

Lucisano Media Group

Production and Increasing Admissions Led to a Strong FY23

FY23 was rich in terms of production, with some successfully released movies and TV series. The Multiplex division benefitted from increasing admissions and was also up yoy in terms of profitability, with EBIT positive. We see a slower FY24 production pipeline than previously expected, albeit still with some important theatrical movies to be released.

FY23: better than expected on all KPIs

FY23 revenues increased by 33.2% yoy, to EUR 61.4M. The Distribution and Production BU accelerated growth in 2H23 (+65%); the Multiplex BU registered revenues up around 19% yoy in the full year, reaching only slightly below the pre-pandemic admissions level. Tax credits amounted to EUR 17.9M (EUR 11.9M in FY22). FY23 EBITDA was up 22.8% yoy to EUR 26.7M, with a 43.6% margin (better than our estimates). We point out that FY22 too had been a peak year for the EBITDA margin. Profitability was driven by both divisions: in particular, the Multiplex BU recovered in terms of EBIT, at EUR 2.1M. Net debt improved to EUR 35.3M in FY23 vs. EUR 38.9M at the end of FY22, despite the higher production volumes.

FY24E: less full movie pipeline but still important releases

The outlook is positive overall, with a better performance expected for the Multiplex BU in 2H24 vs. 1H24, given a reduction of international movies (US strikes have impacted the offer). As for the production division, while we expect a reduced movies' pipeline this year compared to FY23, management highlighted some promising titles, such as "Io e te dobbiamo parlare" (directed by Alessandro Siani, starring Siani and Pieraccioni). We expect LMG to release overall 4 new theatrical movies in FY24, 1 TV series and 2 documentaries (o/w "Le città del futuro"), and a docufilm. On the distribution side, we expect several movies in FY24.

Valuation and estimate changes

We cut our FY24E sales and EBITDA estimates, increased our FY24E EBIT (due to lower D&A) and updated our DCF model. Our slightly revised WACC parameters lead to a 7% WACC (vs. 6.8% previously). We set a new TP of EUR 1.9 (vs. EUR 2.1).

Lucisano Media Group – Key data

Y/E Dec (EUR M)	2022A	2023A	2024E	2025E
Revenues	46.08	61.35	60.50	71.00
EBITDA	21.76	26.73	26.02	29.11
EBIT	4.74	8.00	7.80	7.74
Net income	3.06	5.08	5.35	5.75
Adj. EPS (EUR)	0.21	0.34	0.36	0.39
Net debt/-cash	38.93	35.34	38.41	39.10
Adj P/E (x)	6.3	3.7	3.4	3.2
EV/EBITDA (x)	2.7	2.0	2.2	2.0
EV/EBIT (x)	12.3	6.8	7.2	7.4
Div ord yield (%)	3.1	3.2	3.3	3.3
FCF Yield (%)	-55.0	21.9	0.7	-6.0

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 19/04/2024

22 April 2024: 13:12 CET

Date and time of production

BUY

Target Price: EUR 1.90
(from EUR 2.1)

Italy/Entertainment

Company Results

EGM

Lucisano Media Group - Key Data

Price date (market close)	19/04/2024
Target price (€)	1.90
Target upside (%)	55.74
Market price (€)	1.22
Market cap (EUR M)	18.15
52Wk range (€)	1.50/1.17

EPS – DPS changes

(€)	2024E	2025E	2024	2025
	EPS ▲	EPS	chg%	chg%
Curr.	0.359	0.386	36.65	-
Prev.	0.263	-	-	-
	DPS ▲	DPS	chg%	chg%
Curr.	0.040	0.040	high	-
Prev.	0.000	-	-	-

Price Perf. (RIC: LMG.MI BB: LMG IM)



Source: FactSet and Intesa Sanpaolo Research estimates

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FY23 Results: Above our Estimates

All KPIs beat our expectations

- **FY23 revenues** increased by 33.2% yoy, to EUR 61.4M, and were around EUR 10M higher than our estimates. The Distribution and Production BU saw an acceleration in growth in 2H23 (+65%); the Multiplex BU registered revenues up around 19% yoy in the full year, reaching only slightly below the pre-pandemic admissions level. Tax credits amounted to EUR 17.9M (EUR 11.9M in FY22);
- **As for the Distribution and Production activity** (revenues EUR 48.9M, up 37.2% yoy), 6 movies were distributed, among which "Succede anche nelle migliori famiglie" (by Alessandro Siani for IIF) that was distributed on 31 December and reached total EUR 5.8M box office revenues, of which the group's share is to be booked in FY24. The production of three movies was completed, which are expected to be released in FY24. One TV series was completed and released on the Sky platform, one was completed and expected to be released in 2024; a documentary was completed, and the third part of a series was started in February 2024. IIF (Italian International Film, fully controlled by LMG) pursued its activity of rights acquisition of international movies;
- **The Multiplex BU** (revenues EUR 12.5M, up 19.3% yoy) was impacted by the closure of the Multisala Big Maxicinema in February and of the Multisala Gaveli in June. The group now manages 5 multiplex movie theatres with 41 screens. On a like-for-like basis, admissions increased by 64% yoy and box office revenues rose by 71%, better than the domestic average;
- **FY23 EBITDA** was up 22.8% yoy to EUR 26.7M, with a 43.6% margin (better than our estimates). We point out that FY22 too had been a peak year for the EBITDA margin. Profitability was driven by both divisions: in particular, the Multiplex BU recovered in terms of EBIT, which reached EUR 2.1M;
- **Net income** was EUR 5.1M (+66% yoy), better than our estimates;
- **Net debt** declined to EUR 35.3M vs. EUR 38.9M at the end of FY22. Despite the higher production volumes, the net debt improvement was driven by the invoicing and the cash-in in FY23 of projects realised in the previous years and of temporarily frozen VAT credits. DPS was EUR 0.04.

Lucisano Media Group – 2H/FY23 results

EUR M	2H22A	2H23E	2H23A	yoy %	A/E %	FY22A	FY23E	FY23A	yoy %	A/E %
Revenues	24.9	26.0	35.3	42.0	36.0	46.1	52.0	61.4	33.2	18.0
o/w Production & Distribution	17.9		29.6	65.4		35.6		48.9	37.2	
o/w Multiplex	7.0		5.7	-18.0		10.5		12.5	19.3	
EBITDA	16.9	8.1	14.8	-12.2	83.0	21.8	20.0	26.7	22.8	33.5
o/w Production & Distribution	12.4		12.9	4.2		18.4		22.8	24.1	
o/w Multiplex	3.3		1.9	-40.8		3.3		3.9	18.5	
EBITDA margin (%)	67.8	31.1	41.9			47.2	38.5	43.6		
o/w Production & Distribution	69.1		43.5			51.6		46.7		
o/w Multiplex	46.5		33.6			31.6		31.4		
EBIT	4.2	0.3	3.3	-22.4	NM	4.7	5.0	8.0	68.8	60.4
Net income	3.0	-0.3	1.7	-43.1	NM	3.1	3.1	5.1	66.0	65.4
Net debt	38.9	32.7	35.3			38.9	32.7	35.3		

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

Outlook and Estimates Revision

The outlook is positive overall, with a better performance expected for the Multiplex BU in 2H24 vs. 1H24, given the reduction in international movies (US strikes have impacted the offer).

As for the production/distribution division, the company stated that through its controlled company IIF (Italian International Film) it is further developing its activity, with a pipeline of projects to be released in 2024/25. The company underlined how the definition of the tax credit regulation is of primary importance, in particular the part supporting movie production. The clarity of the regulatory framework is a necessary condition to plan investments cross the entire supply chain; the implementing decrees related to the Framework law on tax credits should provide more visibility on the impact of the 2024 Budget Law on the sector.

On the production side, we expect LMG to release 4 movies in FY24, 1 TV series and 2 documentaries (o/w "Le città del futuro"), and a docufilm. On the distribution side, we expect "Il clandestino 1", the movie "Io e te dobbiamo parlare" and several other movies to be distributed in FY24E. In FY25E, we expect 2 TV series to be released, 4 movies and 2 documentaries.

Lucisano Media Group* – Project expected to be delivered in FY24/25E and ongoing projects

FY24E	FY25E
Ma chi ti conosce	TV series on Raffaella Carrà (TV series)
Mina Settembre 3 (TV series)	La casa di ringhiera**/Il clandestino 2** (TV series)
Io e te dobbiamo parlare	Documentary 1
Movie 1	Documentary 2
Movie 2	Movie 1
Le città del futuro (documentary)	Movie 2
Documentary 1	Movie 3
Historical documentary film	Movie 4

*through IIF ** one of them could be released in 2026; Source: Company data and Intesa Sanpaolo Research elaboration on company data

Estimates revision

We lowered our FY24E sales estimates to reflect the postponement of some big projects, and left the EBITDA margin broadly in line with FY23A. In our understanding, the production activity is experiencing a slowdown while awaiting the implementing decrees of the tax credit law (the 2024 Italian Budget Law has modified the Framework Law for the audiovisual sector n. 220/2016, related to the sector's "tax credits") after a very rich FY23.

As such, we expect net debt to slightly increase in FY24E vs. FY23A due to a rather back-end loaded production activity in FY24. FY24E EBIT is higher vs. our previous estimates (broadly in line with FY23 EBIT) due to lower D&A. For FY25E, we expect movies production to recover and we see total revenues similar to those we previously expected in FY24E. YE25E net debt is seen broadly in line with YE24E in our estimates.

Lucisano Media Group – FY24/25E

EUR M	FY24E Old	FY24E New	New vs. Old%	FY25E	yoy %
Revenues	70.8	60.5	-14.6	71.0	17.4
EBITDA	27.3	26.0	-4.6	29.1	11.9
EBITDA margin (%)	38.5	43.0		41.0	
EBIT	5.9	7.8	31.3	7.7	-0.8
Net income	3.9	5.3	36.6	5.7	7.5
Net debt	37.3	38.4		39.1	

E: estimates; Source: Intesa Sanpaolo Research

Valuation

We updated our DCF model to incorporate our estimates revisions. Our WACC parameters have been slightly revised (beta levered now at 0.92x vs. 0.86x) and lead to a 7% WACC; terminal growth in our DCF remains 0%, and long-term EBIT is based on the average 2019-2025 EBIT margin. We derive a new TP of EUR 1.9 (vs. EUR 2.1).

Lucisano Media Group – WACC calculation (%)

Gross debt rate	4.5
Tax rate	24
Net debt rate	3.4
Beta levered (x)*	0.9
Gearing	45
Beta (x)*	0.8
Risk-free rate	4.0
Equity risk premium	6.5
WACC	7.0

*elaboration on "Beta, Unlevered beta and other risk measures", Aswath Damodaran; Source: Intesa Sanpaolo Research estimates

Lucisano Media Group – DCF calculation

EUR M	2024E	2025E	LT
EBIT	7.8	7.7	6.8
Tax	-0.5	-0.5	-1.6
NOPAT	7.3	7.2	5.3
Non-cash items	18.2	21.4	
WC change	-8.1	-12.2	
Net Capex	-15.4	-16.0	
FCF	2.1	0.4	5.3
Discounted FCF	2.0	0.4	4.3
WACC (%)	7.0		
TV growth (%)	0		
Sum	2.3		
TV	61.2		
EV	63.6		
NFP @ 2023A	35.3		
Equity	28.2		
Shares n.	14.9		
Target price (EUR/share)	1.9		

Source: Intesa Sanpaolo Research estimates

Lucisano Media Group – DCF sensitivity analysis (g %, WACC %)

	6.0	6.5	7.0	7.5	8.0
-2.0	1.5	1.2	1.0	0.8	0.6
-1.0	2.0	1.7	1.4	1.1	0.9
0.0	2.7	2.3	1.9	1.6	1.3
1.0	3.7	3.1	2.6	2.2	1.8
2.0	5.2	4.3	3.5	2.9	2.4

Source: Intesa Sanpaolo Research estimates

Valuation and Key Risks

Valuation basis

Our target price of EUR 1.9/sh is derived from a DCF based model (WACC 7%, g=0%)

Key Risks

Company specific risks:

- Delays/interruptions affecting the completion of the project for events of force majeure;
- Increasing competitive pressure from online platforms on the multiplex side

Sector generic risks:

- Seasonality of the Italian film market, with a concentration of film releases in a few months of the year
- Credit risk due to a temporal difference between revenues and costs

Company Snapshot

Company Description

Lucisano Media Group is the holding company controlling all the movie production and multiplex management activities of the Lucisano Family. The core business is managed through the controlled subsidiary Italian International Film ("IIF"), which is the oldest integrated Italian player active in production, acquisition and distribution of movie and television products. Founded in 1958 by Fulvio Lucisano, IIF made history in the Italian movie industry and its brand contributed to the development of the sector and in its success on the global scenario. During its history, IIF produced around 150 films and it distributed nearly 500 foreign movies. The library is today composed by around 600 Italian and international films. The group is active in the Multiplex management business and owns today 5 multiplex movie theatres with 41 screens. The group went public in 2014.

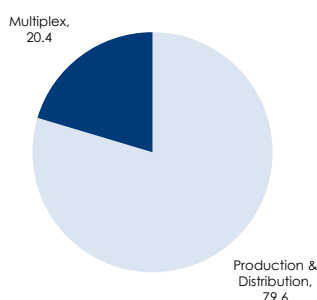
Key data

Mkt price (€)	1.22	Free float (%)	11.9
No. of shares	14.88	Major shr	Keimos
52Wk range (€)	1.50/1.17	(%)	68.0
Reuters	LMG.MI	Bloomberg	LMG IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-3.2	-1M	-2.1
-3M	-1.6	-3M	-11.6
-12M	-6.9	-12M	-22.1

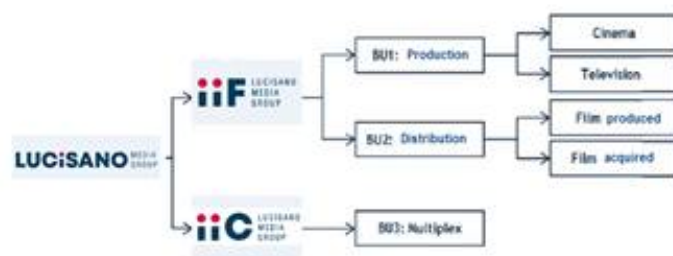
Estimates vs. consensus

EUR M (Y/E Dec)	2023A	2024E	2024C	2025E	2025C	2026E	2026C
Sales	61.35	60.50	NM	71.00	NA	NA	NA
EBITDA	26.73	26.02	NM	29.11	NA	NA	NA
EBIT	8.00	7.80	NM	7.74	NA	NA	NA
Pre-tax income	5.52	5.80	NM	6.24	NA	NA	NA
Net income	5.08	5.35	NM	5.75	NA	NA	NA
Adj. EPS (€)	0.34	0.36	NM	0.39	NA	NA	NA

FY23A Sales breakdown by BU (%)



LMG – Vertically integrated Business Model



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 19/04/2024)

Lucisano Media Group – Key Data

Rating BUY	Target price (€/sh) Ord 1.90	Mkt price (€/sh) Ord 1.22			Sector Entertainment
Values per share (EUR)	2021A	2022A	2023A	2024E	2025E
No. ordinary shares (M)	14.88	14.88	14.88	14.88	14.88
Total no. of shares (M)	14.88	14.88	14.88	14.88	14.88
Market cap (EUR M)	19.69	19.24	18.82	18.15	18.15
Adj. EPS	0.16	0.21	0.34	0.36	0.39
BVPS	2.7	2.9	3.2	3.5	3.9
Dividend ord	0	0.04	0.04	0.04	0.04
Income statement (EUR M)	2021A	2022A	2023A	2024E	2025E
Revenues	41.62	46.08	61.35	60.50	71.00
EBITDA	16.85	21.76	26.73	26.02	29.11
EBIT	3.78	4.74	8.00	7.80	7.74
Pre-tax income	2.87	3.48	5.52	5.80	6.24
Net income	2.44	3.06	5.08	5.35	5.75
Adj. net income	2.44	3.06	5.08	5.35	5.75
Cash flow (EUR M)	2021A	2022A	2023A	2024E	2025E
Net income before minorities	2.4	3.1	5.1	5.3	5.7
Depreciation and provisions	13.1	17.0	18.7	18.2	21.4
Others/Uses of funds	0	0	0	0	0
Change in working capital	-0.2	-3.4	-9.3	-8.1	-12.2
Operating cash flow	15.3	16.7	14.5	15.5	14.9
Capital expenditure	-13.8	-27.3	-10.4	-15.4	-16.0
Financial investments	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0
Free cash flow	1.5	-10.6	4.1	0.1	-1.1
Dividends	0	0	0	0	0
Equity changes & Non-op items	-1.3	0.8	-0.5	-3.2	0.4
Net change in cash	0.2	-9.8	3.6	-3.1	-0.7
Balance sheet (EUR M)	2021A	2022A	2023A	2024E	2025E
Net capital employed	68.6	81.6	82.6	91.0	97.4
of which associates	0	0	0	0	0
Net debt/-cash	29.2	38.9	35.3	38.4	39.1
Minorities	0	0	0	0	0
Net equity	39.5	42.7	47.2	52.6	58.3
Minorities value	0	0	0	0	0
Enterprise value	48.9	58.2	54.2	56.6	57.2
Stock market ratios (x)	2021A	2022A	2023A	2024E	2025E
Adj. P/E	8.1	6.3	3.7	3.4	3.2
P/CFPS	1.3	0.96	0.79	0.77	0.67
P/BVPS	0.50	0.45	0.40	0.35	0.31
Payout (%)	0	19	12	11	10
Dividend yield (% ord)	0	3.1	3.2	3.3	3.3
FCF yield (%)	7.8	-55.0	21.9	0.7	-6.0
EV/sales	1.2	1.3	0.88	0.93	0.81
EV/EBITDA	2.9	2.7	2.0	2.2	2.0
EV/EBIT	12.9	12.3	6.8	7.2	7.4
EV/CE	0.71	0.71	0.66	0.62	0.59
D/EBITDA	1.7	1.8	1.3	1.5	1.3
D/EBIT	7.7	8.2	4.4	4.9	5.1
Profitability & financial ratios (%)	2021A	2022A	2023A	2024E	2025E
EBITDA margin	40.5	47.2	43.6	43.0	41.0
EBIT margin	9.1	10.3	13.0	12.9	10.9
Tax rate	14.9	12.0	7.9	7.9	7.9
Net income margin	5.9	6.6	8.3	8.8	8.1
ROCE	5.5	5.8	9.7	8.6	7.9
ROE	6.4	7.4	11.3	10.7	10.4
Interest cover	-4.1	-3.8	-3.2	-3.9	-5.2
Debt/equity ratio	73.9	91.1	74.8	73.1	67.0
Growth (%)		2022A	2023A	2024E	2025E
Sales		10.7	33.2	-1.4	17.4
EBITDA		29.2	22.8	-2.7	11.9
EBIT		25.3	68.8	-2.5	-0.8
Pre-tax income		21.4	58.6	5.2	7.5
Net income		25.6	66.0	5.2	7.5
Adj. net income		25.6	66.0	5.2	7.5

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Intesa Sanpaolo SpA acts as listing agent or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and Weekly Preview report the Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research qualified as a minor non-monetary benefit pursuant to provisions of Delegated Directive (EU) 2017/593 is freely available on the IMI Corporate & Investment Banking Division web site (www.imi.intesasanpaolo.com); all other research is available by contacting your sales representative.

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation of around EUR 1Bn.

Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

Valuation methodology (long-term horizon: 12M)

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

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

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

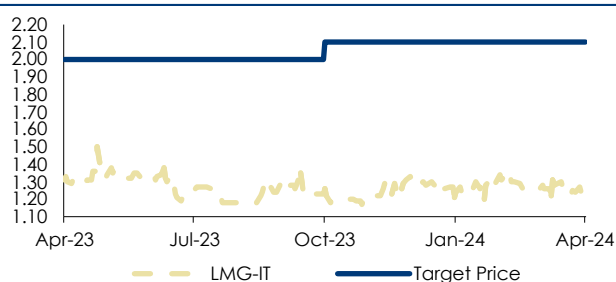
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, whose key is reported below:

Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
HOLD	If the target price is in a range 10% below or 10% above the market price.
SELL	If the target price is 10% lower than the market price.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
Note	Intesa Sanpaolo assigns ratings to stocks on a 12M horizon based on a number of fundamental drivers including, among others, updates to earnings and/or valuation models; short-term price movements alone do not imply a reassessment of the rating by the analyst.

Historical recommendations and target price trends (long-term horizon: 12M)

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Intesa Sanpaolo changed its long-term 12M horizon rating key on 3 April 2023; please refer to the ISP Equity Rating Reconciliation Table for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity-credit-research>.

Lucisano Media Group:**Target price and market price trend (-1Y)****Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
19-Oct-23	BUY	2.1	1.26

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at April 2024)**

Number of companies considered: 150	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	71	29	1
of which Intesa Sanpaolo's Clients (%)**	68	42	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

Company-specific disclosures

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or

indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the Financial Conduct Authority Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A.

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest.

- One or more of the companies of the Intesa Sanpaolo Banking Group plan to solicit investment banking business or intends to seek compensation from Lucisano Media Group in the next three months
- One or more of the companies of the Intesa Sanpaolo Banking Group have an equity stake of 1% or more in Lucisano Media Group or in the Company that has a controlling interest in Lucisano Media Group or in the major shareholder of Lucisano Media Group
- One or more of the companies of the Intesa Sanpaolo Banking Group have a Long position larger than the 0.5% of the issued share capital of Lucisano Media Group
- One or more of the companies of the Intesa Sanpaolo Banking Group are one of the main financial lenders to Lucisano Media Group and its parent and group companies
- Intesa Sanpaolo acts as Specialist, EURONEXT GROWTH ADVISOR relative to securities issued by Lucisano Media Group

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