

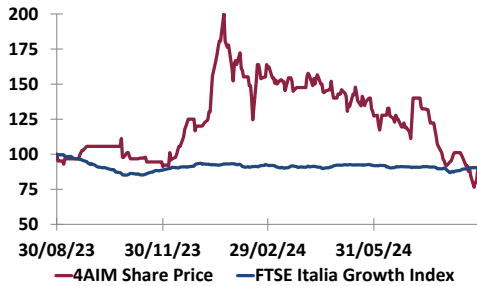


OUTPERFORM

Current Share Price (€): 160

Target Price (€): 263

4AIM - 1Y Performance



Source: S&P Capital IQ - Note: 30/08/2023=100

Company data

ISIN number	IT0005204729
Bloomberg code	AIM IM
Reuters code	4AIM.MI
Industry	Financial services
Stock market	Euronext Growth Milan
Share Price (€)	160
Date of Price	30/08/2024
Shares Outstanding (m)	0.05
Market Cap (€m)	8.0
Market Float (%)	40%
Daily Volume	30
Avg Daily Volume YTD	179
Target Price (€)	263
Upside (%)	64%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
4AIM - Absolute (%)	-6%	-30%	-45%	-11%
FTSE Italia Growth Index (%)	0%	-2%	-2%	-10%
1Y Range H/L (€)			360	138
YTD Change (€) / %			-56	-26%

Source: S&P Capital IQ

Analysts

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H1 2024 data: low valuations weigh on NAV, pending €1 billion government initiative for SMEs to shore up tight liquidity, opportunity for mean reversion trade looms

Trading update

4AIM "Comparto 1" shares price have outperformed the market since November 2023, after having reached the high of €400 the stock has undergone a bearish trend leading to a performance in line with the market. Overall, the stock lost 11% LTM vs -10% of FTSE Italia Growth index.

H1 2024 update, low companies' valuation persists

H1 2024 Key figures:

- Investment results: €(3.3)m, €(1.6)m in Q1 2024
- Net Loss: €4.1m, €1.9m in Q1 2024
- Listed financial instruments - Mark to market: €8.5m (€8.7m in Q1 2024)
- Listed financial instruments - Price adjusted: €0.8m (€2.3m in Q1 2024)
- Net cash position: €0.3m (€0.6m in Q1 2024)
- Nav "Comparto 1": €191, €235.9 in Q1 2024
- Portfolio: constituents 46 (from 53 as of 31st March 2024), out 10 and in 3

Capital Loss unrealized of €2.23m of H1 2024 is a "virtual" loss as it would be realized if 4AIM sell the underlying constituents.

Unlocking Italian small caps potential: attractive valuations for growth companies

Market conditions have sharply deteriorated since early August causing spikes in volatility. The MSCI Europe SMID Cap Index has tanked relative to the broader market, with its underperformance dwarfing that of the Global Financial Crisis. A potential pivot towards a more dovish monetary stance could trigger a compression of large-cap premium, making small-caps a more compelling investment opportunity. Historically small-caps have exhibited superior risk-adjusted returns in post-tightening regimes, driven by their heightened sensitivity to economic cycles. Finally, the Government's €1b initiative aimed at improving liquidity in SME market could spark an asset class re-rating.

Target Price €263 per share (from €297), OUTPERFORM rating confirmed

We value 4AIM's "Comparto 1" performing a Net Asset Value approach and applying a discount that aligns with the historical averages documented in financial literature. We base our process on market consensus target prices, assuming a potential multiples re-rating of the portfolio constituents, which we believe overly penalized. We confirm our OUTPERFORM rating with an updated valuation target price of €263 per share (from €297), implying a potential upside of 64% from current share price.

KEY FINANCIALS

€m	2019	2020	2021	2022	2023	Q1 2024	H1 2024
Investment results	0.54	(0.12)	6.50	(2.83)	(4.25)	(1.56)	(3.30)
Advisory Fees	0.80	0.09	0.53	0.36	0.40	0.01	0.02
Net Income (Loss)	(0.43)	(1.84)	4.19	(4.79)	(5.93)	(1.92)	(4.15)
Portfolio investments	20.78	19.19	24.23	19.32	13.67	11.54	9.50
o/w Cash and equivalents	6.11	1.03	0.59	2.46	0.56	0.63	0.27

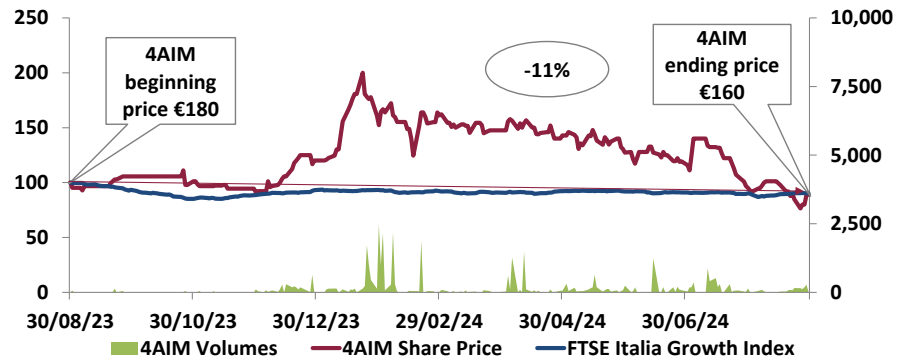
Source: Company data 2019-H1 2024A

Market update

4AIM - 1Y Share price performance and trading volumes

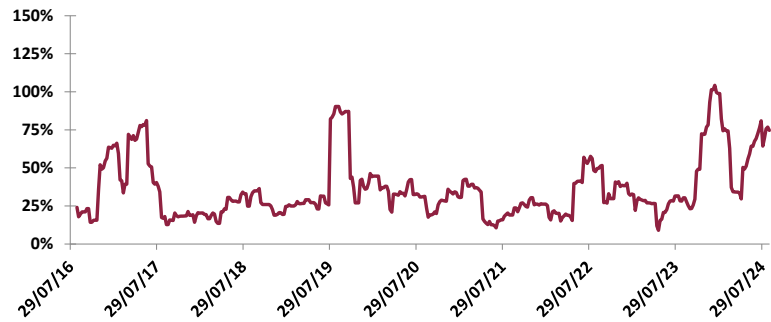
Trading price range €138-360 per share

-11% for 4AIM, vs. -10% of the Italia Growth Index



Source: EnVent Research on S&P Capital IQ - Note: 30/08/2023=100

Rolling annualized volatility (weekly) since IPO



Source: S&P Capital IQ, update: 30/08/2024

4AIM "Comparto 1" correlation with main Italian stock indexes

Low correlation with main Italian stock indexes

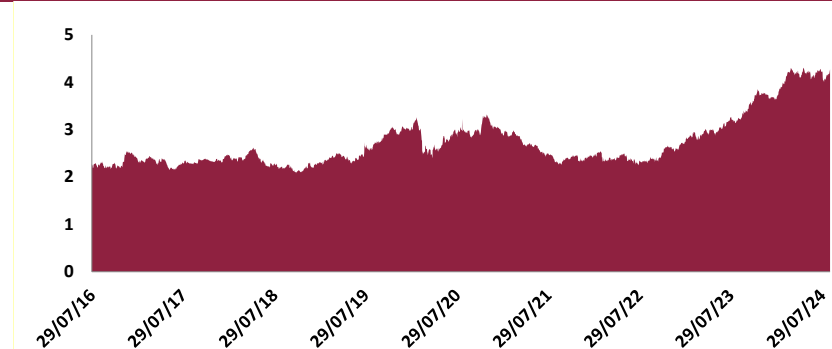
Correlation	4AIM	FTSE MIB	FTSE ITALIA STAR	EGM
4AIM	1.00	-0.01	0.04	0.05
FTSE MIB	-0.01	1.00	0.70	0.55
FTSE ITALIA STAR	0.04	0.70	1.00	0.61
EGM	0.05	0.55	0.61	1.00

Note: weekly data on last two trading years

Source: EnVent Research on Bloomberg, update: 30/08/2024

FTSE MIB/EGM ratio (2016-2024)

All-time high, possible retracement



Source: S&P Capital IQ, update: 30/08/2024

Investment case

The SICAF specialized in SMEs stock picking

4AIM SICAF, listed on the Euronext Growth Milan, is an Italian "Undertaking for Collective Investment" (UCI) specialized in medium-to-long-term equity investments in companies listed on, or preparing for listing on, the EGM market. Main target are high-quality Italian SMEs with robust growth potential and strong fundamentals. In 2020, 4AIM SICAF expanded its investment targets setting up a new sub fund dedicated to crowdfunding.

Investment strategy: strong potential companies, medium-long term time horizon

4AIM SICAF "Comparto 1" can invest in companies operating in any industries with headquarters within the European Union, currently listed or having submitted an admission to trading request on regulated and non-regulated markets in EU.

4AIM investment policy has no revenues minimum requirements for target companies and a medium-long term horizon, usually around 18-36 months, with no guaranteed way-out. 4AIM "Comparto 1" does not use financial leverage.

SICAF accounting model

4AIM must comply with Bank of Italy guidelines, including accounting, formats and principles. Main accounting policies:

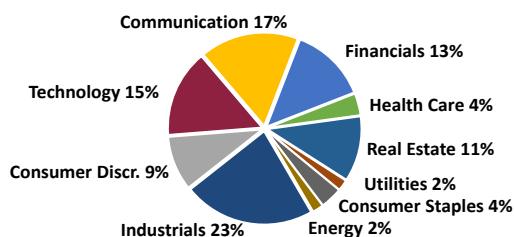
- Mark to market listed financial instruments with normal trading history
- Price adjusted listed financial instruments - financial instruments with non-significant trading price, i.e. under two conditions: a) turnover velocity below 5% and b) no trade in the reference quarter. Instruments in the list are subject to valuation approach based on an internal policy*. In case only one of the two conditions occurs, warning mechanisms are triggered
- Capital gain/loss realized - difference between selling price and b/s book value
- Capital gain/loss unrealized - difference between b/s book value and purchase price

NAV - Net Asset Value per share, total net asset value divided by number of shares

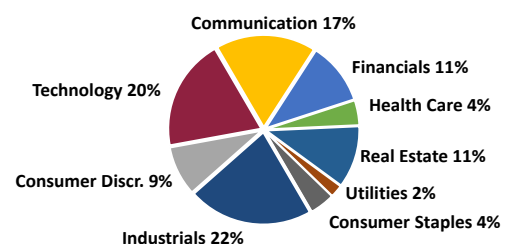
*Note: CFO has to establish a relevant evaluation approach and Risk Management must validate it. In case CFO could not identify it, the matter will be brought to the attention of the BoD.

Portfolio breakdown by industry

31st of March 2024



30th of June 2024



Source: Company data

Note: Portfolio breakdown by industry is calculated as number of companies over total

Drivers

Industry drivers

An appealing market with resilient and high potential growth companies. SMEs represent the bulk of Italian companies, providing majority of the workforce in industry and services. Furthermore, Italian SMEs promptly reacted to recent crisis, showing notable resilience and recovering swiftly thanks to financial strength, also due to the timely reaction of the Italian government and European institutions which supported businesses liquidity needs.

Institutional investment features fit well SME business needs. Institutional investors typically have long-term investment horizons, lower liquidity requirements and expert management, making them suitable for investment in SMEs.

New inflows on PIRs could improve EGM liquidity and valuation. The “Piani Individuali di Risparmio” (PIR – Individual Saving Plans), introduced in Italy in 2017, have been a successful investment product, aiming to support Italian SMEs by granting tax advantages for a minimum holding period of five years. New capital inflows in PIRs could markedly improve trading volumes and SMEs shares multiples.

Capital Market Union directive. The European Directive on the Capital Market Union (CMU) has the potential to significantly contribute to SMEs growth. The CMU aims to create a more conducive environment for SMEs to thrive by improving access to financing, simplifying regulations, developing growth markets, and boosting investor protection.

Low valuations for Italian small caps. Italian small caps listed on EGM market are currently trading with lower expected multiples in the next two years (i.e 2024-25E EV/EBITDA of 6.2-4.9x) compared to FTSE MIB (respectively, 10x and 8.5x) due to restrictive monetary policies, geopolitical tensions, outflows from PIR funds and lower liquidity (Source: EnVent Research on S&P Capital IQ, 30/08/2024).

Company drivers

Experienced management team. 4AIM SICAF was founded by reputable professionals: top management has a deep knowledge in the investment field, as proven by years of experience in financial advisory, IPOs, venture capital and private equity.

Partnership with Ambromobiliare. 4AIM has a close collaboration with Ambromobiliare, advisor with proven experience in EGM listing, to handle technical aspects of investments process and to offer IPO advisory services.

4AIM's legal structure is highly conducive for EGM market. SICAF structure suits the needs of professional and institutional investors who pursue a medium-to-long-term investment horizon, thoughtfully considering the inherent illiquidity of stocks listed on EGM.

Transparency ensured by regulatory oversight. Supervision by authorities such as Bank of Italy and Consob grants stringent and rigorous standard of transparency and objectivity in the computation of Net Asset Values.

Low correlation with main Italian stock indexes. Due to low correlation with main Italian stock indexes (i.e. FTSE MIB, STAR and EGM), 4AIM share can offer an effective solution to enhance portfolios diversification, reducing idiosyncratic risk in allocation strategies (Source: EnVent Research on Bloomberg).

Euronext Growth Milan listing advantages. To be listed on the EGM market not only increase 4AIM visibility but also simplifies operations to invest in for institutional and professional operators, including those seeking PIR-compliant products.

Challenges

"Piani Individuali di Risparmio" reducing involvement from retail investors. In 2023 capital outflow from PIRs, driven by the fulfillment of the minimum investment holding period required to qualify for capital gain tax exemption, along with more profitable investment opportunities in the bond market, has intensified the challenges faced by the EGM market (Source: EnVent research on Cubo - database online Assogestioni).

SMEs face adversity in an environment of increasing interest rates. Raising cost of debt poses a substantial challenge for companies funding management, particularly for SMEs seeking capital to support their growth. Furthermore, high interest rates erode valuation multiples, hampering companies access to the equity market.

Portfolio constituents update

As of 30th June 2024, 4AIM “Comparto 1” equity stakes in 46 EGM companies compared to 53 as of 31st March 2024.

In:

- **Mare Engineering Group:** provides engineering consultancy services. The Group designs and implements technological solutions for SMEs and public administrations.
- **MIT SIM:** securities brokerage firm which offers raise capital, in the IPOs and for listed companies, and to gather liquidity on the secondary market as specialist.
- **Soges Group:** offers accommodation services in hotels situated in Florence and the countryside region of Chianti under its commercial brand "Place of Charme". The Group acquires hotels management in order to optimize their performances.

Out:

- **Cube Labs**
- **E-Globe**
- **Emma Villas**
- **Espe**
- **H-FARM**
- **ISCC Fintech**
- **Portobello**
- **RedFish LongTerm Capital SpA**
- **Renovalo**
- **VNE**

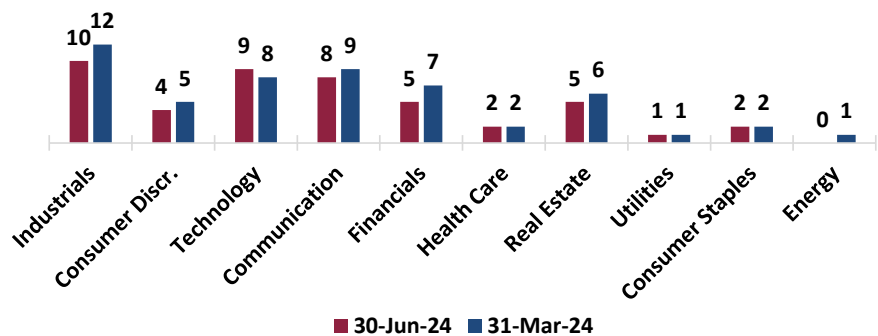
Source: Company data

Note: MIT SIM is a related party

4AIM Comparto 1’s portfolio as of 30th June 2024

Out ten constituents from 31st March 2024

Asset allocation update



Source: Company data

Revenues, EBITDA % and Net Debt/EBITDA (€m)

Company	Revenue		EBITDA %			CAGR		Net Debt/EBITDA 2023
	2023	'23-25E	2023	2024E	2025E	'23-25E		
Industrials								
Askoll EVA SpA	10.3	34.7%	-23.3%	neg	2.7%	na	neg	
Clabo S.p.A.	63.5	5.5%	15.9%	17.7%	18.1%	12.5%	3.7x	
ELSA Solutions S.p.A.	19.4	na	13.9%	na	na	13.9%	2.0x	
Fervi S.p.A.	56.6	4.8%	15.7%	15.4%	15.8%	4.9%	1.2x	
Grifal S.p.A.	42.7	15.8%	12.2%	16.2%	17.7%	39.4%	3.6x	
ILPRA S.p.A.	64.3	8.6%	22.0%	23.1%	23.5%	12.2%	1.1x	
La Sia S.p.A.	16.3	9.4%	19.0%	19.1%	20.0%	12.2%	0.0x	
Officina Stellare S.p.A.	17.5	na	36.0%	na	na	35.1%	1.6x	
Porto Aviation Group S.p.A.	4.1	32.5%	14.6%	16.7%	22.2%	63.3%	cash	
Radici Pietro Industries & Brands S.p.A.	57.0	11.9%	8.6%	9.5%	10.4%	22.9%	3.3x	
Consumer Discretionary								
Bellini Nautica S.p.A.	11.8	68.5%	16.2%	6.4%	10.5%	35.7%	1.8x	
Notorious Pictures S.p.A.	40.9	29.8%	45.0%	40.5%	37.6%	18.6%	2.0x	
SosTravel.com S.p.A.	19.5	14.7%	2.4%	6.0%	8.6%	119.1%	0.0x	
TrenDevice S.p.A.	20.5	3.8%	7.8%	9.3%	10.0%	17.3%	3.1x	
Technology								
Cloudia Research S.p.A.	7.0	32.8%	18.6%	19.4%	20.3%	38.7%	0.6x	
Creactives Group S.p.A.	6.6	26.9%	6.1%	4.7%	14.2%	93.6%	1.3x	
Cyberoo S.p.A.	22.0	19.0%	45.4%	48.2%	51.3%	26.5%	cash	
eVISO S.p.A.	259.5	12.2%	1.2%	5.0%	5.3%	133.2%	cash	
Mare Engineering Group S.p.A.	27.8	36.6%	36.0%	26.4%	27.0%	18.3%	2.5x	
Powersoft S.p.A.	69.4	13.3%	23.5%	26.5%	26.6%	20.6%	cash	
Relatech S.p.A.	96.9	11.2%	18.0%	19.5%	20.2%	17.8%	1.3x	
Riba Mundo Tecnología S.A.	434.2	na	2.1%	na	na	na	3.9x	
Yolo Group S.p.A.	9.5	92.8%	-15.8%	0.0%	13.6%	na	cash	
Communication								
Destination Italia S.p.A.	55.4	47.1%	1.4%	3.0%	4.9%	179.3%	15.7x	
Eprcomunicazione S.p.A.	9.1	7.9%	11.0%	13.5%	17.0%	34.2%	1.2x	
Execus S.p.A.	2.3	67.2%	71.8%	35.7%	36.2%	18.8%	cash	
SG Company S.p.A.	30.5	18.7%	3.9%	7.9%	9.3%	82.6%	4.4x	
Simone S.p.A.	18.1	5.8%	16.3%	17.9%	18.8%	13.5%	0.0x	
Telesia S.p.A.	13.7	9.7%	9.2%	9.7%	13.9%	35.1%	6.8x	
TMP Group S.p.A.	6.0	-0.9%	3.7%	20.5%	17.3%	115.4%	0.0x	
Valica S.p.A.	6.0	48.9%	15.0%	16.7%	19.5%	70.0%	1.2x	
Financials								
ABC Company S.p.A.	0.3	na	na	na	na	na	cash	
MiT Sim S.p.A.	3.1	17.8%	na	0.0%	0.0%	na	cash	
Premia Finance S.p.A.	5.4	21.6%	6.6%	7.2%	7.1%	26.0%	cash	
Ucapital Global Plc	1.9	na	na	na	na	na	na	
Zest S.p.A.*	5.4	na	na	na	na	na	cash	
Health Care								
Farmacosmo S.p.A.	72.4	5.4%	2.1%	1.3%	2.5%	15.0%	1.0x	
Laboratorio Farmaceutico Erfo S.p.A.	5.9	11.7%	30.3%	24.6%	24.3%	0.0%	cash	
Real Estate								
CleanBnB S.p.A.	14.7	21.4%	6.1%	6.6%	9.2%	49.1%	cash	
Dotstay S.P.A.	0.9	90.1%	na	neg	8.6%	na	cash	
G Rent S.p.A.	1.9	14.6%	-47.7%	neg	4.0%	na	cash	
Soges Group S.p.A.	15.9	15.2%	9.4%	11.6%	10.9%	23.8%	2.3x	
Xenia Hôtellerie Solution S.p.A. Società Benefit	50.3	20.1%	8.4%	11.2%	11.6%	41.4%	1.9x	
Utilities								
Recupero Etico Sostenibile S.p.A.	20.7	24.9%	28.5%	37.5%	38.2%	44.5%	0.3x	
Consumer Staples								
Compagnia dei Caraibi S.p.A.	54.8	-7.0%	-0.9%	3.4%	6.5%	na	neg	
High Quality Food S.p.A.	20.4	7.8%	7.6%	12.2%	12.2%	37.2%	4.2x	
<i>Coefficient of variation</i>		<i>1.0</i>				<i>0.9</i>		

Source: Company data and EnVent Research on S&P Capital IQ

*Note: Following the merger with Digital Magics S.p.A. in April 2024, LVenture Group S.p.A. changed its company name to ZEST S.p.A.

H1 2024 results

NAV "Comparto 1": €191, €235.9 in Q1 2024

Balance Sheet

- Listed financial instruments - Mark to market: €8.5m (€8.7m in Q1 2024)
- Listed financial instruments - Price adjusted: €0.8m (€2.3m in Q1 2024)
- Net cash position: €0.3m (€0.6m in Q1 2024)

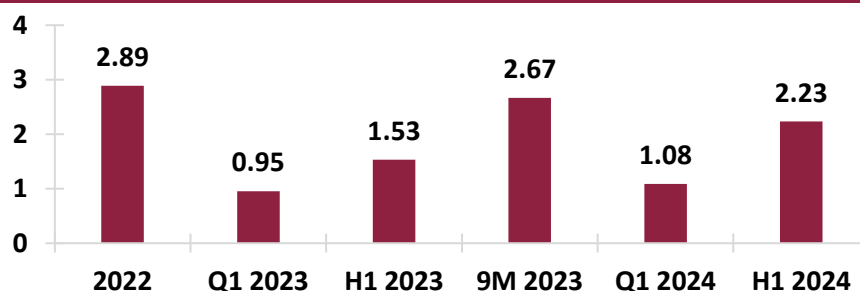
Profit & Loss

- Investment results: €(3.3)m, €(1.6)m in Q1 2024
- Net Loss: €4.1m, €1.9m in Q1 2024

Listed equities - Price adjusted as of 30th June 2024:

- ABC Company S.p.A.
- Creactives Group S.p.A.
- Fervi S.p.A.
- Ucapital Global Plc

Capital Loss unrealized from 2022 (€m)



Source: Company data

Capital Loss unrealized of €2.23m of H1 2024 is a "virtual" loss at report date, as it would be realized at sale time and pricing of the underlying constituents.

Profit and Loss ("Comparto 1")

€m	2019	2020	2021	2022	2023	Q1 2024	H1 2024
Interest, dividends & other income	0.01	0.11	0.14	0.15	0.10	0.00	0.06
Capital Gain/Loss realized	0.41	1.84	4.05	(0.09)	(2.70)	(0.47)	(1.13)
Capital Gain/Loss unrealized	0.11	(2.07)	2.30	(2.89)	(1.64)	(1.08)	(2.23)
Investment results	0.54	(0.12)	6.50	(2.83)	(4.25)	(1.56)	(3.30)
Advisory Fees	0.80	0.09	0.53	0.36	0.40	0.01	0.02
Investment expenses	(0.68)	(0.85)	(0.65)	(0.89)	(0.85)	(0.12)	(0.36)
Personnel	(0.01)	(0.08)	(0.20)	(0.19)	(0.20)	(0.04)	(0.09)
Other operating costs	(0.61)	(0.87)	(1.19)	(0.98)	(0.79)	(0.21)	(0.41)
D&A	(0.42)	0.00	(0.51)	(0.26)	(0.26)	(0.01)	(0.01)
Net Interest	(0.05)	(0.01)	(0.02)	(0.01)	0.00	0.00	0.00
EBT	(0.43)	(1.84)	4.47	(4.80)	(5.94)	(1.92)	(4.15)
Income taxes	0.00	0.00	(0.28)	0.01	0.01	0.00	0.00
Net Income (Loss)	(0.43)	(1.84)	4.19	(4.79)	(5.93)	(1.92)	(4.15)

Balance Sheet ("Comparto 1")

€m	2019	2020	2021	2022	2023	Q1 2024	H1 2024
Cash and equivalents	6.11	1.03	0.59	2.46	0.56	0.63	0.27
Listed equities - Mark to market	14.34	18.07	23.25	15.89	10.54	8.66	8.46
Listed equities - Price adjusted	0.00	0.00	0.00	0.98	2.56	2.3	0.78
Bonds	0.33	0.09	0.40	0.00	0.00	0.00	0.00
Portfolio investments	20.78	19.19	24.23	19.32	13.67	11.54	9.50
Other assets	0.49	0.27	0.42	0.30	0.27	0.38	0.28
Fixed assets	0.00	0.00	0.06	0.04	0.03	0.03	0.03
Intangible assets	0.95	0.99	0.50	0.25	0.01	0.01	0.00
Total assets	22.22	20.45	25.21	19.93	13.99	11.96	9.81
Tax debts	0.03	0.02	0.29	0.04	0.03	0.01	0.02
Accruals and Deferral	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Leaving indemnity	0.00	0.00	0.02	0.03	0.05	0.05	0.06
Other liabilities	0.19	0.26	0.53	0.27	0.25	0.16	0.23
Total liabilities	0.22	0.28	0.85	0.35	0.34	0.23	0.31
Equity	22.00	20.17	24.36	19.58	13.65	11.73	9.50
Total Liabilities and Equity	22.22	20.45	25.21	19.93	13.99	11.96	9.81

Source: Company data 2019-H1 2024

Valuation

In order to assess the value of 4AIM "Comparto 1," we base our process on the Net Asset Value (NAV) approach, making use of detailed portfolio breakdown provided by the Company.

To estimate 4AIM's intrinsic value, we factor in consensus target prices from brokers covering the portfolio holdings. Uncovered securities are valued at their current market price. We assume a re-rating of the reference market from the current levels of multiples, which we deem to be excessively detrimental. Our valuation process wraps up by the application of 10% discount, appropriately considering industry stats, specific liquidity risk of underlying assets, and management costs. Then, we have compared our results with current mark-to-market scenario (market prices on 30th August 2024).

Re-rating assumption

4AIM "Comparto 1" NAV at brokers TP consensus

Holdings	N° shares	Mark-to-Market as of 30/08/2024		Brokers TP Consensus	
		Share Price	Value (€m)	Share Price	Value (€m)
ABC Company S.p.A.	352	3.3	n.a.	3.3	0.00
Askoll EVA SpA	737,000	0.2	0.17	0.3	0.21
Bellini Nautica S.p.A.	1,500	3.4	0.01	5.3	0.01
Clabo S.p.A.	187,750	2.0	0.37	4.7	0.87
CleanBnB S.p.A.	219,395	1.2	0.27	2.9	0.65
Cloudia Research S.p.A.	201,000	2.6	0.52	5.4	1.08
Compagnia dei Caraibi S.p.A.	44,960	0.9	0.04	1.2	0.05
Creactives Group S.p.A.	192,000	2.7	n.a.	3.7	0.71
Cyberoo S.p.A.	1,000	3.2	0.00	4.6	0.00
Destination Italia S.p.A.	262,500	0.8	0.21	2.6	0.68
Dotstay S.P.A	170,363	2.3	0.39	2.3	0.39
ELSA Solutions S.p.A.	178,500	3.7	0.66	4.8	0.86
Eprcomunicazione S.p.A.	160,650	1.1	0.18	2.9	0.46
eVISO S.p.A.	98,526	5.1	0.50	6.6	0.65
Execus S.p.A.	191,000	1.1	0.20	3.7	0.71
Farmacosmo S.p.A.	39	0.7	0.00	1.4	0.00
Fervi S.p.A.	16,440	15.1	n.a.	24.8	0.41
G Rent S.p.A.	15,500	0.6	0.01	0.7	0.01
Grifal S.p.A.	16,400	2.0	0.03	4.2	0.07
High Quality Food S.p.A.	476,250	0.6	0.31	1.4	0.67
ILPRA S.p.A.	200	5.3	0.00	8.6	0.00
La Sia S.p.A.	145,500	3.3	0.48	5.2	0.76
Laboratorio Farmaceutico Erfo S.p.A.	154,000	1.1	0.16	1.5	0.23
Mare Engineering Group S.p.A.	95,481	4.3	0.41	5.6	0.53
MiT Sim S.p.A.	49,400	3.0	0.15	5.6	0.28
Notorious Pictures S.p.A.	196,000	0.8	0.17	2.0	0.39
Officina Stellare S.p.A.	15,250	11.1	0.17	16.1	0.25
Porto Aviation Group S.p.A.	21,000	4.1	0.09	6.3	0.13
Powersoft S.p.A.	192	14.6	0.00	18.0	0.00
Premia Finance S.p.A.	61,500	1.1	0.07	2.0	0.13
Radici Pietro Industries & Brands S.p.A.	395,300	1.1	0.42	2.2	0.85
Recupero Etico Sostenibile S.p.A.	18,850	6.0	0.11	6.0	0.11
Relatech S.p.A.	462	2.5	0.00	4.1	0.00
Riba Mundo Tecnologia S.A.	800	15.6	0.01	15.6	0.01
SG Company S.p.A.	20,061	0.2	0.00	0.5	0.01
Simone S.p.A.	10,000	1.7	0.02	3.1	0.03
Soges Group S.p.A.	175,500	2.1	0.37	4.5	0.79
SosTravel.com S.p.A.	11	1.1	0.00	1.4	0.00
Telesia S.p.A.	45,150	2.0	0.09	3.4	0.15
TMP Group S.p.A.	7,800	1.3	0.01	2.0	0.02
TrenDevice S.p.A.	37,500	0.2	0.01	0.5	0.02
Ucapital Global Plc	207,604	0.1	n.a.	0.1	0.01
Valica S.p.A.	41,850	5.5	0.23	8.4	0.35
Xenia Hôtellerie Solution S.p.A. Società Benefit	22,000	2.7	0.06	5.6	0.12
Yolo Group S.p.A.	145,480	1.5	0.22	4.0	0.58
Zest S.p.A.*	250,600	0.2	0.04	0.2	0.04
GROSS ASSET VALUE MARK TO MARKET FINANCIAL INSTRUMENTS (€m)			7.1		14.3
PRICE ADJUSTED LISTED FINANCIAL INSTRUMENTS (30/06/2024 - book value)**			0.8		n.a.
GROSS ASSET VALUE (€m)			7.9		14.3
Net cash (Debt) as of 30/06/2024 (€m)			0.27		0.27
NET ASSET VALUE (€m)			8.2		14.5
DISCOUNT					10%
DISCOUNTED NET ASSET VALUE (€m)					13.1
NOSH "Comparto 1" (m)					0.05
TARGET PRICE PER SHARE					263

Source: EnVent research on S&P Capital IQ and Company data, update: 30/08/2024

*Note: Following the merger with Digital Magics S.p.A. in April 2024, LVenture Group S.p.A. changed its company name to ZEST S.p.A.

**Note: Financial instruments with non-significant price, i.e. they must contemporarily verify two conditions: a) Turnover Velocity (TV) below the 5% threshold and b) not even one trade per month in the reference quarter. In case only one of the two conditions occurs, warning mechanisms are triggered. Instruments in the list are subject to valuation based on an internal policy.

4AIM "Comparto 1" share price vs NAV since 2016

Date	NAV "Comparto 1"	Share Price	(Discount)/Premium Share price on NAV
29/07/16	500.0	498.0	0%
31/12/16	431.4	470.0	9%
30/06/17	405.5	595.0	47%
31/12/17	440.2	500.0	14%
30/06/18	443.6	540.0	22%
31/12/18	312.2	488.0	56%
30/06/19	366.3	419.0	14%
31/12/19	443.0	400.0	-10%
30/06/20	409.3	422.3	3%
31/12/20	405.9	405.0	0%
31/03/21	437.9	376.1	-14%
30/06/21	482.2	385.0	-20%
30/09/21	510.9	377.0	-26%
31/12/21	490.2	350.0	-29%
31/03/22	453.6	330.0	-27%
30/06/22	404.2	229.7	-43%
30/09/22	374.2	265.0	-29%
31/12/22	393.6	265.0	-33%
31/03/23	369.0	188.0	-49%
30/06/23	349.1	184.0	-47%
30/09/23	306.7	190.0	-38%
31/12/23	274.4	216.0	-21%
31/03/24	235.9	265.5	13%
30/06/24	191.0	214.8	12%
Median Average			-12%

Source: EnVent research on S&P Capital IQ and Company data

Market volatility and the search for alpha

Global market conditions deteriorated in early August due to a confluence of factors. The weaker-than-expected U.S. jobs report, the unwinding of the carry trade due to the Bank of Japan's policy change, antitrust investigations along with production challenges for Nvidia, and geopolitical tensions between Iran and Israel further dampened investor sentiment, increasing market volatility.

Market turmoil has compelled market participants to reassess the sustainability of the current market cycle.

Regarding monetary policy, both the Federal Reserve and the European Central Bank are expected to adopt a cautious stance, holding off on interest rate cuts until there is concrete evidence of inflation cooling down.

We see that inflation remains a top concern in the Eurozone. Further downward adjustments may be gradual due to persistent price pressures.

However, it remains to be seen whether the recent turmoil in financial markets will lead to an acceleration toward more dovish CB policies.

Why small caps may be at a turning point

We know that small and mid-cap companies are often perceived as more indebted and therefore more susceptible to rising interest rates.

The MSCI Europe SMID Cap Index has dramatically underperformed the broader market, and by now the relative underperformance exceeds that recorded during the Global Financial Crisis.

We deem that a pivot towards a more dovish monetary policy stance could trigger a narrowing of large-cap valuation premiums, thereby boosting the relative appeal of small-cap equities.

In addition, historically small-caps have exhibited superior risk-adjusted returns in post-tightening regimes, driven by their heightened sensitivity to economic cycles.

Is it time to invest in the Euronext Growth Milan market?

The FTSE MIB's pronounced sensitivity to interest rates, amplified by its heavy banking sector exposure, positions it as a vulnerable asset class within an expansionary monetary policy regime.

Diving into the EGM index composition, we find companies characterized by strong growth potential, despite trading at discounted valuations due to historical underperformance stemming from a mix of fundamental and technical factors.

We believe that the divergent performance and valuation of the two indices may herald a rotation between the two asset classes, even if only from a mean-reversion perspective.

In addition, the Government's €1b initiative to support investment in EGM companies, which is expected to be launched in early 2025, could trigger a rally in the small cap asset class, driving valuations toward industry averages.

Target Price

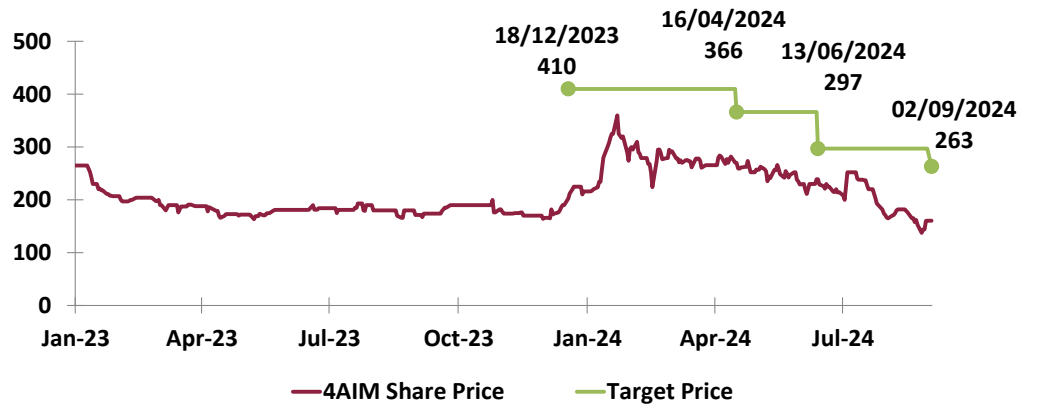
The NAV resulting from the application of our valuation process leads to a target price of €263 per share (from €297), implying an upside of 64% from the current share price. OUTPERFORM rating on the stock is confirmed.

4AIM SICAF "Comparto 1"	€
Target Price	263
Current Share Price (30/08/2024)	160
Premium (Discount)	64%

Source: EnVent Research

Please refer to important disclosures at the end of this report.

4AIM Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 02/09/2024

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The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks expected to have a downside within the reference market or industry, with a target price more than 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 30/08/2024 h. 7.00pm

Date and time of Distribution: 02/09/2024 h. 6.15pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
18/12/2023	OUTPERFORM	410	202
16/04/2024	OUTPERFORM	366	270
13/06/2024	OUTPERFORM	297	239
02/09/2024	OUTPERFORM	263	160

ENVENT RECOMMENDATION DISTRIBUTION (June 30th, 2024)

Number of companies covered:	27	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		89%	11%	0%	0%	0%	0%
of which EnVent clients % *		78%	33%	na	na	na	na

* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

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