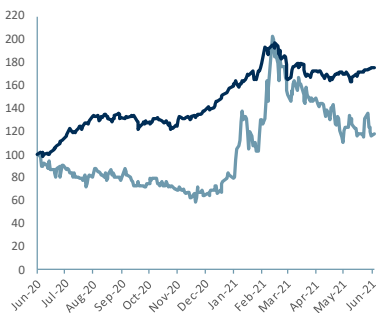


INSIGHT NOTE

Value Range

CAD 0.52 – 0.55



NDVA (lighter line) TSXV market vs price relative

Wednesday, 09 June 2021

| | |
|-----------------------|----------|
| Intrinsic Price (CAD) | 0.55 |
| Value Range Low | 0.52 |
| Value Range High | 0.57 |
| Implied MCAP (m) | C\$73.41 |
| Implied EV (m) | C\$79.04 |
| OTC QB | NDVA |
| Financial YE | 31-Dec |
| Currency | CAD |

Business Activity

Vertically Integrated

Cannabis

Key Metrics

| | |
|---------------------|---------|
| Close Price (CAD) | 0.40 |
| MCAP (m) | C\$53.0 |
| Net Debt (Cash) (m) | C\$5.6 |
| EV (m) | C\$58.7 |
| 52 Wk Hi | 0.74 |
| 52 Wk Lo | 0.19 |

Key Ratios

| | |
|-----------------------------------|---------|
| (Net Cash) / Shareholder Equity % | -13.39% |
| FX Rate USD/CAD | 0.75 |

Cannabis Sector Research

CVE Market Index

Analyst Team

+44 20 7419 7928
cannabis@acfequityresearch.com

Indiva Indicative Valuation

ACF Indicative Valuations are w/out a full model

Indiva Ltd. (NDVA: TSXV, NDVAF: OTC) is a Canadian producer and distributor of cannabis products. The Company's current product categories include capsules, gummies, chocolates, pre-rolls, and dried flower. Its main products include the award winning Wana Sour Gummies and Bhang Chocolate. It is #1 in the edibles category in Canada with ~45% market share. Indiva's primary consumer market is recreational cannabis and as of 4Q20A it has also entered into the medical market. The company has a supply agreement in place in 9 provinces and 2 territories in Canada.

- Net Revenue C\$14.6m YE20A vs. C\$0.9m YE19A;
- Net loss C\$(8.7)m 2Q20A vs. C\$(10.4)m YE19A;
- Cash & cash equivalents at C\$~314k YE20A;
- Focused on manufacturing and distributing cannabis products;
- Medical cannabis market recently entered.

| CAD | MCAP | EV | RoA % | RoE % | NCO | Levered FCF |
|------|-------|-------|---------|---------|------|-------------|
| 2021 | 53.04 | 58.67 | -12.93% | -84.18% | -8.9 | -7.0 |

| Multiples | EV/ Revs | P/S | Trail PE | BV/ Share | P/ B | Current |
|-----------|----------|-------|----------|-----------|-------|---------|
| 2021 | 3.11x | 2.81x | N/A | 0.15 | 2.58x | 1.46x |

Investment Case

| Share Price History | No. of Shares in issue | Fully diluted |
|-------------------------|------------------------|---------------|
| NoSh (m) | 135 | 135 |
| Implied Intrinsic Price | 0.55 | 0.55 |
| Value Range Low | 0.52 | 0.52 |
| Value Range High | 0.57 | 0.57 |
| CVE | NDVA | |
| Financial YE | 31-Dec | |
| Reporting Currency | CAD | |

| | |
|------------------------------------|-----|
| NoSh (m) | 135 |
| NoSh (m) expected dilution (Exp D) | 135 |
| NoSh (m) full dilution (FD) | 135 |

| Key Metrics | C\$ | adj. |
|---------------------|------|------|
| MCAP (m) | 53.0 | 53.0 |
| Net Debt (Cash) (m) | 5.63 | 5.63 |
| EV (m) | 58.7 | 58.7 |
| 52 Wk Hi | 0.74 | 0.74 |
| 52 Wk Lo | 0.19 | 0.19 |

We exclude the potential of the medical cannabis market in our NDVA indicative valuation.

Market leader in edibles: Indiva is the #1 brand in the cannabis edibles sector with increasing market share. Data from Hifyre for March 2021 shows strong sell-through of Indiva edible products. NDVA's market share increased to 46% in March 2021 from 45% Feb 2021. Since the beginning of 2021, NDVA has introduced new Wana gummie products, including three Wana Quick flavours. This brings its gummie Stock Keeping Unit (SKU) count (number of unique products), to 10 unique SKUs in total. NDVA plans to introduce more new products in 2021, which should support growth in market share.

Expanding distribution to support growth: Indiva expanded its distribution in Canada to 9 provinces and 2 territories, adding a supply agreement with the province of Newfoundland in 1Q21A and a distribution platform in the North Western Territories. Indiva also entered into an agreement in 4Q20A to supply AbbaMedix (cannabis product producer and distributor of products from other Canadian cannabis LP's) with Indiva cannabis products through the Medical Cannabis by Shoppers™ platform.

Improving store penetration: Indiva states that there are ~1,500 stores in Canada selling cannabis products. Indiva's products are present in >80% of those stores. With more stores licensed each week, the company has plenty of room for further growth. For example, Ontario is opening 30 stores per week with a target of 1,000 stores expected by the summer of 2021. Indiva is expected to benefit from the trend in store expansion.

Capital infusion: Indiva closed a \$22m strategic investment by Sundial Growers Inc. in 1Q21A. This cash influx significantly strengthens Indiva's balance sheet and provides the capital required to scale output and support sales momentum.

Accelerating growth and improving margins: Revenue growth is accelerating (net revenue up ~1,500% y/y in YE20A), driven by: 1) new SKUs, 2) new provincial and medical agreements, 3) improved store penetration, and 4) new product introductions. Gross margins are set to expand driven by lower input costs.

Catalysts

New product category launches; medical cannabis revenue growth; New province agreements.

Operational Strategy

Indiva's operational strategy focuses on the following key areas: new products and markets and expanded distribution.

Indiva is a consumer-focused cannabis company. NDVA's vertically integrated strategy revolves around producing, marketing, and distributing its products. Its current focus is on launching new SKUs, expanding distribution with new provincial supply agreements and greater store presence.

New product launches: This is key to sustaining its sales momentum. Indiva introduced three additional gummie SKUs nationally under the Wana Quick brand in March 2021. We expect two new Bhang chocolate flavours nationally during 2Q21E, including Bhang Cookies & Cream and Bhang Mocha Caramel. In 2H21E, NDVA plans to launch new, innovative edible products, including Ruby Jewel chewable tablets, as well as Ruby Sugar.

New Market - Medical cannabis. As of 4Q20A Indiva's products also became available for purchase in the medical cannabis category via the Shoppers™ platform through NDVA's supply agreement with AbbaMedix.

Distribution - Expansion of partnerships: The Company is searching for opportunities to expand its product distribution channels by targeting new provinces and territories. So far, NDVA has established agreements to supply in 9 provinces and 2 territories.

Distribution - Higher store penetration: Indiva seeks to expand its store presence nationally. It is currently present in >80% of all licensed cannabis stores in Canada. There is room to increase penetration in the market and management is focused on achieving that goal.

Management Team

➤ **CEO, Niel Marotta.**



Niel Marotta is the CEO and co-founder of Indiva Ltd. Prior to NDVA, he was a fund manager at US firm Fidelity Investments where he managed a portfolio of over \$1bn across several industries. Neil also served as Vice President for TSX listed Orezone Gold (ORE: TSXV). Over the course of his career, he has been involved in financing and M&A transactions exceeding \$1bn.

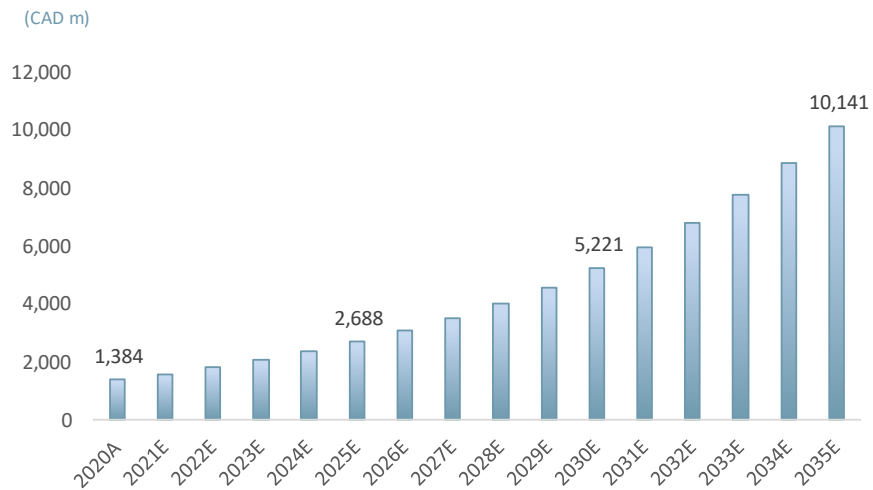
➤ **CFO, Jennifer Welsh.**



Jennifer Welsh is the CFO of Indiva. She is a Chartered Professional Accountant (CPA) and previously worked as a Corporate Controller of TSX listed Orezone Gold (ORE: TSXV) for eight years. She also has experience in providing accounting and finance services to publicly traded Licensed Producers.

Market Assumptions

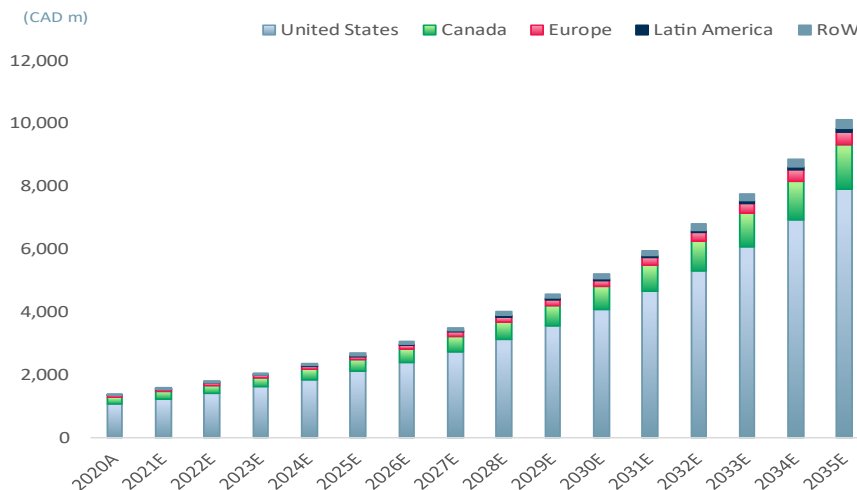
Exhibit 1: Global cannabis market revenue 2020E-2035E



Source: ACF Equity Research Estimates.

In exhibit 1 above, we have assumed that the global cannabis market will achieve a 15 yr CAGR of 14.2%, based on ACF’s high range of market consensus growth rates.

Exhibit 2: Global cannabis market by region 2020E-2035E



Source: ACF Equity Research Estimates.

We exclude the potential of the medical cannabis market from our indicative valuation

In exhibit 2 the North America accounts for the highest share of the global cannabis market. The regional breakdown is based on the legal cannabis spend worldwide for 2020E - US 78%, Canada 14%, Europe 4%, Latin America 1%, and RoW 3%. (BDS Analytics, 2019). We have assumed NDVA will achieve 55% market in Canada. NDVA reporting data states current Canada market share is ~47%. In our view, NDVA’s new distribution and product initiatives in edibles can comfortably expand NDVA’s market share of edibles to 55% up from 47% now. We exclude medical from our forecasts.

Indicative Valuation Case

Our ACF indicative valuations do not include building a full company specific model and do not analyse or model in detail all the significant valuation risks that a specific company faces.

In an ACF indicative valuation we try to capture all risk via the WACC, the higher the WACC the greater the risk and the lower the valuation, ceteris paribus.

We exclude the potential of the medical cannabis market from our indicative valuation.

Upside from the recent close price of 31-45%.

To achieve our ACF indicative valuation below we outline the minimum that NDVA must achieve. We indicate how we arrive at our assumptions and apply an average-margins-over-time approach to determine an indicative or scratch valuation for NDVA.

ACF's, indicative only, fair value for Indiva is achieved using a 14.31% WACC with a 10yr DCF and FCF Terminal Value (TV) multiple of 20x. We have assumed a long-run FCF margin of 17%. We exclude the medical cannabis market opportunity.

NDVA is revenue generating, has gross debt of C\$12.73m and cash of C\$7.1m.

We believe our WACC calculation is to the high side given the potential for growth of the cannabis market, the room for game changing regulation in the US and UK/Europe. NDVA already holds a substantial market share in Canada and has cash resources on the balance sheet.

We have used our ACF global cannabis growth market forecasts and have assumed that NDVA will achieve an approximate 55% Canadian market share up from 47%, based upon recent NDVA announcements and initiatives.

In our 10-year revenue forecasts we have assumed that NDVA will sell some product, inevitably, into the global market – so that NDVA will take a 0.05% market share in the US and 0.1% market share RoW. We make these assumptions based upon underlying digital distribution possibilities and third-party resellers.

The FCF margin assumption of 17% is informed by peer analysis and multiples. This approach provides an indicative long run FCF margin. that may (or may not) be achievable by NDVA. We acknowledge the competitive downward price pressures in respect of flour production, which is positive for an integrated model such as NDVA's.

We have assumed a growth stock FCF TV multiple of 20x – growth companies can often have valuations equating to FCF TV multiples of much greater than 20x and our peer group trades between 30x and 40x EV/FCF.

In addition, we have also factored in an ERP of 5.2% based on Stern School data from mid-2020. It is likely that the ERP, is lower. Our own sense is that the ERP is somewhere between 4.7% and 4%.

In exhibits 5, 6 and 7 below we have highlighted the sensitivity of NDVA's valuation to changing WACC, Market Share (%), FCF M% and FCF TV Multiple 10 yr. The model is more sensitive to FCF M% and FCF TV Multiple 10 yr.

Using these approaches, we reached an indicative valuation of CAD 0.52 - 0.57 p/s using a 5% standard deviation. Our NDVA implied equity value is MCAP CAD 73m, with an upside from the recent close price of 31-45%.

Valuation - DCF

Exhibit 3: WACC

| NDVA - WACC Calc | |
|-------------------------|-------|
| Pre-tax cost of debt | 9.0% |
| ETR | 26.5% |
| After-tax cost of debt | 6.6% |
| Current Leverage | 24.0% |
| Debt/(Cash) | 12.7 |
| Equity | 52.0 |
| Target Leverage | 25.0% |
| D / (D+E) | 20.0% |
| ACF β adj levered | 3.00 |
| rf | 0.54% |
| ERP | 5.2% |
| Cost of equity | 16.2% |
| Risk adj. | 0.0% |
| WACC | 14% |

Note: We assume the conservative Debt / Equity target mix 25%. However, in the current interest rate environment 50-60% is more likely.

Exhibit 4: Implied return

Valuation Range

| | | |
|--------------------------------|-------------|-------------|
| NDVA | 79.0 | |
| NPV FCF (\$m) | 79.0 | |
| Net Debt/(Cash) | 5.6 | |
| Fair Value (\$m) | 73.4 | |
| NoSh (m) | 135 | |
| NoSh (diluted) (m) | 135 | |
| Intrinsic Value Per Share USD | 0.55 | |
| Close Price USD | 0.40 | |
| VR (low - high) | 0.52 | 0.57 |
| VR Spread | 5.00% | |
| Implied VR Return (low - high) | 31% | 45% |

Note: Close price on front page of this ACF research note is based on shares in issue (NoSh) on 26/05/2021 of 134,560,000.

We exclude the medical cannabis market opportunity for our NDVA valuation.

Implied VR Return 31-45%

Sensitivity Analysis

*LT = Long Term

Exhibit 5: WACC/Market Share % shows LT value potential

NDVA Fair Value 10 Yr DCF CAD (m)

| Growth rate (%) | WACC | | | | |
|-----------------|-------|-------|-------|-------|--------|
| | 18% | 16% | 14% | 12% | 10% |
| 14.8% | 63.87 | 73.62 | 85.27 | 99.23 | 116.04 |
| 14.6% | 62.30 | 71.80 | 83.14 | 96.73 | 113.09 |
| 14.4% | 60.77 | 70.02 | 81.06 | 94.29 | 110.22 |
| 14.2% | 59.27 | 68.28 | 79.02 | 91.91 | 107.41 |
| 14.0% | 57.82 | 66.58 | 77.04 | 89.58 | 104.67 |
| 13.8% | 56.39 | 64.92 | 75.11 | 87.32 | 102.00 |
| 13.6% | 55.00 | 63.31 | 73.22 | 85.10 | 99.40 |

Sources: ACF Research Estimates; Companies reports; Factset.

*LT = Long Term

Exhibit 6: WACC/FCF Margin % shows LT value potential

NDVA Fair Value 10 Yr DCF CAD (m)

| FCF M % | WACC | | | | |
|---------|-------|-------|-------|--------|--------|
| | 18% | 16% | 14% | 12% | 10% |
| 20% | 69.73 | 80.33 | 92.97 | 108.13 | 126.37 |
| 19% | 66.25 | 76.31 | 88.32 | 102.72 | 120.05 |
| 18% | 62.76 | 72.29 | 83.67 | 97.31 | 113.73 |
| 17% | 59.27 | 68.28 | 79.02 | 91.91 | 107.41 |
| 16% | 55.79 | 64.26 | 74.38 | 86.50 | 101.09 |
| 15% | 52.30 | 60.24 | 69.73 | 81.09 | 94.77 |
| 14% | 48.81 | 56.23 | 65.08 | 75.69 | 88.46 |

Sources: ACF Research Estimates; Companies reports; Factset.

*LT = Long Term

Exhibit 7: WACC/FCF TV Multiple 10yr shows LT value potential

NDVA Fair Value 10 Yr DCF CAD (m)

| TV Multiple 10yr | WACC | | | | |
|------------------|-------|-------|-------|--------|--------|
| | 18% | 16% | 14% | 12% | 10% |
| 23.00 | 64.87 | 74.91 | 86.92 | 101.32 | 118.68 |
| 22.00 | 63.00 | 72.70 | 84.29 | 98.18 | 114.92 |
| 21.00 | 61.14 | 70.49 | 81.65 | 95.04 | 111.17 |
| 20.00 | 59.27 | 68.28 | 79.02 | 91.91 | 107.41 |
| 19.00 | 57.41 | 66.07 | 76.39 | 88.77 | 103.65 |
| 18.00 | 55.54 | 63.85 | 73.76 | 85.63 | 99.90 |
| 17.00 | 53.68 | 61.64 | 71.13 | 82.49 | 96.14 |

Sources: ACF Research Estimates; Companies reports; Factset.

Valuation – Trading Multiples

Exhibit 8: Trailing peer group metrics – income statement

| TTM Metrics / Company Name | Market | EV C\$(m) | Div % | EBITDA/ M% | EV/ REVS | EV/ EBITDA | EV/ NI |
|----------------------------|--------|-----------|--------------|---------------|--------------|---------------|---------------|
| Indiva | TSX | 59 | N/A | N/M | 3.11x | N/M | N/M |
| Green Thumb Industries | OTCQX | 7,989 | N/A | 0.32 | 10.19x | 32.26x | 223.54x |
| Trulieve Cannabis | OTCQX | 5,947 | N/A | 0.46 | 7.94x | 17.34x | 70.82x |
| Anpario | LSE | 315 | 0.23% | 0.04 | 0.46x | 11.46x | 21.60x |
| Carr's Group | LSE | 215 | 1.56% | 0.20 | 4.11x | 20.08x | 29.81x |
| Average | | | 0.90% | 25.49% | 5.68x | 20.28x | 86.44x |
| Median | | | 0.90% | 26.04% | 6.03x | 18.71x | 50.31x |

Exhibit 9: Trailing peer group metrics – balance sheet

| TTM Metrics / Company Name | Market | MCAP C\$(m) | Gross Debt/ Assets | Gross Debt/ Equity | RoA % | RoE % | RoI % |
|----------------------------|--------|-------------|--------------------|--------------------|--------------|--------------|--------------|
| Indiva | TSX | 53 | 0.08 | 62.17 | -0.13 | -0.84 | N/A |
| Green Thumb Industries | OTCQX | 7,893 | 0.17 | 23.2 | 0.07 | 0.04 | N/A |
| Trulieve Cannabis | OTCQX | 8,328 | 0.24 | 60.68 | 0.21 | 0.18 | N/A |
| Anpario | LSE | 245 | N/A | 36.99 | 0.02 | 0.08 | 0.11 |
| Carr's Group | LSE | 254 | N/A | 0.24 | 0.08 | 0.12 | 0.06 |
| Average | | | 0.20% | 30.28% | 0.09% | 0.10% | 0.09% |
| Median | | | 0.20% | 30.10% | 0.07% | 0.10% | 0.09% |

Our peer group is made up of North American (US & Canada) cannabis companies operating in the nutraceutical (wellbeing), recreational and medical markets and UK companies that operate in the natural feed additives and agri food markets, which may seem an unusual choice of peers. However, we selected natural feed and agri food peers in line with market consensus that cannabis production is a commodity market with similar production process and challenges to agri. Over time therefore, agri businesses are useful indicators of potential longer-term margins. Our NDVA peers range from small to mid-cap.

NDVA does not make up a constituent of our average or median values in the peer group metrics at the bottom of Exhibits 8 and 9. We have excluded NDVA from these values to make the comparison with the rest of the peer group as clean and undistorted as possible.

Peer Group Selection

Green Thumb Industries Inc. (**OTCQX: GTBIF**) is a US based company that manufactures and sells cannabis products for medical and adult-use. Products include concentrates, edibles, topical and other cannabis products. GTBIF's brand portfolio includes: Rythm, Dogwalkers, The Feel Collection, Incredibles, Dr. Solomon's, Beboe, and other brands. The Company distributes its products through its Rise retail stores and through third-party retail stores. As of 21 Oct 2020, GTBIF owns and operates 49 retail stores.

Trulieve Cannabis Corp.'s (**OTCQX: TCNNF**) is a US medical cannabis company. The company cultivates and produces products and distributes them through their Trulieve branded stores in Florida, California, Massachusetts, and Connecticut, as well as directly to patients via home delivery. Trulieve produces ~155 SKUs - smokable flower, flower pods for vaporizing, concentrates, topicals, capsules, tinctures, and vape cartridges. As of Nov 2020, TCNNF had 72 bricks and mortar retail stores.

Anpario Plc (**ANP.L**) produces and distributes high-performance natural feed additives and is based in the UK. Its technologies are sold in 80+ countries. ANP's products are used for animal health, hygiene and nutrition – focus on intestinal health. Its products are split into four categories – health and performance, feed quality, hygiene and insect control. Anpario's products include Orego-Stim (phytogenic eubiotic) and Salkil (acid-based eubiotic).

Carr's Group Plc (**CARR.L**) is an agriculture and engineering company based in the UK with a customer base in 50+ countries. Its agricultural operations involve the manufacturing and distribution of livestock supplements and feeds. CARR offers feed products under the Crystalyx, Horslyx, SmartLic and Megastart brands; boluses under Tracesure and Allsure brands.

Glossary

| | |
|---------------|---|
| DCF | Discounted Cash Flow – a valuation method that estimates the value of an investment or a company based on its expected future cash flows. |
| EBITDA | Earnings before interest, depreciation and amortisation – the presentation of EBITDA by companies is not a requirement of UK GAAP or IFRS accounting standards. However, in certain cases it can act as a close proxy to free cash flow. |
| ERP | Equity Risk Premium – the excess returns an investor earns from an investment. |
| ETR | Effective Tax rate – the amount of tax paid on income, as a percent. |
| EV | Enterprise Value – the total value of a company, including debt held. |
| FCF | Free Cash Flow generated in ACF's models after all obligatory cash costs have been satisfied such as Interest payable (Ip), cash taxes and maintenance capex (as opposed to investment capex). FCF, in general, represents the cash remaining for theoretical distribution or investment after all obligatory cash-based costs including net interest payable have been deducted. |
| FCF M% | Free Cash Flow Margin – calculated by dividing FCF/Revenues and represents a profitability indicator of a company. |
| FDA | Food and Drug Administration - is a US regulatory authority |
| MCAP | Market Capitalization – total dollar value of a company's outstanding shares of stock. |
| NI | Net Income – a company's income minus cost of goods sold, expense, depreciation and amortisation. |
| NoSH | Number of Shares in issue (NoSh). |
| SKU | Stock Keeping Unit – is used to track inventory via a scannable barcode. |

Notes [Intentionally Blank]

INDEPENDENCE & DISTRIBUTION

ACF Equity Research Ltd is a provider of issuer-pays research with a clearly defined independent ethic. ACF produces accurate, clear, focused research aimed at a professional investment audience. ACF has excellent distribution capabilities and always aims to provide access without restriction to the widest professional audience. ACF offers a range of additional services to support its clients.

DISCLAIMER

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. [The opinions expressed in this report herein do not take into account individual investor circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein.] ACF Equity Research Ltd has based this document on information obtained from sources it believes to be reliable, but which it has not independently verified. Neither ACF Equity Research Ltd. nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. [Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by ACF Equity Research Ltd. with respect to future performance. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.]

IMPORTANT DISCLOSURES FOR U.S. INVESTORS

This research report was prepared by ACF Equity Research Ltd., a company authorized to engage in securities activities in the United Kingdom. ACF Equity Research Ltd. is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended. Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through, a registered broker-dealer in the United States. The analyst who prepared this research report is not registered or qualified with the Financial Industry Regulatory Authority ("FINRA") and may not be associated with a U.S. broker dealer and as such, would not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

[Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.]

LEGAL NOTICE

This report is for authorized use by the intended recipient(s) only. It may contain proprietary material, confidential information and/or be subject to legal privilege. No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of ACF Equity Research Ltd. and ACF Equity Research Ltd. accepts no liability whatsoever for the actions of third parties in this respect.

IMPORTANT ADDITIONAL DISCLOSURES FOR U.K. INVESTORS

The information in this report has been prepared by ACF Equity Research Ltd (ACF). The research is published for information purposes only. It is not intended as an offer or solicitation for the purchase or sale of any securities or any financial instruments.

ACF has based this document on information obtained from sources it believes to be reliable but which it has not independently verified. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of ACF Equity Research Limited. The material should not be regarded by recipients as a substitute for the exercise of their own judgment. Past performance does not guarantee future performance.

The analyst(s) responsible for covering the securities in this report receive compensation based upon, among other factors, the overall profitability of ACF which may, from time to time, solicit business from any of the companies referred to in this report. The analyst(s) responsible for covering securities in this report may not hold a position in any or related securities in this report in ACF's sector universe or in any other sector in which ACF carries out research. The company does not hold any position in the securities mentioned in this report.

This research report and its contents are intended for professional investors and not for retail investors. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of the investment research. ACF Equity Research Limited is authorised and regulated by the Financial Conduct Authority. However the contents of this research report are produced as if ACF Equity Research Limited is unregulated and consequently this report does not contain investment recommendations or ratings.

ACF, its directors, employees and agents accept no liability whatsoever for any loss or damage of any kind arising out of the use of all or part of these materials. The information in this report is provided with the understanding that ACF is not acting in a fiduciary capacity. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall in no way constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Copyright © 2018 ACF Equity Research all rights reserved. Additional information is available upon request.

Copyright 2018 ACF Equity Research Ltd. All rights reserved.

ACF Equity Research Limited, 125 Old Broad Street, London, EC2N 1AR, U.K.

Tel: +44 (020) 7558 8974

Website: www.acfequityresearch.com