL's challenge (and equity story) is to consolidate and monetise its acquisitions after an aggressive buying spree which has made it a force to be reckoned with in the Spanish media space.

#### RISKS: WHAT TO KEEP AN EYE ON?

Lack of M&A discipline. Successful integration of the recently acquired companies in the years to come is essential to SQRL's business development. There is a risk of value destruction and extra charges around these acquisitions.

Leverage and interest rates. Although our numbers do not factor in the recently announced deals (transaction prices not disclosed), they will inevitably increase the company's debt. And with rates higher for longer than expected, net profit could be squeezed.

#### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

Pre-IKI, SQRL's share price performance was very weak. Its performance -12m (-47% vs Ibex35) suggests the M&A deals closed in 2024 are not yet priced in (-5% vs Ibex35 -3m). Theoretically, the IKI deal, given its size relative to SQRL, opens the door to a turnaround. Although we have yet to understand the real impact on margins, EBITDA, equity (dilution) and net debt of such a significant transaction.



## Evolution of the share price

**Historical behavior vs Ibex 35 (base 100)**



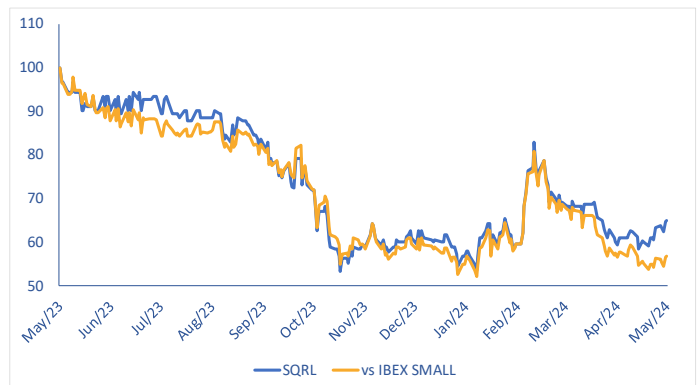
**Behavior -1y vs Ibex 35 (base 100)**



**Historical behavior vs Ibex Small Cap (base 100)**



**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Media

| Stock performance (%)                     | -1m | -3m  | -12m  | YTD  | -3Y   | -5Y   |
|---|-----|------|-------|------|-------|-------|
| <b>Absolute</b>                           | 9.6 | 8.8  | -35.0 | 7.4  | -59.1 | -59.9 |
| <b>vs Market</b>                          |     |      |       |      |       |       |
| vs Ibex 35                                | 2.9 | -5.0 | -47.1 | -4.2 | -66.9 | -67.2 |
| vs Euro STOXX 50                          | 6.3 | 2.4  | -44.5 | -4.1 | -67.6 | -72.9 |
| <b>vs Small Cap References</b>            |     |      |       |      |       |       |
| vs Ibex Small Cap Index                   | 0.3 | -4.8 | -43.2 | -3.5 | -60.0 | -69.3 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | 3.9 | 0.8  | -38.1 | -0.3 | -55.8 | -66.8 |
| vs MSCI Europe Micro Cap                  | 3.3 | 1.4  | -36.8 | 1.6  | -49.8 | -66.6 |
| <b>vs Sector</b>                          |     |      |       |      |       |       |
| vs Stoxx Europe 600 Media                 | 4.6 | 4.2  | -51.2 | -5.7 | -71.6 | -74.6 |

(1) [Constituents on page 10.](#)

**Substrate AI (SAI)**, is a small Spanish AI tech company based on reinforcement learning, with headquarters in Valencia. SAI develops and sells its own products and solutions under a SaaS model. Listed on BME Growth since May 2022.

## MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**Sharp revenue growth in 2023, but EBITDA still heavily under pressure.** Revenue jumped to EUR 8.6Mn (vs EUR 3.1Mn in 2022) as a result of SAI's (essential) M&A strategy. However, recurring EBITDA was negative by EUR 8.3Mn (vs EUR -3.4Mn in 2022) due to gross margin contraction to 66.9% (-17.6pp vs 2022) and the massive spike in AI solution development costs.

**Jump in revenue in 2024e driven by consolidation of the acquisitions completed in 2023...** to EUR 14.6Mn (excl. capitalised expenses). The fastest-growing business lines are expected to be healthcare and HR. Still no visibility into what % of 2023 revenue came from the AI product business.

**... but recurring EBITDA is expected to remain significantly negative.** The heavy investment required to develop AI solutions (as seen in 2023) will continue to exact a heavy toll. We are forecasting a loss at the EBITDA level of EUR 5.8Mn. Which means no scope for cash generation (i.e., funding via convertible bonds and equity issues).

## EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

**Sector driver: artificial intelligence.** SAI operates in the AI sector. Which has benefitted from the pandemic and the digital transformation thrust, a priority for many organisations today, accelerating the adoption of AI.

**Scalable business (with time).** SAI has proprietary software solutions (under the SaaS model). Some are developed, others are still under development. Because AI needs time and resources to train, it is not immediately scalable and development timeframes are considerable.

**M&A-led growth.** Although this is not reflected in our numbers, we think the nature of SAI and its sector makes it likely it will continue to acquire companies that can help it develop its AI solutions.

**We do not expect to see positive recurring EBITDA or FCF until beyond 2026e.** Development of the AI business is highly capital-intensive. We are not forecasting positive EBITDA or FCF (EUR -7.6Mn in 2024e) during the projection period. The next three years will be key to verifying SAI's ability to approach breakeven at the EBITDA level while it develops its AI solutions. SAI is still a play in a high growth sector, but visibility is very low.

## RISKS: WHAT TO KEEP AN EYE ON?

**Structurally financed via equity issues.** As a start-up that we think is unlikely to be able to generate positive cash for the next three years, so that the risk of dilution via new equity (or convertible bond) issues is high. The number of class A shares outstanding has increased by 22.1Mn shares since June 2022, to 103.1Mn. That means c.75% dilution for SAI shareholders. The business plan contemplates raising an additional EUR 75Mn of equity in the next 5 years. That compares to a current market cap of c.EUR 12Mn.

**Highly competitive sector at the early stages of development.** The AI industry is highly fragmented, posing the risk of loss of clients and/or the emergence of newcomers with more attractive technology, potentially hurting revenue.

## VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**SAI's share price has been heavily penalised** by the issuance of convertible bonds (which will continue to weigh on the share price performance in 2024e). It has corrected by 53.9% and 29.7% in the LTM and YTD, respectively. Our 2024e estimates put the EV/sales multiple at 1.5x (well below the sector, reflecting the risk of dilution implied by the need to finance its growth plan).

### Market Data

|                                |                    |      |
|--------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)    | 11.5               | 12.5 |
| EV (Mn EUR and USD)            | 21.3               | 23.2 |
| Shares Outstanding (Mn)        | 72.0               |      |
| -12m (Max/Med/Min EUR)         | 0.36 / 0.24 / 0.16 |      |
| Daily Avg volume (-12m Mn EUR) | 0.17               |      |
| Rotation <sup>(1)</sup>        | 378.1              |      |
| Factset / Bloomberg            | SAI-ES / SAI SM    |      |
| Close fiscal year              | 31-Dec             |      |

### Shareholders Structure (%)<sup>(3)</sup>

|                        |      |
|------------------------|------|
| YAMRO Holdings Limited | 12.6 |
| Leandro Daniel Harillo | 8.0  |
| Juan Pablo Di pietro   | 8.0  |
| United General LTD     | 6.3  |
| Free Float             | 28.9 |

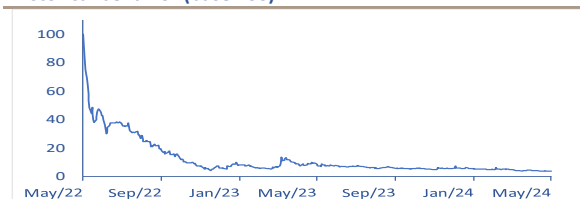
### Financials (Mn EUR)

|                                     | 2023   | 2024e | 2025e | 2026e |
|-------------------------------------|--------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 45.1   | 100.4 | 104.5 | 104.5 |
| Total Revenues                      | 8.6    | 14.6  | 18.3  | 22.5  |
| Rec. EBITDA                         | -8.3   | -5.8  | -4.2  | -2.4  |
| % growth                            | -143.8 | 29.4  | 27.4  | 44.0  |
| % Rec. EBITDA/Rev.                  | n.a.   | n.a.  | n.a.  | n.a.  |
| % Inc. EBITDA sector <sup>(2)</sup> | 17.8   | 9.4   | 21.0  | 12.5  |
| Net Profit                          | -8.7   | -3.8  | -3.0  | -2.2  |
| EPS (EUR)                           | -0.19  | -0.04 | -0.03 | -0.02 |
| % growth                            | 68.8   | 80.5  | 22.8  | 27.2  |
| Ord. EPS (EUR)                      | -0.17  | -0.04 | -0.03 | -0.02 |
| % growth                            | 73.0   | 78.2  | 22.8  | 27.2  |
| Rec. Free Cash Flow                 | -9.1   | -7.0  | -5.4  | -3.6  |
| Pay-out (%)                         | 0.0    | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00   | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 5.7    | 6.7   | 12.1  | 15.7  |
| ND/Rec. EBITDA (x)                  | n.a.   | n.a.  | n.a.  | n.a.  |
| ROE (%)                             | n.a.   | n.a.  | n.a.  | n.a.  |
| ROCE (%)                            | n.a.   | n.a.  | n.a.  | n.a.  |

### Ratios & Multiples (x)

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | n.a. | n.a. | n.a. |
| Ord. P/E           | n.a. | n.a. | n.a. | n.a. |
| P/BV               | 0.5  | 0.5  | 0.5  | 0.6  |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 2.48 | 1.46 | 1.17 | 0.95 |
| EV/Rec. EBITDA     | n.a. | n.a. | n.a. | n.a. |
| EV/EBIT            | n.a. | n.a. | n.a. | n.a. |
| FCF Yield (%)      | n.a. | n.a. | n.a. | n.a. |

### Historical behavior (base 100)



|          | (%) | -1m  | -3m   | -12m  | -5Y  |
|----------|-----|------|-------|-------|------|
| Absolute |     | -9.3 | -20.2 | -53.9 | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Technology.

(3) Others: Lorenzo Serratosa 5.2%, José Iván García Braulio 4.9%, Other shareholders 26.0%



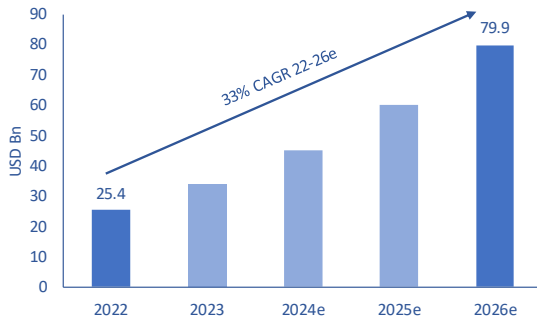
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019 | 2020 | 2021 | 2022          | 2023           | 2024e        | 2025e        | 2026e        | CAGR        |              |
|--|------|------|------|---------------|----------------|--------------|--------------|--------------|-------------|--------------|
| Intangible assets                            |      |      |      | 2.9           | 8.7            | 12.0         | 14.7         | 16.6         |             |              |
| Fixed assets                                 |      |      |      | 0.1           | 0.2            | 0.4          | 0.5          | 0.6          |             |              |
| Other Non Current Assets                     |      |      |      | 0.9           | 2.0            | 2.0          | 2.0          | 2.0          |             |              |
| Financial Investments                        |      |      |      | 0.3           | 1.0            | 1.0          | 1.0          | 1.0          |             |              |
| Goodwill & Other Intangibles                 |      |      |      | 16.3          | 22.5           | 22.5         | 22.5         | 22.5         |             |              |
| Current assets                               |      |      |      | 1.5           | 5.6            | 10.9         | 12.5         | 14.3         |             |              |
| <b>Total assets</b>                          |      |      |      | <b>22.1</b>   | <b>40.0</b>    | <b>48.9</b>  | <b>53.2</b>  | <b>56.9</b>  |             |              |
| Equity                                       |      |      |      | 18.2          | 22.9           | 25.1         | 22.1         | 19.8         |             |              |
| Minority Interests                           |      |      |      | 0.1           | 0.9            | 0.9          | 0.9          | 0.9          |             |              |
| Provisions & Other L/T Liabilities           |      |      |      | 0.6           | 4.3            | 4.3          | 4.3          | 4.3          |             |              |
| Other Non Current Liabilities                |      |      |      | 0.5           | 0.6            | 0.6          | 0.6          | 0.6          |             |              |
| Net financial debt                           |      |      |      | 1.9           | 5.7            | 6.7          | 12.1         | 15.7         |             |              |
| Current Liabilities                          |      |      |      | 0.8           | 5.7            | 11.3         | 13.3         | 15.6         |             |              |
| <b>Equity &amp; Total Liabilities</b>        |      |      |      | <b>22.1</b>   | <b>40.0</b>    | <b>48.9</b>  | <b>53.2</b>  | <b>56.9</b>  |             |              |
| P&L (EUR Mn)                                 | 2019 | 2020 | 2021 | 2022          | 2023           | 2024e        | 2025e        | 2026e        | 19-23       | 23-26e       |
| <b>Total Revenues</b>                        |      |      |      | <b>3.1</b>    | <b>8.6</b>     | <b>14.6</b>  | <b>18.3</b>  | <b>22.5</b>  | <i>n.a.</i> | <b>37.7%</b> |
| <i>Total Revenues growth</i>                 |      |      |      | <i>n.a.</i>   | <i>174.5%</i>  | <i>70.0%</i> | <i>25.0%</i> | <i>23.0%</i> |             |              |
| COGS   |      |      |      | (0.5)         | (2.9)          | (4.8)        | (6.1)        | (7.7)        |             |              |
| <b>Gross Margin</b>                          |      |      |      | <b>2.6</b>    | <b>5.8</b>     | <b>9.8</b>   | <b>12.2</b>  | <b>14.9</b>  | <i>n.a.</i> | <b>37.1%</b> |
| <i>Gross Margin/Revenues</i>                 |      |      |      | <i>84.5%</i>  | <i>66.9%</i>   | <i>66.9%</i> | <i>66.5%</i> | <i>66.0%</i> |             |              |
| Personnel Expenses                           |      |      |      | (3.2)         | (4.0)          | (4.6)        | (4.8)        | (5.0)        |             |              |
| Other Operating Expenses                     |      |      |      | (2.8)         | (10.1)         | (11.1)       | (11.6)       | (12.2)       |             |              |
| <b>Recurrent EBITDA</b>                      |      |      |      | <b>(3.4)</b>  | <b>(8.3)</b>   | <b>(5.8)</b> | <b>(4.2)</b> | <b>(2.4)</b> | <i>n.a.</i> | <b>34.0%</b> |
| <i>Recurrent EBITDA growth</i>               |      |      |      | <i>n.a.</i>   | <i>-143.8%</i> | <i>29.4%</i> | <i>27.4%</i> | <i>44.0%</i> |             |              |
| <i>Rec. EBITDA/Revenues</i>                  |      |      |      | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>  |             |              |
| Restructuring Expense & Other non-rec.       |      |      |      | (0.2)         | (0.7)          | -            | -            | -            |             |              |
| <b>EBITDA</b>                                |      |      |      | <b>(3.5)</b>  | <b>(9.0)</b>   | <b>(5.8)</b> | <b>(4.2)</b> | <b>(2.4)</b> | <i>n.a.</i> | <b>35.8%</b> |
| Depreciation & Provisions                    |      |      |      | (0.3)         | (0.6)          | (1.9)        | (2.6)        | (3.4)        |             |              |
| Capitalized Expense                          |      |      |      | 1.6           | 5.2            | 5.2          | 5.2          | 5.2          |             |              |
| Rentals (IFRS 16 impact)                     |      |      |      | (0.0)         | (0.5)          | (0.5)        | (0.5)        | (0.5)        |             |              |
| <b>EBIT</b>                                  |      |      |      | <b>(2.3)</b>  | <b>(4.9)</b>   | <b>(3.0)</b> | <b>(2.2)</b> | <b>(1.1)</b> | <i>n.a.</i> | <b>38.8%</b> |
| <i>EBIT growth</i>                           |      |      |      | <i>n.a.</i>   | <i>-112.0%</i> | <i>37.5%</i> | <i>27.3%</i> | <i>49.6%</i> |             |              |
| <i>EBIT/Revenues</i>                         |      |      |      | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>  |             |              |
| Impact of Goodwill & Others                  |      |      |      | (13.1)        | (2.6)          | -            | -            | -            |             |              |
| Net Financial Result                         |      |      |      | (0.3)         | (0.7)          | (0.7)        | (0.8)        | (1.1)        |             |              |
| Income by the Equity Method                  |      |      |      | -             | -              | -            | -            | -            |             |              |
| <b>Ordinary Profit</b>                       |      |      |      | <b>(15.6)</b> | <b>(8.2)</b>   | <b>(3.8)</b> | <b>(3.0)</b> | <b>(2.2)</b> | <i>n.a.</i> | <b>35.4%</b> |
| <i>Ordinary Profit Growth</i>                |      |      |      | <i>n.a.</i>   | <i>47.5%</i>   | <i>53.9%</i> | <i>19.6%</i> | <i>27.2%</i> |             |              |
| Extraordinary Results                        |      |      |      | -             | -              | -            | -            | -            |             |              |
| <b>Profit Before Tax</b>                     |      |      |      | <b>(15.6)</b> | <b>(8.2)</b>   | <b>(3.8)</b> | <b>(3.0)</b> | <b>(2.2)</b> | <i>n.a.</i> | <b>35.4%</b> |
| Tax Expense                                  |      |      |      | 0.6           | (0.3)          | -            | -            | -            |             |              |
| <i>Effective Tax Rate</i>                    |      |      |      | <i>n.a.</i>   | <i>n.a.</i>    | <i>n.a.</i>  | <i>n.a.</i>  | <i>n.a.</i>  |             |              |
| Minority Interests                           |      |      |      | (0.0)         | (0.3)          | -            | -            | -            |             |              |
| Discontinued Activities                      |      |      |      | -             | -              | -            | -            | -            |             |              |
| <b>Net Profit</b>                            |      |      |      | <b>(15.1)</b> | <b>(8.7)</b>   | <b>(3.8)</b> | <b>(3.0)</b> | <b>(2.2)</b> | <i>n.a.</i> | <b>36.7%</b> |
| <i>Net Profit growth</i>                     |      |      |      | <i>n.a.</i>   | <i>42.1%</i>   | <i>56.6%</i> | <i>19.6%</i> | <i>27.2%</i> |             |              |
| <b>Ordinary Net Profit</b>                   |      |      |      | <b>(15.5)</b> | <b>(7.8)</b>   | <b>(3.8)</b> | <b>(3.0)</b> | <b>(2.2)</b> | <i>n.a.</i> | <b>34.2%</b> |
| <i>Ordinary Net Profit growth</i>            |      |      |      | <i>n.a.</i>   | <i>49.8%</i>   | <i>51.3%</i> | <i>19.6%</i> | <i>27.2%</i> |             |              |
| Cash Flow (EUR Mn)                           | 2019 | 2020 | 2021 | 2022          | 2023           | 2024e        | 2025e        | 2026e        | 19-23       | 23-26e       |
| <b>Recurrent EBITDA</b>                      |      |      |      |               |                | <b>(5.8)</b> | <b>(4.2)</b> | <b>(2.4)</b> | <i>n.a.</i> | <b>34.0%</b> |
| Rentals (IFRS 16 impact)                     |      |      |      |               |                | (0.5)        | (0.5)        | (0.5)        |             |              |
| Working Capital Increase                     |      |      |      |               |                | 0.3          | 0.4          | 0.6          |             |              |
| <b>Recurrent Operating Cash Flow</b>         |      |      |      |               |                | <b>-6.1</b>  | <b>-4.3</b>  | <b>-2.3</b>  | <i>n.a.</i> | <b>33.9%</b> |
| CAPEX  |      |      |      |               |                | (0.2)        | (0.2)        | (0.2)        |             |              |
| Net Financial Result affecting the Cash Flow |      |      |      |               |                | (0.7)        | (0.8)        | (1.1)        |             |              |
| Tax Expense                                  |      |      |      |               |                | -            | -            | -            |             |              |
| <b>Recurrent Free Cash Flow</b>              |      |      |      |               |                | <b>(7.0)</b> | <b>(5.4)</b> | <b>(3.6)</b> | <i>n.a.</i> | <b>26.5%</b> |
| Restructuring Expense & Other non-rec.       |      |      |      |               |                | (0.5)        | -            | -            |             |              |
| - Acquisitions / + Divestures of assets      |      |      |      |               |                | -            | -            | -            |             |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |      |      |      |               |                | -            | -            | -            |             |              |
| <b>Free Cash Flow</b>                        |      |      |      |               |                | <b>(7.6)</b> | <b>(5.4)</b> | <b>(3.6)</b> | <i>n.a.</i> | <b>24.1%</b> |
| Capital Increase                             |      |      |      |               |                | 6.5          | -            | -            |             |              |
| Dividends                                    |      |      |      |               |                | -            | -            | -            |             |              |
| <b>Net Debt Variation</b>                    |      |      |      |               |                | <b>1.1</b>   | <b>5.4</b>   | <b>3.6</b>   |             |              |



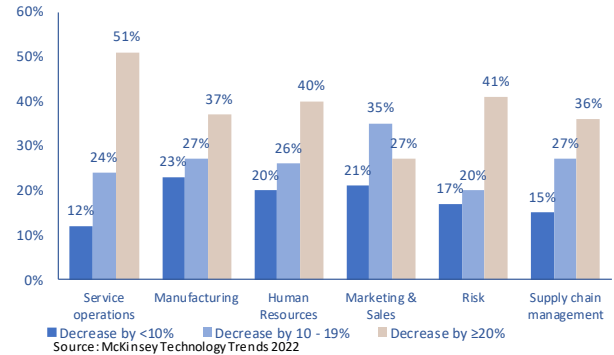
## The company in 8 charts

**Artificial Intelligence: an attractive market enjoying high growth (33% CAGR 22-26e in Europe)...**



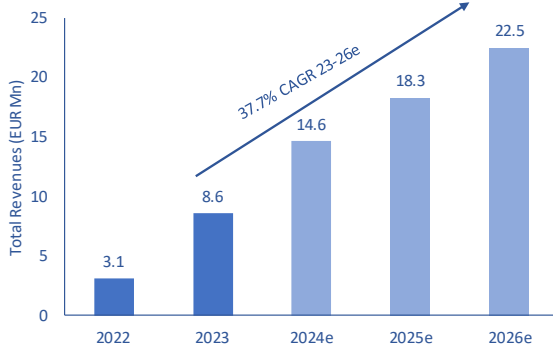
Source: IDC (International Data Corporation)

**... increasingly having a greater impact on the companies income statement at the EBIT level**

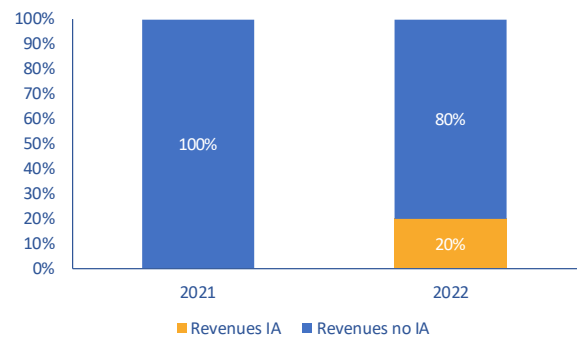


Source: McKinsey Technology Trends 2022

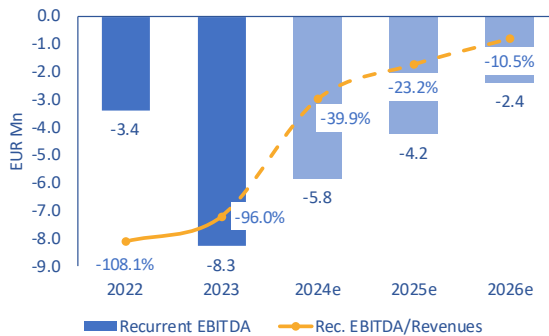
**Substrate (SAI): With the potential for high double-digit revenue growth including M&A (37.7% CAGR 23-26e) ...**



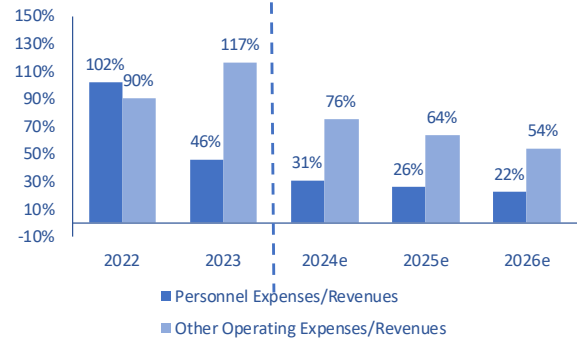
**... and with sales in 2022 derived from artificial intelligence of around c.20%**



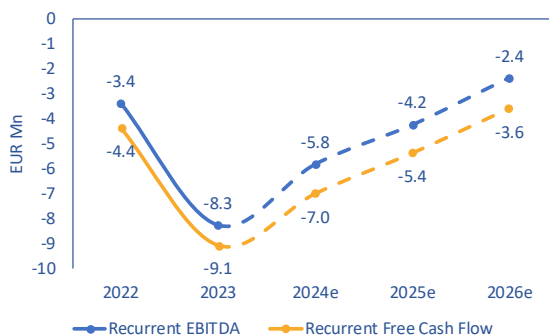
**Although without reaching breakeven in Recurrent EBITDA until after 2026e**



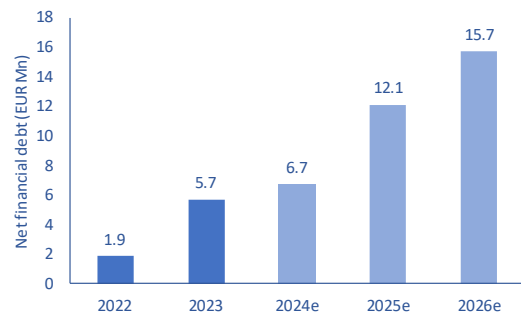
**... due to oversized operating expenses for much higher revenue levels**



**... lifting recurring free cash flow generation to EUR -3.6Mn in 2026e (vs EUR -7.0Mn in 2024e)**



**that will lead to a "theoretical" increase in net debt (EUR 15.7Mn 2026e). Although "secured" with convertible bonds**

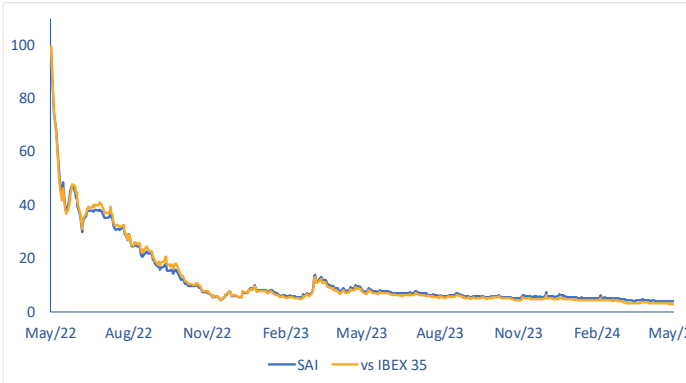




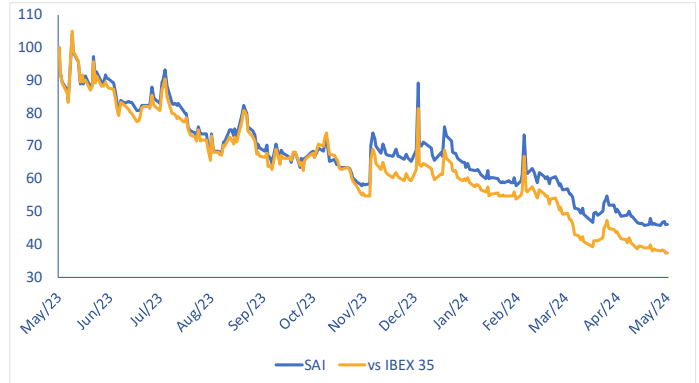


## Evolution of the share price

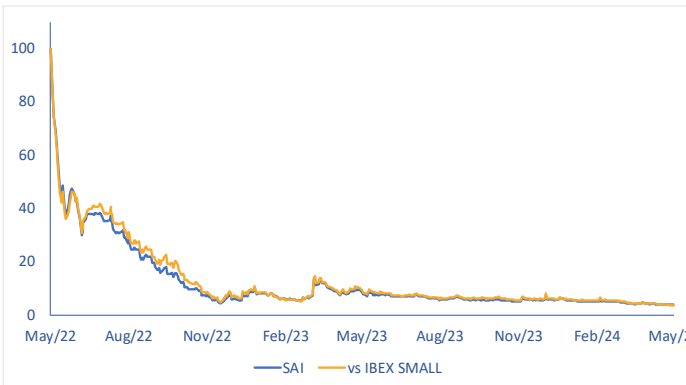
**Historical behavior vs Ibex 35 (base 100)**



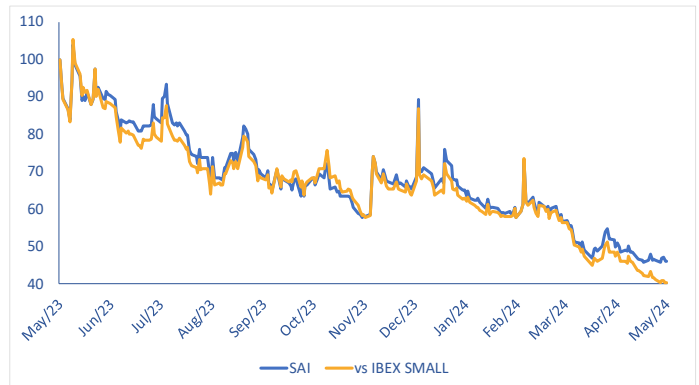
**Behavior -1y vs Ibex 35 (base 100)**



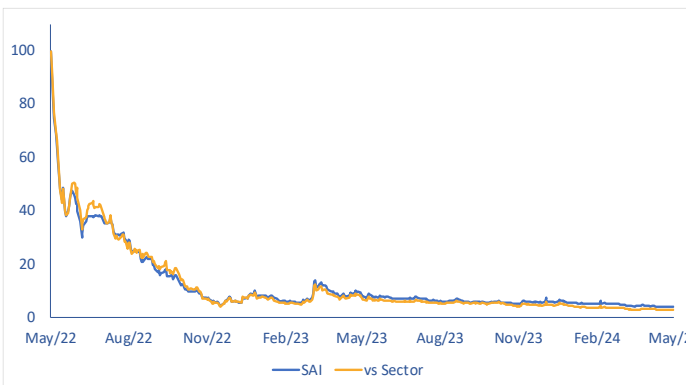
**Historical behavior vs Ibex Small Cap (base 100)**



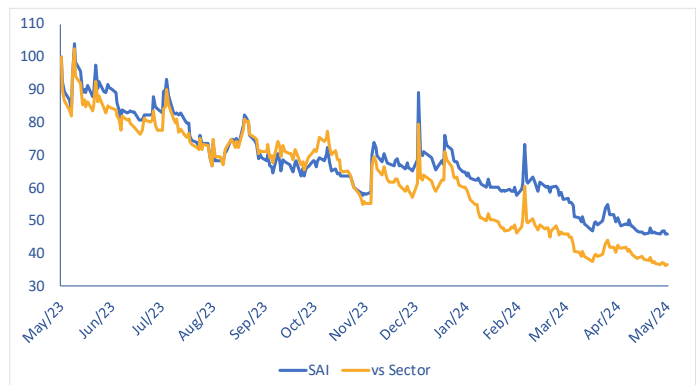
**Behavior -1y vs Ibex Small Cap (base 100)**



**Historical behavior vs Sector<sup>(1)</sup> (base 100)**



**Behavior -1y vs Sector<sup>(1)</sup> (base 100)**



(1) Sector: Stoxx Europe 600 Technology

| Stock performance (%)                     | -1m   | -3m   | -12m  | YTD   | -3Y  | -5Y  |
|---|-------|-------|-------|-------|------|------|
| Absolute                                  | -9.3  | -20.2 | -53.9 | -29.7 | n.a. | n.a. |
| <b>vs Market</b>                          |       |       |       |       |      |      |
| vs Ibex 35                                | -14.9 | -30.4 | -62.5 | -37.3 | n.a. | n.a. |
| vs Euro STOXX 50                          | -12.0 | -24.9 | -60.6 | -37.2 | n.a. | n.a. |
| <b>vs Small Cap References</b>            |       |       |       |       |      |      |
| vs Ibex Small Cap Index                   | -17.0 | -30.2 | -59.7 | -36.8 | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -14.0 | -26.1 | -56.1 | -34.8 | n.a. | n.a. |
| vs MSCI Europe Micro Cap                  | -14.5 | -25.6 | -55.2 | -33.5 | n.a. | n.a. |
| <b>vs Sector</b>                          |       |       |       |       |      |      |
| vs Stoxx Europe 600 Technology            | -14.0 | -21.1 | -63.5 | -38.0 | n.a. | n.a. |

(1) [Constituents on page 10.](#)



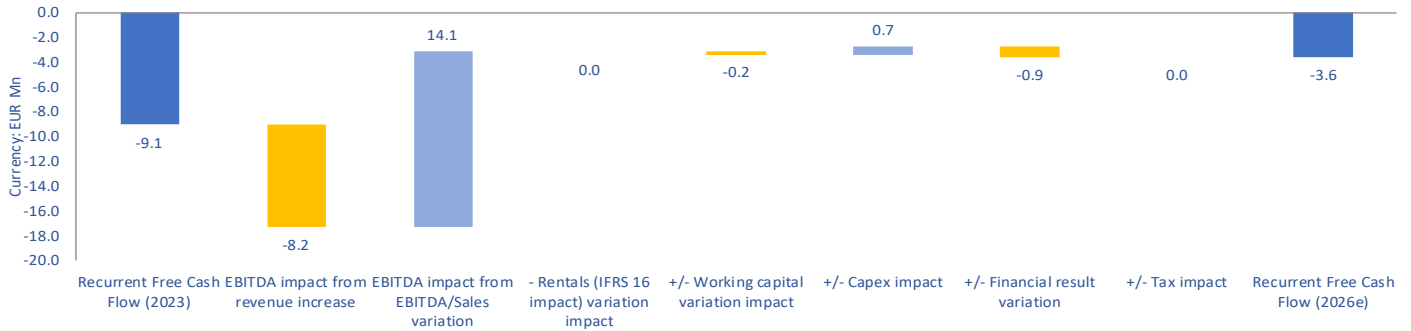
Free Cash Flow (I)

| A) Cash Flow Analysis (EUR Mn)  | 2020 | 2021 | 2022  | 2023    | 2024e | 2025e | 2026e | CAGR  |        |
|---|------|------|-------|---------|-------|-------|-------|-------|--------|
|   |      |      |       |         |       |       |       | 20-23 | 23-26e |
| <b>Recurrent EBITDA</b>   |      |      | (3.4) | (8.3)   | (5.8) | (4.2) | (2.4) | n.a.  | 34.0%  |
| <i>Recurrent EBITDA growth</i>  |      |      | n.a.  | -143.8% | 29.4% | 27.4% | 44.0% |       |        |
| <i>Rec. EBITDA/Revenues</i>   |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |
| - Rentals (IFRS 16 impact)  |      |      | (0.0) | (0.5)   | (0.5) | (0.5) | (0.5) |       |        |
| +/- Working Capital increase  |      |      | (0.7) | 0.8     | 0.3   | 0.4   | 0.6   |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      |      | (4.2) | (8.0)   | (6.1) | (4.3) | (2.3) | n.a.  | 33.9%  |
| <i>Rec. Operating Cash Flow growth</i>  |      |      | n.a.  | -91.6%  | 24.0% | 28.3% | 46.9% |       |        |
| <i>Rec. Operating Cash Flow / Sales</i>   |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |
| - CAPEX   |      |      | (0.1) | (0.9)   | (0.2) | (0.2) | (0.2) |       |        |
| - Net Financial Result affecting Cash Flow  |      |      | (0.1) | (0.2)   | (0.7) | (0.8) | (1.1) |       |        |
| - Taxes   |      |      | -     | -       | -     | -     | -     |       |        |
| <b>= Recurrent Free Cash Flow</b>   |      |      | (4.4) | (9.1)   | (7.0) | (5.4) | (3.6) | n.a.  | 26.5%  |
| <i>Rec. Free Cash Flow growth</i>   |      |      | n.a.  | -107.1% | 22.8% | 23.3% | 32.9% |       |        |
| <i>Rec. Free Cash Flow / Revenues</i>   |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |
| - Restructuring expenses & others   |      |      | -     | 0.5     | (0.5) | -     | -     |       |        |
| - Acquisitions / + Divestments  |      |      | -     | 0.3     | -     | -     | -     |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      |      | -     | -       | -     | -     | -     |       |        |
| <b>= Free Cash Flow</b>   |      |      | (4.4) | (8.3)   | (7.6) | (5.4) | (3.6) | n.a.  | 24.1%  |
| <i>Free Cash Flow growth</i>  |      |      | n.a.  | -88.3%  | 8.5%  | 28.8% | 32.9% |       |        |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |      |      |       |         |       |       |       |       |        |
|   | 2020 | 2021 | 2022  | 2023    | 2024e | 2025e | 2026e |       |        |
| <b>Recurrent FCF(FY - 1)</b>  |      |      | -     | (4.4)   | (9.1) | (7.0) | (5.4) |       |        |
| EBITDA impact from revenue increase   |      |      | n.a.  | (5.9)   | (5.8) | (1.5) | (1.0) |       |        |
| EBITDA impact from EBITDA/Sales variation   |      |      | n.a.  | 1.0     | 8.2   | 3.1   | 2.8   |       |        |
| <b>= Recurrent EBITDA variation</b>   |      |      | n.a.  | (4.9)   | 2.4   | 1.6   | 1.9   |       |        |
| - Rentals (IFRS 16 impact) variation impact   |      |      | (0.0) | (0.5)   | -     | -     | -     |       |        |
| +/- Working capital variation impact  |      |      | (0.7) | 1.5     | (0.5) | 0.1   | 0.2   |       |        |
| <b>= Recurrent Operating Cash Flow variation</b>                                    |      |      | (0.8) | (3.8)   | 1.9   | 1.7   | 2.0   |       |        |
| +/- CAPEX impact  |      |      | (0.1) | (0.8)   | 0.7   | -     | -     |       |        |
| +/- Financial result variation  |      |      | (0.1) | (0.1)   | (0.5) | (0.1) | (0.3) |       |        |
| +/- Tax impact  |      |      | -     | -       | -     | -     | -     |       |        |
| <b>= Recurrent Free Cash Flow variation</b>   |      |      | (1.0) | (4.7)   | 2.1   | 1.6   | 1.8   |       |        |
| <b>Recurrent Free Cash Flow</b>   |      |      | (1.0) | (9.1)   | (7.0) | (5.4) | (3.6) |       |        |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |      |      |       |         |       |       |       |       |        |
|   | 2020 | 2021 | 2022  | 2023    | 2024e | 2025e | 2026e | CAGR  |        |
| <b>EBIT</b>   |      |      | (2.3) | (4.9)   | (3.0) | (2.2) | (1.1) | 20-23 | 23-26e |
| <i>* Theoretical Tax rate</i>   |      |      | 0.0%  | 0.0%    | 0.0%  | 0.0%  | 0.0%  | n.a.  | 38.8%  |
| = Taxes (pre- Net Financial Result)   |      |      | -     | -       | -     | -     | -     |       |        |
| <b>Recurrent EBITDA</b>   |      |      | (3.4) | (8.3)   | (5.8) | (4.2) | (2.4) | n.a.  | 34.0%  |
| - Rentals (IFRS 16 impact)  |      |      | (0.0) | (0.5)   | (0.5) | (0.5) | (0.5) |       |        |
| +/- Working Capital increase  |      |      | (0.7) | 0.8     | 0.3   | 0.4   | 0.6   |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      |      | (4.2) | (8.0)   | (6.1) | (4.3) | (2.3) | n.a.  | 33.9%  |
| - CAPEX   |      |      | (0.1) | (0.9)   | (0.2) | (0.2) | (0.2) |       |        |
| - Taxes (pre- Financial Result)   |      |      | -     | -       | -     | -     | -     |       |        |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     |      |      | (4.2) | (8.8)   | (6.3) | (4.5) | (2.5) | n.a.  | 34.3%  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     |      |      | n.a.  | -108.2% | 29.1% | 27.4% | 44.9% |       |        |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |
| - Acquisitions / + Divestments  |      |      | -     | 0.3     | -     | -     | -     |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      |      | -     | -       | -     | -     | -     |       |        |
| <b>= Free Cash Flow "To the Firm"</b>   |      |      | (4.2) | (8.6)   | (6.3) | (4.5) | (2.5) | n.a.  | 33.6%  |
| <i>Free Cash Flow (To the Firm) growth</i>  |      |      | n.a.  | -101.7% | 26.8% | 27.4% | 44.9% |       |        |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  |      |      | n.a.  | n.a.    | n.a.  | n.a.  | n.a.  |       |        |

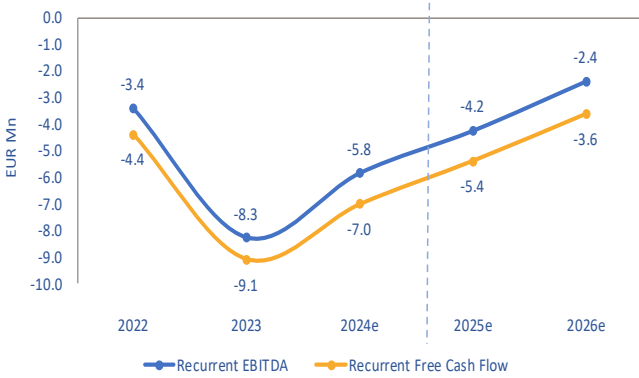


Free Cash Flow (II)

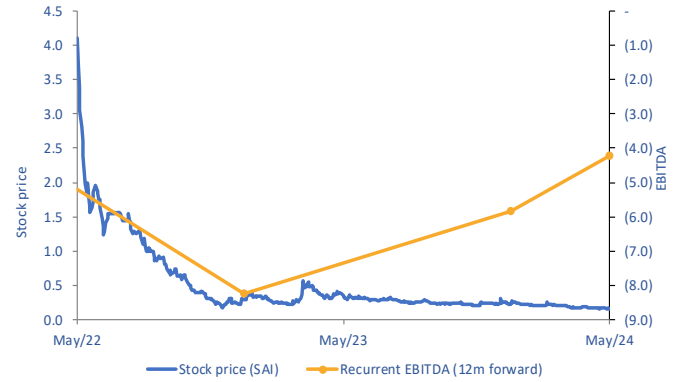
Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (6.3) | (4.5)                               | (2.5) | n.a.                          |           |            |
| Market Cap                     | 11.5  | At the date of this report          |       |                               |           |            |
| Net financial debt             | 5.7   | Debt net of Cash (12m Results 2023) |       |                               |           |            |
|                                |       |                                     |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 7.0%  | Net debt cost                       |       |                               | 6.8%      | 7.3%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |
| Net debt cost                  | 5.6%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 5.4%      | 5.8%       |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |
| Beta (B)                       | 1.6   | B (own estimate)                    |       |                               | 1.5       | 1.7        |
| Cost of Equity                 | 12.9% | Ke = Rf + (R * B)                   |       |                               | 11.5%     | 14.3%      |
| Equity / (Equity + Net Debt)   | 66.9% | E (Market Cap as equity value)      |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 33.1% | D                                   |       |                               | =         | =          |
| WACC                           | 10.5% | WACC = Kd * D + Ke * E              |       |                               | 9.5%      | 11.5%      |
| G "Fair"                       | 3.0%  |                                     |       |                               | 3.0%      | 2.0%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn      | Source           |
|--------------------------------------|-------------|------------------|
| Market Cap                           | 11.5        |                  |
| + Minority Interests                 | 0.9         | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 4.3         | 12m Results 2023 |
| + Net financial debt                 | 5.7         | 12m Results 2023 |
| - Financial Investments              | 1.0         | 12m Results 2023 |
| +/- Others                           |             |                  |
| <b>Enterprise Value (EV)</b>         | <b>21.3</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020  | 2021 | 2022 | 2023 |
|----------------------|------|-------|------|------|------|
| ROCE (evolution -5y) | n.a. | n.a.  | n.a. | n.a. | n.a. |
|                      | 2023 | 2026e |      |      |      |
| ROCE - WACC          | n.a. | n.a.  |      |      |      |
| FCF Yield - WACC     | n.a. | n.a.  |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | -43.9%           | (8.0)      | -2.7x         |
| Central  | -39.9%           | (7.3)      | -2.9x         |
| Min      | -35.9%           | (6.6)      | -3.3x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       |
|-----------------|-----------------|-------|-------|
| EBITDA 25e      | 1.0%            | 1.1%  | 1.2%  |
| (8.0)           | (9.1)           | (9.2) | (9.2) |
| (7.3)           | (8.4)           | (8.4) | (8.5) |
| (6.6)           | (7.7)           | (7.7) | (7.7) |

### Main Corporate Governance indicators

| KPI                                  | 2021 | 2022  | 2023  |
|--------------------------------------|------|-------|-------|
| % of independent directors           | n.a. | 60.0% | 50.0% |
| % of proprietary directors           | n.a. | 40.0% | 50.0% |
| % of executive directors             | n.a. | 0.0%  | 0.0%  |
| % of other directors                 | n.a. | 0.0%  | 0.0%  |
| % of women on the board of directors | n.a. | 0.0%  | 0.0%  |
| % of women out of total workforce    | n.a. | 51.7% | 33.6% |
| Board remuneration/staff cost        | n.a. | 21.9% | 13.9% |



Main peers 2024e

|                             |                         | Europe       |                     |                   |         |                      | United States |           |                       |         |        |
|-----------------------------|-------------------------|--------------|---------------------|-------------------|---------|----------------------|---------------|-----------|-----------------------|---------|--------|
| EUR Mn                      |                         | Sidetrade SA | Median Technologies | Linedata Services | Lectra  | Artificial Solutions | Average       | C3.ai     | Palantir Technologies | Average | SAI    |
| Market data                 | Ticker (Factset)        | ALBFR-FR     | ALMDT-FR            | LIN-FR            | LSS-FR  | ASAI-SE              |               | AI-US     | PLTR-US               |         | SAI-ES |
|                             | Country                 | France       | France              | France            | France  | Sweden               |               | USA       | USA                   |         | Spain  |
|                             | Market cap              | 253.2        | 62.5                | 367.1             | 1,263.6 | 17.1                 |               | 2,961.4   | 44,554.5              |         | 11.5   |
|                             | Enterprise value (EV)   | 224.6        | 66.0                | 455.7             | 1,284.9 | 33.2                 |               | 2,300.7   | 41,276.8              |         | 21.3   |
| Basic financial information | Total Revenues          | 52.4         | 29.1                | 192.0             | 553.0   | 6.8                  |               | 338.1     | 2,478.5               |         | 14.6   |
|                             | Total Revenues growth   | 19.7%        | 30.9%               | 4.7%              | 15.8%   | 31.0%                | 20.4%         | 19.3%     | 21.2%                 | 20.2%   | 70.0%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.         | 20.0%               | n.a.              | 9.6%    | 49.3%                | 26.3%         | 20.0%     | 18.5%                 | 19.3%   | 24.0%  |
|                             | EBITDA                  | 7.7          | (24.5)              | 55.8              | 103.8   | (2.2)                |               | (67.9)    | 846.6                 |         | (5.8)  |
|                             | EBITDA growth           | 73.3%        | -12.5%              | 5.2%              | 48.4%   | 54.5%                | 33.8%         | 30.9%     | 500.5%                | 265.7%  | 34.9%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.         | 27.7%               | n.a.              | 14.5%   | 94.6%                | 45.6%         | n.a.      | 18.9%                 | 18.9%   | 36.2%  |
|                             | EBITDA/Revenues         | 14.6%        | n.a.                | 29.0%             | 18.8%   | n.a.                 | 20.8%         | n.a.      | 34.2%                 | 34.2%   | n.a.   |
|                             | EBIT                    | 6.8          | (25.5)              | 39.3              | 69.6    | (3.8)                |               | (82.4)    | 815.1                 |         | (3.0)  |
|                             | EBIT growth             | 98.8%        | -10.8%              | 2.7%              | 74.2%   | 38.1%                | 40.6%         | 24.2%     | 639.0%                | 331.6%  | 37.5%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.         | 25.9%               | n.a.              | 19.7%   | 56.0%                | 33.9%         | 53.2%     | 19.1%                 | 36.2%   | 39.5%  |
|                             | EBIT/Revenues           | 13.0%        | n.a.                | 20.4%             | 12.6%   | n.a.                 | 15.4%         | n.a.      | 32.9%                 | 32.9%   | n.a.   |
|                             | Net Profit              | 6.5          | (26.7)              | 26.9              | 49.1    | (4.4)                |               | (47.9)    | 699.7                 |         | (3.8)  |
|                             | Net Profit growth       | 15.5%        | -16.3%              | 5.3%              | 44.9%   | 11.3%                | 12.1%         | 34.0%     | 262.7%                | 148.4%  | 56.6%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.         | 22.4%               | n.a.              | 24.1%   | 42.7%                | 29.7%         | 84.3%     | 20.8%                 | 52.6%   | 23.5%  |
|                             | CAPEX/Sales %           | 1.7%         | 4.6%                | 6.1%              | 2.0%    | n.a.                 | 3.6%          | 5.2%      | 0.8%                  | 3.0%    | 1.4%   |
|                             | Free Cash Flow          | 8.2          | (24.2)              | 33.0              | 73.0    | n.a.                 |               | (17.4)    | 804.6                 |         | (7.6)  |
| Net financial debt          | (19.1)                  | 23.2         | 56.0                | 43.7              | 23.4    |                      | (563.2)       | (3,447.4) |                       | 6.7     |        |
| ND/EBITDA (x)               | n.a.                    | n.a.         | 1.0                 | 0.4               | n.a.    | 0.7                  | n.a.          | n.a.      | n.a.                  | n.a.    |        |
| Pay-out                     | 0.0%                    | 0.0%         | 33.4%               | 41.6%             | 0.0%    | 15.0%                | 0.0%          | 0.0%      | 0.0%                  | 0.0%    |        |
| Multiples and Ratios        | P/E (x)                 | 37.6         | n.a.                | 13.4              | 24.6    | n.a.                 | 25.2          | n.a.      | 66.2                  | 66.2    | n.a.   |
|                             | P/BV (x)                | 6.4          | n.a.                | 2.7               | 2.8     | n.a.                 | 4.0           | 4.0       | 11.8                  | 7.9     | 0.5    |
|                             | EV/Revenues (x)         | 4.3          | 2.3                 | 2.4               | 2.3     | 4.9                  | 3.2           | 6.8       | 16.7                  | 11.7    | 1.5    |
|                             | EV/EBITDA (x)           | 29.3         | n.a.                | 8.2               | 12.4    | n.a.                 | 16.6          | n.a.      | 48.8                  | 48.8    | n.a.   |
|                             | EV/EBIT (x)             | 32.9         | n.a.                | 11.6              | 18.5    | n.a.                 | 21.0          | n.a.      | n.a.                  | n.a.    | n.a.   |
|                             | ROE                     | 17.0         | n.a.                | 20.3              | 11.4    | n.a.                 | 16.2          | n.a.      | 17.9                  | 17.9    | n.a.   |
|                             | FCF Yield (%)           | 3.2          | n.a.                | 9.0               | 5.8     | n.a.                 | 6.0           | n.a.      | 1.8                   | 1.8     | n.a.   |
|                             | DPS                     | 0.00         | 0.00                | 1.81              | 0.54    | 0.00                 | 0.47          | 0.00      | 0.00                  | 0.00    | 0.00   |
|                             | Dvd Yield               | 0.0%         | 0.0%                | 2.4%              | 1.6%    | 0.0%                 | 0.8%          | 0.0%      | 0.0%                  | 0.0%    | 0.0%   |

(1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Vanadi Coffee (VANA)** a chain of small-sized cafés based in Alicante (Spain) focused on healthy eating. Set up in November 2021, it now has 10 establishments up and running, all in Spain. Listed on BME Growth since 2023, with the board of directors controlling 20% of VANA's capital.

**Market Data**

|                                |                    |     |
|--------------------------------|--------------------|-----|
| Market Cap (Mn EUR and USD)    | 1.2                | 1.3 |
| EV (Mn EUR and USD)            | 2.1                | 2.3 |
| Shares Outstanding (Mn)        | 12.8               |     |
| -12m (Max/Med/Min EUR)         | 3.00 / 0.31 / 0.08 |     |
| Daily Avg volume (-12m Mn EUR) | 0.03               |     |
| Rotation <sup>(1)</sup>        | 609.2              |     |
| Factset / Bloomberg            | VANA-ES / VANA SM  |     |
| Close fiscal year              | 31-Dec             |     |

**Shareholders Structure (%)**

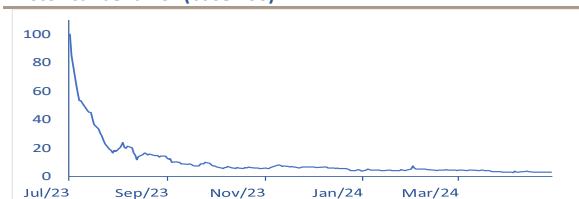
|                    |      |
|--------------------|------|
| Chase nominees LTD | 9.0  |
| Salvador Marti     | 9.1  |
| Gema Pérez         | 5.6  |
| Vicente Terol      | 4.8  |
| Free Float         | 71.5 |

**Financials (Mn EUR)**

|                                     | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. nº shares (Mn)                 | 7.2   | 13.7  | 15.6  | 15.6  |
| Total Revenues                      | 2.1   | 5.1   | 9.2   | 15.5  |
| Rec. EBITDA                         | -2.0  | -1.9  | -1.1  | 0.5   |
| % growth                            | -66.3 | 7.0   | 40.7  | 142.3 |
| % Rec. EBITDA/Rev.                  | n.a.  | n.a.  | n.a.  | 3.1   |
| % Inc. EBITDA sector <sup>(2)</sup> | 23.4  | 15.6  | 11.6  | 6.4   |
| Net Profit                          | -2.9  | -2.4  | -1.9  | -0.8  |
| EPS (EUR)                           | -0.40 | -0.17 | -0.12 | -0.05 |
| % growth                            | n.a.  | 56.4  | 29.2  | 60.8  |
| Ord. EPS (EUR)                      | -0.35 | -0.17 | -0.12 | -0.05 |
| % growth                            | n.a.  | 50.4  | 29.2  | 60.8  |
| Rec. Free Cash Flow                 | -2.4  | -2.5  | -2.6  | -2.1  |
| Pay-out (%)                         | 0.0   | 0.0   | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00  | 0.00  | 0.00  | 0.00  |
| Net financial debt                  | 1.0   | 2.7   | 5.3   | 7.4   |
| ND/Rec. EBITDA (x)                  | n.a.  | n.a.  | n.a.  | 15.7  |
| ROE (%)                             | n.a.  | n.a.  | n.a.  | n.a.  |
| ROCE (%)                            | n.a.  | n.a.  | n.a.  | n.a.  |

**Ratios & Multiples (x)**

|                    |      |      |      |      |
|--------------------|------|------|------|------|
| P/E                | n.a. | n.a. | n.a. | n.a. |
| Ord. P/E           | n.a. | n.a. | n.a. | n.a. |
| P/BV               | 1.9  | n.a. | n.a. | n.a. |
| Dividend Yield (%) | 0.0  | 0.0  | 0.0  | 0.0  |
| EV/Sales           | 1.01 | 0.41 | 0.23 | 0.13 |
| EV/Rec. EBITDA     | n.a. | n.a. | n.a. | 4.4  |
| EV/EBIT            | n.a. | n.a. | n.a. | n.a. |
| FCF Yield (%)      | n.a. | n.a. | n.a. | n.a. |

**Historical behavior (base 100)**


| (%)      | -1m  | -3m   | -12m | -5Y  |
|----------|------|-------|------|------|
| Absolute | -4.1 | -30.5 | n.a. | n.a. |

(1) Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Europe / Restaurants -IND.

**MOMENTUM: ¿QUÉ ESPERAMOS EN 2023E?**

**A "tough" start in terms of profitability...** VANA reported EUR 2.1Mn of revenue in 2023 (vs EUR 0.5Mn in 2022), which was the first full year for the four cafés opened in 2022. However, it did not manage to cover its fixed costs, which increased on the back of staff turnover and new openings (9 cafés opened in 2023). Recurring EBITDA: EUR -2.2Mn (vs. EUR -1.2Mn in 2022).

**... and borrowings.** In 2023, VANA arranged an equity financing facility with GCFO for EUR 10Mn through 2028e. The company's losses and cash consumption (recurring FCF 2023: EUR -2.5Mn) drove ND to EUR 1Mn at year-end 2023 (vs EUR 0.1Mn in 2022) despite the capital increases undertaken.

**The leap in scale should (needs to) be accompanied by margin expansion in 2024e.**

The new café opening plan and ramp-up of the recently opened establishments should allow VANA to aim for EUR 5.1Mn of revenue in 2024e, and recurring EBITDA of EUR -1.9Mn. We estimate that by the end of 2024e it will have 17 cafés up and running. However, the forecast losses (net profit 2024e: EUR -2.4Mn) will put pressure on the capital structure (negative equity in 2024e without new equity issues).

**EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?**

**A play on the hospitality sector benefitted by tourism and footfall.** All of the cafés are located in Alicante. A tourist destination in which the hospitality sector has a big impact on the economy. The fact that the company's establishments are located in locations with heavy footfall is a key business driver.

**Strategic shift to a lighter cost model.** VANA has signalled its intention to pivot towards the business model pursued by the Le Fournil de Jules bakeries acquired in 2023, which sell bread and pastries (rather than the initial healthy food proposition) that are more profitable and less capital intensive. The aim is to eliminate operating losses.

**The next three years (24e-26e) will be a test for the viability of the business model.**

It all depends on the success (and speed) of the new openings and restructuring of those already opened. Visibility is slim, however. Our estimates point to cash consumption of a further EUR 7Mn to 2026e to reach breakeven, with 2026e revenue of EUR 15.5Mn (vs EUR 2.1Mn in 2023), EBITDA of EUR 0.5Mn and ND of EUR 7.4Mn (EUR 7Mn of convertible bonds).

**RISKS: WHAT TO KEEP AN EYE ON?**

**Delays executing the growth plan:** A smaller number of openings than expected would erode economies of scale and weigh on revenue growth. That would delay breakeven at the EBITDA level and increase the company's funding requirement.

**High debt and potential dilution.** Since December 2023 and so far in 2024, minority shareholders have already been diluted by 43%. And it still has EUR 8.1Mn of equity to issue. VANA's business module is predicated on growth at the expense of high dilution. The scale of the required financing (and dilution) is the big unknown.

**Negative equity (from 2024e).** The company's losses are expected drive equity to a negative EUR 1Mn at the 2024e close. The company is only viable by issuing equity, to existing shareholders and GCFO.

**VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?**

**Very weak share price momentum (-94.9% since the IPO on BME Growth).** This has hurt VANA's ability to raise financing and affected the pace of café openings. VANA is trading at a low multiple (EV/sales 2024e of 0.4x vs 2x for its comps), albeit clearly justified by its losses and business risks, which are expected to continue in 2024.



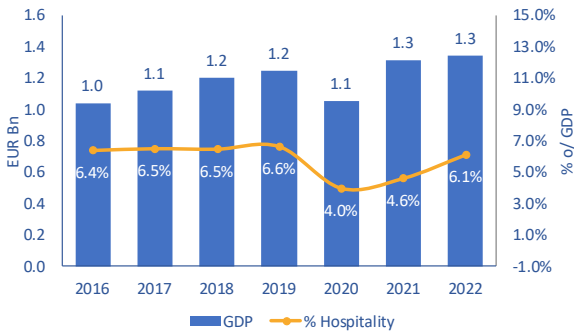
Financial Projections

| Balance Sheet (EUR Mn)                       | 2019 | 2020 | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | CAGR  |        |
|--|------|------|--------------|--------------|--------------|--------------|--------------|--------------|-------|--------|
| Intangible assets                            |      |      | -            | 0.3          | 0.2          | 0.2          | 0.2          | 0.2          |       |        |
| Fixed assets                                 |      |      | -            | 1.0          | 1.6          | 2.7          | 4.3          | 6.4          |       |        |
| Other Non Current Assets                     |      |      | 0.0          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          |       |        |
| Financial Investments                        |      |      | 0.0          | 0.2          | 0.3          | 0.3          | 0.3          | 0.3          |       |        |
| Goodwill & Other Intangibles                 |      |      | -            | -            | 0.4          | 0.4          | 0.4          | 0.4          |       |        |
| Current assets                               |      |      | 0.0          | 0.4          | 0.7          | 0.8          | 0.9          | 1.2          |       |        |
| <b>Total assets</b>                          |      |      | <b>0.1</b>   | <b>2.2</b>   | <b>3.5</b>   | <b>4.7</b>   | <b>6.3</b>   | <b>8.7</b>   |       |        |
| Equity                                       |      |      | 0.0          | 0.5          | 0.6          | (1.0)        | (3.0)        | (3.7)        |       |        |
| Minority Interests                           |      |      | -            | -            | -            | -            | -            | -            |       |        |
| Provisions & Other L/T Liabilities           |      |      | 0.6          | 0.7          | 0.2          | 0.2          | 0.2          | 0.2          |       |        |
| Other Non Current Liabilities                |      |      | -            | -            | -            | -            | -            | -            |       |        |
| Net financial debt                           |      |      | (0.6)        | 0.1          | 1.0          | 2.7          | 5.3          | 7.4          |       |        |
| Current Liabilities                          |      |      | 0.0          | 0.8          | 1.7          | 2.8          | 3.8          | 4.9          |       |        |
| <b>Equity &amp; Total Liabilities</b>        |      |      | <b>0.1</b>   | <b>2.2</b>   | <b>3.5</b>   | <b>4.7</b>   | <b>6.3</b>   | <b>8.7</b>   |       |        |
| P&L (EUR Mn)                                 | 2019 | 2020 | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23 | 23-26e |
| <b>Total Revenues</b>                        |      |      | -            | 0.5          | 2.1          | 5.1          | 9.2          | 15.5         | n.a.  | 95.8%  |
| <i>Total Revenues growth</i>                 |      |      | n.a.         | n.a.         | 336.9%       | 145.4%       | 81.0%        | 69.0%        |       |        |
| COGS   |      |      | -            | (0.2)        | (0.9)        | (1.9)        | (3.1)        | (5.4)        |       |        |
| <b>Gross Margin</b>                          |      |      | -            | 0.2          | 1.2          | 3.1          | 6.0          | 10.1         | n.a.  | n.a.   |
| <i>Gross Margin/Revenues</i>                 |      |      | n.a.         | 50.7%        | 56.2%        | 62.1%        | 65.8%        | 65.2%        |       |        |
| Personnel Expenses                           |      |      | -            | (0.6)        | (1.8)        | (3.0)        | (4.3)        | (5.9)        |       |        |
| Other Operating Expenses                     |      |      | (0.1)        | (0.8)        | (1.4)        | (2.1)        | (2.9)        | (3.8)        |       |        |
| <b>Recurrent EBITDA</b>                      |      |      | <b>(0.1)</b> | <b>(1.2)</b> | <b>(2.0)</b> | <b>(1.9)</b> | <b>(1.1)</b> | <b>0.5</b>   | n.a.  | 30.7%  |
| <i>Recurrent EBITDA growth</i>               |      |      | n.a.         | n.a.         | -66.3%       | 7.0%         | 40.7%        | 142.3%       |       |        |
| <i>Rec. EBITDA/Revenues</i>                  |      |      | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 3.1%         |       |        |
| Restructuring Expense & Other non-rec.       |      |      | -            | -            | (0.3)        | -            | -            | -            |       |        |
| <b>EBITDA</b>                                |      |      | <b>(0.1)</b> | <b>(1.2)</b> | <b>(2.4)</b> | <b>(1.9)</b> | <b>(1.1)</b> | <b>0.5</b>   | n.a.  | 30.0%  |
| Depreciation & Provisions                    |      |      | -            | (0.1)        | (0.4)        | (0.4)        | (0.6)        | (0.9)        |       |        |
| Capitalized Expense                          |      |      | -            | -            | -            | -            | -            | -            |       |        |
| Rentals (IFRS 16 impact)                     |      |      | -            | -            | -            | -            | -            | -            |       |        |
| <b>EBIT</b>                                  |      |      | <b>(0.1)</b> | <b>(1.3)</b> | <b>(2.7)</b> | <b>(2.3)</b> | <b>(1.7)</b> | <b>(0.4)</b> | n.a.  | 46.3%  |
| <i>EBIT growth</i>                           |      |      | n.a.         | n.a.         | -112.7%      | 16.7%        | 24.6%        | 75.4%        |       |        |
| <i>EBIT/Revenues</i>                         |      |      | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |       |        |
| Impact of Goodwill & Others                  |      |      | -            | -            | -            | -            | -            | -            |       |        |
| Net Financial Result                         |      |      | -            | (0.0)        | (0.2)        | (0.1)        | (0.2)        | (0.3)        |       |        |
| Income by the Equity Method                  |      |      | -            | -            | -            | -            | -            | -            |       |        |
| <b>Ordinary Profit</b>                       |      |      | <b>(0.1)</b> | <b>(1.3)</b> | <b>(2.9)</b> | <b>(2.4)</b> | <b>(1.9)</b> | <b>(0.8)</b> | n.a.  | 36.0%  |
| <i>Ordinary Profit Growth</i>                |      |      | n.a.         | n.a.         | -124.2%      | 17.4%        | 18.9%        | 60.8%        |       |        |
| Extraordinary Results                        |      |      | -            | -            | -            | -            | -            | -            |       |        |
| <b>Profit Before Tax</b>                     |      |      | <b>(0.1)</b> | <b>(1.3)</b> | <b>(2.9)</b> | <b>(2.4)</b> | <b>(1.9)</b> | <b>(0.8)</b> | n.a.  | 36.0%  |
| Tax Expense                                  |      |      | 0.0          | 0.2          | -            | -            | -            | -            |       |        |
| <i>Effective Tax Rate</i>                    |      |      | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         |       |        |
| Minority Interests                           |      |      | -            | -            | -            | -            | -            | -            |       |        |
| Discontinued Activities                      |      |      | -            | -            | -            | -            | -            | -            |       |        |
| <b>Net Profit</b>                            |      |      | <b>(0.0)</b> | <b>(1.1)</b> | <b>(2.9)</b> | <b>(2.4)</b> | <b>(1.9)</b> | <b>(0.8)</b> | n.a.  | 36.0%  |
| <i>Net Profit growth</i>                     |      |      | n.a.         | n.a.         | -163.7%      | 17.4%        | 18.9%        | 60.8%        |       |        |
| <b>Ordinary Net Profit</b>                   |      |      | <b>(0.1)</b> | <b>(1.3)</b> | <b>(2.5)</b> | <b>(2.4)</b> | <b>(1.9)</b> | <b>(0.8)</b> | n.a.  | 33.2%  |
| <i>Ordinary Net Profit growth</i>            |      |      | n.a.         | n.a.         | -97.1%       | 6.0%         | 18.9%        | 60.8%        |       |        |
| Cash Flow (EUR Mn)                           | 2019 | 2020 | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        | 19-23 | 23-26e |
| <b>Recurrent EBITDA</b>                      |      |      |              |              |              | (1.9)        | (1.1)        | 0.5          | n.a.  | 30.7%  |
| Rentals (IFRS 16 impact)                     |      |      |              |              |              | -            | -            | -            |       |        |
| Working Capital Increase                     |      |      |              |              |              | 1.0          | 0.9          | 0.9          |       |        |
| <b>Recurrent Operating Cash Flow</b>         |      |      |              |              |              | <b>-0.9</b>  | <b>-0.2</b>  | <b>1.3</b>   | n.a.  | 43.0%  |
| CAPEX  |      |      |              |              |              | (1.4)        | (2.2)        | (3.1)        |       |        |
| Net Financial Result affecting the Cash Flow |      |      |              |              |              | (0.1)        | (0.2)        | (0.3)        |       |        |
| Tax Expense                                  |      |      |              |              |              | -            | -            | -            |       |        |
| <b>Recurrent Free Cash Flow</b>              |      |      |              |              |              | <b>(2.5)</b> | <b>(2.6)</b> | <b>(2.1)</b> | n.a.  | 4.3%   |
| Restructuring Expense & Other non-rec.       |      |      |              |              |              | -            | -            | -            |       |        |
| - Acquisitions / + Divestures of assets      |      |      |              |              |              | -            | -            | -            |       |        |
| Extraordinary Inc./Exp. Affecting Cash Flow  |      |      |              |              |              | -            | -            | -            |       |        |
| <b>Free Cash Flow</b>                        |      |      |              |              |              | <b>(2.5)</b> | <b>(2.6)</b> | <b>(2.1)</b> | n.a.  | 11.4%  |
| Capital Increase                             |      |      |              |              |              | 0.7          | -            | -            |       |        |
| Dividends                                    |      |      |              |              |              | -            | -            | -            |       |        |
| <b>Net Debt Variation</b>                    |      |      |              |              |              | <b>1.8</b>   | <b>2.6</b>   | <b>2.1</b>   |       |        |

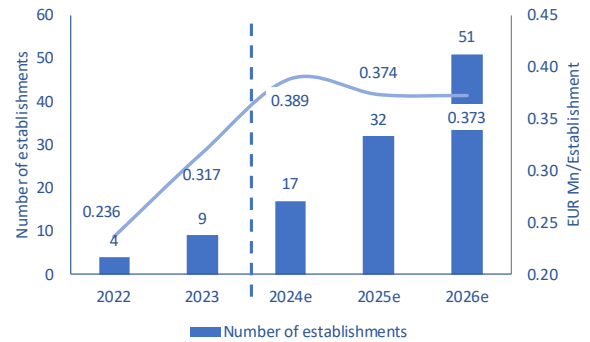


## The company in 8 charts

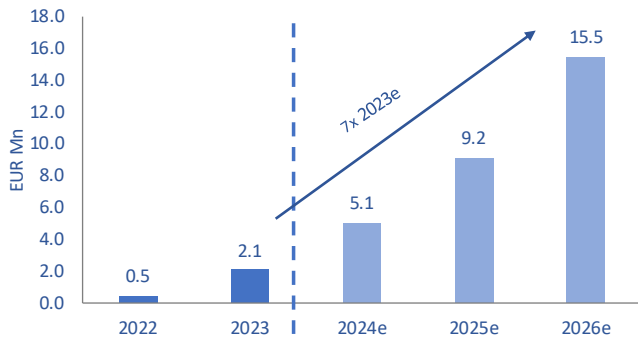
### Hospitality is one the main growth drivers of the Spanish economy (and Spanish employment)



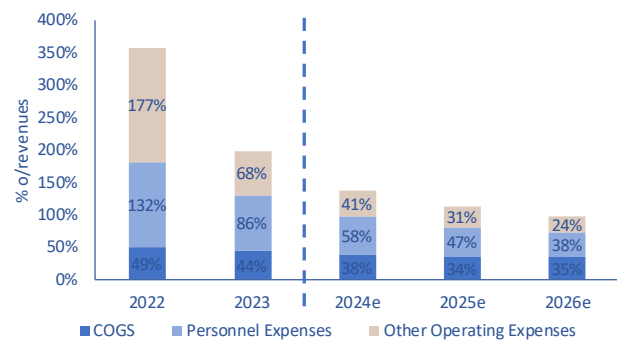
### Average revenue per establishment and the number of establishments will be the main catalyst for business...



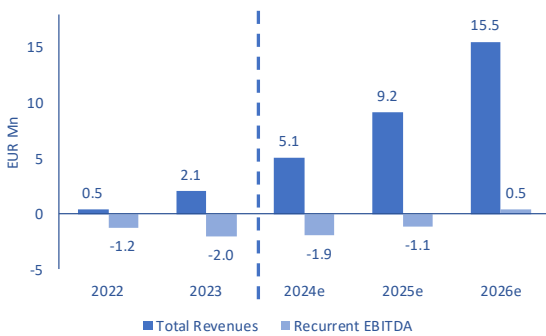
### ... on which our revenue growth estimate for 2025e and 2026e is based (Revenue 2026e: 7x 2023)



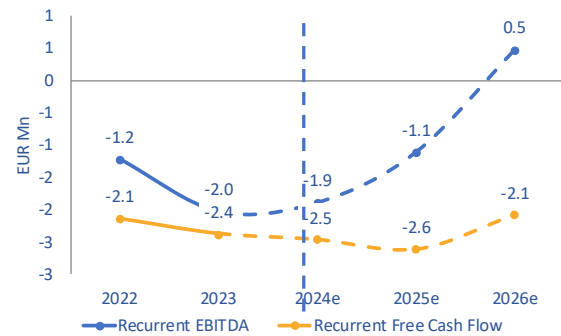
### Costs will be reduced by improving margins expansion and developing economies of scale



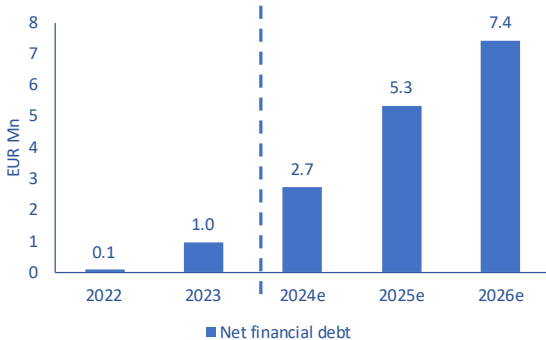
### Although not enough to exceed EBITDA break-even (until after 2025e)



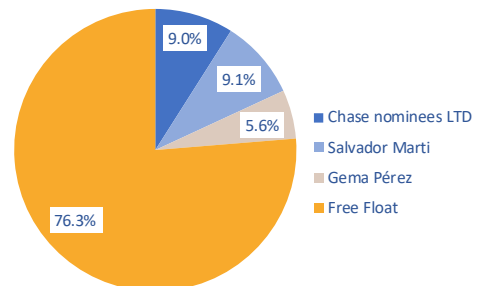
### Hefty CAPEX which, coupled with operating losses, will prevent the company from generative positive FCF...



### ..pushing up Net Debt to EUR 7.4Mn in 2026e (having negative equity from 2024e)



### Indebtness partially mitigated via convertible bonds that will dilute the reference shareholders

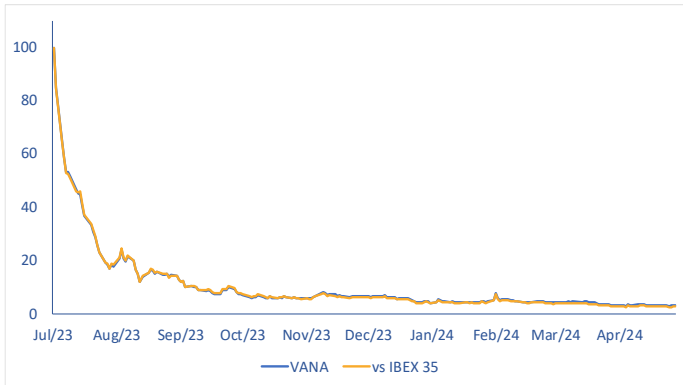




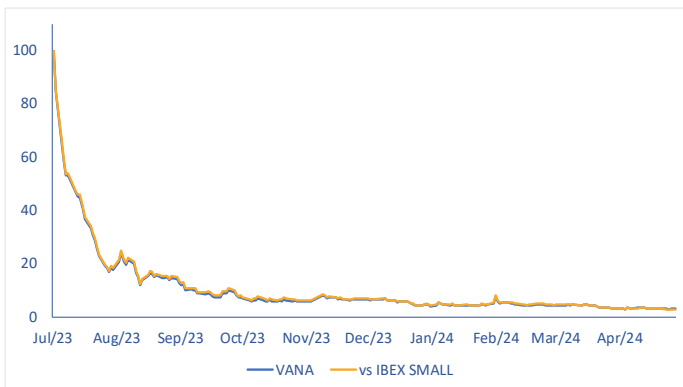


## Evolution of the share price

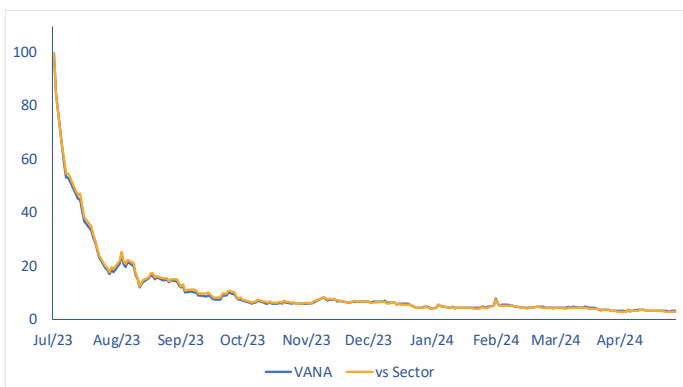
### Historical behavior vs Ibex 35 (base 100)



### Historical behavior vs Ibex Small Cap (base 100)



### Historical behavior vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Europe / Restaurants -IND

| Stock performance (%)                     | -1m   | -3m   | -12m | YTD   | -3Y  | -5Y  |
|---|-------|-------|------|-------|------|------|
| Absolute                                  | -4.1  | -30.5 | n.a. | -49.3 | n.a. | n.a. |
| <b>vs Market</b>                          |       |       |      |       |      |      |
| vs Ibex 35                                | -10.0 | -39.4 | n.a. | -54.8 | n.a. | n.a. |
| vs Euro STOXX 50                          | -6.9  | -34.6 | n.a. | -54.7 | n.a. | n.a. |
| <b>vs Small Cap References</b>            |       |       |      |       |      |      |
| vs Ibex Small Cap Index                   | -12.2 | -39.2 | n.a. | -54.5 | n.a. | n.a. |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -9.1  | -35.7 | n.a. | -52.9 | n.a. | n.a. |
| vs MSCI Europe Micro Cap                  | -9.6  | -35.3 | n.a. | -52.0 | n.a. | n.a. |
| <b>vs Sector</b>                          |       |       |      |       |      |      |
| vs Europe / Restaurants -IND              | -13.0 | -34.4 | n.a. | -52.1 | n.a. | n.a. |

(1) [Constituents on page 10.](#)



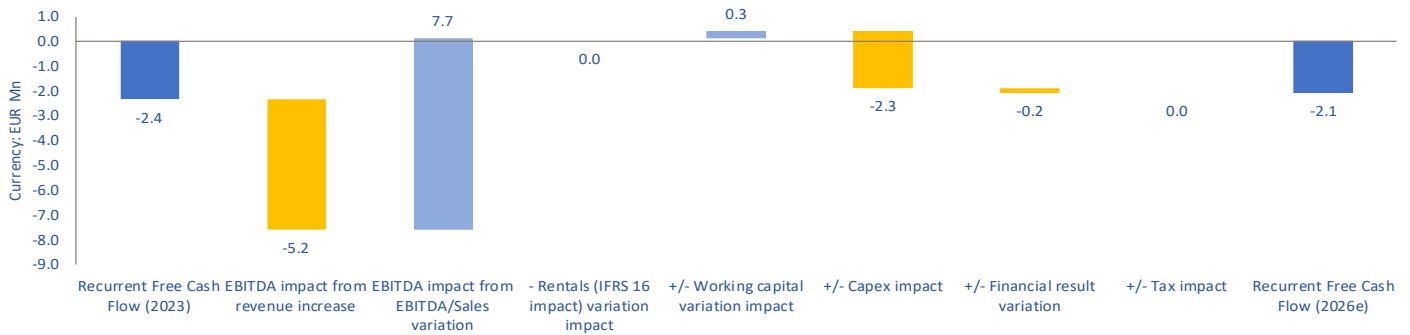
Free Cash Flow (I)

| A) Cash Flow Analysis (EUR Mn)  | 2020 | 2021  | 2022    | 2023   | 2024e | 2025e | 2026e  | CAGR  |        |
|---|------|-------|---------|--------|-------|-------|--------|-------|--------|
|   |      |       |         |        |       |       |        | 20-23 | 23-26e |
| <b>Recurrent EBITDA</b>   |      | (0.1) | (1.2)   | (2.0)  | (1.9) | (1.1) | 0.5    | n.a.  | 30.7%  |
| <i>Recurrent EBITDA growth</i>  |      | n.a.  | n.a.    | -66.3% | 7.0%  | 40.7% | 142.3% |       |        |
| <i>Rec. EBITDA/Revenues</i>   |      | n.a.  | n.a.    | n.a.   | n.a.  | n.a.  | 3.1%   |       |        |
| - Rentals (IFRS 16 impact)  |      | -     | -       | -      | -     | -     | -      |       |        |
| +/- Working Capital increase  |      | (0.0) | 0.4     | 0.6    | 1.0   | 0.9   | 0.9    |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      | (0.1) | (0.8)   | (1.5)  | (0.9) | (0.2) | 1.3    | n.a.  | 43.0%  |
| <i>Rec. Operating Cash Flow growth</i>  |      | n.a.  | n.a.    | -87.0% | 36.7% | 73.3% | 647.8% |       |        |
| <i>Rec. Operating Cash Flow / Sales</i>   |      | n.a.  | n.a.    | n.a.   | n.a.  | n.a.  | 8.7%   |       |        |
| - CAPEX   |      | -     | (1.4)   | (0.8)  | (1.4) | (2.2) | (3.1)  |       |        |
| - Net Financial Result affecting Cash Flow  |      | -     | (0.0)   | (0.2)  | (0.1) | (0.2) | (0.3)  |       |        |
| - Taxes   |      | -     | -       | -      | -     | -     | -      |       |        |
| <b>= Recurrent Free Cash Flow</b>   |      | (0.1) | (2.1)   | (2.4)  | (2.5) | (2.6) | (2.1)  | n.a.  | 4.3%   |
| <i>Rec. Free Cash Flow growth</i>   |      | n.a.  | n.a.    | -11.0% | -3.9% | -6.2% | 20.5%  |       |        |
| <i>Rec. Free Cash Flow / Revenues</i>   |      | n.a.  | n.a.    | n.a.   | n.a.  | n.a.  | n.a.   |       |        |
| - Restructuring expenses & others   |      | -     | -       | -      | -     | -     | -      |       |        |
| - Acquisitions / + Divestments  |      | -     | -       | (0.6)  | -     | -     | -      |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      | 0.6   | 0.1     | -      | -     | -     | -      |       |        |
| <b>= Free Cash Flow</b>   |      | 0.6   | (2.0)   | (3.0)  | (2.5) | (2.6) | (2.1)  | n.a.  | 11.4%  |
| <i>Free Cash Flow growth</i>  |      | n.a.  | -450.5% | -45.7% | 17.6% | -6.2% | 20.5%  |       |        |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 |      | n.a.  | n.a.    | n.a.   | n.a.  | n.a.  | n.a.   |       |        |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   |      | 48.7% | n.a.    | n.a.   | n.a.  | n.a.  | n.a.   |       |        |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |      |       |         |        |       |       |        |       |        |
|   | 2020 | 2021  | 2022    | 2023   | 2024e | 2025e | 2026e  | CAGR  |        |
| <b>Recurrent FCF(FY - 1)</b>  |      | -     | (0.1)   | (2.1)  | (2.4) | (2.5) | (2.6)  |       |        |
| EBITDA impact from revenue increase   |      | n.a.  | n.a.    | (4.1)  | (2.9) | (1.5) | (0.8)  |       |        |
| EBITDA impact from EBITDA/Sales variation   |      | n.a.  | n.a.    | 3.3    | 3.1   | 2.3   | 2.4    |       |        |
| <b>= Recurrent EBITDA variation</b>   |      | n.a.  | n.a.    | (0.8)  | 0.1   | 0.8   | 1.6    |       |        |
| - Rentals (IFRS 16 impact) variation impact   |      | -     | -       | -      | -     | -     | -      |       |        |
| +/- Working capital variation impact  |      | (0.0) | 0.5     | 0.1    | 0.4   | (0.1) | (0.0)  |       |        |
| <b>= Recurrent Operating Cash Flow variation</b>                                    |      | (0.0) | 0.5     | (0.7)  | 0.5   | 0.7   | 1.6    |       |        |
| +/- CAPEX impact  |      | -     | (1.4)   | 0.6    | (0.7) | (0.7) | (0.9)  |       |        |
| +/- Financial result variation  |      | -     | (0.0)   | (0.2)  | 0.0   | (0.1) | (0.1)  |       |        |
| +/- Tax impact  |      | -     | -       | -      | -     | -     | -      |       |        |
| <b>= Recurrent Free Cash Flow variation</b>   |      | (0.0) | (0.9)   | (0.2)  | (0.1) | (0.2) | 0.5    |       |        |
| <b>Recurrent Free Cash Flow</b>   |      | (0.0) | (1.0)   | (2.4)  | (2.5) | (2.6) | (2.1)  |       |        |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |      |       |         |        |       |       |        |       |        |
|   | 2020 | 2021  | 2022    | 2023   | 2024e | 2025e | 2026e  | CAGR  |        |
| <b>EBIT</b>   |      | (0.1) | (1.3)   | (2.7)  | (2.3) | (1.7) | (0.4)  | n.a.  | 46.3%  |
| * <i>Theoretical Tax rate</i>   |      | 0.0%  | 0.0%    | 0.0%   | 0.0%  | 0.0%  | 0.0%   |       |        |
| = Taxes (pre- Net Financial Result)   |      | -     | -       | -      | -     | -     | -      |       |        |
| <b>Recurrent EBITDA</b>   |      | (0.1) | (1.2)   | (2.0)  | (1.9) | (1.1) | 0.5    | n.a.  | 30.7%  |
| - Rentals (IFRS 16 impact)  |      | -     | -       | -      | -     | -     | -      |       |        |
| +/- Working Capital increase  |      | (0.0) | 0.4     | 0.6    | 1.0   | 0.9   | 0.9    |       |        |
| <b>= Recurrent Operating Cash Flow</b>  |      | (0.1) | (0.8)   | (1.5)  | (0.9) | (0.2) | 1.3    | n.a.  | 43.0%  |
| - CAPEX   |      | -     | (1.4)   | (0.8)  | (1.4) | (2.2) | (3.1)  |       |        |
| - Taxes (pre- Financial Result)   |      | -     | -       | -      | -     | -     | -      |       |        |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     |      | (0.1) | (2.1)   | (2.2)  | (2.4) | (2.4) | (1.7)  | n.a.  | 7.7%   |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     |      | n.a.  | n.a.    | -4.0%  | -6.3% | -1.8% | 27.2%  |       |        |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 |      | n.a.  | n.a.    | n.a.   | n.a.  | n.a.  | n.a.   |       |        |
| - Acquisitions / + Divestments  |      | -     | -       | (0.6)  | -     | -     | -      |       |        |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     |      | 0.6   | 0.1     | -      | -     | -     | -      |       |        |
| <b>= Free Cash Flow "To the Firm"</b>   |      | 0.6   | (2.0)   | (2.8)  | (2.4) | (2.4) | (1.7)  | n.a.  | 14.9%  |
| <i>Free Cash Flow (To the Firm) growth</i>  |      | n.a.  | -450.1% | -38.5% | 16.9% | -1.8% | 27.2%  |       |        |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 |      | n.a.  | n.a.    | n.a.   | n.a.  | n.a.  | n.a.   |       |        |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  |      | 28.0% | n.a.    | n.a.   | n.a.  | n.a.  | n.a.   |       |        |

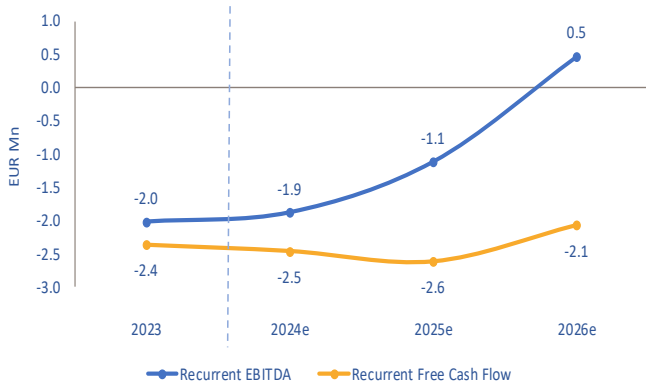


## Free Cash Flow (II)

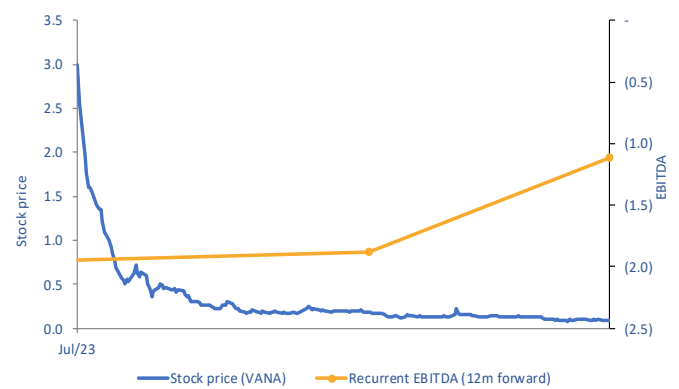
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|-------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | (2.4) | (2.4)                               | (1.7) | n.a.                          |           |            |  |
| Market Cap                     | 1.2   | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 1.0   | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |       |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 6.0%  | Net debt cost                       |       |                               | 5.8%      | 6.3%       |  |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.8%  | Kd = Cost of Net Debt * (1-T)       |       |                               | 4.6%      | 5.0%       |  |
| Risk free rate (rf)            | 3.3%  | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%  | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.4   | B (own estimate)                    |       |                               | 1.3       | 1.5        |  |
| Cost of Equity                 | 11.7% | Ke = Rf + (R * B)                   |       |                               | 10.4%     | 13.0%      |  |
| Equity / (Equity + Net Debt)   | 55.3% | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 44.7% | D                                   |       |                               | =         | =          |  |
| WACC                           | 8.6%  | WACC = Kd * D + Ke * E              |       |                               | 7.8%      | 9.4%       |  |
| G "Fair"                       | 2.0%  |                                     |       |                               | 2.5%      | 1.5%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn     | Source           |
|--------------------------------------|------------|------------------|
| Market Cap                           | 1.2        |                  |
| + Minority Interests                 | -          | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 0.2        | 12m Results 2023 |
| + Net financial debt                 | 1.0        | 12m Results 2023 |
| - Financial Investments              | 0.3        | 12m Results 2023 |
| +/- Others                           |            |                  |
| <b>Enterprise Value (EV)</b>         | <b>2.1</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019 | 2020  | 2021 | 2022 | 2023 |
|----------------------|------|-------|------|------|------|
| ROCE (evolution -5y) | n.a. | n.a.  | n.a. | n.a. | n.a. |
|                      | 2023 | 2026e |      |      |      |
| ROCE - WACC          | n.a. | n.a.  |      |      |      |
| FCF Yield - WACC     | n.a. | n.a.  |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | -13.4%           | (1.2)      | -1.7x         |
| Central  | -12.2%           | (1.1)      | -1.9x         |
| Min      | -11.0%           | (1.0)      | -2.1x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       |
|-----------------|-----------------|-------|-------|
| EBITDA 25e      | 21.2%           | 23.5% | 25.8% |
| (1.2)           | (2.5)           | (2.7) | (2.9) |
| (1.1)           | (2.4)           | (2.6) | (2.8) |
| (1.0)           | (2.3)           | (2.5) | (2.7) |

### Main Corporate Governance indicators

| KPI                                  | 2021 | 2022  | 2023  |
|--------------------------------------|------|-------|-------|
| % of independent directors           | n.a. | n.a.  | 40.0% |
| % of proprietary directors           | n.a. | n.a.  | 60.0% |
| % of executive directors             | n.a. | n.a.  | 0.0%  |
| % of other directors                 | n.a. | n.a.  | 0.0%  |
| % of women on the board of directors | n.a. | n.a.  | 0.0%  |
| % of women out of total workforce    | n.a. | 64.9% | 62.2% |
| Board remuneration/staff cost        | n.a. | 17.4% | 6.1%  |



## Main peers 2024e

|                             |                         | Food service chains |          |                   |                   | Coffe Chains |           |         |         |         |
|-----------------------------|-------------------------|---------------------|----------|-------------------|-------------------|--------------|-----------|---------|---------|---------|
| EUR Mn                      |                         | Amrest              | AIsea    | Restaurant Brands | Compass Group PLC | Average      | Starbucks | Greegs  | Average | VANA    |
| Market data                 | Ticker (Factset)        | EAT-PL              | AISEA-MX | QSR-CA            | CPG-GB            |              | SBUX-US   | GRG-GB  |         | VANA-ES |
|                             | Country                 | Spain               | Mexico   | Canada            | UK                |              | USA       | UK      |         | Spain   |
|                             | Market cap              | 1,368.2             | 3,173.0  | 29,332.0          | 44,354.5          |              | 80,837.1  | 3,401.6 |         | 1.2     |
|                             | Enterprise value (EV)   | 2,747.4             | 5,372.2  | 34,607.6          | 49,140.5          |              | 101,138.2 | 3,515.8 |         | 2.1     |
| Basic financial information | Total Revenues          | 2,687.9             | 4,565.7  | 7,896.7           | 38,561.7          |              | 33,945.7  | 2,375.5 |         | 5.1     |
|                             | Total Revenues growth   | 3.5%                | 7.9%     | 23.3%             | 6.3%              | 10.2%        | 2.6%      | 12.2%   | 7.4%    | 145.4%  |
|                             | 2y CAGR (2024e - 2026e) | n.a.                | 10.0%    | 8.1%              | 7.1%              | 8.4%         | 8.0%      | 9.6%    | 8.8%    | 74.9%   |
|                             | EBITDA                  | 447.1               | 969.2    | 2,576.4           | 3,772.5           |              | 6,781.9   | 392.1   |         | (1.9)   |
|                             | EBITDA growth           | 14.2%               | -9.5%    | 20.8%             | 13.3%             | 9.7%         | 8.0%      | 12.9%   | 10.4%   | 20.6%   |
|                             | 2y CAGR (2024e - 2026e) | n.a.                | 6.9%     | 8.2%              | 8.4%              | 7.8%         | 10.2%     | 10.7%   | 10.5%   | 50.0%   |
|                             | EBITDA/Revenues         | 16.6%               | 21.2%    | 32.6%             | 9.8%              | 20.1%        | 20.0%     | 16.5%   | 18.2%   | n.a.    |
|                             | EBIT                    | 138.5               | 501.6    | 2,244.4           | 2,725.7           |              | 5,378.4   | 225.2   |         | (2.3)   |
|                             | EBIT growth             | -1.8%               | -18.6%   | 14.5%             | 18.5%             | 3.2%         | 8.7%      | 11.9%   | 10.3%   | 16.7%   |
|                             | 2y CAGR (2024e - 2026e) | n.a.                | 12.0%    | 8.7%              | 9.4%              | 10.0%        | 10.8%     | 10.1%   | 10.5%   | 56.9%   |
|                             | EBIT/Revenues           | 5.2%                | 11.0%    | 28.4%             | 7.1%              | 12.9%        | 15.8%     | 9.5%    | 12.7%   | n.a.    |
|                             | Net Profit              | 81.7                | 185.2    | 1,408.3           | 1,862.9           |              | 3,775.9   | 160.2   |         | (2.4)   |
|                             | Net Profit growth       | 99.1%               | 11.9%    | 29.7%             | 21.2%             | 40.5%        | -0.5%     | -3.9%   | -2.2%   | 17.4%   |
|                             | 2y CAGR (2024e - 2026e) | n.a.                | 24.9%    | 9.6%              | 9.7%              | 14.8%        | 10.8%     | 10.0%   | 10.4%   | 43.6%   |
|                             | CAPEX/Sales %           | 7.4%                | 6.7%     | 2.1%              | 3.3%              | 4.9%         | 7.9%      | 12.3%   | 10.1%   | 28.4%   |
| Free Cash Flow              | n.a.                    | 232.6               | 1,392.2  | 1,590.0           |                   | 3,191.4      | (9.1)     |         | (2.5)   |         |
| Net financial debt          | 1,477.0                 | 1,871.1             | 11,160.1 | 4,495.9           |                   | 14,205.7     | 297.5     |         | 2.7     |         |
| ND/EBITDA (x)               | 3.3                     | 1.9                 | 4.3      | 1.2               | 2.7               | 2.1          | 0.8       | 1.4     | n.a.    |         |
| Pay-out                     | n.a.                    | 18.7%               | 47.9%    | 51.6%             | 39.4%             | 64.4%        | 50.8%     | 57.6%   | 0.0%    |         |
| Multiples and Ratios        | P/E (x)                 | n.a.                | 16.9     | 20.3              | 23.6              | 20.3         | 21.5      | 21.0    | 21.2    | n.a.    |
|                             | P/BV (x)                | n.a.                | 4.8      | 6.4               | 7.2               | 6.1          | n.a.      | 5.2     | 5.2     | n.a.    |
|                             | EV/Revenues (x)         | 1.0                 | 1.2      | 4.4               | 1.3               | 2.0          | 3.0       | 1.5     | 2.2     | 0.4     |
|                             | EV/EBITDA (x)           | 6.1                 | 5.5      | 13.4              | 13.0              | 9.5          | 14.9      | 9.0     | 11.9    | n.a.    |
|                             | EV/EBIT (x)             | 19.8                | 10.7     | 15.4              | 18.0              | 16.0         | 18.8      | 15.6    | 17.2    | n.a.    |
|                             | ROE                     | n.a.                | 28.4     | 31.4              | 30.4              | 30.0         | n.a.      | 24.6    | 24.6    | n.a.    |
|                             | FCF Yield (%)           | n.a.                | 7.3      | 4.7               | 3.6               | 5.2          | 3.9       | n.a.    | 3.9     | n.a.    |
|                             | DPS                     | n.a.                | 0.04     | 2.16              | 0.55              | 0.92         | 2.12      | 0.80    | 1.46    | 0.00    |
|                             | Dvd Yield               | n.a.                | 1.1%     | 3.3%              | 2.1%              | 2.2%         | 3.0%      | 2.4%    | 2.7%    | 0.0%    |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

**Vitruvio (YVIT)** is a “classic” real estate company engaged in the purchase and development of urban real estate for lease, with a focus on property management, primarily in Madrid (which accounts for c.90% of its GAV). It has a diversified portfolio, with exposure to residential (42%), commercial (34%), office (20%) and logistics (4%) properties. YVIT has traded as a listed Spanish REIT (SOCIMI) on BME Growth since 2016 (free float: 94.5%).

### MOMENTUM: WHAT DO WE EXPECT FROM 2024E?

**2023 proved this is a low-risk business.** Revenue registered mid-single digit growth (+4.6% vs 2022), occupancy was high (96%) and the dividend increased to EUR 0.42/sh<sup>(3)</sup> (+5.4% vs 2022; dividend yield 2023: 3.2%). The 2023 capital increase (EUR 13.8Mn) put the company’s LTV (14.8%) at all-time lows.

**We are looking for further M&A growth in 2024e.** Following the recent acquisitions of a residential portfolio and commercial premises (April 2024), our model points to rental income of EUR 10.2Mn in 2024e (+18.2% vs 2023; GRI yield 5.4% vs 5.3% in 2023) and EBITDA of EUR 5.8Mn (+14.8% vs 2023; EBITDA margin: 57.3%). Momentum in 2024 looks positive for three reasons: i) probable rate cuts in 2H24; ii) low leverage; and iii) reactivation of M&A activity (e.g. takeover bid for Arima at a premium of c.39%).

### PILARES DEL EQUITY STORY: ¿EN QUÉ HAY QUE “FIJARSE”?

**Very defensive portfolio.** YVIT’s asset portfolio (GAV 1Q24: EUR 173Mn) exposes it to a range of sectors: residential (37%), commercial (37%), offices (21%) and industrial (5%), located mainly in Madrid (c. 90% of GAV). Exposure to different asset classes mitigates risk (irrespective of cycle timing), while prime locations ensure high occupancy levels (>90%).

**A real estate play with tremendous visibility in the coming years (and strong liquidity) ...** Assuming no acquisitions (stable GAV), the company’s high occupancy levels and prime locations (tight markets) “lock in” strong visibility. We are looking for rental income of EUR 11.8Mn (CAGR 23-26e: +11.0%) and EBITDA of EUR 6.9Mn in 2026e (vs EUR 5.1Mn in 2023). Keeping leverage at conservative levels (LTV <30%).

**... and a strategic focus on a (growing) dividend.** The commitment to shareholder remuneration is one of YVIT’s selling points. Guaranteed dividend growth (DPS 2024e: EUR 0.45/sh: +6.0% vs 2023), which at current prices implies a dividend yield 2024e of 3.2%.

**A play on GAV growth “tied” to the share price.** YVIT’s relatively low discount (c.10% to GAV) is an advantage when it comes to acquiring assets and leveraging the effect of rate cuts. The upside that is “invisible” in our current numbers (which assume no growth in GAV) is the probable (considering the company’s track-record in 2016-2020) scenario that the company will take advantage of a business model conceived of for M&A-led growth without assuming high risk (improving the main indicators and DPS).

### RISKS: ¿QUÉ NO HAY QUE PASAR POR ALTO?

**A drop in occupancy.** Digitalisation has (partially) transformed consumer/work habits. In the years to come occupancy could fall (historically, c.96%), especially in the commercial and office segments, curbing the growth in the return on assets.

**High rates for longer.** The current macroeconomic environment, marked by high discount rates (for longer than expected) could hurt property valuations, eroding the portfolio’s GAV.

### VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

**Has the share price peaked?** The share price performance -12m (+5.7%) has reduced the discount to NAV to c.10% (vs 40% for the main Spanish REITs). Momentum remains positive with the reactivation (underway) of the M&A strategy. YVIT has reinforced its status as a defensive and growth play. The fact that it is currently trading at a premium to its comps - P/BV 2024e of 1.2x vs 0.7x - reflects an unusual combination of growth and low risk.

#### Market Data

|                                |                       |       |
|--------------------------------|-----------------------|-------|
| Market Cap (Mn EUR and USD)    | 127.0                 | 138.1 |
| EV (Mn EUR and USD)            | 161.0                 | 175.1 |
| Shares Outstanding (Mn)        | 9.2                   |       |
| -12m (Max/Med/Mín EUR)         | 13.80 / 13.29 / 12.47 |       |
| Daily Avg volume (-12m Mn EUR) | 0.04                  |       |
| Rotation <sup>(1)</sup>        | 7.4                   |       |
| Factset / Bloomberg            | YVIT-ES / YVIT SM     |       |
| Close fiscal year              | 31-Dec                |       |

#### Shareholders Structure (%)

|            |      |
|------------|------|
| Onchena    | 5.5  |
| Free Float | 94.5 |

| Financials (Mn EUR)                 | 2023  | 2024e | 2025e | 2026e |
|-------------------------------------|-------|-------|-------|-------|
| Adj. n <sup>o</sup> shares (Mn)     | 8.8   | 9.2   | 9.2   | 9.2   |
| Total Revenues                      | 8.6   | 10.2  | 11.0  | 11.8  |
| Rec. EBITDA                         | 5.1   | 5.8   | 6.5   | 6.9   |
| % growth                            | 6.1   | 14.8  | 11.0  | 7.3   |
| % Rec. EBITDA/Rev.                  | 59.0  | 57.3  | 58.9  | 59.0  |
| % Inc. EBITDA sector <sup>(2)</sup> | 5.5   | 11.2  | 6.2   | 5.8   |
| Net Profit                          | 3.4   | 3.5   | 3.8   | 4.9   |
| EPS (EUR)                           | 0.38  | 0.38  | 0.41  | 0.53  |
| % growth                            | 18.0  | -1.4  | 9.3   | 28.0  |
| Ord. EPS (EUR)                      | 0.28  | 0.37  | 0.40  | 0.52  |
| % growth                            | 210.5 | 33.1  | 9.6   | 28.8  |
| Rec. Free Cash Flow                 | 2.0   | 3.8   | 0.6   | 4.2   |
| Pay-out (%)                         | 114.8 | 117.8 | 113.1 | 92.8  |
| DPS (EUR)                           | 0.44  | 0.45  | 0.47  | 0.49  |
| Net financial debt                  | 23.9  | 47.6  | 51.3  | 51.6  |
| ND/Rec. EBITDA (x)                  | 4.7   | 8.2   | 7.9   | 7.4   |
| ROE (%)                             | 3.2   | 3.2   | 3.5   | 4.4   |
| ROCE (%)                            | 3.0   | 3.0   | 3.1   | 3.7   |

#### Ratios & Multiples (x)

|                    |       |       |       |       |
|--------------------|-------|-------|-------|-------|
| P/E                | 36.0  | 36.5  | 33.4  | 26.1  |
| Ord. P/E           | 50.0  | 37.6  | 34.3  | 26.6  |
| P/BV               | 1.1   | 1.2   | 1.2   | 1.2   |
| Dividend Yield (%) | 3.2   | 3.2   | 3.4   | 3.6   |
| EV/Sales           | 18.72 | 15.84 | 14.67 | 13.70 |
| EV/Rec. EBITDA     | 31.7  | 27.6  | 24.9  | 23.2  |
| EV/EBIT            | 39.6  | 36.2  | 32.0  | 26.1  |
| FCF Yield (%)      | 1.6   | 3.0   | 0.5   | 3.3   |

#### Historical behavior (base 100)



| (%)      | -1m | -3m | -12m | -5Y |
|----------|-----|-----|------|-----|
| Absolute | 2.9 | 2.1 | 5.7  | 7.0 |

(1) 5Rotation is the % of the capitalisation traded - 12m.

(2) Sector: Stoxx Europe 600 Real State.

(3) DPS calculated with the adjusted number of shares.



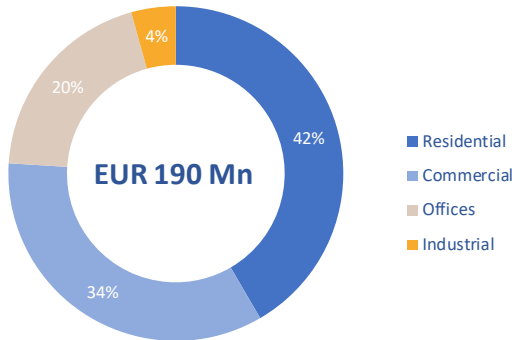
## Financial Projections

| Balance Sheet (EUR Mn)                       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | CAGR         |              |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|
| Intangible assets                            | 2.5          | 2.1          | 1.9          | 1.9          | 1.6          | 1.5           | 1.4          | 1.2          |              |              |
| Fixed assets                                 | 135.6        | 148.7        | 142.2        | 133.7        | 135.8        | 159.3         | 162.4        | 163.0        |              |              |
| Other Non Current Assets                     | -            | -            | -            | -            | -            | -             | -            | -            |              |              |
| Financial Investments                        | 10.8         | 4.1          | 3.4          | 3.7          | 3.0          | 3.1           | 3.2          | 3.3          |              |              |
| Goodwill & Other Intangibles                 | 0.9          | 0.8          | 0.6          | 0.5          | 0.4          | 0.3           | 0.3          | 0.3          |              |              |
| Current assets                               | 5.2          | 2.4          | 2.7          | 1.1          | 1.2          | 1.4           | 1.5          | 1.5          |              |              |
| <b>Total assets</b>                          | <b>154.9</b> | <b>158.1</b> | <b>151.0</b> | <b>140.9</b> | <b>142.1</b> | <b>165.6</b>  | <b>168.8</b> | <b>169.4</b> |              |              |
| Equity                                       | 97.9         | 97.5         | 96.8         | 97.5         | 110.6        | 110.0         | 109.5        | 109.8        |              |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -             | -            | -            |              |              |
| Provisions & Other L/T Liabilities           | 3.6          | 8.5          | 8.3          | 7.5          | 7.0          | 7.0           | 7.0          | 7.0          |              |              |
| Other Non Current Liabilities                | -            | -            | -            | -            | -            | -             | -            | -            |              |              |
| Net financial debt                           | 52.3         | 51.2         | 44.2         | 34.8         | 23.9         | 47.6          | 51.3         | 51.6         |              |              |
| Current Liabilities                          | 1.1          | 0.9          | 1.7          | 1.1          | 0.5          | 1.0           | 1.0          | 0.9          |              |              |
| <b>Equity &amp; Total Liabilities</b>        | <b>154.9</b> | <b>158.1</b> | <b>151.0</b> | <b>140.9</b> | <b>142.1</b> | <b>165.6</b>  | <b>168.8</b> | <b>169.4</b> |              |              |
| P&L (EUR Mn)                                 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Gross rental income (GRI)</b>             | <b>7.8</b>   | <b>7.6</b>   | <b>7.9</b>   | <b>8.2</b>   | <b>8.6</b>   | <b>10.2</b>   | <b>11.0</b>  | <b>11.8</b>  | <b>2.4%</b>  | <b>11.0%</b> |
| Total Revenues growth                        | 34.1%        | -3.0%        | 4.0%         | 4.1%         | 4.6%         | 18.2%         | 8.0%         | 7.1%         |              |              |
| Operating expenses                           | (1.5)        | (1.6)        | (1.7)        | (1.9)        | (1.5)        | (2.1)         | (2.2)        | (2.4)        |              |              |
| <b>Net Operating Income (NOI)</b>            | <b>6.3</b>   | <b>6.0</b>   | <b>6.2</b>   | <b>6.3</b>   | <b>7.1</b>   | <b>8.1</b>    | <b>8.8</b>   | <b>9.4</b>   | <b>3.0%</b>  | <b>9.8%</b>  |
| Net Operating Income / Income                | 80.4%        | 78.6%        | 78.9%        | 77.1%        | 82.5%        | 79.8%         | 80.0%        | 80.0%        |              |              |
| Personnel Expenses                           | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)        | (0.2)         | (0.2)        | (0.2)        |              |              |
| Other Operating Expenses                     | (1.6)        | (1.7)        | (1.7)        | (1.4)        | (1.9)        | (2.1)         | (2.2)        | (2.3)        |              |              |
| <b>Recurrent EBITDA</b>                      | <b>4.5</b>   | <b>4.1</b>   | <b>4.4</b>   | <b>4.8</b>   | <b>5.1</b>   | <b>5.8</b>    | <b>6.5</b>   | <b>6.9</b>   | <b>2.9%</b>  | <b>11.0%</b> |
| Recurrent EBITDA growth                      | 32.6%        | -10.0%       | 8.0%         | 8.7%         | 6.1%         | 14.8%         | 11.0%        | 7.3%         |              |              |
| Rec. EBITDA/Revenues                         | 57.8%        | 53.6%        | 55.6%        | 58.1%        | 59.0%        | 57.3%         | 58.9%        | 59.0%        |              |              |
| Other non recurrent Income and expenses      | 0.4          | 0.2          | 0.2          | 0.2          | 0.0          | 0.0           | 0.0          | 0.0          |              |              |
| Gain/loss on Disposals                       | 0.3          | (0.1)        | (0.2)        | 1.9          | 0.6          | -             | -            | -            |              |              |
| <b>EBITDA</b>                                | <b>5.2</b>   | <b>4.2</b>   | <b>4.4</b>   | <b>6.9</b>   | <b>5.7</b>   | <b>5.8</b>    | <b>6.5</b>   | <b>6.9</b>   | <b>2.2%</b>  | <b>6.8%</b>  |
| Depreciation & Provisions                    | (1.4)        | (1.4)        | (1.3)        | (1.3)        | (1.2)        | (1.4)         | (1.4)        | (0.8)        |              |              |
| Capitalized Expense                          | -            | -            | -            | -            | -            | -             | -            | -            |              |              |
| Variation in property values                 | (0.4)        | (0.4)        | (0.5)        | (1.9)        | (0.4)        | -             | -            | -            |              |              |
| <b>EBIT</b>                                  | <b>3.5</b>   | <b>2.3</b>   | <b>2.6</b>   | <b>3.7</b>   | <b>4.1</b>   | <b>4.5</b>    | <b>5.0</b>   | <b>6.2</b>   | <b>4.0%</b>  | <b>14.9%</b> |
| EBIT growth                                  | 39.8%        | -34.3%       | 13.9%        | 42.0%        | 10.2%        | 9.6%          | 13.2%        | 22.2%        |              |              |
| EBIT/Revenues                                | 44.3%        | 30.0%        | 32.9%        | 44.8%        | 47.2%        | 43.8%         | 45.9%        | 52.4%        |              |              |
| Impact of Goodwill & Others                  | 0.1          | 0.1          | -            | -            | -            | -             | -            | -            |              |              |
| Net Financial Result                         | (1.0)        | (1.1)        | (1.0)        | (0.8)        | (1.0)        | (1.1)         | (1.3)        | (1.4)        |              |              |
| Income by the Equity Method                  | -            | -            | -            | -            | -            | -             | -            | -            |              |              |
| <b>Ordinary Profit</b>                       | <b>2.6</b>   | <b>1.2</b>   | <b>1.6</b>   | <b>2.9</b>   | <b>3.0</b>   | <b>3.4</b>    | <b>3.7</b>   | <b>4.8</b>   | <b>4.0%</b>  | <b>16.1%</b> |
| Ordinary Profit Growth                       | 52.6%        | -52.5%       | 30.7%        | 78.6%        | 5.5%         | 10.9%         | 9.6%         | 28.8%        |              |              |
| Extraordinary Results                        | -            | (9.5)        | -            | -            | -            | -             | -            | -            |              |              |
| <b>Profit Before Tax</b>                     | <b>2.6</b>   | <b>(8.3)</b> | <b>1.6</b>   | <b>2.9</b>   | <b>3.0</b>   | <b>3.4</b>    | <b>3.7</b>   | <b>4.8</b>   | <b>4.0%</b>  | <b>16.1%</b> |
| Tax Expense                                  | 0.1          | 0.1          | 0.1          | (0.2)        | 0.3          | 0.1           | 0.1          | 0.1          |              |              |
| Effective Tax Rate                           | n.a.         | n.a.         | n.a.         | 7.8%         | n.a.         | n.a.          | n.a.         | n.a.         |              |              |
| Minority Interests                           | -            | -            | -            | -            | -            | -             | -            | -            |              |              |
| Discontinued Activities                      | -            | -            | -            | -            | -            | -             | -            | -            |              |              |
| <b>Net Profit</b>                            | <b>2.7</b>   | <b>(8.2)</b> | <b>1.7</b>   | <b>2.7</b>   | <b>3.4</b>   | <b>3.5</b>    | <b>3.8</b>   | <b>4.9</b>   | <b>5.8%</b>  | <b>13.1%</b> |
| Net Profit growth                            | 39.7%        | -404.7%      | 120.9%       | 55.5%        | 26.4%        | 3.3%          | 9.3%         | 28.0%        |              |              |
| <b>Ordinary Net Profit</b>                   | <b>1.9</b>   | <b>1.1</b>   | <b>1.6</b>   | <b>0.7</b>   | <b>2.4</b>   | <b>3.4</b>    | <b>3.7</b>   | <b>4.8</b>   | <b>6.2%</b>  | <b>25.3%</b> |
| Ordinary Net Profit growth                   | 53.6%        | -40.0%       | 40.6%        | -54.6%       | 232.7%       | 39.4%         | 9.6%         | 28.8%        |              |              |
| Cash Flow (EUR Mn)                           | 2019         | 2020         | 2021         | 2022         | 2023         | 2024e         | 2025e        | 2026e        | 19-23        | 23-26e       |
| <b>Recurrent EBITDA</b>                      |              |              |              |              |              | <b>5.8</b>    | <b>6.5</b>   | <b>6.9</b>   | <b>2.9%</b>  | <b>11.0%</b> |
| Rentals (IFRS 16 impact)                     |              |              |              |              |              | -             | -            | -            |              |              |
| Working Capital Increase                     |              |              |              |              |              | 0.3           | (0.1)        | (0.1)        |              |              |
| <b>Recurrent Operating Cash Flow</b>         |              |              |              |              |              | <b>6.1</b>    | <b>6.4</b>   | <b>6.8</b>   | <b>36.9%</b> | <b>15.8%</b> |
| CAPEX  |              |              |              |              |              | (1.2)         | (4.5)        | (1.2)        |              |              |
| Net Financial Result affecting the Cash Flow |              |              |              |              |              | (1.1)         | (1.3)        | (1.4)        |              |              |
| Tax Expense                                  |              |              |              |              |              | -             | -            | -            |              |              |
| <b>Recurrent Free Cash Flow</b>              |              |              |              |              |              | <b>3.8</b>    | <b>0.6</b>   | <b>4.2</b>   | <b>82.1%</b> | <b>27.9%</b> |
| Gain/loss on Disposals                       |              |              |              |              |              | -             | -            | -            |              |              |
| - Acquisitions / + Divestures of assets      |              |              |              |              |              | (23.4)        | -            | -            |              |              |
| Extraordinary Inc./Exp. Affecting Cash Flow  |              |              |              |              |              | -             | -            | -            |              |              |
| <b>Free Cash Flow</b>                        |              |              |              |              |              | <b>(19.6)</b> | <b>0.6</b>   | <b>4.2</b>   | <b>19.1%</b> | <b>n.a.</b>  |
| Capital Increase                             |              |              |              |              |              | -             | -            | -            |              |              |
| Dividends                                    |              |              |              |              |              | (4.1)         | (4.3)        | (4.5)        |              |              |
| <b>Net Debt Variation</b>                    |              |              |              |              |              | <b>23.7</b>   | <b>3.7</b>   | <b>0.3</b>   |              |              |

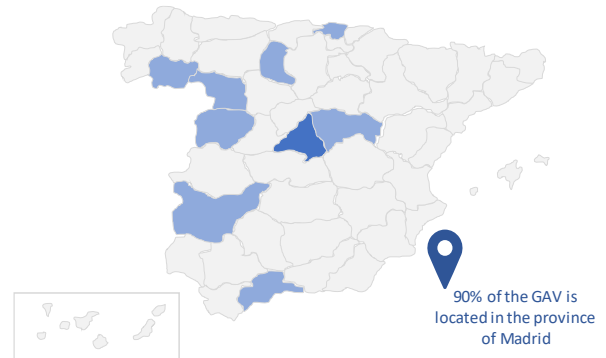


## The company in 8 charts

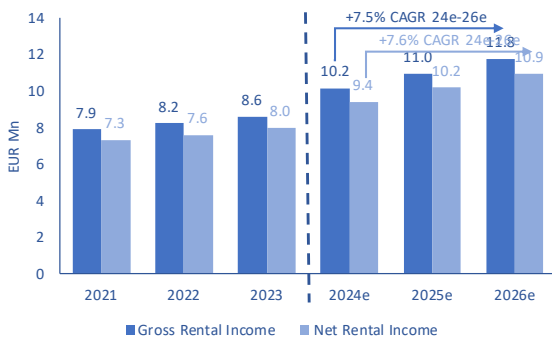
YVIT's portfolio (Apr. 2024) is well diversified across residential, commercial, office and logistics assets...



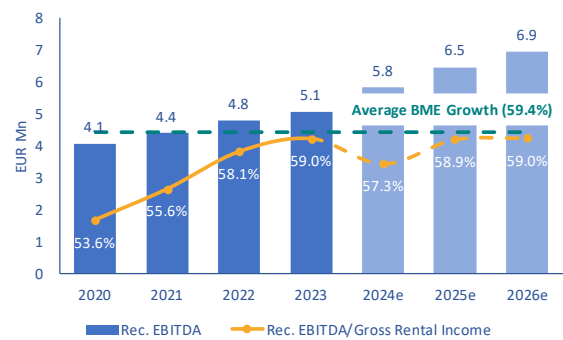
...with the bulk of GAV concentrated in high growth areas (90% of the GAV in Madrid)



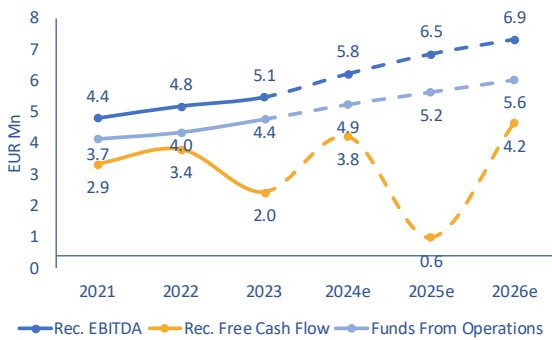
Rent increases are the main revenue driver to 2026e (+7.5% CAGR 24e-26e; 6.2% GRI Yield 2026e)...



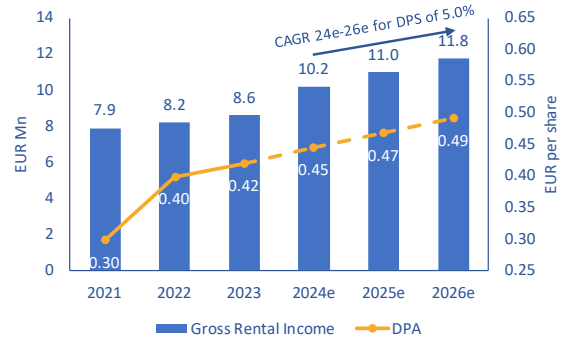
...keeping margins in line with comps (EBITDA margin >59%)



The property management business and low CAPEX needs (except 2025e) allow c.50% of recurring EBITDA to be converted to cash



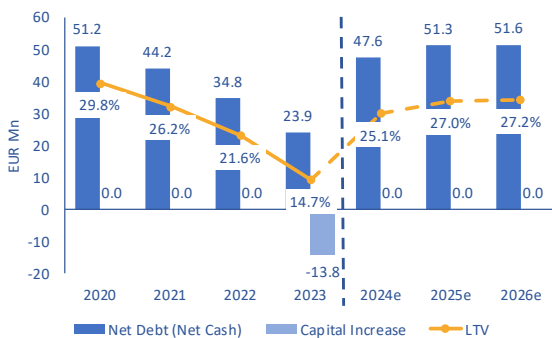
The stable and increasing dividend (CAGR 24e-26e for DPS of 5.0%) is one of YVIT's main attractions (3.2% Dividend Yield 2024e)



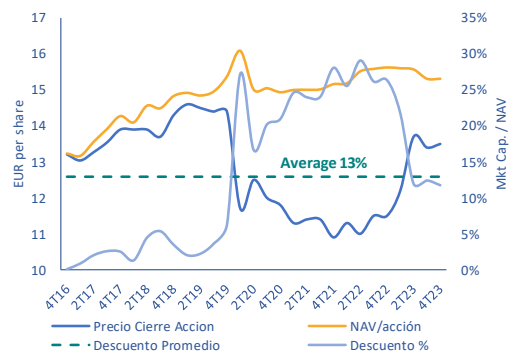
Committed CAPEX for 25e of EUR 4.4Mn for works on the Duque de Rivas (co-living) asset

The DPS is based on the number of shares outstanding at the end of the year (unadjusted)

A comfortable financial position (LTV 2023 < 20%) thanks to capital increases and asset rotation



YVIT is trading at a discount of nearly 10% to net asset value (NAV)

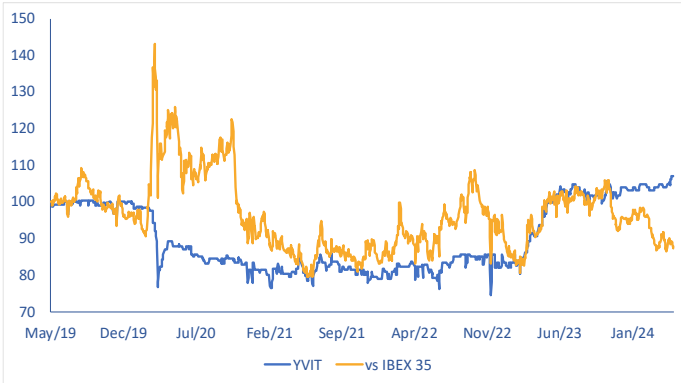






## Evolution of the share price

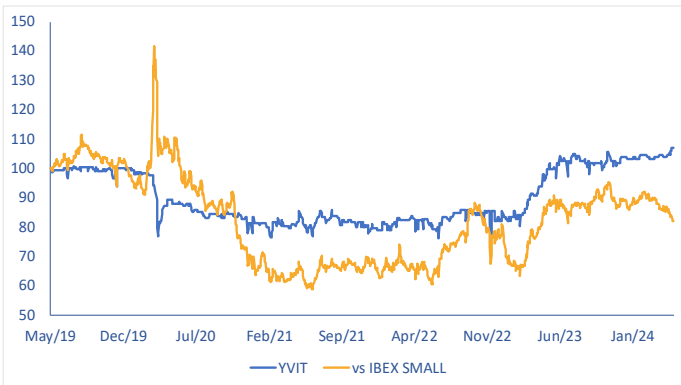
Historical behavior vs Ibex 35 (base 100)



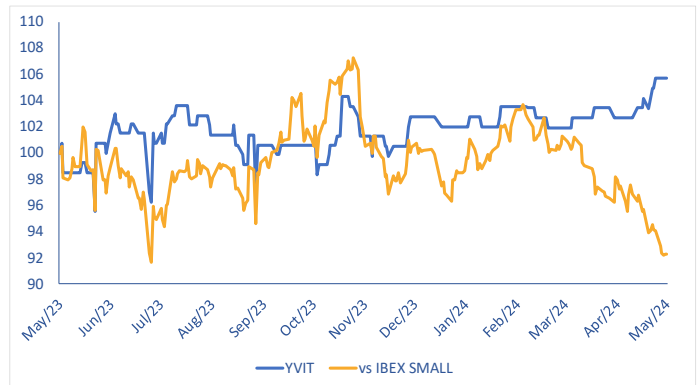
Behavior -1y vs Ibex 35 (base 100)



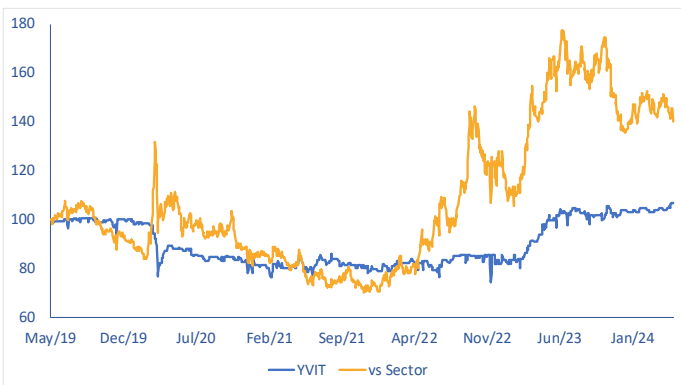
Historical behavior vs Ibex Small Cap (base 100)



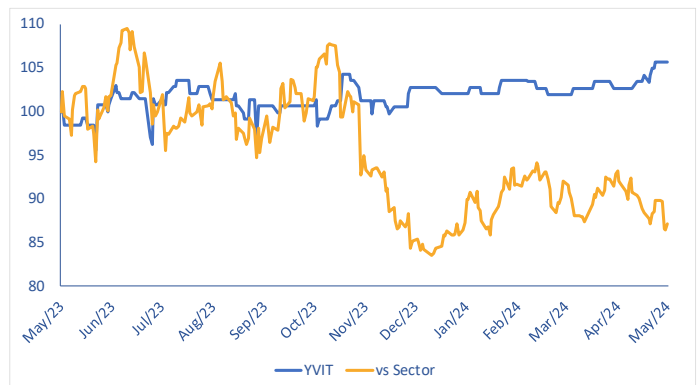
Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector<sup>(1)</sup> (base 100)



Behavior -1y vs Sector<sup>(1)</sup> (base 100)



(1) Sector: Stoxx Europe 600 Real State

| Stock performance (%)                     | -1m  | -3m   | -12m  | YTD  | -3Y  | -5Y   |
|---|------|-------|-------|------|------|-------|
| <b>Absolute</b>                           | 2.9  | 2.1   | 5.7   | 2.8  | 26.1 | 7.0   |
| <b>vs Market</b>                          |      |       |       |      |      |       |
| vs Ibex 35                                | -3.4 | -10.9 | -14.0 | -8.3 | 1.9  | -12.4 |
| vs Euro STOXX 50                          | -0.1 | -3.9  | -9.8  | -8.2 | -0.2 | -27.6 |
| <b>vs Small Cap References</b>            |      |       |       |      |      |       |
| vs Ibex Small Cap Index                   | -5.8 | -10.7 | -7.7  | -7.6 | 23.4 | -17.9 |
| vs Micro Cap Spain Segment <sup>(1)</sup> | -2.5 | -5.5  | 0.6   | -4.6 | 36.4 | -11.5 |
| vs MSCI Europe Micro Cap                  | -3.0 | -4.9  | 2.7   | -2.7 | 54.8 | -10.8 |
| <b>vs Sector</b>                          |      |       |       |      |      |       |
| vs Stoxx Europe 600 Real State            | -6.5 | -4.9  | -12.8 | 3.3  | 64.2 | 41.4  |

(1) [Constituents on page 10.](#)



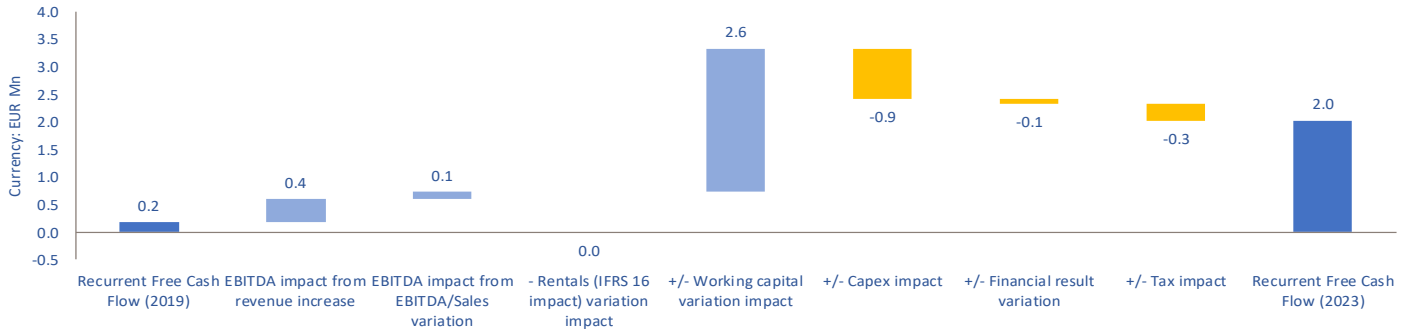
## Free Cash Flow (I)

| A) Cash Flow Analysis (EUR Mn)  | 2020         | 2021         | 2022        | 2023         | 2024e         | 2025e        | 2026e      | CAGR          |              |
|---|--------------|--------------|-------------|--------------|---------------|--------------|------------|---------------|--------------|
|   |              |              |             |              |               |              |            | 20-23         | 23-26e       |
| <b>Recurrent EBITDA</b>   | <b>4.1</b>   | <b>4.4</b>   | <b>4.8</b>  | <b>5.1</b>   | <b>5.8</b>    | <b>6.5</b>   | <b>6.9</b> | <b>7.6%</b>   | <b>11.0%</b> |
| <i>Recurrent EBITDA growth</i>  | -10.0%       | 8.0%         | 8.7%        | 6.1%         | 14.8%         | 11.0%        | 7.3%       |               |              |
| <i>Rec. EBITDA/Revenues</i>   | 53.6%        | 55.6%        | 58.1%       | 59.0%        | 57.3%         | 58.9%        | 59.0%      |               |              |
| - Rentals (IFRS 16 impact)  | -            | -            | -           | -            | -             | -            | -          |               |              |
| +/- Working Capital increase  | 2.7          | 0.4          | 1.0         | (0.7)        | 0.3           | (0.1)        | (0.1)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>6.7</b>   | <b>4.8</b>   | <b>5.8</b>  | <b>4.4</b>   | <b>6.1</b>    | <b>6.4</b>   | <b>6.8</b> | <b>-13.2%</b> | <b>15.8%</b> |
| <i>Rec. Operating Cash Flow growth</i>  | 436.7%       | -28.3%       | 20.4%       | -24.2%       | 38.1%         | 4.7%         | 7.3%       |               |              |
| <i>Rec. Operating Cash Flow / Sales</i>   | 88.5%        | 61.1%        | 70.7%       | 51.2%        | 59.9%         | 58.1%        | 58.2%      |               |              |
| - CAPEX   | (0.2)        | (1.0)        | (0.9)       | (1.0)        | (1.2)         | (4.5)        | (1.2)      |               |              |
| - Net Financial Result affecting Cash Flow  | (1.0)        | (0.9)        | (0.8)       | (1.0)        | (1.1)         | (1.3)        | (1.4)      |               |              |
| - Taxes   | -            | 0.0          | (0.7)       | (0.4)        | -             | -            | -          |               |              |
| <b>= Recurrent Free Cash Flow</b>   | <b>5.5</b>   | <b>2.9</b>   | <b>3.4</b>  | <b>2.0</b>   | <b>3.8</b>    | <b>0.6</b>   | <b>4.2</b> | <b>-28.3%</b> | <b>27.9%</b> |
| <i>Rec. Free Cash Flow growth</i>   | n.a.         | -46.6%       | 15.8%       | -40.3%       | 87.9%         | -85.0%       | 643.5%     |               |              |
| <i>Rec. Free Cash Flow / Revenues</i>   | 72.5%        | 37.2%        | 41.4%       | 23.6%        | 37.6%         | 5.2%         | 36.1%      |               |              |
| - Restructuring expenses & others   | (0.1)        | (0.2)        | 1.9         | 0.6          | -             | -            | -          |               |              |
| - Acquisitions / + Divestments  | 3.5          | 2.6          | 7.6         | (2.4)        | (23.4)        | -            | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | (0.3)        | -           | -            | -             | -            | -          |               |              |
| <b>= Free Cash Flow</b>   | <b>8.9</b>   | <b>5.0</b>   | <b>12.9</b> | <b>0.3</b>   | <b>(19.6)</b> | <b>0.6</b>   | <b>4.2</b> | <b>-68.0%</b> | <b>n.a.</b>  |
| <i>Free Cash Flow growth</i>  | 136.5%       | -43.8%       | 156.4%      | -97.7%       | n.a.          | 102.9%       | 643.5%     |               |              |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | 4.3%         | 2.3%         | 2.7%        | 1.6%         | 3.0%          | 0.5%         | 3.3%       |               |              |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | 7.0%         | 3.9%         | 10.1%       | 0.2%         | n.a.          | 0.5%         | 3.3%       |               |              |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |              |              |             |              |               |              |            |               |              |
|   | 2020         | 2021         | 2022        | 2023         | 2024e         | 2025e        | 2026e      | CAGR          |              |
| <b>Recurrent FCF(FY - 1)</b>  | <b>0.2</b>   | <b>5.5</b>   | <b>2.9</b>  | <b>3.4</b>   | <b>2.0</b>    | <b>3.8</b>   | <b>0.6</b> |               |              |
| EBITDA impact from revenue increase   | (0.1)        | 0.2          | 0.2         | 0.2          | 0.9           | 0.5          | 0.5        |               |              |
| EBITDA impact from EBITDA/Sales variation   | (0.3)        | 0.2          | 0.2         | 0.1          | (0.2)         | 0.2          | 0.0        |               |              |
| <b>= Recurrent EBITDA variation</b>   | <b>(0.5)</b> | <b>0.3</b>   | <b>0.4</b>  | <b>0.3</b>   | <b>0.8</b>    | <b>0.6</b>   | <b>0.5</b> |               |              |
| - Rentals (IFRS 16 impact) variation impact   | -            | -            | -           | -            | -             | -            | -          |               |              |
| +/- Working capital variation impact  | 5.9          | (2.2)        | 0.6         | (1.7)        | 0.9           | (0.4)        | (0.0)      |               |              |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>5.5</b>   | <b>(1.9)</b> | <b>1.0</b>  | <b>(1.4)</b> | <b>1.7</b>    | <b>0.3</b>   | <b>0.5</b> |               |              |
| +/- CAPEX impact  | (0.2)        | (0.8)        | 0.1         | (0.0)        | (0.2)         | (3.3)        | 3.3        |               |              |
| +/- Financial result variation  | (0.1)        | 0.1          | 0.1         | (0.2)        | (0.1)         | (0.3)        | (0.1)      |               |              |
| +/- Tax impact  | 0.1          | 0.0          | (0.7)       | 0.3          | 0.4           | -            | -          |               |              |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>5.3</b>   | <b>(2.6)</b> | <b>0.5</b>  | <b>(1.4)</b> | <b>1.8</b>    | <b>(3.2)</b> | <b>3.7</b> |               |              |
| <b>Recurrent Free Cash Flow</b>   | <b>5.5</b>   | <b>2.9</b>   | <b>3.4</b>  | <b>2.0</b>   | <b>3.8</b>    | <b>0.6</b>   | <b>4.2</b> |               |              |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |              |              |             |              |               |              |            |               |              |
|   | 2020         | 2021         | 2022        | 2023         | 2024e         | 2025e        | 2026e      | CAGR          |              |
| <b>EBIT</b>   | <b>2.3</b>   | <b>2.6</b>   | <b>3.7</b>  | <b>4.1</b>   | <b>4.5</b>    | <b>5.0</b>   | <b>6.2</b> | <b>21.2%</b>  | <b>14.9%</b> |
| * Theoretical Tax rate  | 0.0%         | 0.0%         | 7.8%        | 0.0%         | 0.0%          | 0.0%         | 0.0%       |               |              |
| = Taxes (pre- Net Financial Result)   | -            | -            | (0.3)       | -            | -             | -            | -          |               |              |
| <b>Recurrent EBITDA</b>   | <b>4.1</b>   | <b>4.4</b>   | <b>4.8</b>  | <b>5.1</b>   | <b>5.8</b>    | <b>6.5</b>   | <b>6.9</b> | <b>7.6%</b>   | <b>11.0%</b> |
| - Rentals (IFRS 16 impact)  | -            | -            | -           | -            | -             | -            | -          |               |              |
| +/- Working Capital increase  | 2.7          | 0.4          | 1.0         | (0.7)        | 0.3           | (0.1)        | (0.1)      |               |              |
| <b>= Recurrent Operating Cash Flow</b>  | <b>6.7</b>   | <b>4.8</b>   | <b>5.8</b>  | <b>4.4</b>   | <b>6.1</b>    | <b>6.4</b>   | <b>6.8</b> | <b>-13.2%</b> | <b>15.8%</b> |
| - CAPEX   | (0.2)        | (1.0)        | (0.9)       | (1.0)        | (1.2)         | (4.5)        | (1.2)      |               |              |
| - Taxes (pre- Financial Result)   | -            | -            | (0.3)       | -            | -             | -            | -          |               |              |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>6.5</b>   | <b>3.8</b>   | <b>4.6</b>  | <b>3.4</b>   | <b>4.9</b>    | <b>1.9</b>   | <b>5.6</b> | <b>-19.2%</b> | <b>18.1%</b> |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 446.5%       | -41.7%       | 20.9%       | -25.2%       | 43.0%         | -61.0%       | 195.6%     |               |              |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | 85.4%        | 47.9%        | 55.7%       | 39.8%        | 48.1%         | 17.4%        | 48.0%      |               |              |
| - Acquisitions / + Divestments  | 3.5          | 2.6          | 7.6         | (2.4)        | (23.4)        | -            | -          |               |              |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -            | (0.3)        | -           | -            | -             | -            | -          |               |              |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>10.0</b>  | <b>6.1</b>   | <b>12.1</b> | <b>1.1</b>   | <b>(18.5)</b> | <b>1.9</b>   | <b>5.6</b> | <b>-52.7%</b> | <b>74.5%</b> |
| <i>Free Cash Flow (To the Firm) growth</i>  | 142.3%       | -39.5%       | 99.6%       | -91.3%       | n.a.          | 110.3%       | 195.6%     |               |              |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | 4.0%         | 2.4%         | 2.8%        | 2.1%         | 3.0%          | 1.2%         | 3.5%       |               |              |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | 6.2%         | 3.8%         | 7.5%        | 0.7%         | n.a.          | 1.2%         | 3.5%       |               |              |
| <b>Funds from operations</b>  | <b>3.3</b>   | <b>3.7</b>   | <b>4.0</b>  | <b>4.4</b>   | <b>4.9</b>    | <b>5.2</b>   | <b>5.6</b> |               |              |
| <i>Mkt Cap/Funds from operations</i>  | 32.6x        | 25.9x        | 22.6x       | 21.5x        | 26.2x         | 24.3x        | 22.5x      |               |              |
| <b>Adjusted funds from operations</b>   | <b>3.1</b>   | <b>2.7</b>   | <b>3.0</b>  | <b>3.4</b>   | <b>3.7</b>    | <b>0.8</b>   | <b>4.4</b> |               |              |
| <i>Mkt Cap/Adjusted funds from operations</i>                                       | 35.1x        | 35.8x        | 29.7x       | 27.8x        | 34.7x         | n.a.         | 28.6x      |               |              |

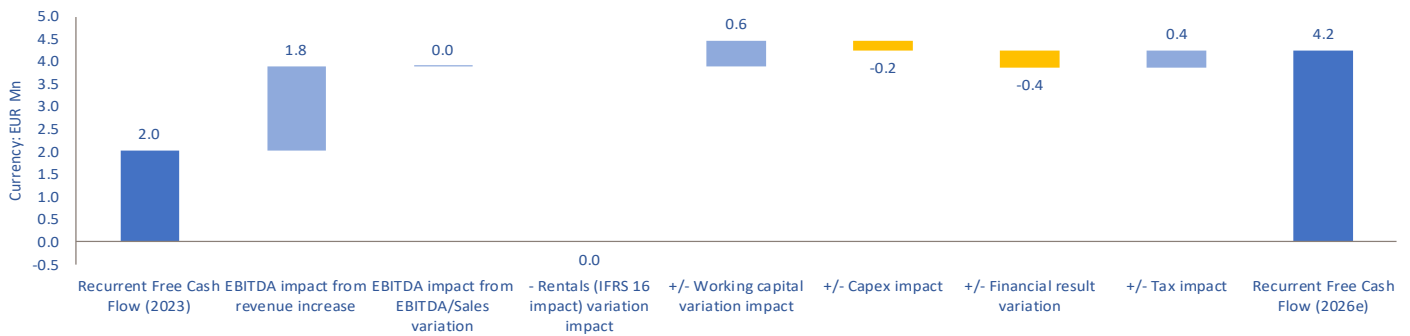


## Free Cash Flow (II)

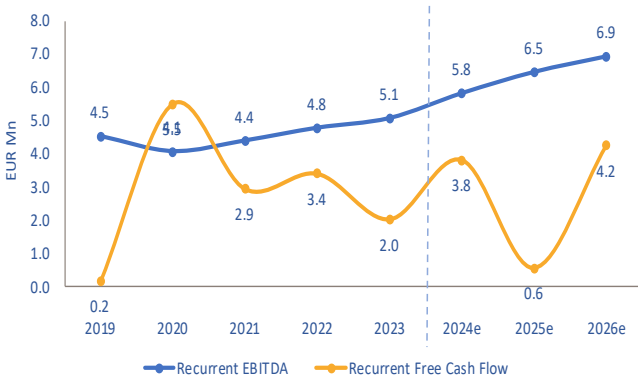
### Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



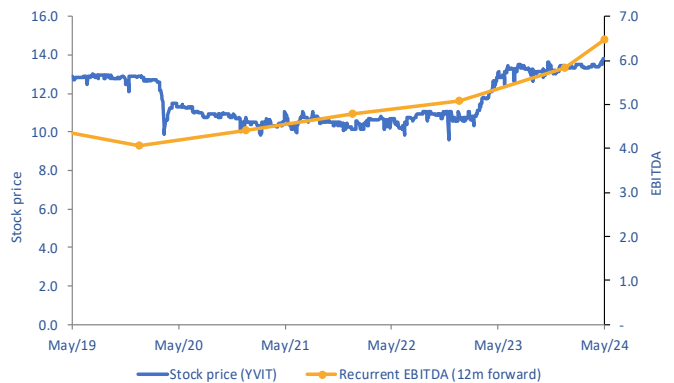
### Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward





## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2024e  | 2025e                               | 2026e | Terminal Value <sup>(1)</sup> |           |            |  |
|--------------------------------|--------|-------------------------------------|-------|-------------------------------|-----------|------------|--|
| Free Cash Flow "To the Firm"   | (18.5) | 1.9                                 | 5.6   | n.a.                          |           |            |  |
| Market Cap                     | 127.0  | At the date of this report          |       |                               |           |            |  |
| Net financial debt             | 23.9   | Debt net of Cash (12m Results 2023) |       |                               |           |            |  |
|                                |        |                                     |       |                               | Best Case | Worst Case |  |
| Cost of Debt                   | 4.0%   | Net debt cost                       |       |                               | 3.8%      | 4.3%       |  |
| Tax rate (T)                   | 0.0%   | T (Normalised tax rate)             |       |                               | =         | =          |  |
| Net debt cost                  | 4.0%   | Kd = Cost of Net Debt * (1-T)       |       |                               | 3.8%      | 4.3%       |  |
| Risk free rate (rf)            | 3.3%   | Rf (10y Spanish bond yield)         |       |                               | =         | =          |  |
| Equity risk premium            | 6.0%   | R (own estimate)                    |       |                               | 5.5%      | 6.5%       |  |
| Beta (B)                       | 1.0    | B (own estimate)                    |       |                               | 0.9       | 1.1        |  |
| Cost of Equity                 | 9.3%   | Ke = Rf + (R * B)                   |       |                               | 8.2%      | 10.4%      |  |
| Equity / (Equity + Net Debt)   | 84.1%  | E (Market Cap as equity value)      |       |                               | =         | =          |  |
| Net Debt / (Equity + Net Debt) | 15.9%  | D                                   |       |                               | =         | =          |  |
| WACC                           | 8.4%   | WACC = Kd * D + Ke * E              |       |                               | 7.5%      | 9.4%       |  |
| G "Fair"                       | 2.0%   |                                     |       |                               | 2.0%      | 1.5%       |  |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

### EV breakdown at the date of this report

|                                      | EUR Mn       | Source           |
|--------------------------------------|--------------|------------------|
| Market Cap                           | 127.0        |                  |
| + Minority Interests                 | -            | 12m Results 2023 |
| + Provisions & Other L/T Liabilities | 7.0          | 12m Results 2023 |
| + Net financial debt                 | 23.9         | 12m Results 2023 |
| - Financial Investments              | (3.0)        | 12m Results 2023 |
| +/- Others                           |              |                  |
| <b>Enterprise Value (EV)</b>         | <b>161.0</b> |                  |

### Business Value Creation Metrics <sup>(1)</sup>

|                      | 2019  | 2020  | 2021 | 2022 | 2023 |
|----------------------|-------|-------|------|------|------|
| ROCE (evolution -5y) | 2.9%  | 1.5%  | 1.7% | 2.4% | 3.0% |
|                      | 2023  | 2026e |      |      |      |
| ROCE - WACC          | -5.5% | -4.7% |      |      |      |
| FCF Yield - WACC     | -6.8% | -5.1% |      |      |      |

(1) FCF Yield to the Firm (see Free Cash Flow Analysis (I)). Detail of the WACC on this page.

### Free Cash Flow sensitivity analysis (2025e)

#### A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

| Scenario | EBITDA/Sales 25e | EBITDA 25e | EV/EBITDA 25e |
|----------|------------------|------------|---------------|
| Max      | 64.8%            | 7.1        | 22.6x         |
| Central  | 58.9%            | 6.5        | 24.9x         |
| Min      | 53.0%            | 5.8        | 27.7x         |

#### B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

| Rec. FCF EUR Mn | CAPEX/Sales 25e |       |       |          | Rec. FCF/Yield 25e |      |      |
|-----------------|-----------------|-------|-------|----------|--------------------|------|------|
| EBITDA 25e      | 36.6%           | 40.7% | 44.8% | Scenario |                    |      |      |
| 7.1             | 1.7             | 1.2   | 0.8   | Max      | 1.3%               | 1.0% | 0.6% |
| 6.5             | 1.0             | 0.6   | 0.1   | Central  | 0.8%               | 0.5% | 0.1% |
| 5.8             | 0.4             | (0.1) | (0.5) | Min      | 0.3%               | n.a. | n.a. |

### Main Corporate Governance indicators

| KPI                                  | 2021  | 2022  | 2023  |
|--------------------------------------|-------|-------|-------|
| % of independent directors           | 10.0% | 10.0% | 22.2% |
| % of proprietary directors           | 90.0% | 90.0% | 77.8% |
| % of executive directors             | 0.0%  | 0.0%  | 0.0%  |
| % of other directors                 | 0.0%  | 0.0%  | 0.0%  |
| % of women on the board of directors | 11.1% | 11.1% | 11.1% |
| % of women out of total workforce    | 26.7% | 23.1% | 21.4% |
| Board remuneration/staff cost        | n.a.  | n.a.  | n.a.  |

Note: Proprietary directors (representing 22% on the 2023 board, 33% in 2022 and 2021) are also executive directors.



## Main peers 2024e

|                             |                         | Continuous Market |          |            |        |         | Europe   |                 |         |         |         |
|-----------------------------|-------------------------|-------------------|----------|------------|--------|---------|----------|-----------------|---------|---------|---------|
| EUR Mn                      |                         | Merlin Properties | Colonial | Lar España | Arima  | Average | SEGRO    | Land Securities | Icade   | Average | YVIT    |
| Market data                 | Ticker (Factset)        | MRL-ES            | COL-ES   | LRE-ES     | ARM-ES |         | SGRO-GB  | LAND-GB         | ICAD-FR |         | YVIT-ES |
|                             | Country                 | Spain             | Spain    | Spain      | Spain  |         | UK       | UK              | France  |         | Spain   |
|                             | Market cap              | 5,082.9           | 3,345.6  | 601.8      | 236.0  |         | 14,618.5 | 5,844.5         | 2,145.2 |         | 127.0   |
|                             | Enterprise value (EV)   | 9,115.3           | 9,134.4  | 1,007.9    | 284.8  |         | 20,502.8 | 10,182.3        | 5,721.8 |         | 161.0   |
| Basic financial information | Total Revenues          | 496.9             | 389.2    | 94.0       | 14.0   |         | 771.4    | 703.2           | 387.8   |         | 10.2    |
|                             | Total Revenues growth   | 5.8%              | -2.6%    | -18.6%     | 39.0%  | 5.9%    | -11.8%   | -26.9%          | -76.6%  | -38.4%  | 18.2%   |
|                             | 2y CAGR (2024e - 2026e) | 8.2%              | 3.9%     | 5.5%       | n.a.   | 5.9%    | 10.2%    | 2.1%            | -1.5%   | 3.6%    | 7.5%    |
|                             | EBITDA                  | 382.3             | 317.2    | 68.2       | 4.0    |         | 687.4    | 549.3           | 319.8   |         | 5.8     |
|                             | EBITDA growth           | 9.8%              | 0.3%     | n.a.       | 241.5% | 83.9%   | 6.3%     | 13.6%           | 14.7%   | 11.5%   | 2.3%    |
|                             | 2y CAGR (2024e - 2026e) | 9.7%              | 4.8%     | 4.9%       | n.a.   | 6.5%    | 10.5%    | 3.9%            | -1.1%   | 4.5%    | 9.1%    |
|                             | EBITDA/Revenues         | 76.9%             | 81.5%    | 72.6%      | 28.6%  | 64.9%   | 89.1%    | 78.1%           | 82.5%   | 83.2%   | 57.3%   |
|                             | EBIT                    | 356.7             | 310.6    | 67.8       | (2.0)  |         | 679.8    | 551.6           | 371.7   |         | 4.5     |
|                             | EBIT growth             | 3.1%              | 1.0%     | -21.5%     | 31.1%  | 3.4%    | 6.1%     | 15.8%           | 45.2%   | 22.3%   | 9.6%    |
|                             | 2y CAGR (2024e - 2026e) | 16.2%             | 9.3%     | 5.2%       | n.a.   | 10.2%   | 8.5%     | 6.1%            | -6.3%   | 2.8%    | 17.6%   |
|                             | EBIT/Revenues           | 71.8%             | 79.8%    | 72.1%      | n.a.   | 74.6%   | 88.1%    | 78.4%           | 95.9%   | 87.5%   | 43.8%   |
|                             | Net Profit              | 281.9             | 175.5    | 57.6       | (5.0)  |         | 560.0    | 462.2           | 258.2   |         | 3.5     |
|                             | Net Profit growth       | 437.6%            | 117.2%   | 56.7%      | 84.7%  | 174.0%  | 289.6%   | 224.1%          | 121.3%  | 211.6%  | 3.3%    |
|                             | 2y CAGR (2024e - 2026e) | 15.3%             | 7.0%     | 4.5%       | n.a.   | 9.0%    | -3.4%    | 14.7%           | -5.5%   | 1.9%    | 18.3%   |
| CAPEX/Sales %               | 51.7%                   | 9.0%              | 12.1%    | 157.1%     | 57.5%  | 66.9%   | 29.7%    | 31.7%           | 42.7%   | 11.8%   |         |
| Free Cash Flow              | 198.2                   | 272.7             | 33.1     | n.a.       |        | 305.0   | 219.6    | 319.1           |         | (19.6)  |         |
| Net financial debt          | 4,260.5                 | 4,733.1           | 435.0    | 88.0       |        | 4,967.2 | 4,036.0  | 3,654.5         |         | 47.6    |         |
| ND/EBITDA (x)               | 11.1                    | 14.9              | 6.4      | 22.0       | 13.6   | 7.2     | 7.3      | 11.4            | 8.7     | 8.2     |         |
| Pay-out                     | 74.0%                   | 83.0%             | 99.2%    | -10.5%     | 61.4%  | 75.3%   | 75.1%    | 131.2%          | 93.9%   | 117.8%  |         |
| Multiples and Ratios        | P/E (x)                 | 18.0              | 19.3     | 10.3       | n.a.   | 15.9    | 26.8     | 13.3            | 7.8     | 16.0    | 36.5    |
|                             | P/BV (x)                | 0.8               | 0.7      | 0.7        | n.a.   | 0.7     | 1.0      | 0.7             | 0.5     | 0.7     | 1.2     |
|                             | EV/Revenues (x)         | 18.3              | n.a.     | 10.7       | n.a.   | 14.5    | n.a.     | 14.5            | 14.8    | 14.6    | 15.8    |
|                             | EV/EBITDA (x)           | 23.8              | 28.8     | 14.8       | n.a.   | 22.5    | 29.8     | 18.5            | 17.9    | 22.1    | 27.6    |
|                             | EV/EBIT (x)             | 25.6              | 29.4     | 14.9       | n.a.   | 23.3    | 30.2     | 18.5            | 15.4    | 21.3    | 36.2    |
|                             | ROE                     | 4.4               | 3.8      | 6.4        | n.a.   | 4.9     | 3.6      | 5.6             | 6.1     | 5.1     | 3.2     |
|                             | FCF Yield (%)           | 3.9               | 8.2      | 5.5        | n.a.   | 5.8     | 2.1      | 3.8             | 14.9    | 6.9     | 3.0     |
|                             | DPS                     | 0.45              | 0.27     | 0.68       | 0.02   | 0.36    | 0.35     | 0.47            | 4.47    | 1.76    | 0.45    |
|                             | Dvd Yield               | 4.1%              | 4.4%     | 9.5%       | 0.2%   | 4.6%    | 3.2%     | 6.0%            | 15.9%   | 8.4%    | 3.2%    |

- (1) Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

## Historical performance

| Historical performance (EUR Mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018  | 2019   | 2020    | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  | 13-23 | 23-26e |
|---------------------------------|------|------|------|------|------|-------|--------|---------|--------|--------|--------|--------|--------|--------|-------|--------|
| Total Revenues                  |      |      |      |      |      | 4.1   | 7.8    | 7.6     | 7.9    | 8.2    | 8.6    | 10.2   | 11.0   | 11.8   | n.a.  | 11.0%  |
| Total Revenues growth           |      |      |      |      |      | n.a.  | 90.2%  | -3.0%   | 4.0%   | 4.1%   | 4.6%   | 18.2%  | 8.0%   | 7.1%   |       |        |
| EBITDA                          |      |      |      |      |      | 2.4   | 5.2    | 4.2     | 4.4    | 6.9    | 5.7    | 5.8    | 6.5    | 6.9    | n.a.  | 6.8%   |
| EBITDA growth                   |      |      |      |      |      | n.a.  | 119.3% | -20.3%  | 5.8%   | 56.0%  | -17.2% | 2.3%   | 11.0%  | 7.3%   |       |        |
| EBITDA/Sales                    |      |      |      |      |      | 57.9% | 66.7%  | 54.8%   | 55.8%  | 83.6%  | 66.2%  | 57.3%  | 58.9%  | 59.0%  |       |        |
| Net Profit                      |      |      |      |      |      | 1.1   | 2.7    | (8.2)   | 1.7    | 2.7    | 3.4    | 3.5    | 3.8    | 4.9    | n.a.  | 13.1%  |
| Net Profit growth               |      |      |      |      |      | n.a.  | 139.0% | -404.7% | 120.9% | 55.5%  | 26.4%  | 3.3%   | 9.3%   | 28.0%  |       |        |
| Adjusted number shares (Mn)     |      |      |      |      |      | 4.9   | 5.7    | 7.5     | 8.2    | 8.2    | 8.8    | 9.2    | 9.2    | 9.2    |       |        |
| EPS (EUR)                       |      |      |      |      |      | 0.23  | 0.47   | -1.09   | 0.21   | 0.32   | 0.38   | 0.38   | 0.41   | 0.53   | n.a.  | 11.3%  |
| EPS growth                      |      |      |      |      |      | n.a.  | n.a.   | n.a.    | n.a.   | 55.5%  | 18.0%  | -1.4%  | 9.3%   | 28.0%  |       |        |
| Ord. EPS (EUR)                  |      |      |      |      |      | 0.23  | 0.33   | 0.15    | 0.20   | 0.09   | 0.28   | 0.37   | 0.40   | 0.52   | n.a.  | 23.4%  |
| Ord. EPS growth                 |      |      |      |      |      | n.a.  | 45.8%  | -54.2%  | 28.9%  | -54.6% | n.a.   | 33.1%  | 9.6%   | 28.8%  |       |        |
| CAPEX                           |      |      |      |      |      | (2.6) | (0.1)  | (0.2)   | (1.0)  | (0.9)  | (1.0)  | (1.2)  | (4.5)  | (1.2)  |       |        |
| CAPEX/Sales %                   |      |      |      |      |      | 63.5% | 0.8%   | 3.1%    | 13.2%  | 11.5%  | 11.4%  | 11.8%  | 40.7%  | 10.2%  |       |        |
| Free Cash Flow                  |      |      |      |      |      | (5.0) | (24.4) | 8.9     | 5.0    | 12.9   | 0.3    | (19.6) | 0.6    | 4.2    | n.a.  | n.a.   |
| ND/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      | 15.6x | 10.0x  | 12.3x   | 10.0x  | 5.1x   | 4.2x   | 8.2x   | 7.9x   | 7.4x   |       |        |
| P/E (x)                         |      |      |      |      |      | 55.0x | 27.5x  | n.a.    | 48.7x  | 34.0x  | 35.0x  | 36.5x  | 33.4x  | 26.1x  |       |        |
| EV/Sales (x)                    |      |      |      |      |      | n.a.  | 13.99x | n.a.    | 19.28x | 16.83x | 15.45x | 15.84x | 14.67x | 13.70x |       |        |
| EV/EBITDA (x) <sup>(2)</sup>    |      |      |      |      |      | 45.1x | 21.0x  | 36.8x   | 34.5x  | 20.1x  | 23.3x  | 27.6x  | 24.9x  | 23.2x  |       |        |
| Absolute performance            |      |      |      |      |      | 4.0%  | 2.3%   | -16.6%  | -5.6%  | 8.6%   | 21.5%  | 2.8%   |        |        |       |        |
| Relative performance vs Ibx 35  |      |      |      |      |      | 22.4% | -8.5%  | -1.3%   | -12.5% | 15.0%  | -1.0%  | -8.3%  |        |        |       |        |

- (1) The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.  
(2) All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

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**Summary tables for the Lighthouse Research Universe**  
(Performance, EBITDA and FCF generation, ratios, multiples)



## Market capitalization, free float, liquidity and share price performance

| Company                           | Ticker   | Sector                            | Market Cap.<br>(Mn EUR) | Free<br>Float | Free Cap.<br>(Mn EUR) | Volume 12m<br>(Mn EUR)" | Rotation <sup>(1)</sup><br>(%) | Prices -12m (EUR) |       |       | Last price vs<br>average -12m |
|-----------------------------------|----------|-----------------------------------|-------------------------|---------------|-----------------------|-------------------------|--------------------------------|-------------------|-------|-------|-------------------------------|
|                                   |          |                                   |                         |               |                       |                         |                                | Mín.              | Med.  | Max.  |                               |
| Adolfo Domínguez                  | ADZ-ES   | Textiles, Apparel & Luxury Goods  | 50.8                    | 22.6          | 11.5                  | 17.45                   | 34.3                           | 4.38              | 5.24  | 6.80  | 4.5%                          |
| Agile Content                     | AGIL-ES  | Software                          | 102.1                   | 54.3          | 55.4                  | 21.59                   | 21.1                           | 3.10              | 3.73  | 4.45  | 17.9%                         |
| Alquiber                          | ALQ-ES   | Transportation - Road & Rail      | 50.0                    | 25.4          | 12.7                  | 94.38                   | 188.9                          | 7.48              | 9.27  | 10.50 | -0.3%                         |
| Amper                             | AMP-ES   | Communications Equipment          | 170.3                   | 85.5          | 145.6                 | 4.77                    | 2.8                            | 0.07              | 0.10  | 0.12  | 19.6%                         |
| Audax Renovables                  | ADX-ES   | Electric Utilities                | 888.7                   | 11.6          | 103.5                 | 13.24                   | 1.5                            | 1.07              | 1.33  | 1.96  | 46.8%                         |
| Borges - BAIN                     | BAIN-ES  | Food Products                     | 63.9                    | 10.7          | 6.8                   | 6.56                    | 10.3                           | 2.48              | 2.67  | 3.02  | 3.4%                          |
| Cevasa                            | CEV-ES   | Mangement & Development           | 139.5                   | 5.3           | 7.3                   | 2.19                    | 1.6                            | 5.60              | 6.28  | 6.85  | -4.4%                         |
| Clerhp Estructuras                | CLR-ES   | Mangement & Development           | 57.9                    | 44.3          | 25.7                  | 0.67                    | 1.2                            | 2.57              | 3.42  | 5.00  | 20.5%                         |
| Cuatroochenta                     | 480S-ES  | Software                          | 27.3                    | 36.0          | 9.8                   | 13.24                   | 48.5                           | 6.90              | 8.10  | 10.40 | 23.4%                         |
| Desa                              | Desa-ES  | Machinery                         | 24.0                    | 22.1          | 5.3                   | 3.93                    | 16.4                           | 11.75             | 12.67 | 14.51 | 5.7%                          |
| Ecolumber                         | ECO-ES   | Food Products                     | 32.4                    | 32.9          | 10.7                  | 0.52                    | 1.6                            | 1.00              | 1.00  | 1.00  | 0.0%                          |
| Endurance Motive                  | END-ES   | Electrical Equipment              | 14.1                    | 42.1          | 5.9                   | 7.13                    | 50.6                           | 1.05              | 1.49  | 2.09  | -6.4%                         |
| Energy Solar Tech                 | ETC-ES   | Electric Utilities                | 80.5                    | 44.6          | 35.9                  | 13.24                   | 16.5                           | 2.87              | 4.99  | 7.18  | -39.8%                        |
| Enerside                          | ENRS-ES  | Independent Power Producers (IPP) | 113.5                   | 30.8          | 34.9                  | 13.24                   | 11.7                           | 2.12              | 3.76  | 5.30  | -19.2%                        |
| Ercros                            | ECR-ES   | Chemicals                         | 320.0                   | 79.3          | 253.8                 | 141.43                  | 44.2                           | 2.28              | 2.99  | 3.59  | 17.1%                         |
| Facephi                           | FACE-ES  | Software                          | 44.4                    | 65.7          | 29.2                  | 13.24                   | 29.8                           | 1.79              | 2.29  | 2.88  | -11.5%                        |
| GAM                               | GAM-ES   | Trading Companies & Distributors  | 133.9                   | 20.7          | 27.7                  | 5.27                    | 3.9                            | 1.18              | 1.34  | 1.52  | 5.7%                          |
| Iflex                             | IFLEX-ES | Containers & Packaging            | 9.0                     | 19.8          | 1.8                   | 22.79                   | 253.3                          | 1.48              | 1.70  | 2.26  | -12.2%                        |
| Inmobiliaria del Sur              | ISUR-ES  | Mangement & Development           | 149.4                   | 31.1          | 46.4                  | 43.80                   | 29.3                           | 6.59              | 7.08  | 8.05  | 12.9%                         |
| Kompuestos                        | KOM-ES   | Chemicals                         | 9.7                     | 13.0          | 1.3                   | 220.18                  | 2,264.1                        | 0.70              | 0.84  | 1.04  | -4.3%                         |
| Laboratorio Reig Jofre            | RJF-ES   | Pharmaceuticals                   | 217.4                   | 18.0          | 39.2                  | 300.19                  | 138.1                          | 2.15              | 2.46  | 2.85  | 11.1%                         |
| Libertas 7                        | LIB-ES   | Mangement & Development           | 38.6                    | 15.7          | 6.1                   | 13.00                   | 33.7                           | 0.86              | 1.07  | 1.76  | 65.2%                         |
| Lingotes Especiales               | LGT-ES   | Auto Components                   | 68.8                    | 29.6          | 20.4                  | 20.70                   | 30.1                           | 6.12              | 7.05  | 8.34  | -2.4%                         |
| LLYC                              | LLYC-ES  | Media                             | 111.7                   | 13.5          | 15.1                  | 2.19                    | 2.0                            | 8.15              | 9.49  | 10.86 | 1.2%                          |
| Natac                             | NAT-ES   | Food Products                     | 287.0                   | 22.4          | 64.3                  | 4.21                    | 1.5                            | 0.60              | 0.80  | 1.13  | -17.3%                        |
| Naturhouse Health                 | NTH-ES   | Personal Products                 | 99.9                    | 22.0          | 21.9                  | 5.94                    | 5.9                            | 1.49              | 1.58  | 1.74  | 5.3%                          |
| Netex                             | NTX-ES   | Software                          | 34.4                    | 30.7          | 10.5                  | 13.24                   | 38.5                           | 2.48              | 3.40  | 4.08  | 14.1%                         |
| Nicolás Correa                    | NEA-ES   | Machinery                         | 82.5                    | 49.6          | 40.9                  | 0.14                    | 0.2                            | 5.28              | 5.98  | 7.04  | 12.1%                         |
| Pangaea Oncology                  | PANG-ES  | Biotechnology                     | 56.1                    | 12.4          | 7.0                   | 97.02                   | 172.9                          | 1.68              | 1.98  | 2.42  | -6.9%                         |
| Seresco                           | SCO-ES   | Software                          | 45.1                    | 19.3          | 8.7                   | 10.52                   | 23.3                           | 2.94              | 4.00  | 4.86  | 17.6%                         |
| Squirrel Media                    | SQRL-ES  | Media                             | 145.1                   | 9.6           | 14.0                  | 5.33                    | 3.7                            | 1.31              | 1.80  | 2.46  | -11.1%                        |
| Substrate Artificial Intelligence | SAI-ES   | Software                          | 11.5                    | 28.9          | 3.3                   | 13.24                   | 115.1                          | 0.16              | 0.24  | 0.36  | -32.3%                        |
| Vanadi Coffee                     | VANA-ES  | Hotels, Restaurants & Leisure     | 1.2                     | 71.5          | 0.9                   | 7.08                    | 589.4                          | 0.08              | 0.31  | 3.00  | -69.7%                        |
| Vitruvio                          | YVIT-ES  | REITs                             | 127.0                   | 94.5          | 120.0                 | 10.05                   | 7.9                            | 12.47             | 13.29 | 13.80 | 3.8%                          |

(1) Rotation is the % of the capitalisation traded - 12m.

➤ **The five largest underperformers over the last 12 months relative to their average price are shaded.**





## Absolute and relative performance (vs IBEX 35)

| Ticker   | Company                           | Absolute Performance (%) |       |       |       |       | Performance vs IBEX 35 (%) |       |       |       |       |
|----------|-----------------------------------|--------------------------|-------|-------|-------|-------|----------------------------|-------|-------|-------|-------|
|          |                                   | -1M                      | -3M   | -12M  | -3Y   | YTD   | -1M                        | -3M   | -12M  | -3Y   | YTD   |
| ADZ-ES   | Adolfo Domínguez                  | 22.6                     | 21.2  | 1.5   | 21.8  | 9.6   | 15.1                       | 5.8   | -17.5 | -1.6  | -2.3  |
| AGIL-ES  | Agile Content                     | 7.3                      | 35.8  | 22.6  | -41.3 | 33.3  | 0.7                        | 18.5  | -0.3  | -52.6 | 18.9  |
| ALQ-ES   | Alquiler                          | 3.9                      | 3.9   | 23.7  | 81.2  | -10.2 | -2.4                       | -9.3  | 0.6   | 46.4  | -19.9 |
| AMP-ES   | Amper                             | 23.7                     | 41.2  | -3.8  | -37.3 | 36.1  | 16.1                       | 23.2  | -21.8 | -49.4 | 21.4  |
| ADX-ES   | Audax Renovables                  | 11.7                     | 53.1  | 51.5  | 1.5   | 50.8  | 4.9                        | 33.6  | 23.2  | -18.0 | 34.5  |
| BAIN-ES  | Borges - BAIN                     | 6.2                      | 10.4  | -8.0  | 6.2   | 7.0   | -0.3                       | -3.6  | -25.2 | -14.2 | -4.6  |
| CEV-ES   | Cevasa                            | -2.4                     | 0.0   | -8.3  | -6.3  | 0.0   | -8.4                       | -12.7 | -25.5 | -24.3 | -10.8 |
| CLR-ES   | Clerhp Estructuras                | 9.6                      | -1.4  | 36.0  | 116.8 | -1.9  | 2.9                        | -14.0 | 10.6  | 75.3  | -12.5 |
| 480S-ES  | Cuatroochenta                     | 25.0                     | 40.8  | 7.5   | -55.3 | 42.9  | 17.3                       | 22.9  | -12.6 | -63.9 | 27.4  |
| Desa-ES  | Desa                              | 8.9                      | 9.2   | -2.5  | 78.7  | 13.7  | 2.3                        | -4.7  | -20.7 | 44.4  | 1.4   |
| ECO-ES   | Ecolumber                         | 0.0                      | 0.0   | 0.0   | -4.8  | 0.0   | -6.1                       | -12.7 | -18.7 | -23.0 | -10.8 |
| END-ES   | Endurance Motive                  | -2.1                     | 7.3   | -26.8 | n.a.  | -2.1  | -8.1                       | -6.3  | -40.5 | n.a.  | -12.7 |
| ETC-ES   | Energy Solar Tech                 | -11.8                    | -28.4 | -55.8 | n.a.  | -35.3 | -17.2                      | -37.5 | -64.0 | n.a.  | -42.3 |
| ENRS-ES  | Enerside                          | -4.4                     | 32.2  | -38.7 | n.a.  | -7.0  | -10.3                      | 15.4  | -50.2 | n.a.  | -17.1 |
| ECR-ES   | Errcos                            | -1.1                     | 52.8  | 4.7   | 3.3   | 32.6  | -7.2                       | 33.4  | -14.8 | -16.5 | 18.2  |
| FACE-ES  | Facephi                           | 7.4                      | 4.4   | -21.9 | -47.4 | 1.5   | 0.8                        | -8.9  | -36.5 | -57.5 | -9.5  |
| GAM-ES   | GAM                               | 6.4                      | 12.3  | -1.7  | -2.4  | 19.9  | -0.1                       | -2.0  | -20.1 | -21.1 | 6.9   |
| IFLEX-ES | Iflex                             | -10.2                    | -12.4 | n.a.  | n.a.  | -9.8  | -15.7                      | -23.5 | n.a.  | n.a.  | -19.5 |
| ISUR-ES  | Inmobiliaria del Sur              | 11.1                     | 11.1  | 16.7  | 7.9   | 16.1  | 4.3                        | -3.0  | -5.1  | -12.8 | 3.6   |
| KOM-ES   | Kompuestos                        | 1.9                      | 8.8   | 2.6   | -67.7 | 2.6   | -4.3                       | -5.0  | -16.6 | -73.9 | -8.5  |
| RJF-ES   | Laboratorio Reig Jofre            | 4.6                      | 19.6  | 7.5   | -47.2 | 22.8  | -1.8                       | 4.4   | -12.6 | -57.3 | 9.5   |
| LIB-ES   | Libertas 7                        | 46.7                     | 63.0  | 101.3 | -45.4 | 72.5  | 37.7                       | 42.2  | 63.7  | -55.8 | 53.9  |
| LGT-ES   | Lingotes Especiales               | -0.3                     | -1.7  | -0.7  | -42.6 | 12.4  | -6.4                       | -14.2 | -19.3 | -53.6 | 0.3   |
| LLYC-ES  | LLYC                              | 8.5                      | 1.1   | -11.6 | n.a.  | 15.0  | 1.8                        | -11.8 | -28.1 | n.a.  | 2.5   |
| NAT-ES   | Natac                             | -2.9                     | -5.0  | -35.9 | -34.0 | -9.6  | -8.9                       | -17.1 | -47.9 | -46.7 | -19.4 |
| NTH-ES   | Naturhouse Health                 | 1.6                      | 9.4   | 4.4   | 28.3  | 7.8   | -4.7                       | -4.5  | -15.1 | 3.7   | -3.9  |
| NTX-ES   | Netex                             | 0.0                      | 4.9   | 44.8  | -7.2  | -2.0  | -6.1                       | -8.5  | 17.7  | -25.0 | -12.6 |
| NEA-ES   | Nicolás Correa                    | 0.5                      | 9.7   | 23.5  | 41.8  | 6.4   | -5.7                       | -4.2  | 0.4   | 14.6  | -5.1  |
| PANG-ES  | Pangaea Oncology                  | -1.1                     | 1.1   | -10.7 | -6.6  | 0.0   | -7.1                       | -11.8 | -27.4 | -24.5 | -10.8 |
| SCO-ES   | Seresco                           | 2.2                      | 0.0   | 31.1  | n.a.  | 4.4   | -4.1                       | -12.7 | 6.6   | n.a.  | -6.9  |
| SQRL-ES  | Squirrel Media                    | 9.6                      | 8.8   | -35.0 | -59.1 | 7.4   | 2.9                        | -5.0  | -47.1 | -66.9 | -4.2  |
| SAI-ES   | Substrate Artificial Intelligence | -9.3                     | -20.2 | -53.9 | n.a.  | -29.7 | -14.9                      | -30.4 | -62.5 | n.a.  | -37.3 |
| VANA-ES  | Vanadi Coffee                     | -4.1                     | -30.5 | n.a.  | n.a.  | -49.3 | -10.0                      | -39.4 | n.a.  | n.a.  | -54.8 |
| VVIT-ES  | Vitruvio                          | 2.9                      | 2.1   | 5.7   | 26.1  | 2.8   | -3.4                       | -10.9 | -14.0 | 1.9   | -8.3  |

➤ **The five worst absolute performers over the last 12 months are shaded.**



## Net Profit, EPS y PER

| Company                           | Ord. Net Profit / Revenues 2023 | Ord. Net Profit / EBITDA 2023 | Ord. P/E 2023 | Ord. EPS 24e/23 | Ord. EPS CAGR 26e/23 | Ord. P/E 2024e | Ord. EPS 25e/24e |
|-----------------------------------|---------------------------------|-------------------------------|---------------|-----------------|----------------------|----------------|------------------|
| Adolfo Domínguez                  | 0.5%                            | 4.0%                          | 72.8          | n.a.            | 83.9%                | 22.9           | 55.9%            |
| Agile Content                     | n.a.                            | n.a.                          | n.a.          | n.a.            | -7.9%                | n.a.           | n.a.             |
| Alquiber                          | 6.9%                            | 12.1%                         | 5.8           | 12.4%           | 28.7%                | 5.1            | 47.9%            |
| Amper                             | n.a.                            | n.a.                          | n.a.          | n.a.            | 76.6%                | 73.0           | n.a.             |
| Audax Renovables                  | 1.4%                            | 32.7%                         | 27.4          | 64.3%           | 26.9%                | 16.7           | 13.0%            |
| Borges - BAIN                     | n.a.                            | n.a.                          | n.a.          | n.a.            | 0.0%                 | 16.0           | 15.7%            |
| Cevasa                            | 49.1%                           | 71.2%                         | 13.2          | 3.4%            | 6.6%                 | 12.8           | 7.7%             |
| Clerhp Estructuras                | 0.2%                            | 0.8%                          | n.a.          | n.a.            | n.a.                 | 8.2            | -12.2%           |
| Cuatroochenta                     | n.a.                            | n.a.                          | n.a.          | n.a.            | n.a.                 | 33.5           | 92.9%            |
| Desa                              | 4.9%                            | 51.8%                         | 10.2          | 21.6%           | 15.2%                | 8.4            | 14.1%            |
| Ecolumber                         | n.a.                            | n.a.                          | n.a.          | 33.0%           | 56.1%                | n.a.           | 40.2%            |
| Endurance Motive                  | n.a.                            | n.a.                          | n.a.          | n.a.            | 68.3%                | n.a.           | n.a.             |
| Energy Solar Tech                 | 5.7%                            | 34.0%                         | 25.1          | -74.2%          | 47.5%                | 97.4           | n.a.             |
| Enerside                          | n.a.                            | n.a.                          | n.a.          | 75.6%           | 63.0%                | n.a.           | 48.2%            |
| Ercros                            | 1.2%                            | 20.4%                         | 37.2          | n.a.            | 53.3%                | 17.6           | 52.5%            |
| Facephi                           | n.a.                            | 92.0%                         | n.a.          | n.a.            | 38.5%                | 47.8           | n.a.             |
| GAM                               | 2.5%                            | 11.2%                         | 19.2          | 6.7%            | 35.7%                | 18.0           | 30.9%            |
| Iflex                             | 7.0%                            | 57.0%                         | 8.1           | 6.6%            | 13.2%                | 7.6            | 16.4%            |
| Inmobiliaria del Sur              | 5.5%                            | 29.4%                         | 22.8          | 77.1%           | 25.0%                | 12.9           | n.a.             |
| Kompuestos                        | n.a.                            | n.a.                          | n.a.          | n.a.            | n.a.                 | 18.0           | n.a.             |
| Laboratorio Reig Jofre            | 3.0%                            | 28.2%                         | 22.9          | 18.5%           | 22.2%                | 19.3           | 30.6%            |
| Libertas 7                        | 15.3%                           | 60.3%                         | 18.8          | n.a.            | 16.8%                | n.a.           | n.a.             |
| Lingotes Especiales               | 2.5%                            | 26.6%                         | 27.7          | 31.6%           | 40.3%                | 21.0           | 46.2%            |
| LLYC                              | 8.8%                            | 53.3%                         | 12.5          | 24.1%           | 17.8%                | 10.1           | 15.5%            |
| Natac                             | 27.0%                           | 95.9%                         | 9.4           | -84.5%          | -28.4%               | 60.5           | 66.3%            |
| Naturhouse Health                 | 22.2%                           | 61.0%                         | 8.8           | -9.3%           | -2.5%                | 9.7            | 1.9%             |
| Netex                             | n.a.                            | n.a.                          | n.a.          | n.a.            | n.a.                 | 23.9           | 94.0%            |
| Nicolás Correa                    | 9.5%                            | 74.3%                         | 7.9           | 0.0%            | 8.8%                 | 7.9            | 9.8%             |
| Pangaea Oncology                  | n.a.                            | 85.0%                         | n.a.          | 52.8%           | 54.0%                | n.a.           | 47.3%            |
| Seresco                           | 4.1%                            | 44.8%                         | 25.9          | 90.3%           | 42.3%                | 13.6           | 24.5%            |
| Substrate Artificial Intelligence | n.a.                            | 86.9%                         | n.a.          | 78.2%           | 50.3%                | n.a.           | 22.8%            |
| Vanadi Coffee                     | n.a.                            | n.a.                          | n.a.          | 50.4%           | 48.4%                | n.a.           | 29.2%            |
| Vitruvio                          | 28.2%                           | 42.5%                         | 50.0          | 33.1%           | 23.4%                | 37.6           | 9.6%             |

➤ **The five companies with the lowest 2024e P/E ratios (with positive EPS growth in 25e/24e) are shaded.**



## EBITDA and EV/EBITDA

| Company                           | EV/Rec.<br>EBITDA 2023 | EBITDA growth            |                         |                                     |                         | Rec. EBITDA<br>24e/23 | CAGR 26e/23<br>Rec. EBITDA | EV/Rec.<br>EBITDA 24e | EBITDA Rec.<br>25e/24e |
|-----------------------------------|------------------------|--------------------------|-------------------------|-------------------------------------|-------------------------|-----------------------|----------------------------|-----------------------|------------------------|
|                                   |                        | Revenue<br>growth 24e/23 | 24e vs 23<br>EBITDA Mg. | 24e vs 23 (p.p.)<br>Var. EBITDA Mg. | 24e vs 23<br>EBITDA Mg. |                       |                            |                       |                        |
| Adolfo Domínguez                  | 5.3                    | 10.9%                    | 11.5%                   | 1.5                                 | 23.7%                   | 16.7%                 | 4.3                        | 16.6%                 |                        |
| Agile Content                     | 19.4                   | 1.9%                     | 9.9%                    | 0.6                                 | 12.0%                   | 10.7%                 | 17.3                       | 8.0%                  |                        |
| Alquiler                          | 3.5                    | 15.6%                    | 1.3%                    | 0.8                                 | 17.1%                   | 17.2%                 | 3.0                        | 21.5%                 |                        |
| Amper                             | 26.5                   | 13.4%                    | 38.6%                   | 1.1                                 | 57.2%                   | 45.0%                 | 16.8                       | 48.7%                 |                        |
| Audax Renovables                  | 12.3                   | -13.7%                   | 29.3%                   | 1.3                                 | 11.6%                   | 8.4%                  | 11.0                       | 7.5%                  |                        |
| Borges - BAIN                     | 16.5                   | 1.6%                     | 466.6%                  | 1.7                                 | 142.5%                  | 0.0%                  | 6.8                        | 13.8%                 |                        |
| Cevasa                            | 19.0                   | 4.1%                     | -1.0%                   | -0.7                                | 3.0%                    | 4.7%                  | 18.4                       | 4.5%                  |                        |
| Clerhp Estructuras                | 15.3                   | 67.7%                    | 61.6%                   | 15.5                                | 170.9%                  | 97.3%                 | 5.7                        | 11.6%                 |                        |
| Cuatroochenta                     | 35.9                   | 20.9%                    | 81.2%                   | 3.3                                 | 119.2%                  | 60.1%                 | 16.4                       | 46.2%                 |                        |
| Desa                              | 6.8                    | 5.0%                     | 5.5%                    | 0.5                                 | 10.8%                   | 8.9%                  | 6.1                        | 8.7%                  |                        |
| Ecolumber                         | n.a.                   | 1.9%                     | n.a.                    | n.a.                                | 57.6%                   | 39.4%                 | n.a.                       | 118.0%                |                        |
| Endurance Motive                  | n.a.                   | 37.3%                    | n.a.                    | n.a.                                | 356.7%                  | n.a.                  | 47.4                       | 194.2%                |                        |
| Energy Solar Tech                 | 10.4                   | 27.5%                    | 2.5%                    | 0.4                                 | 30.6%                   | 46.9%                 | 8.0                        | 88.7%                 |                        |
| Enerside                          | n.a.                   | -66.9%                   | n.a.                    | n.a.                                | 69.8%                   | 62.0%                 | n.a.                       | 50.1%                 |                        |
| Ercros                            | 7.9                    | 1.1%                     | 20.5%                   | 1.3                                 | 21.8%                   | 16.2%                 | 6.5                        | 21.5%                 |                        |
| Facephi                           | n.a.                   | 46.9%                    | n.a.                    | n.a.                                | 168.8%                  | 51.6%                 | 18.6                       | 48.0%                 |                        |
| GAM                               | 6.7                    | 10.1%                    | 6.3%                    | 1.4                                 | 16.9%                   | 12.5%                 | 5.7                        | 9.3%                  |                        |
| Iflex                             | 6.6                    | 6.1%                     | 4.2%                    | 0.5                                 | 10.6%                   | 10.4%                 | 5.9                        | 9.8%                  |                        |
| Inmobiliaria del Sur              | 17.4                   | 40.4%                    | -4.3%                   | -0.8                                | 34.3%                   | 8.1%                  | 13.0                       | 55.3%                 |                        |
| Kompuestos                        | 5.7                    | 3.8%                     | 5.9%                    | 0.5                                 | 9.9%                    | 11.1%                 | 5.2                        | 13.4%                 |                        |
| Laboratorio Reig Jofre            | 8.3                    | 10.3%                    | -0.2%                   | 0.0                                 | 10.0%                   | 11.7%                 | 7.6                        | 14.3%                 |                        |
| Libertat 7                        | 14.0                   | -47.3%                   | -37.0%                  | -8.4                                | -66.8%                  | 20.1%                 | 42.2                       | 311.8%                |                        |
| Lingotes Especiales               | 10.1                   | 5.1%                     | 12.5%                   | 1.1                                 | 18.2%                   | 21.3%                 | 8.5                        | 22.3%                 |                        |
| LLYC                              | 7.2                    | 26.8%                    | 3.0%                    | 0.5                                 | 30.6%                   | 18.0%                 | 5.5                        | 15.9%                 |                        |
| Natac                             | 41.0                   | 49.3%                    | 8.0%                    | 2.6                                 | 61.2%                   | 36.9%                 | 25.4                       | 29.3%                 |                        |
| Naturhouse Health                 | 4.6                    | -1.7%                    | -10.5%                  | -3.8                                | -12.0%                  | -3.6%                 | 5.2                        | 1.0%                  |                        |
| Netex                             | 17.7                   | 17.3%                    | 23.0%                   | 3.3                                 | 44.2%                   | 31.1%                 | 12.3                       | 25.7%                 |                        |
| Nicolás Correa                    | 5.1                    | 8.0%                     | -0.1%                   | 0.0                                 | 7.8%                    | 12.3%                 | 4.7                        | 12.8%                 |                        |
| Pangaea Oncology                  | n.a.                   | 72.5%                    | n.a.                    | n.a.                                | 64.3%                   | 27.5%                 | n.a.                       | 74.5%                 |                        |
| Seresco                           | 15.2                   | 32.2%                    | 51.8%                   | 4.3                                 | 100.8%                  | 38.4%                 | 7.6                        | 16.3%                 |                        |
| Substrate Artificial Intelligence | n.a.                   | 70.0%                    | n.a.                    | n.a.                                | 29.4%                   | 34.0%                 | n.a.                       | 27.4%                 |                        |
| Vanadi Coffee                     | n.a.                   | 145.4%                   | n.a.                    | n.a.                                | 7.0%                    | 30.7%                 | n.a.                       | 40.7%                 |                        |
| Vitruvio                          | 31.7                   | 18.2%                    | -2.9%                   | -1.7                                | 14.8%                   | 11.0%                 | 27.6                       | 11.0%                 |                        |

➤ The five companies with the lowest 2024e rec. EV/EBITDA ratios (with positive EBITDA growth in 25e/24e) are shaded.



## Estimated EBIT and EV/EBIT

| Company                           | EV/EBIT | EBIT   | EBIT        | EV/EBIT | EBIT    |
|-----------------------------------|---------|--------|-------------|---------|---------|
|                                   | 2023    | 24e/23 | CAGR 26e/23 | 24e     | 25e/24e |
| Adolfo Domínguez                  | 26.4    | 45.6%  | 27.3%       | 18.1    | 23.6%   |
| Agile Content                     | 40.4    | 38.2%  | -4.1%       | 29.3    | -24.1%  |
| Alquiber                          | 13.1    | 20.6%  | 19.5%       | 10.8    | 24.9%   |
| Amper                             | 27.4    | 23.8%  | 29.7%       | 22.1    | 41.8%   |
| Audax Renovables                  | 16.2    | 18.0%  | 10.5%       | 13.7    | 7.7%    |
| Borges - BAIN                     | 36.3    | 337.2% | n.a.        | 8.3     | 16.1%   |
| Cevasa                            | 18.3    | 11.0%  | 5.3%        | 16.5    | 4.0%    |
| Clerhp Estructuras                | 13.3    | 133.3% | 87.3%       | 5.7     | 8.5%    |
| Cuatroochenta                     | n.a.    | 134.5% | 84.1%       | 32.0    | 88.0%   |
| Desa                              | 9.6     | 24.6%  | 14.5%       | 7.7     | 10.8%   |
| Ecolumber                         | n.a.    | 39.1%  | 29.7%       | n.a.    | 58.0%   |
| Endurance Motive                  | n.a.    | 531.9% | n.a.        | 33.1    | 93.0%   |
| Energy Solar Tech                 | 17.1    | -12.9% | 49.2%       | 19.6    | 183.2%  |
| Enerside                          | n.a.    | 92.6%  | 35.9%       | n.a.    | 602.4%  |
| Ercros                            | 28.6    | 104.1% | 47.6%       | 14.0    | 43.9%   |
| Facephi                           | n.a.    | 130.8% | 42.7%       | 30.3    | 82.9%   |
| GAM                               | 18.5    | 10.2%  | 15.0%       | 16.8    | 7.7%    |
| Iflex                             | 10.0    | 25.1%  | 17.2%       | 8.0     | 13.1%   |
| Inmobiliaria del Sur              | 16.4    | 6.1%   | -0.2%       | 15.4    | 66.0%   |
| Kompuestos                        | 15.8    | 47.1%  | 36.1%       | 10.7    | 40.0%   |
| Laboratorio Reig Jofre            | 26.4    | 29.1%  | 24.7%       | 20.4    | 28.8%   |
| Libertas 7                        | 13.9    | -75.2% | 17.9%       | n.a.    | 414.0%  |
| Lingotes Especiales               | 17.3    | 17.9%  | 29.2%       | 14.7    | 35.8%   |
| LLYC                              | 8.9     | 32.2%  | 17.8%       | 6.8     | 11.6%   |
| Natac                             | n.a.    | 201.0% | 79.0%       | 39.3    | 43.9%   |
| Naturhouse Health                 | 5.2     | -13.4% | -4.1%       | 6.0     | 1.7%    |
| Netex                             | 37.5    | 128.3% | 61.2%       | 16.4    | 39.7%   |
| Nicolás Correa                    | 5.9     | 5.7%   | 11.1%       | 5.5     | 10.6%   |
| Pangaea Oncology                  | n.a.    | 68.6%  | 26.8%       | n.a.    | 68.7%   |
| Seresco                           | 16.0    | 63.9%  | 30.5%       | 9.7     | 17.9%   |
| Substrate Artificial Intelligence | n.a.    | 37.5%  | 38.8%       | n.a.    | 27.3%   |
| Vanadi Coffee                     | n.a.    | 16.7%  | 46.3%       | n.a.    | 24.6%   |
| Vitruvio                          | 39.6    | 9.6%   | 14.9%       | 36.2    | 13.2%   |

➤ The five companies with the lowest 2024e EV/EBIT ratios (with positive EBIT growth in 25e/24e) are shaded.



## Revenues, EBITDA and FCF to Equity growth

| Company                           | Revenue Growth |         |         |             | EBITDA growth rec. |         |         |             | CAGR 26e/23 |
|-----------------------------------|----------------|---------|---------|-------------|--------------------|---------|---------|-------------|-------------|
|                                   | 24e/23         | 25e/24e | 26e/25e | CAGR 26e/23 | 24e/23             | 25e/24e | 26e/25e | CAGR 26e/23 | FCF Equity  |
| Adolfo Domínguez                  | 10.9%          | 10.1%   | 9.7%    | 10.3%       | 23.7%              | 16.6%   | 10.3%   | 16.7%       | 54.4%       |
| Agile Content                     | 1.9%           | 1.9%    | 5.1%    | 2.9%        | 12.0%              | 8.0%    | 12.1%   | 10.7%       | 97.3%       |
| Alquiber                          | 15.6%          | 21.2%   | 11.7%   | 16.1%       | 17.1%              | 21.5%   | 13.1%   | 17.2%       | 35.6%       |
| Amper                             | 13.4%          | 13.1%   | 11.8%   | 12.8%       | 57.2%              | 48.7%   | 30.4%   | 45.0%       | 26.9%       |
| Audax Renovables                  | -13.7%         | 2.1%    | 1.6%    | -3.6%       | 11.6%              | 7.5%    | 6.1%    | 8.4%        | -26.0%      |
| Borges - BAIN                     | 1.6%           | 3.5%    | n.a.    | n.a.        | 142.5%             | 13.8%   | n.a.    | n.a.        | n.a.        |
| Cevasa                            | 4.1%           | 4.1%    | 5.6%    | 4.6%        | 3.0%               | 4.5%    | 6.8%    | 4.7%        | 28.2%       |
| Clerhp Estructuras                | 67.7%          | 101.7%  | 146.7%  | n.a.        | 170.9%             | 11.6%   | 154.3%  | 97.3%       | n.a.        |
| Cuatroochenta                     | 20.9%          | 17.0%   | 14.1%   | 17.3%       | 119.2%             | 46.2%   | 28.1%   | 60.1%       | 97.5%       |
| Desa                              | 5.0%           | 4.7%    | 4.7%    | 4.8%        | 10.8%              | 8.7%    | 7.3%    | 8.9%        | -10.9%      |
| Ecolumber                         | 1.9%           | 10.7%   | 12.3%   | 8.2%        | 57.6%              | 118.0%  | 828.5%  | 39.4%       | 0.7%        |
| Endurance Motive                  | 37.3%          | 34.3%   | 28.6%   | 33.3%       | 356.7%             | 194.2%  | 104.4%  | n.a.        | 51.0%       |
| Energy Solar Tech                 | 27.5%          | 30.9%   | 22.1%   | 26.8%       | 30.6%              | 88.7%   | 28.6%   | 46.9%       | 36.1%       |
| Enerside                          | -66.9%         | 18.9%   | 84.6%   | -10.1%      | 69.8%              | 50.1%   | 63.6%   | 62.0%       | 30.6%       |
| Ercros                            | 1.1%           | 5.5%    | 2.0%    | 2.9%        | 21.8%              | 21.5%   | 6.0%    | 16.2%       | 46.7%       |
| Facephi                           | 46.9%          | 16.0%   | 16.0%   | 25.5%       | 168.8%             | 48.0%   | 46.0%   | 51.6%       | 29.0%       |
| GAM                               | 10.1%          | 8.1%    | 8.1%    | 8.8%        | 16.9%              | 9.3%    | 11.3%   | 12.5%       | 82.9%       |
| Iflex                             | 6.1%           | 6.0%    | 5.0%    | 5.7%        | 10.6%              | 9.8%    | 10.7%   | 10.4%       | n.a.        |
| Inmobiliaria del Sur              | 40.4%          | 45.2%   | -39.8%  | 7.1%        | 34.3%              | 55.3%   | -39.4%  | 8.1%        | n.a.        |
| Kompuestos                        | 3.8%           | 4.7%    | 4.8%    | 4.4%        | 9.9%               | 13.4%   | 10.1%   | 11.1%       | 33.7%       |
| Laboratorio Reig Jofre            | 10.3%          | 8.7%    | 7.8%    | 8.9%        | 10.0%              | 14.3%   | 10.8%   | 11.7%       | 28.5%       |
| Libertas 7                        | -47.3%         | 191.8%  | 8.1%    | 18.5%       | -66.8%             | 311.8%  | 26.8%   | 20.1%       | 20.3%       |
| Lingotes Especiales               | 5.1%           | 7.0%    | 7.0%    | 6.4%        | 18.2%              | 22.3%   | 23.5%   | 21.3%       | -20.9%      |
| LLYC                              | 26.8%          | 15.5%   | 6.9%    | 16.1%       | 30.6%              | 15.9%   | 8.7%    | 18.0%       | 53.9%       |
| Natac                             | 49.3%          | 26.0%   | 24.0%   | 32.6%       | 61.2%              | 29.3%   | 23.1%   | 36.9%       | n.a.        |
| Naturhouse Health                 | -1.7%          | 1.9%    | 2.9%    | 1.0%        | -12.0%             | 1.0%    | 0.9%    | -3.6%       | -19.6%      |
| Netex                             | 17.3%          | 16.6%   | 16.0%   | 16.6%       | 44.2%              | 25.7%   | 24.3%   | 31.1%       | 54.2%       |
| Nicolás Correa                    | 8.0%           | 8.0%    | 10.9%   | 8.9%        | 7.8%               | 12.8%   | 16.4%   | 12.3%       | 27.4%       |
| Pangaea Oncology                  | 72.5%          | 7.6%    | 5.5%    | 25.1%       | 64.3%              | 74.5%   | 181.2%  | 27.5%       | 78.8%       |
| Seresco                           | 32.2%          | 10.3%   | 11.0%   | 17.4%       | 100.8%             | 16.3%   | 13.6%   | 38.4%       | 60.3%       |
| Substrate Artificial Intelligence | 70.0%          | 25.0%   | 23.0%   | 37.7%       | 29.4%              | 27.4%   | 44.0%   | 34.0%       | 24.1%       |
| Vanadi Coffee                     | 145.4%         | 81.0%   | 69.0%   | 95.8%       | 7.0%               | 40.7%   | 142.3%  | 30.7%       | 11.4%       |
| Vitruvio                          | 18.2%          | 8.0%    | 7.1%    | 11.0%       | 14.8%              | 11.0%   | 7.3%    | 11.0%       | n.a.        |



## P/BV, FCF yield, ROCE and value creation

| Company                           | P/BV |       |       |       | Rec. FCF to Equity yield (%) |       |       |       | ROCE (%) |       |       |       | Spread<br>ROCE 24e vs WACC <sup>(1)</sup> |
|-----------------------------------|------|-------|-------|-------|------------------------------|-------|-------|-------|----------|-------|-------|-------|---|
|                                   | 2023 | 2024e | 2025e | 2026e | 2023                         | 2024e | 2025e | 2026e | 2023     | 2024e | 2025e | 2026e |   |
| Adolfo Domínguez                  | 2.7  | 2.4   | 2.1   | 1.8   | n.a.                         | 1.1   | 3.8   | 4.6   | 9.9      | 11.5  | 13.2  | 14.1  | 2.5%                                      |
| Agile Content                     | 2.4  | 2.3   | 2.4   | 2.4   | 0.0                          | 1.1   | 2.4   | 3.5   | 4.2      | 5.1   | 3.9   | 3.4   | -5.0%                                     |
| Alquiler                          | 1.2  | 1.0   | 0.8   | 0.6   | n.a.                         | n.a.  | 6.4   | 26.3  | 6.5      | 6.8   | 7.9   | 8.7   | 1.2%                                      |
| Amper                             | 2.3  | 2.2   | 2.0   | 1.8   | n.a.                         | n.a.  | n.a.  | 0.7   | 5.8      | 5.1   | 6.7   | 7.9   | -3.1%                                     |
| Audax Renovables                  | 5.5  | 3.7   | 2.9   | 2.4   | 10.1                         | 4.7   | 4.5   | 5.4   | 11.4     | 16.1  | 16.7  | 17.0  | 7.6%                                      |
| Borges - BAIN                     | 0.9  | 0.8   | 0.8   | n.a.  | n.a.                         | 2.0   | 2.6   | n.a.  | 1.5      | 9.7   | 10.5  | n.a.  | 1.6%                                      |
| Cevasa                            | 0.4  | 0.4   | 0.3   | 0.3   | 4.5                          | 7.8   | 7.3   | 7.8   | 2.5      | 2.8   | 2.9   | 3.0   | -5.2%                                     |
| Clerhp Estructuras                | 9.4  | 4.4   | 3.0   | 1.4   | n.a.                         | n.a.  | n.a.  | 69.3  | 37.4     | 31.3  | 14.8  | 31.1  | 15.8%                                     |
| Cuatroochenta                     | 2.6  | 2.4   | 2.1   | 1.8   | n.a.                         | 2.0   | 4.2   | 5.6   | 2.4      | 4.5   | 8.6   | 12.0  | -4.6%                                     |
| Desa                              | 1.2  | 1.2   | 1.1   | 1.0   | 16.5                         | 8.2   | 9.8   | 10.8  | 8.3      | 10.8  | 11.6  | 12.2  | 2.4%                                      |
| Ecolumber                         | n.a. | n.a.  | n.a.  | n.a.  | n.a.                         | n.a.  | n.a.  | n.a.  | n.a.     | n.a.  | n.a.  | 2.5   | n.a.                                      |
| Endurance Motive                  | 10.1 | 8.8   | 6.4   | 3.8   | n.a.                         | n.a.  | n.a.  | 4.3   | n.a.     | 10.4  | 14.5  | 24.2  | 0.7%                                      |
| Energy Solar Tech                 | 1.7  | 1.7   | 1.5   | 1.2   | 1.1                          | n.a.  | n.a.  | n.a.  | 9.6      | 4.2   | 8.1   | 9.4   | -5.6%                                     |
| Enerside                          | 17.5 | n.a.  | n.a.  | 17.4  | n.a.                         | n.a.  | n.a.  | n.a.  | n.a.     | n.a.  | 17.8  | 19.9  | n.a.                                      |
| Ercros                            | 0.9  | 0.9   | 0.8   | 0.8   | 3.6                          | 3.6   | 5.3   | 6.3   | 2.8      | 4.5   | 6.4   | 6.9   | -4.4%                                     |
| Facephi                           | 2.2  | 1.7   | 1.6   | 1.4   | n.a.                         | n.a.  | 0.0   | 3.4   | n.a.     | 4.2   | 7.2   | 11.0  | -5.0%                                     |
| GAM                               | 1.3  | 1.2   | 1.1   | 0.9   | n.a.                         | n.a.  | n.a.  | n.a.  | 6.3      | 5.8   | 5.8   | 6.5   | -1.0%                                     |
| Iflex                             | 2.4  | 2.0   | 1.7   | 1.4   | 4.6                          | 9.6   | 12.9  | 15.5  | 16.0     | 18.8  | 20.5  | 22.6  | 9.9%                                      |
| Inmobiliaria del Sur              | 1.0  | 1.0   | 0.9   | 0.9   | n.a.                         | n.a.  | 40.2  | 42.6  | 4.8      | 4.7   | 7.9   | 5.0   | -1.3%                                     |
| Kompuestos                        | 0.7  | 0.7   | 0.6   | 0.6   | 7.8                          | 9.1   | 15.3  | 18.7  | 5.3      | 6.4   | 9.1   | 11.2  | -1.4%                                     |
| Laboratorio Reig Jofre            | 1.1  | 1.0   | 0.9   | 0.9   | 2.0                          | 2.4   | 2.9   | 4.2   | 3.8      | 4.6   | 5.7   | 6.5   | -3.4%                                     |
| Libertas 7                        | 0.4  | 0.4   | 0.4   | 0.4   | 8.1                          | n.a.  | 12.5  | 14.8  | 2.6      | 0.9   | 3.7   | 4.9   | -5.7%                                     |
| Lingotes Especiales               | 1.5  | 1.5   | 1.4   | 1.3   | 9.5                          | 3.6   | 5.9   | 8.5   | 6.1      | 7.6   | 10.3  | 13.7  | -1.4%                                     |
| LLYC                              | 2.9  | 2.4   | 2.0   | 1.6   | 3.5                          | 8.4   | 10.9  | 13.2  | 25.4     | 20.9  | 18.6  | 20.2  | 12.1%                                     |
| Natac                             | 6.9  | 6.2   | 5.3   | 4.4   | 0.8                          | 0.6   | 0.9   | 3.2   | 2.7      | 6.2   | 8.6   | 11.0  | -2.8%                                     |
| Naturhouse Health                 | 3.3  | 3.1   | 2.9   | 2.7   | 18.5                         | 9.6   | 9.4   | 9.6   | 72.3     | 78.8  | 75.2  | 70.3  | 69.5%                                     |
| Netex                             | n.a. | 18.9  | 7.5   | 3.9   | 10.2                         | 4.0   | 6.9   | 10.2  | 7.8      | 13.4  | 18.5  | 23.7  | 5.1%                                      |
| Nicolás Correa                    | 1.1  | 1.0   | 0.9   | 0.8   | 4.0                          | n.a.  | 3.3   | 10.6  | 16.9     | 14.9  | 14.5  | 15.8  | 4.4%                                      |
| Pangaea Oncology                  | 3.1  | 3.4   | 3.6   | 3.6   | n.a.                         | n.a.  | n.a.  | n.a.  | n.a.     | n.a.  | n.a.  | 0.6   | n.a.                                      |
| Seresco                           | 6.4  | 5.2   | 3.7   | 2.7   | 2.9                          | 8.3   | 9.9   | 11.7  | 19.5     | 25.6  | 29.6  | 34.4  | 15.3%                                     |
| Substrate Artificial Intelligence | 0.5  | 0.5   | 0.5   | 0.6   | n.a.                         | n.a.  | n.a.  | n.a.  | n.a.     | n.a.  | n.a.  | n.a.  | n.a.                                      |
| Vanadi Coffee                     | 1.9  | n.a.  | n.a.  | n.a.  | n.a.                         | n.a.  | n.a.  | n.a.  | n.a.     | n.a.  | n.a.  | n.a.  | n.a.                                      |
| Vitruvio                          | 1.1  | 1.2   | 1.2   | 1.2   | 1.6                          | 3.0   | 0.5   | 3.3   | 3.0      | 3.0   | 3.1   | 3.7   | -5.5%                                     |

(1) Refer to the "Valuation inputs" section in each company note for details on the calculation of WACC.

➤ **The five companies with the highest rec. FCF to Equity yield 2024e are shaded.**



## Leverage and financial risk

| Company                           | Net Debt<br>2024e | Net Debt /<br>Equity 2024e | ND/Rec. EBITDA<br>2024e | ND/EV<br>2024e | Dividend<br>yield 2024 | Payout<br>2024e | CAGR 23/20<br>Revenue<br>growth | 2023/2020                           | No. of years<br>with dividend -<br>5y |
|-----------------------------------|-------------------|----------------------------|-------------------------|----------------|------------------------|-----------------|---------------------------------|-------------------------------------|---------------------------------------|
|                                   |                   |                            |                         |                |                        |                 |                                 | Accumulated<br>Dividend<br>(EUR Mn) |                                       |
| Adolfo Domínguez                  | 10.3              | 49.1%                      | 0.5                     | 11.2%          | 0.0%                   | 0.0%            | 24.7%                           | 0.0                                 | 0                                     |
| Agile Content                     | 18.7              | 42.9%                      | 2.6                     | 14.9%          | 0.0%                   | 0.0%            | 71.2%                           | 0.0                                 | 0                                     |
| Alquiiber                         | 210.2             | 416.5%                     | 2.5                     | 83.4%          | 5.8%                   | 20.0%           | 28.9%                           | 3.9                                 | 3                                     |
| Amper                             | 116.0             | 149.9%                     | 6.9                     | 40.8%          | 0.0%                   | 0.0%            | 23.8%                           | 0.0                                 | 0                                     |
| Audax Renovables                  | 208.6             | 86.5%                      | 1.9                     | 17.1%          | 0.0%                   | 0.0%            | 33.2%                           | 10.3                                | 2                                     |
| Borges - BAIN                     | -34.5             | n.a.                       | -6.3                    | n.a.           | 0.0%                   | 0.0%            | -8.9%                           | 0.0                                 | 0                                     |
| Cevasa                            | 40.5              | 10.3%                      | 2.7                     | 14.4%          | 4.1%                   | 46.8%           | 3.9%                            | 19.7                                | 5                                     |
| Clerhp Estructuras                | 24.9              | 188.4%                     | 2.1                     | 36.7%          | 0.0%                   | 0.0%            | 19.3%                           | 0.0                                 | 0                                     |
| Cuatroochenta                     | 6.3               | 56.4%                      | 3.1                     | 19.2%          | 0.0%                   | 0.0%            | 23.9%                           | 0.0                                 | 0                                     |
| Desa                              | 10.2              | 49.5%                      | 1.9                     | 31.5%          | 6.3%                   | 52.7%           | 6.3%                            | 5.0                                 | 4                                     |
| Ecolumber                         | 18.7              | n.a.                       | n.a.                    | 36.8%          | 0.0%                   | 0.0%            | 14.6%                           | 0.0                                 | 0                                     |
| Endurance Motive                  | 3.8               | 233.2%                     | 10.0                    | 21.2%          | 0.0%                   | 0.0%            | 65.3%                           | 0.0                                 | 0                                     |
| Energy Solar Tech                 | 73.3              | 152.2%                     | 6.3                     | 79.3%          | 0.0%                   | 0.0%            | 431.9%                          | 0.0                                 | 0                                     |
| Enerside                          | 58.7              | n.a.                       | n.a.                    | 36.6%          | 0.0%                   | 0.0%            | n.a.                            | 0.0                                 | 0                                     |
| Ercros                            | 78.0              | 20.9%                      | 1.4                     | 20.9%          | 2.1%                   | 24.0%           | 9.3%                            | 28.0                                | 4                                     |
| Facephi                           | 6.1               | 23.5%                      | 2.3                     | 12.2%          | 0.0%                   | 0.0%            | 51.3%                           | 0.0                                 | 0                                     |
| GAM                               | 282.1             | 251.0%                     | 3.9                     | 67.9%          | 0.0%                   | 0.0%            | 28.4%                           | 0.0                                 | 0                                     |
| Iflex                             | 2.9               | 64.7%                      | 1.4                     | 24.3%          | 7.7%                   | 50.0%           | 17.8%                           | 1.6                                 | 2                                     |
| Inmobiliaria del Sur              | 261.3             | 172.6%                     | 8.7                     | 67.1%          | 8.2%                   | 48.0%           | -3.4%                           | 20.9                                | 5                                     |
| Kompuestos                        | 10.9              | 78.8%                      | 2.6                     | 50.7%          | 0.0%                   | 0.0%            | 2.3%                            | 0.0                                 | 0                                     |
| Laboratorio Reig Jofre            | 39.5              | 18.3%                      | 1.1                     | 14.3%          | n.a.                   | -0.7%           | 11.2%                           | -0.2                                | 0                                     |
| Libertas 7                        | 31.9              | 33.8%                      | 31.6                    | 74.9%          | 2.3%                   | -316.0%         | 50.6%                           | 2.3                                 | 4                                     |
| Lingotes Especiales               | 9.0               | 19.0%                      | 0.9                     | 10.6%          | 6.3%                   | 80.4%           | 2.6%                            | 6.7                                 | 3                                     |
| LLYC                              | 31.2              | 66.1%                      | 1.4                     | 24.5%          | 2.9%                   | 25.0%           | 31.4%                           | 4.4                                 | 4                                     |
| Natac                             | 57.6              | 124.7%                     | 4.2                     | 16.3%          | 0.0%                   | 0.0%            | n.a.                            | 0.0                                 | 0                                     |
| Naturhouse Health                 | -23.0             | n.a.                       | -1.4                    | n.a.           | 8.4%                   | 80.0%           | -3.3%                           | 31.2                                | 5                                     |
| Netex                             | 16.6              | 912.5%                     | 3.4                     | 27.8%          | 0.0%                   | 0.0%            | 34.7%                           | 0.0                                 | 0                                     |
| Nicolás Correa                    | -9.1              | n.a.                       | -0.6                    | n.a.           | 4.3%                   | 31.0%           | 17.9%                           | 10.7                                | 5                                     |
| Pangaea Oncology                  | 4.9               | 30.0%                      | n.a.                    | 8.4%           | 0.0%                   | 0.0%            | 25.0%                           | 0.0                                 | 0                                     |
| Seresco                           | 6.7               | 77.9%                      | 1.0                     | 12.8%          | 1.8%                   | 20.0%           | 13.6%                           | 1.7                                 | 2                                     |
| Substrate Artificial Intelligence | 6.7               | 26.8%                      | n.a.                    | 31.6%          | 0.0%                   | 0.0%            | n.a.                            | 0.0                                 | 0                                     |
| Vanadi Coffee                     | 2.7               | n.a.                       | n.a.                    | 131.1%         | 0.0%                   | 0.0%            | n.a.                            | 0.0                                 | 0                                     |
| Vitruvio                          | 47.6              | 43.3%                      | 8.2                     | 29.6%          | 3.4%                   | 117.8%          | 4.2%                            | 11.7                                | 5                                     |



## Upcoming earnings releases

| Company                           | Close fiscal year | Upcoming earningH releaHeH | Date of publication <sup>(1)</sup> |
|-----------------------------------|-------------------|----------------------------|------------------------------------|
| Adolfo Domínguez                  | 28-Feb            | 1Q24                       | 1st half of July 2024              |
| Agile Content                     | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Alquiber                          | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Amper                             | 31-Dec            | 1H24                       | 2nd half of July 2024              |
| Audax Renovables                  | 31-Dec            | 1H24                       | 2nd half of September 2024         |
| Borges - BAIN                     | 31-May            | 12M23                      | 2nd half of July 2024              |
| Cevasa                            | 31-Dec            | 1H24                       | 1st half of September 2024         |
| Clerhp Estructuras                | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Cuatrochenta                      | 31-Dec            | 1H24                       | 2nd half of September 2024         |
| Desa                              | 31-Dec            | 1H24                       | 2nd half of September 2024         |
| Ecolumber                         | 31-Dec            | 1H24                       | 1st half of October 2024           |
| Endurance Motive                  | 31-Dec            | 1H24                       | 1st half of October 2024           |
| Energy Solar Tech                 | 31-Dec            | 1H24                       | 2nd half of September 2024         |
| Enerside                          | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Ercros                            | 31-Dec            | 1H24                       | 2nd half of July 2024              |
| Facephi                           | 31-Dec            | Advance 1H24               | 1st half of August 2024            |
| GAM                               | 31-Dec            | 1H24                       | 2nd half of July 2024              |
| Iflex                             | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Inmobiliaria del Sur              | 31-Dec            | 1H24                       | 2nd half of July 2024              |
| Kompuestos                        | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Libertas 7                        | 31-Dec            | 1H24                       | 2nd half of July 2024              |
| Lingotes Especiales               | 31-Dec            | 1H24                       | 1st half of August 2024            |
| LLYC                              | 31-Dec            | Advance 1H24               | 2nd half of July 2024              |
| Natac                             | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Naturhouse Health                 | 31-Dec            | 1H24                       | 2nd half of September 2024         |
| Netex                             | 30-Sep            | 1H24                       | 2nd half of July 2024              |
| Nicolás Correa                    | 31-Dec            | 1H24                       | 2nd half of August 2024            |
| Pangaea Oncology                  | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Reig Jofre                        | 31-Dec            | 1H24                       | 2nd half of July 2024              |
| Seresco                           | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Squirrel Media                    | 31-Dec            | 1H24                       | 1st half of August 2024            |
| Substrate Artificial Intelligence | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Vanadi Coffee                     | 31-Dec            | 1H24                       | 2nd half of October 2024           |
| Vitruvio                          | 31-Dec            | 1H24                       | 2nd half of October 2024           |

(1) Reference is given as Monday of the week in which the company is expected to release its next results. Lighthouse's estimate.





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