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**FOR IMMEDIATE RELEASE**

**January 20, 2022**



## **ANNOUNCEMENT OF INTENTION TO FLOAT ON THE SPANISH STOCK EXCHANGES**

IBERCAJA BANCO, S.A. (“**Ibercaja Banco**” or the “**Bank**”), a 100% Spanish retail-focused bank based in Zaragoza, announces today its intention to proceed with the initial public offering (the “**Offering**”) of its ordinary shares (the “**Shares**”) to qualified investors. The Bank intends to apply for admission of the Shares to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (respectively, the “**Admission**” and the “**Spanish Stock Exchanges**”) for trading through the Automated Quotation System (*Mercado Continuo*). The Offering will consist of a secondary offering of existing Shares by the Bank’s largest shareholder, Fundación Bancaria Ibercaja (the “**Ibercaja Foundation**” or the “**Selling Shareholder**”).

**José Luis Aguirre Loaso, Chairman of Ibercaja Banco, stated:**

*“The IPO is a historic milestone for Ibercaja Banco, which strengthens the confidence that we all have in the future projection of the Bank, and continues the 145 years of exemplary trajectory that precedes us.*

*We are convinced that it is the best available option to boost the competitiveness of our corporate project and, at the same time, to comply with the Banking Foundations Act, which requires our principal shareholder to reduce its stake below 50%, from the 88% that it currently holds.”*

**Victor Iglesias, CEO of Ibercaja Banco, stated:**

*“We have worked hard to meet this challenge with guarantees. Throughout the last strategic cycles, we have significantly improved our solvency, asset quality, risk profile, corporate governance, efficiency and profitability, and have also promoted an important transformation of our commercial, operational and financial model.*

*In addition, we have differential competitive advantages: a market leadership strongly rooted in our traditional areas (Aragón, Rioja, Guadalajara, Burgos and Extremadura); a consolidated entrenchment in the most dynamic areas of the country (Madrid and the Mediterranean Arch); a powerful and renowned Financial Group, which is also 100% owned by the Bank and which provides us with a recurring and diversified income base; a sound corporate governance; and a broad and diversified base of loyal customers with high levels of satisfaction with the global financial service received.”*

## **POTENTIAL OFFERING HIGHLIGHTS**

Should Ibercaja Banco proceed with the Offering the current expectation is that:

- The Offering will consist of a secondary offering of existing shares by the Selling Shareholder.
- The Ibercaja Foundation intends to reduce its stake in the Bank below 50% in order to comply with the Spanish Banking Foundations Act.
- The Offering will provide impulse to three ongoing transformations of the Bank: commercial, operational and financial.
- The Shares will be admitted to listing on the Spanish Stock Exchanges and on the Automated Quotation System.

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## **INFORMATION ON THE BANK**

Ibercaja Banco is a Spanish 100% retail-focused bank based in Zaragoza. It is a “one-stop-shop” for its customers’ financial needs, offering a wide range of banking and financial products and services, with a special focus on first home mortgages, asset management and life savings insurance products, SME lending and risk insurance products.

The Bank was created in 2011 as a result of the segregation and contribution to Ibercaja Banco of the financial activity of the former savings bank Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja, now transformed into the Ibercaja Foundation pursuant to the Spanish Banking Foundations Act. In 2013, the Bank absorbed Banco Caja3, an entity formed by the segregation and subsequent merger of the financial activity of three former savings banks: Caja de Ahorros de la Inmaculada (currently, Fundación Inmaculada de Aragón), Caja Badajoz (currently, Fundación Caja Badajoz) and Caja de Ahorros Círculo de Burgos (currently, Fundación Círculo de Burgos), which have since then become foundations and are the current minority shareholders of the Bank, together with its principal shareholder, the Ibercaja Foundation.

Ibercaja Banco’s main activity is retail banking focused on individuals, families and SME, which is reflected in its simple balance sheet structure and low risk profile. As of September 30, 2021, Ibercaja Banco had €58.2bn of total assets and stood as the 9<sup>th</sup> largest Spanish bank in terms of total assets with a market share of 2.4% in loans to individuals and non-financial entities and had €54.8 billion of total liabilities with a market share of 2.8% in customer deposits<sup>1</sup>. Its market share in terms of home retail mortgage loans stood at 3.6% as of September 30, 2021<sup>2</sup>.

Ibercaja Banco carries out its business exclusively in Spain, mainly in its Home Markets (the autonomous regions of Aragón and La Rioja and the provinces of Guadalajara, Burgos and Badajoz), where it has a market share of 27%<sup>3</sup> in terms of deposits and loans as of September 30, 2021, and with a well-established presence in its Growth Markets (Madrid and the Mediterranean basin, which includes the autonomous region of Catalonia and the Valencian Community).

Moreover, Ibercaja Banco fully owns its financial group which comprises a group of subsidiaries responsible for the management of mutual funds and pension plans and its insurance and leasing-renting businesses through which it offers a wide range of products mainly aimed at its retail customers, complementing traditional banking products and services. Ibercaja’s financial group is the 4<sup>th</sup> largest domestic financial entity in asset management and life savings insurance products in Spain with €31.9 billion in AuM and technical reserves and a total market share of 5.1% as of September 30, 2021<sup>4</sup>.

Ibercaja Banco benefits from: (i) a sound corporate governance and experienced management team with a proven track record, (ii) a loyal customer base and a clear roadmap for digital transformation (having developed a strong commercial model that provides best-in-class customer service levels and high cross selling ratios), (iii) an attractive geographical footprint with a clear leadership in its Home Markets (which include some of the wealthiest areas in the country) and a long-established presence in Growth Markets, (iv) a simple balance sheet with a low risk profile and (v) a high-quality and diversified revenue mix as a result of being a specialist in the diversification of clients’ savings and being one of the leaders in Spain in the asset management and bancassurance business in terms of market share.

In April 2021, Ibercaja Banco launched its Strategic Plan “*Plan Desafío 2023*” to be executed between 2021 to 2023. The main medium-term objectives of Ibercaja Banco in the context of this Strategic Plan are to improve the Bank’s recurring profitability, to reinforce Ibercaja Banco’s leadership in customer experience as one of its distinctive values and to accelerate its transformation to strengthen its future competitiveness.

In terms of profitability, the Bank aims to achieve in the medium term: a ROTE of approximately 9.0% (7.21% as of September 30, 2021, which does not include the contribution to the Deposit Guarantee Fund which was carried out in the last quarter of 2021), and a recurring cost-to-income ratio of approximately 55.0% (64.13% for the nine months ended September 30, 2021).

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<sup>1</sup> Bank of Spain public reports on loans and deposits to households and non-financial entities as of September 30, 2021.

<sup>2</sup> Bank of Spain public report on home retail mortgages as of September 30, 2021.

<sup>3</sup> Bank of Spain latest available data as of September 30, 2021.

<sup>4</sup> Calculated by Ibercaja Banco as the sum of mutual funds, pension funds and life savings insurance products using data from Inverco public reports on mutual and pension funds and ICEA public reports on life savings insurance products as of September 30, 2021; includes AuM managed by each bank and excludes third party products.

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In terms of asset quality, the Bank aims to achieve in the medium term a cost of risk of 0.30% (0.32% as of September 30, 2021), a NPA ratio of approximately 4.0% (4.41% as of September 2021) and a NPA coverage ratio of at least 65.0% (65.74% as of September 30, 2021). In terms of solvency, the Bank aims to maintain a CET1 ratio of 12.5% (12.8% as of September 30, 2021) with AT1 and Tier 2 buckets already completed, and a total capital ratio fully loaded of 17.0% (17.5% as of September 30, 2021). Finally, the Bank aims to distribute a cash dividend payout ratio of approximately 50.0% in the medium term (49.97% for the six months ended June 30, 2021). These objectives take into account the Euribor forward curve as of November 29, 2021, which implied that 12-month Euribor will remain on average at -0.48%, -0.36% and -0.08% in 2021, 2022 and 2023, respectively.

## **DETAILS OF THE OFFERING**

The Offering will consist of a secondary offering of existing Shares by the Bank's largest shareholder, the Ibercaja Foundation. The Ibercaja Foundation owns 88.04% of the Shares. In addition, as of today, 11.96% of the Shares are held by Fundación Circulo de Burgos, Fundación Inmaculada de Aragón and Fundación Caja Badajoz (together, the "**Minority Foundations**").

Pursuant to the Offering, the Ibercaja Foundation intends to reduce its stake in the Bank below 50% in order to comply with the Spanish Banking Foundations Act. However, even with a stake below 50% following the Offering, the Ibercaja Foundation is expected to retain control of the Bank for the purposes of the Spanish Banking Foundations Act. Therefore, the Ibercaja Foundation will use certain proceeds from the Offering to create a reserve fund in the Ibercaja Foundation for potential recapitalization needs of the Bank, if needed, in the terms established by the Spanish Banking Foundations Act.

In addition, the Bank believes that becoming a publicly listed company will accelerate the ongoing transformation in the commercial, operational and financial areas that it has already been experimenting through the de-risking of its balance sheet, its solvency improvement, its digital transformation process and its commercial dynamism revitalization. In addition, the Offering is expected to widen the Bank's shareholder base by incorporating institutional investors and a diversified base of shareholders, thus improving the Bank's access to public capital markets (including for debt instruments) that could make it easier for it to obtain additional financing to be used for its future growth. Additionally, becoming a publicly listed company may provide certain additional advantages for the Bank, including increased brand recognition, enhanced transparency and a tool for the retention of the management team through stock incentive schemes as well as stronger and more institutionalized relationships with internal and external stakeholders.

The Selling Shareholder will grant J.P. Morgan SE, as stabilization manager, an option to purchase, on behalf of the Managers (as defined below), over-allotment Shares of up to 10% of the size of the Offering (the "**Over-allotment Option**")

Following completion of the Offering and assuming that the Over-allotment Option is exercised in full, the Ibercaja Foundation will own 46.09% of the Shares.

J.P. Morgan SE and Morgan Stanley Europe SE are acting as joint global coordinators and joint bookrunners for the Offering (together the "**Joint Global Coordinators**"). BofA Securities Europe SA and UBS Europe SE are acting as Joint Bookrunners (together with the Joint Global Coordinators, the "**Joint Bookrunners**"). Alantra Capital Markets, S.V., S.A., Stifel Europe Bank AG (acting under the brand name *Keefe, Bruyette & Woods*) and Société Générale S.A. are acting as Co-Lead Managers (the "**Co-lead Managers**") and together with the Joint Global Coordinators and Joint Bookrunners, the "**Managers**"). Rothschild Co España, S.A. is acting as independent financial advisor to the Bank in the Offering. Linklaters S.L.P. is acting as legal counsel of the Bank and Uría Menéndez Abogados, S.L.P. and Davis Polk & Wardwell LLP are acting as the Managers' legal counsels.

The Bank, the Selling Shareholder and the Minority Foundations will agree to certain lock-up arrangements with the Managers during a period from the date on which the underwriting agreement is signed to and including 180 days from the settlement date of the Offering.

Further details of the proposed Offering will be included in the prospectus (the "**Prospectus**") to be approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the "**CNMV**") in connection with the Offering and the potential Admission and which will supersede this announcement in its entirety. The Prospectus will include full details on the Offering and its expected timetable. Once approved, the Prospectus will be published and made available at the Bank's corporate website ([www.ibercaja.com](http://www.ibercaja.com)), in subsection "*Shareholders and Investors*", and at the CNMV's website ([www.cnmv.es](http://www.cnmv.es)). Any acquisition of Shares in the Bank should be made solely on the basis of the Prospectus approved by the CNMV. The approval of the Prospectus by the CNMV does not constitute an evaluation of the merits of the Offering.

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The information contained in this Announcement does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement.

This Announcement is an advertisement and does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). The information and opinions in this Announcement are not based upon a consideration of any particular investment objectives, financial situation or needs. Readers may wish to seek independent and professional advice and conduct their own independent investigation and analysis of the information contained in this Announcement and of the business, operations, financial condition, prospects, status and affairs of the Bank. Any purchase of Shares of the Bank should be made solely on the basis of the information to be contained in the Prospectus, once and if published. The Prospectus is expected to be approved by the CNMV in accordance with the Prospectus Regulation regime. Once approved, the Prospectus will be available at the Bank’s registered offices, on its corporate website and on the website of the CNMV ([www.cnmv.es](http://www.cnmv.es)). The Prospectus may contain information different from the information contained in this Announcement. The approval of the Prospectus by the CNMV will not constitute an evaluation of the merits of the transactions proposed to investors. Investors should carefully read the Prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities referred to herein.

Any securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. There will be no public offer of the securities referred to herein in Australia, Canada, Japan or South Africa.

In member states of the European Economic Area (the “**EEA**”), this Announcement is only addressed to and directed at persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (“**Qualified Investors**”). In the United Kingdom, this Announcement and any other materials in relation to the securities referred to herein are only being distributed to, and are only directed at, and any investment or investment activity to which this announcement relates is available only to, and will be engaged in only with, a Qualified Investor (i) having professional experience in matters relating to investments so as to qualify as “investment professional” under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) falling within Article 49(2)(a) to (d) of the Order; or (iii) being a person to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated. This Announcement and its contents must not be acted on or relied upon in the United Kingdom or in any member state of the EEA by persons who are not Qualified Investors. The communication of this Announcement in the United Kingdom or in any member state of the EEA to persons who are not Qualified Investors is unauthorized and may contravene applicable law.

The Managers and their respective affiliates are acting exclusively for the Bank and no-one else in connection with the anticipated Offering. They will not regard any other person as their respective clients in relation to the anticipated Offering and will not be responsible to anyone other than the Bank and the Selling Shareholder for providing the protections afforded to their respective clients, or for providing advice in relation to the anticipated Offering, the contents of this Announcement or any transaction, arrangement or other matter referred to herein.

The Offering and/or the Admission may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Offering will proceed and that the Admission will occur and you should not base your financial decisions on the Bank’s intentions in relation to the Offering and the Admission at this stage.

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In connection with the anticipated Offering, each Manager and any of its respective affiliates, may take up a portion of the Shares as a principal position and in that capacity may retain, sell, offer to sell, purchase or otherwise deal for its or their own account(s) such Shares and any securities of the Bank or related investments and may offer or sell such securities or other investments in connection with the Offering or otherwise. Accordingly, references in this Announcement or the Prospectus, once and if published, to the Shares being offered, acquired, placed or otherwise dealt with should be read as including any offering, acquisition, placement of or dealing in such Shares by or to the Managers and any relevant affiliate acting in such capacity. In addition, certain of the Managers or their affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Shares. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Managers, or any of their respective affiliates or any of the respective directors, officers, employees, advisers or agents of any of their foregoing entities accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this Announcement (or whether any information has been omitted from the Announcement) or any other information relating to the Bank, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. This Announcement includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “objectives”, “aims”, “expects”, “intends”, “may”, “plans”, “potential”, “should” and “will” as well as their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Announcement and include statements regarding the Bank’s investment strategy and the Bank’s intentions, beliefs or current expectations concerning, among other things, the Bank’s financial performance, prospects, growth, strategies and the industry in which the Bank intends to operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements rely on a number of assumptions, including, among others, the development of its business, its medium-term targets, trends in the financial industry as well as economic trends and the Bank’s ability to successfully execute and carry out its strategic plan and meet its medium-term targets. Such assumptions are inherently subject to significant business, operational, economic and other risks and uncertainties. You are hereby cautioned that forward-looking statements are not guarantees of future performance and that the Bank’s actual financial condition, results of operations and cash flows, size of its portfolio, and development of the industry in which it will operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Announcement. In addition, even if the Bank’s financial condition, results of operations and cash flows, size of its portfolio, and development of the industry in which it will operate are consistent with the forward-looking statements contained in this Announcement, those results or developments may not be indicative of the Bank’s results or developments in subsequent periods and may be impacted by important factors. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to publicly update or revise any such forward-looking statement.

To the extent available, the industry, market and competitive position data contained in this Announcement comes from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Bank reasonably believes that each of these publications, studies and surveys has been prepared by a reputable source, none of the Bank, the Selling Shareholders, the financial adviser in the Offering, the Managers, or any of their respective subsidiaries or affiliates, or any of their respective directors, officers, employees, advisers or agents has independently verified the data contained therein. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this Announcement. The information in this Announcement will not be updated.

In addition to financial information prepared under International Financial Reporting Standards (“IFRS”), this Presentation contains certain non-IFRS measures, which the Bank regards as alternative performance measures (“APMs”) for purposes of Commission Delegated Regulation (EU) 2019/979 of March 14, 2019 and as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated October 5, 2015 (ESMA/2015/1415). These APMs are performance measures that have been calculated using the financial information from the Bank but that are not defined or detailed in the applicable financial information framework and therefore have neither been audited nor are capable of being completely audited. These APMs are being used to allow for a better understanding of the financial performance of the Bank but should be considered only as additional information and in no case as a replacement of the financial information prepared under IFRS. Moreover, the way the Bank defines and calculates these APMs may differ from how these are calculated by other

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companies that use similar measures, and therefore they may not be comparable. For further details on the APMs used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the Bank's consolidated annual accounts as of and for the year ended December 31, 2018, December 31, 2019 and December 31, 2020, and the unaudited consolidated financial statements as of and for the nine months ended September 30, 2021, as well as their respective management reports available at the Bank's webpage ([www.ibercaja.es](http://www.ibercaja.es)).

Information to distributors: Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MIFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares in the Offering have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of qualified investors, as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares in the Offering may decline and investors could lose all or part of their investment; the offered Shares offer no guaranteed income and no capital protection; and an investment in the Shares in the Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of qualified investors. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares in the Offering. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares in the Offering (by either adopting the Target Market Assessment or redefining it under the MiFID II Product Governance Requirements) and determining appropriate distribution channels.