

## FIRST COMMUNITY CORPORATION (FCCO-NASDAQ)

Banking

Steve Moss | (202) 872-5931 | steve.moss@raymondjames.com

Thomas Reid, CFA, Sr. Res. Assoc. | (727) 567-8425 | thomas.reid@raymondjames.com

Chase Steward, Research Associate | chase.steward@raymondjames.com

### Strong Start to 2026 Bodes Well for Outlook; Reiterate Strong Buy; \$36 Price Target

#### RECOMMENDATION

1Q26 EPS Breakdown					
Reported	Core	Consensus	RJ	High	Low
\$0.59	\$0.72	\$0.63	\$0.65	\$0.65	\$0.62

FCCO reported strong 1Q25 results with robust loan and deposit growth and core NIM expansion. Results included the impact of Signature Bank (SGBG) acquisition, which created unusual NIM amortization expense. We expect organic loan growth and core NIM expansion continue, which combined with higher SBA production as FCCO integrates SGBG, should support continued EPS growth. We reiterate our **Strong Buy** rating and \$36 price target as shares remain attractive at 10.1x our 2026 core EPS, in-line with peers, given FCCO's desirable southeast franchise.

- **Better than expected results.** FCCO reported GAAP EPS of \$0.59. Excluding merger-related expenses, we peg core EPS at \$0.72, \$0.09 above consensus and \$0.07 above our Street-high estimate due to a tax credit (\$0.09 per share), higher fee income, and lower expenses.
- **Pipeline remains strong.** Organic loan growth for 1Q26 was strong at 3.3% LQ and FCCO noted the loan pipeline remains strong, which bodes well for loan growth. Loan production of \$91.2M for 1Q26, versus \$53.6M a year ago (+70%). FCCO conservatively expects mid-to-high single digit loan growth for 2026. We model 11% loan growth in 2026 due to a strong first quarter.
- **Core NIM expansion story remains intact, ignoring near-term noise.** The GAAP NIM expanded 5 bp LQ to 3.37%, driven by higher loan yields (+10 bp LQ) primarily to the SGBG acquisition. The core NIM expanded 13 bp LQ to 3.45%, excluding \$437K, or \$0.04/sh, of acquired loan amortization (not accretion) driven by a gross-up on SGBG's loan book. FCCO expects acquired loan amortization decline quickly due to the short average life (~2Y) of SGBG's loans with less than \$400K expected for the remainder of 2026. Underlying core NIM should continue with new originations around 6.25-6.50%, \$215M, or 14% of loans repriced ~25-50 bp higher in 2026, and stable deposit costs. We estimate loan repricing adds 2-5 bp to the NIM, or \$0.04-\$0.09/sh. We model a 2026 NIM of 3.54% and a core NIM of 3.57%, which includes \$812K, or \$0.07/sh, of loan amortization.
- **Fees, expenses, credit, and capital detailed below.**
- **We maintain our 2026 and 2027 core EPS estimates** of \$3.00 and \$3.30, respectively, reflective of the beat, higher fee income, and lower credit costs, offset by PAA driven amortization.

#### VALUATION

FCCO shares trade at 10.2x our 2026E EPS and 1.5x TBV, versus small cap peers at 10.1x and 1.4x, respectively. Our \$36 price target values FCCO shares at 12.0x our 2026E, a modest premium to peers given the desirable South Carolina/Georgia franchise.

APRIL 22, 2026 | 4:48 PM EDT  
COMPANY COMMENT

**Strong Buy 1**  
**Target Price \$36.00**

Suitability MA/ACC

#### MARKET DATA

Current Price (Apr-22-26)	\$30.69
Market Cap (mln)	\$288
Current Net Debt (mln)	NM
Shares Outstanding (mln)	9.4
30-Day Avg. Daily Value (mln)	\$2.4
Dividend	\$0.64
Dividend Yield	2.1%
52-Week Range	\$21.44 - \$31.51
BVPS	\$23.50
Tangible BVPS	\$19.88
ROE	12.7%
ROTE	14.3%
ROA	1.2%

#### KEY FINANCIAL METRICS

	1Q	2Q	3Q	4Q
Non-GAAP EPS (\$, Dec FY)				
2025A	0.51	0.68	0.72	0.69
2026E	0.65	0.75	0.80	0.81
<b>new</b>	<b>0.72 A</b>	<b>0.69</b>	<b>0.78</b>	<b>0.81</b>
2027E	0.77	0.83	0.84	0.86
<b>new</b>	<b>0.76</b>	<b>0.81</b>	<b>0.86</b>	<b>0.87</b>
2025A 2026E 2027E				
Non-GAAP EPS (\$, Dec FY)				
	2.60	3.00	3.30	
P/E (Non-GAAP)				
	11.8x	10.2x	9.3x	
GAAP EPS (\$, Dec FY)				
old	2.47	2.39	3.30	
<b>new</b>	<b>2.47</b>	<b>2.86</b>	<b>3.30</b>	
P/E (GAAP EPS)				
	12.4x	10.7x	9.3x	
Operating Revenue (mln) (\$, Dec FY)				
old	79	102	108	
<b>new</b>	<b>79</b>	<b>100</b>	<b>108</b>	

Source: FactSet OnDemand, Raymond James & Associates. Quarterly figures may not add to full year due to rounding.  
Non-GAAP EPS is operating earnings and excludes one-time items.

Please read domestic and foreign disclosure/risk information beginning on page 7 and Analyst Certification on page 7

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER | 880 CARILLON PARKWAY | ST. PETERSBURG FLORIDA 33716

- **Increased SBA production should drive fee income higher.** Core fee income grew 11.8% LQ to \$4.8M, driven by SBA gain on sale income of \$395k, or ~\$0.03/sh, and higher wealth management income. FCCO received PLP status with the SBA in April and expects SBA production to ramp up from \$2.4M in 1Q26. We model fee income of \$20.4M in 2026, representing ~20% of revenue.
- **Positive operating leverage to continue.** Core expenses were noisy due to the SGBG acquisition, but the core efficiency ratio improved to 66.5%, versus 69.2% in 1Q25. SGBG cost saves have been fully realized, with an expense range of \$15.5-16.0M likely, as core expenses to drift higher from performance-based compensation increases with higher SBA and mortgage production. We model 2026 core expenses of \$63M, and a core efficiency ratio of 62.7%.
- **Credit quality remained strong.** NCOs were de minimis at \$5K and NPAs remain nominal at 6 bp of related assets. The LLR ratio increased 14 bp LQ to 1.19%, driven by a \$2M credit mark on a performing \$2.4M construction loan identified as substandard in the SGBG acquisition due to a collateral deficiency. We model NCOs of 1 bp in 2026 and a YE26 LLR ratio of 1.19%.
- **Organic growth remains the priority.** The TCE/TA ratio was 7.9% as of March 31, 2026, up from 7.5% as of December 31, 2025. FCCO repurchased ~1.5K shares for an average price of \$27.77 (1.4x TBV) in 1Q26. FCCO noted it will be opportunistic with buybacks, but remains focused on integrating SGBC over M&A. We model a YE26 TCE/TA ratio of 8.4% with no additional buybacks.

	FCCO Actual	Estimates		vs. RJ		vs. Consensus	
		RJ	Street	\$mm/bp	EPS	\$mm/bp	EPS
Income Statement (\$mm)							
NII	18.5	19.8	19.2	-1.4	(0.130)	-0.8	(0.055)
Provision	0.2	0.3	0.4	-0.1	0.005	-0.2	0.014
Core Fee Revenue	4.8	4.4	4.7	0.4	0.038	0.1	0.009
Core Expenses	15.5	15.8	18.3	-0.3	0.031	-2.8	0.197
Core Net Income	6.8	6.1	2.5	0.6	0.060	4.3	0.300
Core EPS	0.72	0.65	0.63	0.08	-	0.09	-
Tax rate	7.4%	10.0%	34.0%	-264 bp	0.019	-2669 bp	0.192
Avg. Dil. Shares	9.3	9.5	9.4	-0.1	0.026	-0.1	0.009
Bal Sheet/Other (\$mm)							
NIM	3.37%	3.62%	3.54%	-25 bp	(0.132)	-17 bp	(0.065)
Loans EOP	1,549	1,519	1,520	30	-	30	-
Deposits EOP	2,048	1,993	1,993	55	-	55	-
AEA	2,221	2,219	2,204	2	0.002	17	0.011
Core efficiency ratio	66.5%	65.2%	76.1%	131 bp	-	-964 bp	-
Core ROA	1.16%	1.05%	0.53%	11 bp	-	63 bp	-
Core ROE	12.7%	11.9%	1.6%	80 bp	-	1111 bp	-
NCOs	0.01	0.07	-	-0.1	-	-	-

Source: FactSet, S&P Global, Raymond James research, company filings

Note: consensus estimates may not add due to rounding

## FCCO 1Q26 - Actual vs. Raymond James and Consensus

	Actual	Raymond James	dif (+/-)	Consensus	dif (+/-)	Street High	Street Low	Consensus # of Estimates
<b>PER SHARE DATA</b>								
Core EPS	\$0.72	\$0.65	\$0.08	\$0.63	\$0.09	\$0.65	\$0.62	3
Book value per share	23.50	22.20	1.29	22.55	0.95	23.14	22.20	3
Tangible book value	19.88	19.95	-0.06	19.76	0.12	19.95	19.53	3
Dividends per share	0.16	0.16	0.00	0.16	0.00	0.16	0.16	2
Avg. fully diluted shares (mil.)	9.3	9.5	-0.1	9.4	-0.1	9.5	9.3	3
<b>INCOME STATEMENT</b>								
Net interest income (FTE)	18.5	19.8	-1.4	19.2	-0.8	19.8	18.7	3
Loan loss provision	0.2	0.3	-0.1	0.4	-0.2	0.5	0.3	3
Core fee income	4.8	4.4	0.4	4.7	0.1	5.0	4.4	3
Operating Revenue (FTE)	23.2	24.2	-1.0	23.6	-0.4	24.0	23.2	2
Core expenses	15.5	15.8	-0.3	18.3	-2.8	23.4	15.2	3
Taxes	0.4	0.0	0.4	1.1	-0.7	1.8	0.4	2
Core net income	6.8	6.1	0.6	2.5	4.3	5.9	0.4	3
<b>BALANCE SHEET</b>								
Loans (EOP)	1,549	1,519	30	1,520	30	1,520	1,519	2
Average Loans	1,511	1,509	2	1,500	12	1,509	1,490	2
Deposits (EOP)	2,048	1,993	55	1,993	55	1,993	1,993	1
Average Deposits	1,978	2,019	-41	1,921	57	1,921	1,921	1
Average Earning Assets	2,221	2,219	2	2,204	17	2,219	2,189	2
Total Assets	2,392	2,361	31	2,325	67	2,325	2,325	1
<b>ASSET QUALITY</b>								
Non-performing Loans	0.3	0.3	0.0	-	-	-	-	-
Non-performing Assets	0.9	0.9	0.0	-	-	-	-	-
Net charge-offs	0.0	0.1	-0.1	-	-	-	-	-
Net charge-offs / Avg. loans	0.00%	0.02%	-0.02%	0.04%	-0.03%	0.05%	0.02%	2
<b>FINANCIAL RATIOS</b>								
Net interest margin (NIM)	3.37%	3.62%	-25 bp	3.54%	-17 bp	3.62%	3.46%	3
Core efficiency ratio	66.5%	65.2%	131 bp	76.1%	-964 bp	97.0%	65.0%	3
Core ROA	1.16%	1.05%	11 bp	0.5%	63 bp	1.00%	0.06%	2
Core ROE	12.7%	11.9%	80 bp	1.6%	1111 bp	2.5%	0.7%	2
Core ROTE	14.3%	13.0%	129 bp	8.5%	584 bp	14.2%	2.8%	2

Source: S&P Global, Factset, Raymond James research, company reports

Note: Dollar amounts in millions, except per share data

This report is intended for hcole@Firstcommunitysc.com. Unauthorized distribution prohibited.

## FCCO 1Q26 - Summary Results

	1Q26	RJ 1Q26E	dif (+/-)	4Q25	Q/Q	1Q25	Y/Y
<b>PER SHARE DATA</b>							
Core EPS	\$0.72	\$0.65	\$0.08	\$0.69	\$0.03	\$0.51	\$0.21
Reported EPS (GAAP)	0.59	0.04	0.55	0.62	-0.03	0.51	0.07
Book value per share	23.50	22.20	1.29	21.78	1.72	19.52	3.97
Tangible book value	19.88	19.95	-0.06	19.84	0.04	17.56	2.32
Dividends per share	0.16	0.16	0.00	0.16	0.00	0.15	0.01
Avg. fully diluted shares (mil.)	9.3	9.5	-0.1	7.8	1.6	7.8	1.6
<b>INCOME STATEMENT</b>							
Net interest income (FTE)	18.5	19.8	-1.4	16.4	2.0	14.4	4.0
Loan loss provision	0.2	0.3	-0.1	0.4	-0.2	0.4	-0.2
Core fee income	4.8	4.4	0.4	4.3	0.5	4.0	0.8
Operating Revenue (FTE)	23.2	24.2	-1.0	20.6	2.6	18.4	4.9
Core expenses	15.5	15.8	-0.3	13.4	2.1	12.8	2.7
Taxes	0.4	0.0	0.4	1.6	-1.1	1.2	-0.7
Core net income	6.8	6.1	0.6	5.4	1.4	4.0	2.8
<b>BALANCE SHEET</b>							
Assets	2,392	2,361	31	2,058	334	2,039	352
Loans (EOP)	1,549	1,519	30	1,311	238	1,252	297
Average Loans	1,511	1,509	2	1,303	209	1,239	272
Deposits (EOP)	2,048	1,993	55	1,750	299	1,726	323
Average Deposits	1,978	2,019	-41	1,772	206	1,669	309
Average Earning Assets	2,221	2,219	2	1,966	255	1,872	349
Total equity	221	208	13	168	53	150	71
<b>FINANCIAL RATIOS</b>							
Net interest margin (NIM)	3.37%	3.62%	-25 bp	3.32%	5 bp	3.13%	24 bp
Core efficiency ratio	66.5%	65.2%	131 bp	64.5%	195 bp	69.2%	-277 bp
TCE Ratio	7.9%	8.0%	-6 bp	7.5%	46 bp	6.7%	127 bp
LLR / Total loans	1.19%	0.99%	20 bp	1.05%	14 bp	1.09%	10 bp
Net charge-offs / Avg. loans	0.00%	0.02%	-2 bp	0.01%	-1 bp	0.00%	0 bp

Source: Raymond James research; company reports

Note: Dollar amounts in millions, except per share data

First Community Corp 4/22/2026 (\$ in thousands, except as noted)			Raymond James & Associates Steve Moss (202) 872-5931 steve.moss@raymondjames.com			
	2025	% Chg	2026E	% Chg	2027E	% Chg
<b>Income Statement Summary:</b>						
Net Interest Income (FTE)	62,259	19%	80,140	29%	88,121	10%
Core Non-interest Income:						
Deposit service charges	922	-3%	943	2%	960	2%
Mortgage banking	3,270	38%	2,881	-12%	2,000	-31%
Investment advisory fees and non-deposit commissions	7,565	22%	9,221	22%	9,600	4%
Government guaranteed lending income	0	NM	2,325	NM	3,117	34%
Other income	4,871	5%	5,020	3%	5,000	0%
Subtotal Core	16,628	18%	20,390	23%	20,677	1%
Market Sensitive Non-interest Income:						
Nonrecurring Income	317	-346%	0	-100%	0	NM
Total Non-interest Income	16,945	21%	20,390	20%	20,677	1%
Operating Revenue (FTE)	78,967	20%	99,826	26%	107,917	8%
Non-interest Expense:						
Salaries and employee benefits	31,949	9%	38,692	21%	40,627	5%
Occupancy	3,142	2%	3,367	7%	3,600	7%
Equipment	1,552	7%	1,679	8%	1,800	7%
Marketing and PR	1,821	21%	2,285	25%	2,300	1%
FDIC assessment	1,117	-5%	1,247	12%	1,375	10%
OREO	138	34%	34	-75%	160	371%
Amortization of intangibles	158	0%	1,101	597%	1,255	14%
Other expenses	12,197	14%	14,630	20%	14,700	0%
Core Expenses	52,074	10%	63,035	21%	65,817	4%
Nonrecurring Expense	1,264	NM	1,581	25%	0	-100%
Total Non-interest Expense	53,338	12%	64,616	21%	65,817	2%
Pre-tax Pre-Provision Earnings	25,866	38%	35,913	39%	42,981	20%
Subtract Loan Loss Provision	770	-5%	1,628	111%	1,987	22%
Add Net Nonrecurring Gains (Charges)	947	634%	1,581	67%	0	-100%
Reported Pretax FTE Income	24,859	40%	33,582	35%	40,113	19%
FTE Tax Rate (reported)	23%		19%		22%	
Reported Net Income	19,205	38%	27,063	41%	31,288	16%
Normalized Net Income	20,209	44%	28,319	40%	31,288	10%
<b>Per Share Data:</b>						
Diluted EPS - Reported	2.47	36%	2.86	16%	3.30	15%
Diluted EPS - Core	2.60	42%	3.00	15%	3.30	10%
Dividends	0.62	7%	0.66	6%	0.70	6%
Payout ratio	25%		23%		21%	
Book Value	21.78	15%	25.29	16%	27.93	10%
Tangible Book Value	19.84	17%	21.79	10%	24.55	13%
Avg. F.D. Shares Outstanding (000s)	7,782	1%	9,448	21%	9,483	0%
<b>Profitability Measures:</b>						
Return on Assets (Reported)	0.94%		1.12%		1.23%	
Return on Assets (Normalized)	0.99%		1.18%		1.23%	
Return on Common Equity (Norm.)	12.33%		12.00%		12.53%	
Net Interest Margin	3.23%		3.54%		3.68%	
Efficiency Ratio	67%		64%		60%	
Fee Income % Revenues	21%		20%		19%	
<b>Balance Sheet</b>						
EOP Loans	1,311,019	7%	1,653,646	26%	1,781,185	8%
Average Loans	1,271,473	7%	1,576,976	24%	1,713,536	9%
Average Earning Assets	1,926,654	8%	2,264,411	18%	2,393,536	6%
Average Total Assets	2,034,663	7%	2,406,195	18%	2,546,315	6%
<b>Asset Quality Measures:</b>						
Provision % Avg. Loans	0.06%		0.10%		0.12%	
Net Charge-offs % Avg. Loans	0.00%		0.01%		0.03%	
Loss Reserve % Loans	1.05%		1.19%		1.19%	
Nonperforming Asset Ratio (%)	0.03%		0.05%		0.05%	
<b>Capital &amp; Leverage Measures:</b>						
Total Equity % Assets	8.1%		9.7%		10.1%	
Tangible Common Equity % Assets	7.5%		8.4%		9.0%	
Earnings Retention Ratio (%)	75%		77%		79%	
Avg. Loans % Avg. Erng Assets	66%		70%		72%	

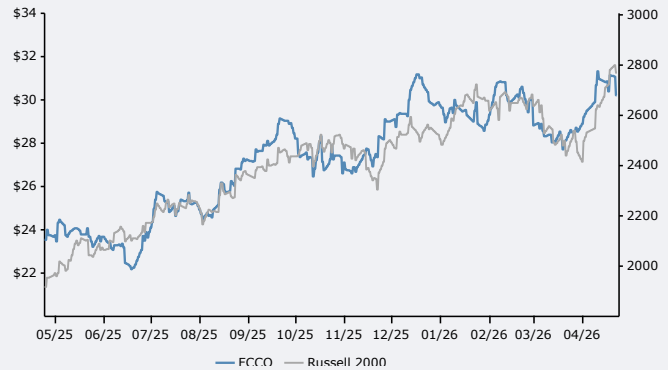
This report is intended for hcole@Firstcommunitysc.com. Unauthorized distribution prohibited.

First Community Corp 4/22/2026 (\$ in thousands, except as noted)	Raymond James & Associates Steve Moss (202) 872-5931 steve.moss@raymondjames.com											
	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
<b>Income Statement Summary:</b>												
Net Interest Income (FTE)	14,441	15,377	15,999	16,442	18,456	19,800	20,680	21,204	21,209	21,785	22,381	22,785
Core Non-interest Income:												
Deposit service charges	221	224	243	234	223	240	240	240	240	240	240	240
Mortgage banking	759	879	934	698	681	800	900	500	500	500	500	500
Investment advisory fees and non-deposit commissions	1,806	1,751	1,862	2,146	2,271	2,250	2,300	2,400	2,350	2,400	2,400	2,450
Government guaranteed lending income	0	0	0	0	395	445	594	891	445	891	891	891
Other income	1,196	1,225	1,242	1,208	1,220	1,250	1,250	1,300	1,250	1,250	1,250	1,250
Subtotal Core	3,982	4,079	4,281	4,286	4,790	4,985	5,284	5,331	4,785	5,281	5,281	5,331
Market Sensitive Non-interest Income:												
Nonrecurring Income	0	127	188	2	0	0	0	0	0	0	0	0
Total Non-interest Income	3,982	4,206	4,469	4,288	4,790	4,985	5,284	5,331	4,785	5,281	5,281	5,331
Operating Revenue (FTE)	18,372	19,530	20,463	20,602	23,159	24,587	25,757	26,323	25,782	26,828	27,438	27,868
Non-interest Expense:												
Salaries and employee benefits	7,657	8,060	8,059	8,173	9,492	9,700	9,700	9,800	9,967	10,185	10,185	10,290
Occupancy	777	772	792	801	817	850	850	850	900	900	900	900
Equipment	390	390	377	395	379	400	450	450	450	450	450	450
Marketing and PR	514	208	557	542	560	575	575	575	575	575	575	575
FDIC assessment	300	274	286	257	272	325	325	325	325	350	350	350
OREO	12	110	12	4	4	10	10	10	10	50	50	50
Amortization of intangibles	39	40	39	40	96	340	335	330	323	317	311	304
Other expenses	3,065	2,995	2,977	3,160	3,830	3,600	3,600	3,600	3,600	3,700	3,700	3,700
Core Expenses	12,754	12,849	13,099	13,372	15,450	15,800	15,845	15,940	16,150	16,527	16,521	16,619
Nonrecurring Expense	0	234	575	455	1,581	0	0	0	0	0	0	0
Total Non-interest Expense	12,754	13,083	13,674	13,827	17,031	15,800	15,845	15,940	16,150	16,527	16,521	16,619
Pre-tax Pre-Provision Earnings	5,669	6,373	6,606	6,901	6,215	8,985	10,119	10,595	9,845	10,519	11,141	11,476
Subtract Loan Loss Provision	437	(237)	201	369	193	400	452	583	376	482	493	636
Add Net Nonrecurring Gains(Charges)	0	107	387	453	1,581	0	0	0	0	0	0	0
Reported Pretax FTE Income	5,181	6,684	6,588	6,406	5,935	8,387	9,460	9,800	9,256	9,819	10,424	10,613
FTE Tax Rate (reported)	23%	22%	21%	25%	7%	22%	22%	22%	22%	22%	22%	22%
Reported Net Income	3,997	5,186	5,192	4,830	5,498	6,542	7,379	7,644	7,220	7,659	8,131	8,278
Normalized Net Income	3,997	5,271	5,584	5,357	6,754	6,542	7,379	7,644	7,220	7,659	8,131	8,278
<b>Per Share Data:</b>												
Diluted EPS - Reported	0.51	0.67	0.67	0.62	0.59	0.69	0.78	0.81	0.76	0.81	0.86	0.87
Diluted EPS - Core	0.51	0.68	0.72	0.69	0.72	0.69	0.78	0.81	0.76	0.81	0.86	0.87
Dividends	0.15	0.15	0.16	0.16	0.16	0.16	0.17	0.17	0.17	0.17	0.18	0.18
Payout ratio	29%	23%	24%	26%	27%	23%	22%	21%	22%	21%	21%	21%
Book Value	19.52	20.23	21.01	21.78	23.50	24.03	24.65	25.29	25.89	26.54	27.22	27.93
Tangible Book Value	17.56	18.28	19.06	19.84	19.88	20.46	21.11	21.79	22.42	23.10	23.82	24.55
Avg. F. D. Shares Outstanding (000s)	7,768	7,787	7,786	7,787	9,345	9,483	9,483	9,483	9,483	9,483	9,483	9,483
<b>Profitability Measures:</b>												
Return on Assets (Reported)	0.82%	1.02%	1.00%	0.92%	0.95%	1.10%	1.21%	1.23%	1.17%	1.22%	1.26%	1.26%
Return on Assets (Normalized)	0.82%	1.04%	1.08%	1.03%	1.16%	1.10%	1.21%	1.23%	1.17%	1.22%	1.26%	1.26%
Return on Common Equity (Norm.)	11.01%	13.62%	12.99%	11.65%	10.34%	11.75%	12.80%	12.92%	12.17%	12.47%	12.77%	12.67%
Net Interest Margin	3.13%	3.21%	3.27%	3.32%	3.37%	3.54%	3.60%	3.64%	3.67%	3.68%	3.69%	3.70%
Efficiency Ratio	69%	67%	67%	67%	73%	64%	61%	60%	62%	61%	60%	59%
Fee Income % Revenues	22%	21%	22%	21%	21%	20%	20%	20%	18%	20%	19%	19%
<b>Balance Sheet</b>												
EOP Loans	1,251,980	1,260,055	1,279,310	1,311,019	1,549,143	1,580,126	1,614,889	1,653,646	1,678,451	1,712,020	1,746,260	1,781,185
Average Loans	1,239,225	1,263,027	1,280,814	1,302,826	1,511,496	1,564,634	1,597,507	1,634,267	1,666,048	1,695,235	1,729,140	1,763,723
Average Earning Assets	1,872,026	1,924,379	1,944,293	1,965,918	2,221,236	2,244,634	2,277,507	2,314,267	2,346,048	2,375,235	2,409,140	2,443,723
Average Total Assets	1,981,493	2,033,216	2,051,815	2,072,128	2,352,005	2,387,909	2,422,880	2,461,986	2,495,796	2,526,846	2,562,915	2,599,705
<b>Asset Quality Measures:</b>												
Provision % Avg. Loans	0.14%	-0.08%	0.06%	0.11%	0.05%	0.10%	0.11%	0.14%	0.09%	0.11%	0.11%	0.14%
Net Charge-offs % Avg. Loans	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.01%	0.03%	0.02%	0.02%	0.02%	0.05%
Loss Reserve % Loans	1.09%	1.06%	1.05%	1.05%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%
Nonperforming Asset Ratio (%)	0.05%	0.04%	0.07%	0.03%	0.06%	0.06%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%
<b>Capital &amp; Leverage Measures:</b>												
Total Equity % Assets	7.4%	7.6%	7.8%	8.1%	9.2%	9.5%	9.6%	9.7%	9.7%	9.9%	10.0%	10.1%
Tangible Common Equity % Assets	6.7%	6.9%	7.1%	7.5%	7.9%	8.2%	8.3%	8.4%	8.6%	8.7%	8.8%	9.0%
Earnings Retention Ratio (%)	71%	77%	76%	74%	73%	77%	78%	79%	78%	79%	79%	79%
Avg. Loans % Avg. Emrg Assets	66%	66%	66%	66%	68%	70%	70%	71%	71%	71%	72%	72%

This report is intended for hcole@Firstcommunitysc.com. Unauthorized distribution prohibited.

### COMPANY DESCRIPTION

First Community Corporation, headquartered in Lexington, South Carolina, is a \$1.9 billion asset bank that operates 21 branches, primarily in the midlands region of the state, with a growing presence in Greenville and eastern Georgia.



## IMPORTANT INVESTOR DISCLOSURES

Unless otherwise specified, the term “Raymond James” shall denote, where appropriate, Raymond James & Associates, Inc. (RJA), Raymond James Ltd. (RJL), and their affiliates, subsidiaries and related entities.

### Analyst Information

**Analyst Compensation:** Research analysts and associates at Raymond James are compensated on a salary and bonus system. Several factors enter into the compensation determination for an analyst, including: i) research quality, ii) team productivity, iii) client feedback, iv) rating accuracy, v) overall revenue and profitability levels of the department and firm (a portion of which is generated by investment banking activities) and vi) compensation levels for comparable research analysts at competing firms.

**Registration of Non-U.S. Analysts:** The analysts listed on the front of this report who are not employees of, or associated with, RJA are not registered/qualified as research analysts under FINRA rules and are not subject to FINRA Rule 2241 restrictions on communications with covered companies, trading securities held by a research analyst account, and obligations related to identifying and managing conflicts of interest.

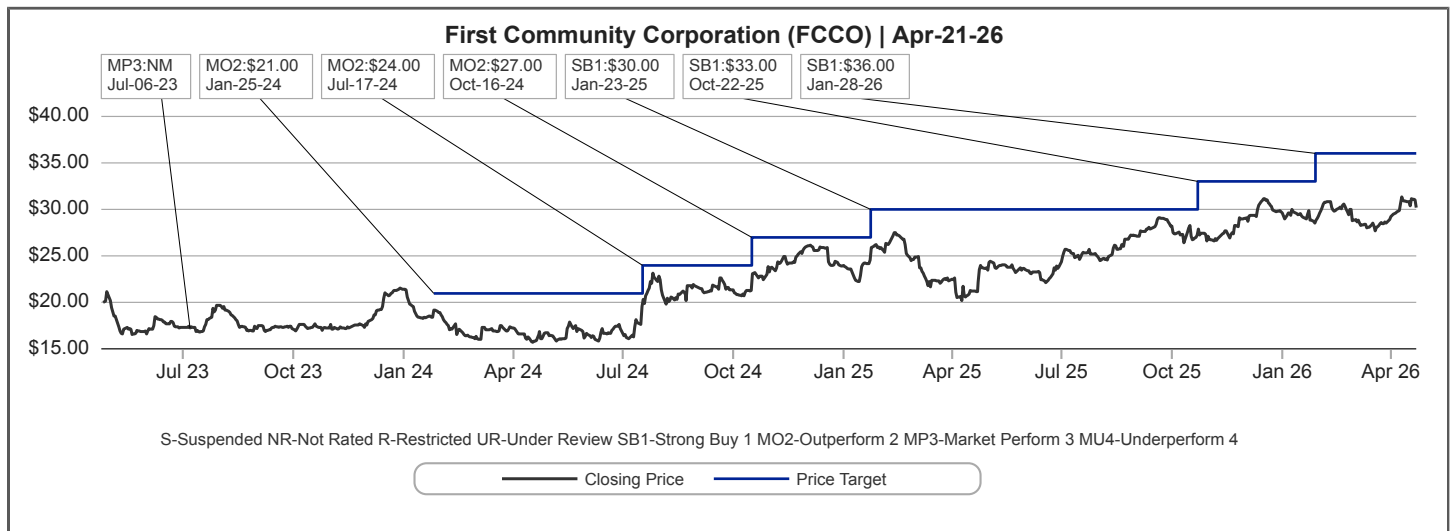
This global disclosure considers all entities of Raymond James and its affiliates. The jurisdiction where the analyst(s) is registered will determine what is permitted. For example, if the persons responsible for the content of this report are not licensed as research analysts in accordance with applicable rules promulgated by the regulatory organization(s) where this report is distributed, any client wishing to effect trades in any security should contact their Raymond James representative.

**The analysts Steve Moss and Thomas Reid, primarily responsible for the preparation of this research report, attest to the following: (1) that the views and opinions rendered in this research report reflect his or her personal views about the subject companies or issuers and (2) that no part of the research analyst’s compensation was, is, or will be directly or indirectly related to the specific recommendations or views in this research report.**

### Company Specific Disclosures

**Methodology:** The Raymond James methodology for assigning ratings and target prices includes a number of qualitative and quantitative factors, including an assessment of industry size, structure, business trends, and overall attractiveness; management effectiveness; competition; visibility; financial condition; and expected total return, among other factors. Collectively, these factors are subject to change depending on overall economic conditions or industry- or company-specific occurrences.

**Target Prices:** The information below indicates Raymond James’ target price and rating changes for any subject companies over the past three years. Price targets set to NM = Not Meaningful. Securities rated Market Perform and Underperform are not assigned a price target.



**Valuation Methodology**

**First Community Corporation**

For First Community Corporation, our valuation methodology utilizes a 12-month estimate of intrinsic value and also takes into consideration the company's price/tangible book value and P/E ratio in comparison to its return on tangible equity and its peer group.

**General Risk Factors**

Following are some general risk factors that pertain to the businesses of the subject companies and the projected target prices and recommendations included on Raymond James research: (1) Industry fundamentals with respect to customer demand or product/service pricing could change and adversely impact expected revenues and earnings; (2) issues relating to major competitors or market shares or new product expectations could change investor attitude toward the sector or this stock; (3) Unforeseen developments with respect to the management, financial condition or accounting policies or practices could alter the prospective valuation.

**Company Specific Risk Factors**

**First Community Corporation**

**Interest Rate Risk:** As a commercial bank, First Community's revenue stream is sensitive to changes in interest rates, and earnings estimates could vary based on changes in the slope of the yield curve.

**Credit Risk:** First Community originates residential, commercial, and consumer loans, which may enter default, especially during times of economic stress. Depending on the health of the economy and the creditworthiness of its borrowers, loans could default more rapidly than anticipated, which could translate into higher losses at the bank.

**Macroeconomic Risk:** If unemployment levels rise or if the housing market weakens further, credit losses could accelerate more rapidly than anticipated, causing downside to our earnings expectations. Conversely, if unemployment levels decline and the housing market strengthens meaningfully, or if losses in weak markets are less than expected, there could be upside to our estimates.

**Competition:** Substantial competition exists in all of First Community's primary markets, from domestic banks and thrifts, foreign banks, and specialty finance companies. The level and aggressiveness of competition could lead to adverse pressures on both asset yields and funding costs, which could negatively impact First Community's margins and pressure its profitability.

**Regulatory Reform:** With the myriad regulatory and legislative changes facing the industry, these amendments will pressure fee income across the industry. First Community's asset size excludes it from the debit interchange provision in the Durbin amendment under the Dobb-Frank Act; however, competitive industry pressures will likely force the company to charge similar fees in order to compete, which will ultimately impact profitability.

**Acquisition Risk:** Acquiring a financial services company involves a number of risks, including those related to asset quality issues, loss of customers, entering new and unfamiliar markets, and integration of the acquired bank. In particular, integration poses a number of challenges, as the company must expend substantial resources to integrate acquired entities. Such failure to integrate acquired entities may adversely affect the company's results of operations and financial condition.

Our suitability rating takes into account the highly competitive banking industry and the potentially adverse impact of continued loan growth pressures on the company's net interest income.

This report is intended for hcole@Firstcommunitysc.com. Unauthorized distribution prohibited.

## Relationship Disclosures

The person(s) responsible for the production of this report declare(s) that, as far as they are aware, there are no relationships or circumstances (including conflicts of interest) that may in any way impair the objectivity of this recommendation directly or indirectly. This statement applies equally to any persons closely associated with him or her. However, it is possible that persons making communications in relation to a security may have a holding in that security and this will be disclosed. As stated, Raymond James has controls in place to manage such risks.

In the event that this is a compendium report (i.e., covers six or more subject companies), Raymond James may choose to provide specific disclosures for the subject companies by reference. To access these disclosures, clients should refer to: [raymondjames.bluematrix.com/sellside/Disclosures.action](http://raymondjames.bluematrix.com/sellside/Disclosures.action) or call toll free at 1.800.237.5643 in the United States or 1.800.667.2899 in Canada. In other jurisdictions, please contact your local Raymond James representative.

Company Name	Disclosure
First Community Corporation	Raymond James & Associates expects to receive or intends to seek compensation for investment banking services from First Community Corporation within the next three months.
First Community Corporation	Raymond James & Associates, Inc. makes a market in the shares of First Community Corporation.
First Community Corporation	Raymond James & Associates received non-investment banking securities-related compensation from First Community Corporation within the past 12 months.

## Investor Disclosures

In the United States (or U.S.), RJA is registered with the Financial Industry Regulatory Authority (FINRA) as a member firm. RJA is responsible for the preparation and distribution of reports created in the United States. RJA is located at The Raymond James Financial Center, 880 Carillon Parkway, St. Petersburg, Florida 33716 (Raymond James Financial (RJF) Corporate Headquarters), 727.567.1000. Raymond James Financial Services, Inc. (RJFS) is registered with FINRA as a Member Firm. RJFS is located at the RJF Corporate Headquarters.

RJA non-U.S. affiliates, which are not FINRA member firms (with the exception of Raymond James (USA) Ltd.), include the following entities, which are responsible for the creation or distribution of reports in their respective areas:

In Canada, RJL is registered with the Canadian Investment Regulatory Organization (CIRO) as a member firm. RJL is responsible for the preparation and distribution of reports created in Canada. RJL is located at Suite 2100, 925 West Georgia Street, Vancouver, BC V6C 3L2 (RJL Head Office), 604.659.8200. Raymond James (USA) Ltd. (RJLU) is registered with FINRA as a member firm, which is responsible for the distribution of reports created in Canada and the United States to both American clients living in Canada and Canadian clients living in the United States. RJLU is located at the RJL Head Office.

In the United Kingdom, Raymond James Financial International Ltd. (RJFI) and Raymond James Wealth Management Limited (RJWM) are authorised and regulated by the Financial Conduct Authority (FCA). RJFI and RJWM are located at Ropemaker Place, 25 Ropemaker Street, London, England, EC2Y 9LY, +44 203 798 5600.

This report is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of or located in a locality, state, province, country, or other jurisdiction where such distribution, publication, availability, or use would be strictly prohibited or contrary to law or regulation. The securities discussed in this report may not be eligible for sale in some jurisdictions. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is not investment advice and does not constitute a personal recommendation, nor does it take into account the particular investment objectives, financial situations, or needs of individual clients. Information in this report should not be construed as advice designed to meet the individual objectives of any particular investor. Investors should consider this report as only a single factor in making their investment decision. Some investments discussed in this report may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realized. Those losses may equal your original investment. Consultation with your Raymond James representative is recommended. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Nothing in this report constitutes investment, legal, accounting or tax advice or is a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

With respect to materials prepared by Raymond James, all expressions of opinion reflect the judgment of the Research Departments of Raymond James, and such opinions and any other information provided is as of the date above and is subject to change and may or may not be updated. This report should not be deemed a recommendation to buy or sell any security. Certain information has been obtained from third-party sources Raymond James considers reliable, but Raymond James does not guarantee that such information is accurate or complete. Further, portions of this report may include content generated, sourced, or created with assistance from artificial intelligence tools. Raymond James has reviewed and considers this content to be reliable, but Raymond James does not guarantee that such content is accurate or complete.

Raymond James is engaged in lending, equity investing, investment banking, commercial banking, corporate finance and securities issuance, trading, research, advisory, underwriting, investment management, fund administration, and custody, as well as other financial activities, all on a worldwide basis. As such, Raymond James has relationships with a significant number of market participants, institutions, and corporations, and provides, and will in the future provide, services to its clients, which may include parties whose interests are not aligned with your interests, or whose interests may even be adverse to your interests, and which may also include performing investment banking or other services for, or soliciting investment banking business from, any company mentioned in this report. Raymond James may perform any of these services without any duty to notify you of any such engagement or to disclose to you information that Raymond James has obtained or may obtain about such companies or clients. Further, persons within Raymond James may have information that is not available to the contributors of the information contained in this report. Raymond James, including affiliates and employees, may execute transactions in the securities listed in this report that may not be consistent with any ratings appearing in this report. In the course of conducting its day-to-day business activities, Raymond James will not consider your interests, and Raymond James may have a financial interest that is inconsistent with your financial interests. Please review RJA's *Annual Notice to Institutional Equities and Options Clients* available at <https://www.raymondjames.com/legal-disclosures> for additional information.

Raymond James reports are disseminated and available to Raymond James clients simultaneously via electronic publication to Raymond James' internal proprietary websites (RJA: [RJ Client Access](#) & [raymondjames.com](#); RJL: [RJL ECM Client Access](#), [RJL Retail Client Access](#) & [raymondjames.ca](#)). Not all reports are directly distributed to clients or third-party aggregators. Certain maintenance reports may only be disseminated on Raymond James' internal proprietary websites; however, such reports will not contain changes to target price, valuation, or investment or suitability rating. Individual Raymond James associates may also opt to circulate published reports to one or more clients electronically. This electronic communication distribution is discretionary and is undertaken only after the report has been publicly disseminated via publication to RJA's internal proprietary websites. The level and types of communications provided by Raymond James associates to clients may vary depending on various factors including, but not limited to, the client's individual preference as to the frequency and manner of receiving communications. For reports, models, or other data available on a particular security, please contact your Raymond James representative or financial advisor or visit for RJA: [RJ Client Access](#) & [raymondjames.com](#); RJL: [RJL ECM Client Access](#), [RJL Retail Client Access](#) & [raymondjames.ca](#).

Raymond James' policy is to update reports as it deems appropriate, based on developments with the subject company, the sector or the market that may have a material impact on the research views or opinions stated in a report. Raymond James' policy is only to publish reports that are impartial, independent, clear, and fair and not misleading. Any information relating to the tax status of the securities discussed in this report is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

Links to third-party websites are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize, or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any third-party website or the collection or use of information regarding any website's users and/or members. Raymond James has not reviewed any such third-party websites and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to Raymond James' own website material) is provided solely for your convenience and information, and the content of any such website does not in any way form part of this report. Accessing such website or following such link through this report or Raymond James' website shall be at your own risk. Additional information is available on request.

All right, title, and interest in any Raymond James reports is the exclusive property of Raymond James Financial, Inc. and its affiliates, except as otherwise expressly stated. Raymond James® is the registered trademark of Raymond James Financial, Inc. All trademarks, service marks, slogans, logos, trade dress and other identifiers, third-party data and/or market data ("intellectual property") displayed in the Raymond James reports are the property of Raymond James, or of other parties. The names of other companies and third-party products or services or other intellectual property mentioned in the Raymond James reports may be the copyright, trademarks, or service marks of their respective owners. U.S. and foreign copyright, trademark, common law rights and statutes protect this intellectual property. You are prohibited from using any intellectual property for any purpose including, but not limited to, use on other materials, in presentations, as domain names, or as metatags, without the express written permission of Raymond James or such other party that may own the marks.

**Notice to RJA PCG Financial Advisors** - Non-U.S. securities discussed in this report are generally not eligible for sale in the U.S. unless they are listed on a U.S. securities exchange. This report may not be used to solicit the purchase or sale of a security in any state where such a solicitation would be illegal. By accessing this report, you agree to not solicit the purchase or sale of any security mentioned in the report that is not listed on a U.S. securities exchange, or is not otherwise registered under applicable state Blue Sky laws. Furthermore, you acknowledge that you will be solely responsible for any and all costs associated with the rescission of trades in unregistered securities. Please contact the International Research Liaison with any questions at 727.567.5559.

## Ratings and Definitions

**RJA (U.S.) Definitions: Strong Buy (SB1)** The security is expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months. **Outperform (MO2)** The security is expected to appreciate or outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used

for securities where Raymond James is comfortable with the relative safety of the dividend and expects a total return modestly exceeding the dividend yield over the next 12-18 months. **Market Perform (MP3)** The security is expected to perform generally in line with the S&P 500 over the next 12 months and could potentially be used as a source of funds for more highly rated securities. **Underperform (MU4)** The security is expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold. **Suspended (S)** The security's rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable or to comply with applicable regulations or firm policies in certain circumstances. When a security's research coverage has been suspended, the previous rating and price target are no longer in effect for this security, and they should not be relied upon.

**RJL (Canada) Definitions: Strong Buy (SB1)** The security is expected to appreciate and produce a total return of at least 15% and outperform the S&P/TSX Composite Index over the next six to 12 months. **Outperform (MO2)** The security is expected to appreciate and outperform the S&P/TSX Composite Index over the next 12-18 months. **Market Perform (MP3)** The security is expected to perform generally in line with the S&P/TSX composite Index over the next 12 months and could potentially be used as a source of funds for more highly rated securities. **Underperform (MU4)** The security is expected to underperform the S&P/TSX Composite Index or its sector over the next six to 12 months and should be sold. **Suspended (S)** The security's rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable or to comply with applicable regulations or firm policies in certain circumstances or may otherwise have a perceived conflict of interest. When a security's research coverage has been suspended, the previous rating and price target are no longer in effect for this security, and they should not be relied upon.

	Coverage Universe Rating Distribution*				Investment Banking Relationships			
	RJA		RJL		RJA		RJL	
<b>Strong Buy and Outperform (Buy)</b>	562	62%	185	73%	91	16%	59	32%
<b>Market Perform (Hold)</b>	324	36%	66	26%	25	8%	8	12%
<b>Underperform (Sell)</b>	19	2%	2	1%	1	5%	0	0%
<b>Total Number of Companies</b>	905	100%	253	100%	117		67	

\* Columns may not add to 100% due to rounding.

\* Total does not include companies with a suspended rating.

### RJA Suitability Ratings (SR)

**Moderate Risk/Provide Income (M/INC)** Larger capitalization, lower volatility (beta) equities of companies with sound financials, consistent earnings, and dividend yields meaningfully above that of the S&P 500. Many securities in this category are structured with a focus on providing a consistent dividend or return of capital. **Moderate Risk/Wealth Accumulation (M/ACC)** Larger capitalization equities of companies with sound financials, consistent earnings growth, the potential for long-term price appreciation, and often a dividend yield. **Moderately Aggressive Risk/Provide Income (MA/INC)** Generally equities of companies that are structured with a focus on providing a dividend meaningfully above that of the S&P 500. These companies typically feature sound financials, positive earnings, and the potential for long-term price appreciation. **Moderately Aggressive Risk/Wealth Accumulation (MA/ACC)** Generally equities of companies in fast growing and competitive industries with less predictable earnings (or losses), potentially more leveraged balance sheets, rapidly changing market dynamics, and potential risk of principal. **Aggressive Risk/Provide Income (A/INC)** Generally equities of companies that are structured with a focus on providing a meaningful dividend but may face less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial and competitive issues, higher price volatility (beta), and meaningful risk of loss of principal. Securities of companies in this category may have a more volatile income stream from dividends or distributions of capital. **Aggressive Risk/Wealth Accumulation (A/ACC)** Generally equities of companies with a short or unprofitable operating history, limited or less predictable revenues, high risk associated with success, high volatility (beta), potential significant financial or legal issues, and the meaningful risk of loss of principal.

### RJL Suitability Ratings

RJL has developed a proprietary algorithm for risk rating individual securities. The algorithm utilizes data from multiple vendors, and all data is refreshed at least monthly. Accordingly, suitability ratings are updated monthly. The suitability rating shown on this report is current as of the report's published date. In the event that a suitability rating changes after the published date, the new rating will not be reflected until the analyst publishes a subsequent report.

## International Disclosures

**For clients of RJA:** Any foreign securities discussed in this report are generally not eligible for sale in the United States unless they are listed on a U.S. exchange. This report is being provided to you for informational purposes only and does not represent a solicitation for the purchase or sale of a security in any state where such a solicitation would be illegal. Investing in securities of issuers organized outside of the United States, including ADRs, may entail certain risks.

The securities of non-U.S. issuers may not be registered with, nor be subject to, the reporting requirements of the U.S. Securities and Exchange

Commission. There may be limited information available on such securities. Investors who have received this report may be prohibited in certain states or other jurisdictions from purchasing the securities mentioned in this report. Please ask your RJA financial advisor for additional details and to determine if a particular security is eligible for purchase in your state or jurisdiction.

**For clients of RJFS:** This report was prepared and published by Raymond James and is being provided to you by RJFS solely for informative purposes. Any person receiving this report from RJFS should direct all questions and requests for additional information to their RJFS financial advisor.

**For RJA and RJFS clients in Canada:** In the Canadian provinces of Alberta, British Columbia, New Brunswick, Ontario and Quebec (collectively, the "Canadian Jurisdictions"), both RJA and RJFS are relying on the international dealer exemption (the "IDE"), and RJA is also relying on the international adviser exemption (the "IAE"), pursuant to sections 8.18 and 8.26 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103"). RJA and RJFS are not registered to make a trade nor is RJA registered to provide advice in the Canadian Jurisdictions. Neither RJA nor RJFS are members of the Investment Industry Regulatory Organization of Canada.

This report is intended solely for residents of the Canadian Jurisdictions who are permitted clients as set forth in NI 31-103. Neither RJA, RJFS nor their representatives are making an offer to sell or soliciting an offer to buy any security issued by an issuer incorporated, formed or created under the laws of Canada ("Canadian issuers") and discussed in this report. Any trades by permitted clients in any securities of Canadian issuers (whether listed on a U.S., Canadian or other exchange) discussed in this report may not be made through a relationship with RJA or RJFS and shall be directed to RJA for execution. Relationships with clients residing in Canadian Jurisdictions for trading in securities of Canadian issuers must be established through a Canadian registered firm, such as RJA. For additional information regarding establishing a relationship with RJA, Canadian clients should contact 1-888-545-6624.

**For clients of RJA:** In the case where there is Canadian analyst contribution, the report meets all applicable CIRO disclosure requirements. RJA is a member of the Canadian Investor Protection Fund.

**For clients of RJFI and RJWM:** This report is prepared for and distributed by RJFI or Raymond James Wealth Management Limited (RJWM), as applicable, and any investment to which this report relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in the FCA rules or persons described in Articles 19(5) (Investment professionals) or 49(2) (High net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or any other person to whom this promotion may lawfully be directed. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as retail clients.

**For clients of RJIS:** This report is prepared for and distributed by RJIS, and is for the use of professional investment advisers and managers and is not intended for use by retail clients.

For purposes of the FCA requirements, this report is classified as independent with respect to conflict of interest management. RJFI and RJWM are authorised and regulated by the FCA.

**For clients of Raymond James France (RJ France):** RJ France is authorised and regulated by the Autorite de Controle Prudentiel et de Resolution and the Autorite des Marches Financiers. As of 30 November, 2020, RJ France is an unaffiliated entity of Raymond James. RJ France is located at SAS, 45 Avenue George V, 75008, Paris, France, +33 1 45 61 64 90. This report is prepared for and distributed by RJ France pursuant to an agreement with Raymond James, and any investment to which this report relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in "Code Monetaire et Financier" and Reglement General de l'Autorite des Marches Financiers. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as retail clients.

**For recipients in Brazil:** This is a strictly privileged and confidential communication between Raymond James & Associates and its selected clients. This communication contains information addressed only to specific individuals in Brazil and is not intended for distribution to, or use by, any person other than the named addressee. This communication (i) is provided for informational purposes only, (ii) should not be construed in any manner as any solicitation or offer to buy or sell any investment opportunities or any related financial instruments, and (iii) should not be construed in any manner as a public offer of any investment opportunities or any related financial instruments. If you are not the named addressee, you should not disseminate, distribute, or copy this communication. Please notify the sender immediately if you have mistakenly received this communication.

The investments analyzed in this report may not be offered or sold to the public in Brazil. Accordingly, the investments in this report have not been and will not be registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, the "CVM"), nor have they been submitted to the foregoing agency for approval. Documents relating to the investments in this report, as well as the information contained therein, may not be: (i) supplied to the public in Brazil, as the offering of investment products is not a public offering of securities in Brazil; nor (ii) used in connection with any offer for subscription or sale of securities to the public in Brazil.

**For clients in Australia:** Despite anything in this report to the contrary, this report is prepared for and distributed in Australia by RJFI with the assistance of RJA, and RJA at times will act on behalf of RJFI. This report is only available in Australia to persons who are "wholesale clients" (as that term is defined in section 761G of the Corporations Act 2001 (Cth)) and is supplied solely for the use of such wholesale clients and shall not be

distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a “wholesale client”. This research is of a general nature only and has been prepared without taking into account the objectives, financial situation, or needs of the individual recipient. RJFI and RJA do not hold an Australian financial services license. RJFI is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 (Cth) in respect of financial services provided to Australian wholesale clients under the exemption in ASIC Class Order 03/1099 (as continued by ASIC Corporations (Repeal and Transitional) Instrument 2016/396 and extended by ASIC Corporations (Amendment) Instrument 2022/623). RJFI is regulated by the UK FCA under UK laws, which differ from Australian laws. RJA is acting on behalf of RJFI with respect to distribution and communications related to this report.

**For clients in New Zealand:** This report contains general information only, it does not take into account your financial situation, needs, goals or risk tolerance and does not constitute financial advice under the Financial Markets Conduct Act 2013 (NZ) (“FMCA”). In New Zealand, it is intended for “wholesale clients” only (for the purposes of the FMCA) and it is not to be disseminated to retail clients or reproduced in any form. This report and the information contained in or accompanying this report: (i) are not, and are under no circumstances to be construed as, an offer of financial products for issue requiring disclosure to an investor under Part 3 of the FMCA; (ii) have not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the FMCA; and (iii) are not a disclosure document under New Zealand law and do not contain all the information that a disclosure document is required to contain under New Zealand law.

**For recipients in Taiwan:** This report is being distributed to you from outside of Taiwan, and such distribution has not been licensed or approved by the regulators of Taiwan. This report is only available in Taiwan to persons who are “professional investors” (as that term is defined in the *Rules Governing Securities Firms Engaging in Brokerage of Foreign Securities*) and is supplied solely for the use of such professional investors. No person to whom a copy of this report is provided may issue, circulate or distribute this report in Taiwan, or make, give or show a copy of this report to any other person.

**For clients in Québec:** Each client confirms its express wish that this document and all other contracts and related documents be drafted in the English language. *Chaque client confirme sa volonté expresse que ce document ainsi que tous les autres contrats et documents s’y rattachant soient rédigés en langue anglaise.*

**For recipients in India:** This report is a strictly privileged and confidential communication between Raymond James & Associates, Inc., and the selected recipients. This report is prepared solely for informational purposes and does not constitute an offer document nor a solicitation of offer to buy or sell or subscribe to any securities by or to any person in India. The recipient is solely responsible for making its own appraisal and independent investment decisions in connection with the securities discussed in this report, including independent evaluation regarding the legal, credit, tax, accounting, and reporting aspects of such securities.

#### Additional SBI Client Disclaimers

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared for and is distributed by SBI, pursuant to an arrangement between RJA and SBI. RJA is not an affiliate of SBI. SBI is registered in Japan with the Financial Services Agency (“FSA”) as a Financial Instruments Business Operator (kinyu shouhin torihiki gyousha, a “FIBO”) registered with the FSA (Registration Number: Director of the Kanto Local Finance Bureau (Financial Instruments Business) No. 44) to engage in the Type I Financial Instruments Business (dai 1-shu kinyu shouhinn torihiki gyou), the Type II Financial Instruments Business (dai 2-shu kinyu shouhin torihiki gyou), the Investment Advisory Business and Investment Agency Business (toushi jogen gyou / toushi dairi gyou), and the Securities Related Business (yukashouken kanren gyou). This report is only for distribution by SBI in Japan to qualified institutional investors (tekikaku kikan toushika, “QIIs”) for whom exist certain disclosure and other obligations under the Financial Instruments and Exchange Act (“FIEA”). Any QIIs wishing to purchase, deal or otherwise discuss the securities covered in this report should contact your sales representative. References to or commentary on the futures markets contained in this report are provided only in the context of their impact on securities traded with SBI or its partners or third-party service providers, including RJA for U.S. securities. No facility for trading futures has been provided to you and accordingly the information is not provided in connection with a dealing in futures.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. If your status has changed or the distribution restrictions set forth above impact your ability to receive this report, please contact your usual SBI representative.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law and limit our ability to provide reports to you. This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of SBI.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

Under the terms of the agreement between RJA and SBI, RJA is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. Neither RJA nor SBI is under any obligation to update this report in the event of a material change to the information contained in this report. Neither RJA nor SBI has any and will accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the

information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, SBI, its affiliates and related persons (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of SBI or RJA, or their respective affiliates to any person to buy or sell any investments.

SBI and/or its respective affiliates and related corporations, their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, SBI, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report. Any of RJA's material conflicts of interest are disclosed above these Additional SBI Client Disclaimers, particularly in the sections titled "Analyst Information," "Company Specific Disclosures," and "Investor Disclosures."

By RJA producing this report for SBI, RJA has confirmed to SBI that the opinions expressed are based on information it believes to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made.

The term "RJA" shall, unless the context otherwise requires, mean RJA and its affiliates, subsidiaries and related companies. The term "SBI" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, SBI Securities Co., Ltd. and its affiliates, subsidiaries and related corporations.

## Proprietary Rights Notice

By accepting a copy of this report, you acknowledge and agree as follows:

This report is confidential and is provided to clients of Raymond James only for your personal, noncommercial use. Except as expressly authorized by Raymond James, you may not copy, reproduce, transmit, sell, display, distribute, publish, broadcast, circulate, modify, disseminate, or commercially exploit the information contained in this report, in printed, electronic, or any other form, in any manner, without the prior express written consent of Raymond James. You also agree not to reproduce or otherwise to use this report or its contents, or to permit such use by others, (i) for any unlawful purpose; (ii) in or to create any derivative work; (iii) in any software program, including any artificial intelligence, augmented reality, or virtual reality platform or system; or (iv) for training artificial intelligence technologies, including without limitation technologies that are capable of generating works in the same style or genre as this report; provided, however, with regards to (ii), (iii), or (iv) above, unless and only to the extent as may be otherwise expressly agreed to in writing by Raymond James. This report and its contents are the property of Raymond James and are protected by applicable copyright, trade secret or other intellectual property laws (of the United States and other countries). United States law, 17 U.S.C. Sec. 501 et. seq., provides for civil and criminal penalties for copyright infringement. No copyright claimed in incorporated U.S. government works.

© 2026 Raymond James Financial, Inc. All rights reserved.

© 2026 Raymond James & Associates, Inc.

© 2026 Raymond James Ltd., Member Canadian Investor Protection Fund