

Enapter AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: H2O GR
 ISIN: DE000A255G02

H1 report

RATING
BUY

PRICE TARGET
€ 34.00

Return Potential 29.8%
 Risk Rating High

HIGH ORDER INTAKE IN H1 - UPGRADE TO BUY

Enapter has reported H1 figures, which were in line with our expectations, and raised sales guidance for 2022. A high H1 order intake of €6.3m shows that Enapter's standardised electrolyzers are in strong demand. H1 sales of €2.0m and an order backlog of €6.1m at the end of H1 strengthen our confidence in our 2021 sales forecast of €9.3m. The company has confirmed its 2021 guidance (sales: €9.2m, EBITDA: €-7.5m, net income: €-8.3m). Overall, Enapter has made important progress in the first half of the year in the areas of electrolyser production, mass production facility planning, staff recruitment, sales expansion, acquisition of government grants and equity raising. This leads us to significantly increase our previously cautious forecasts for the years 2022 onwards. We continue to value the company on the basis of a peer comparison and a DCF model, and weight both at 50%. Our valuation yields a new price target of €34 (previously: €26). We upgrade our rating from Add to Buy.

2021 guidance confirmed, 2022 revenue guidance raised Based on the current order backlog and order intake as well as orders under negotiation, the Enapter Group confirms the planned 2021 revenue of €9.2m, EBITDA of €-7.5m and net income of €-8.3m. However, due to the Corona pandemic and resulting potential supply chain disruptions, revenue recognition is still subject to a degree of risk. The increased output at the Pisa production site leads to higher sales guidance for 2022. Enapter now plans sales of €44.8m in 2022 (previously: €34.9m). Due to expected higher personnel costs, the company plans EBIT of €-8.7m for 2022 (previously: €-7.9m).

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|--------------------|---------|---------|---------|--------|--------|--------|
| Revenue (€m) | 0.71 | 0.93 | 2.07 | 9.25 | 43.59 | 115.20 |
| Y-o-y growth | n.a. | 30.9% | 122.7% | 347.0% | 371.1% | 164.3% |
| EBIT (€m) | -1.09 | -1.50 | -3.54 | -8.35 | -8.53 | 1.80 |
| EBIT margin | -152.8% | -161.5% | -171.2% | -90.3% | -19.6% | 1.6% |
| Net income (€m) | -1.09 | -1.52 | -3.57 | -8.40 | -9.95 | -1.16 |
| EPS (diluted) (€) | 0.00 | 0.00 | -0.16 | -0.28 | -0.34 | -0.04 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FCF (€m) | -0.98 | -3.36 | -6.17 | -28.59 | -95.76 | -14.51 |
| Net gearing | -142.7% | -17.1% | -32.2% | -41.3% | 212.5% | 261.7% |
| Liquid assets (€m) | 0.77 | 1.35 | 4.25 | 19.90 | 2.25 | 2.04 |

RISKS

The main risks are: financing risk, technological risk, production risk, increasing competition, innovations.

COMPANY PROFILE

Enapter produces standardised electrolyzers, which are scalable to larger units based on a modular approach. Enapter's patent-protected AEM technology offers high cost reduction potential. Enapter has a production site in Pisa, Italy, and ca. 130 employees.

MARKET DATA

As of 11 Aug 2021

| | |
|-------------------------|----------------|
| Closing Price | € 26.20 |
| Shares outstanding | 23.10m |
| Market Capitalisation | € 605.25m |
| 52-week Range | € 2.81 / 49.60 |
| Avg. Volume (12 Months) | 5,377 |

| Multiples | 2020 | 2021E | 2022E |
|------------|-------|-------|-------|
| P/E | n.a. | n.a. | n.a. |
| EV/Sales | 271.8 | 60.8 | 12.9 |
| EV/EBIT | n.a. | n.a. | n.a. |
| Div. Yield | 0.0% | 0.0% | 0.0% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2021

| | |
|----------------------|----------|
| Liquid Assets | € 14.90m |
| Current Assets | € 19.94m |
| Intangible Assets | € 5.60m |
| Total Assets | € 31.57m |
| Current Liabilities | € 5.22m |
| Shareholders' Equity | € 22.48m |

SHAREHOLDERS

| | |
|--------------------|-------|
| BluGreen | 75.6% |
| Sergei Storozhenko | 4.7% |
| Free Float | 19.7% |



Strong sales growth in H1 In H1, Enapter more than tripled sales y/y from €0.6m to €2.0m (FBe: €2.1m). The expansion of production in P&A, the development of the new production facility in Saerbeck, the expansion of sales and the increase in personnel led to significantly higher costs. Personnel expenses rose from €1.2m in H1/20 to €3.0m. In June 2021, the number of employees was 132 (end of 2020: 100), of which 58 were in the research and development department (end of 2020: 44). Other operating expenses rose from €0.8m in H1/20 to €2.8m, resulting in EBIT of €3.9m compared to €-1.8m in the prior year period (see figure 1).

Figure 1: Reported figures versus forecasts

| All figures in €m | H1-21A | H1-21E | Delta | H1-20A | Delta |
|-------------------|---------|---------|-------|---------|-------|
| Sales | 2.0 | 2.1 | -4% | 0.6 | 218% |
| EBIT | -3.9 | -3.8 | - | -1.8 | - |
| margin | -195.9% | -138.1% | | -276.3% | |
| Net income | -4.0 | -3.9 | - | -1.8 | - |
| margin | -197.6% | -141.7% | | -277.0% | |
| EPS (diluted) | -0.18 | -0.18 | - | -0.08 | - |

Source: First Berlin Equity Research, Enapter AG

Balance sheet expansion reflects increased business activity Enapter's balance sheet total has more than doubled to €31.6m. On the assets side, intangible assets, property, plant & equipment, and inventories increased strongly. The strongest increase – due to the capital increase – was in the cash position. It more than tripled to €14.9m (see figure 2). On the liabilities side, the equity position increased sharply and now stands at €22.5m. The equity ratio rose from 60% to 71%. With a net cash position is €11.0m, Enapter has a significantly stronger balance sheet than at the end of 2020.

Figure 2: Selected balance sheet positions

| in €m | H1-21A | 2020A | Delta |
|--------------------------------------|-------------|-------------|-------------|
| Intangible goods & Goodwill | 5.6 | 4.0 | 41% |
| Property, plant & equipment | 5.0 | 2.9 | 74% |
| Rights-of-use assets | 1.0 | 1.0 | -7% |
| Non-current assets, total | 11.6 | 7.9 | 47% |
| Inventories | 3.8 | 1.3 | 195% |
| Receivables | 0.1 | 0.2 | -62% |
| Cash and cash equivalents | 14.9 | 4.2 | 251% |
| Current assets, total | 19.9 | 6.6 | 201% |
| Equity | 22.5 | 8.7 | 157% |
| Equity ratio | 71.2% | 60.1% | +11 PP |
| Financial debt (long-term) | 2.5 | 0.0 | 11762% |
| Financial debt (short-term) | 0.8 | 1.4 | -43% |
| Lease liabilities (long-term) | 0.5 | 0.6 | -8% |
| Lease liabilities (short-term) | 0.1 | 0.1 | 0% |
| Net debt | -11.0 | -2.1 | n.a |
| Net Gearing (net debt / equity in %) | -48.9% | -24.6% | - |
| Payables | 2.4 | 0.9 | 149% |
| Balance sheet total | 31.6 | 14.6 | 117% |

Source: First Berlin Equity Research, Enapter AG

High cash flow from financing activities ensured net cash inflow The net loss and increased inventories meant that operating cash flow was €-4.8m. Investments of €4.1m resulted in free cash flow of €-8.9m. Cash flow from financing activities amounted to €19.6m (net €17.8m from the capital increase and €1.9m from net borrowings). Net cash inflow was €10.7m (see figure 3 overleaf).

Figure 3: Selected cash flow positions

| in €m | H1-21A | H1-20A |
|--------------------------|--------|--------|
| Operating cash flow | -4.8 | -0.1 |
| CAPEX | -4.1 | -1.1 |
| Free cash flow | -8.9 | -1.2 |
| Cash flow from investing | -4.1 | -1.4 |
| Cash flow from financing | 19.6 | 0.8 |
| Net cash flow | 10.7 | -0.7 |

Source: First Berlin Equity Research, Enapter AG

High order intake and record order backlog In the first half of 2021, the order intake was €6.3m, compared to just €3.6m for the full year 2020. The current order backlog is €6.1m (end of 2020: €2.0m).

International sales ramp up In total, Enapter has sold more than 1,600 electrolysers and delivered them to 166 customers in over 40 countries. Enapter is making good progress in building its global partner network. More than 30 partners are already certified and actively selling the AEM electrolyser in their markets.

Pisa production site is growing In H1 2021, the site in Pisa/Italy was expanded by an additional building equipped with laboratories and a clean room. Manual series production is currently being further expanded so that shift production will be possible in the second half of 2021.

Product development progress We introduced the "AEM Multicore" in our last report (see our report from 27 April 2021). The AEM Multicore has a capacity of 1 MW and produces about 450 kg of hydrogen per day. Enapter expects to deliver the first five Multicores in H2 2022.

The EL 4.0, Enapter's next generation flagship electrolyser, will, like the EL 2.1, have hydrogen production of 0.5 Nm³/h, but will weigh significantly less (about -25%) and have a smaller installation size (about -15%). Lower weight and smaller size should result in tangible raw material savings. We expect the EL 4.0 to be produced significantly faster due to greater standardisation and anticipate first deliveries in early 2022.

Enapter receives a total of €22m in funding from the state of North Rhine-Westphalia, the federal government, and KfW In June, Enapter received notification of approval from the state of North Rhine-Westphalia for funding totalling €9.4m, including €7.3m by the end of 2023, for the production development of the planned electrolyser mass production facility in Saerbeck.

In July, Enapter received notification of approval for funding totalling €5.6m from the German Federal Ministry of Education and Research (BMBF). Enapter had submitted a grant application in February 2021 for the development, design and construction of the first megawatt-class AEM electrolyser (AEM Multicore). The grants are spread over the years 2021-2025, including approximately €3m by the end of 2023.

In August, Enapter received a grant notification for €7.2m from KfW. The non-repayable grant is for energy-efficient construction and covers the first two construction phases of the Enapter Campus in Saerbeck near Münster in NRW. The grant will be paid out at the end of the construction project, which is scheduled for the end of 2022. The company has thus received a total of €22m in funding statements to date.

€18m raised through capital increase in March The capital increase carried out in March raised €18.3m through the issue of 832,000 shares at €22.00 each. This increased the number of shares to 23,101,300.



Further capital measure planned in autumn To finance the (down-) payments under the general contractor agreement for the first two construction phases of the mass production facility in Saerbeck and for working capital requirements, Enapter anticipates a capital requirement of ca. €21.5m by the end of the fiscal year. The company therefore plans to carry out an equity raise in the autumn of 2021 to close the financing gap.

Industrial mass production in Germany from 2023 Construction of the industrial mass production facility on the approx. 77,000 m² site in Saerbeck near Münster is scheduled to start this year. The foundation stone will be laid on 14 September 2021, and we expect completion and start of production in Q4/22 with first deliveries in early 2023. The production facility is expected to reach a production capacity of more than 100,000 electrolyser units. Meanwhile, Enapter believes that production in Saerbeck may well reach 300 MW p.a. This would correspond to a capacity of 125,000 units p.a. Since Enapter can also run production in a multi-shift system and has sufficient space to build more lines, the company can also reach a capacity of 1,000 MW (=1 GW) and more by 2025.

It is currently difficult to estimate how quickly Enapter will actually succeed in establishing functioning mass production. The company has used both electrolyser units and megawatts to determine capacity or output. We assume that an electrolyser unit has a capacity of 2.4 kW, as before. The product of electrolyser units and capacity is then the capacity of the entire production facility (see figure 4).

We have developed a scenario to elicit where revenue could end up if the production facility in Saerbeck reaches a capacity of 80,000 electrolysers (192 MW) in 2023 and rises to 300,000 units (720 MW) by 2026. We use capacity utilisation assumptions to determine output in MW. For example, we have assumed a low utilisation rate of 50% for 2023 to account for possible delays in the factory ramp-up as well as usual production optimisations. The average selling price depends on market conditions and Enapter's product mix. For 2023, we assume €1.2m/MW and model a 20% price reduction p.a. This leads to a halving of the price by 2026. Our assumptions result in a revenue scenario that is far above our previous estimates. For 2023, this would result in sales of €115m (FBe previously: €68m). In 2026, sales would already be €354m (FBe previously: €147m) (see figure 4).

Figure 4: Possible expansion path for production site in Saerbeck

| Possible expansion path | 2023 | 2024 | 2025 | 2026 |
|-----------------------------------|---------|---------|---------|---------|
| Capacity (electrolyser units) | 80,000 | 120,000 | 200,000 | 300,000 |
| Power per electrolyser unit in kW | 2.4 | 2.4 | 2.4 | 2.4 |
| Capacity production site in MW | 192 | 288 | 480 | 720 |
| Capacity utilisation in % | 50% | 70% | 70% | 80% |
| Output in MW | 96 | 202 | 336 | 576 |
| Average selling price in €/kW | 1,200 | 960 | 768 | 614 |
| Revenue in €m | 115.200 | 193.536 | 258.048 | 353.894 |

Source: First Berlin Equity Research, Enapter AG

Forecasts raised Following the high order intake in H1, we expect Enapter to further expand production capacity in Pisa to meet the expected high demand next year. We now assume sales of €43.6m in 2022. From 2023 onwards, the new production facility in Saerbeck should lead to significant output increases as described above. We are therefore significantly increasing our forecasts for 2023 and subsequent years. The higher sales in 2023 should result in positive operating earnings contributions from 2023 onwards (see figure 5 overleaf).

**Figure 5: Revisions to forecasts**

| All figures in €m | 2021E | | | 2022E | | | 2023E | | |
|-------------------|--------|--------|-------|--------|--------|-------|-------|-------|-------|
| | Old | New | Delta | Old | New | Delta | Old | New | Delta |
| Sales | 9.3 | 9.3 | 0.0% | 34.8 | 43.6 | 25.1% | 68.3 | 115.2 | 68.6% |
| EBIT | -8.2 | -8.4 | - | -9.9 | -8.5 | - | -2.5 | 1.8 | - |
| margin | -89.0% | -90.3% | - | -28.5% | -19.6% | - | -3.7% | 1.6% | - |
| Net income | -8.3 | -8.4 | - | -10.3 | -10.0 | - | -3.2 | -1.2 | - |
| margin | -89.7% | -90.7% | - | -29.5% | -22.8% | - | -4.7% | -1.0% | - |
| EPS (diluted) | -0.28 | -0.28 | - | -0.35 | -0.34 | - | -0.11 | -0.04 | - |

Source: First Berlin Equity Research, Enapter AG

Upgrade to Buy at higher price target An updated DCF model, which takes into account our higher forecasts, yields a fair value of €17.42 (previously: €13.23). At the same time, the peer group valuation leads to a fair value of €51.51 (previously: €39.00). The higher peer group valuation is due to the higher sales estimate for 2023, which is multiplied by the EV/sales peer group multiple for 2023. Our valuation model weights both valuation approaches at 50%. This yields a new price target of €34 (previously: €26). We upgrade our rating from Add to Buy.



VALUATION MODEL

We calculate the fair value of Enapter based on a DCF model and a peer group analysis. We weight both valuation models with 50%.

DCF MODEL

The DCF model discounts free cash flows generated in the future to the present value (GW). We use a three-phase model that estimates phase 1 up to and including 2026E in detail. For phase 2 from 2027E to 2035E, free cash flows are determined on the basis of assumptions about the most important model-relevant parameters (sales, EBIT, depreciation, CAPEX, working capital). The third phase calculates the terminal value.

Figure 6: DCF model

| DCF valuation model | | | | | | | | |
|----------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| All figures in EUR '000 | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
| Net sales | 9,253 | 43,588 | 115,200 | 193,536 | 258,048 | 353,894 | 438,829 | 544,147 |
| NOPLAT | -8,352 | -8,530 | 1,805 | 12,190 | 19,579 | 26,408 | 31,462 | 41,759 |
| + depreciation & amortisation | 882 | 2,618 | 6,668 | 6,864 | 7,030 | 7,338 | 7,841 | 8,470 |
| Net operating cash flow | -7,470 | -5,912 | 8,473 | 19,054 | 26,609 | 33,745 | 39,303 | 50,229 |
| - total investments (CAPEX, WC, Other) | -18,979 | -75,323 | -17,719 | -16,920 | -17,475 | -27,318 | -28,590 | -33,967 |
| Capital expenditures | -21,336 | -84,236 | -10,598 | -9,677 | -12,199 | -15,764 | -18,351 | -21,271 |
| Working capital | 258 | -4,187 | -9,421 | -9,443 | -7,777 | -11,554 | -10,239 | -12,696 |
| Other | 2,100 | 13,100 | 2,300 | 2,200 | 2,500 | 0 | 0 | 0 |
| Free cash flows (FCF) | -26,449 | -81,235 | -9,246 | 2,133 | 9,134 | 6,427 | 10,713 | 16,262 |
| PV of FCF's | -25,395 | -70,181 | -7,187 | 1,492 | 5,746 | 3,638 | 5,456 | 7,449 |

| All figures in thousands | | |
|---------------------------------------------|---------|--|
| PV of FCFs in explicit period (2021E-2035E) | 44,747 | |
| PV of FCFs in terminal period | 332,570 | |
| Enterprise value (EV) | 377,317 | |
| + Net cash / - net debt (pro forma) | 42,678 | |
| + Investments / minority interests | 1 | |
| Shareholder value | 419,995 | |
| Diluted number of shares | 24,113 | |
| Fair value in EUR | 17.42 | |

| | |
|----------------------|-------|
| Terminal growth | 4.0% |
| Terminal EBIT margin | 14.9% |

| WACC | | Terminal growth rate | | | | | | |
|-------|-------|----------------------|-------|-------|-------|-------|--------|------|
| | | 2.5% | 3.0% | 3.5% | 4.0% | 4.5% | 5.0% | 5.5% |
| 7.1% | 43.61 | 47.66 | 52.82 | 59.61 | 68.98 | 82.72 | 104.83 | |
| 8.1% | 32.36 | 34.65 | 37.43 | 40.89 | 45.30 | 51.10 | 59.11 | |
| 9.1% | 24.77 | 26.16 | 27.80 | 29.76 | 32.14 | 35.09 | 38.86 | |
| 10.1% | 19.37 | 20.26 | 21.29 | 22.48 | 23.88 | 25.56 | 27.60 | |
| 11.1% | 15.39 | 15.99 | 16.66 | 17.42 | 18.30 | 19.32 | 20.52 | |
| 12.1% | 12.38 | 12.78 | 13.23 | 13.74 | 14.31 | 14.97 | 15.72 | |
| 13.1% | 10.04 | 10.32 | 10.63 | 10.98 | 11.36 | 11.80 | 12.29 | |
| 14.1% | 8.19 | 8.39 | 8.61 | 8.85 | 9.12 | 9.42 | 9.75 | |

* for layout purposes the model shows numbers only to 2028, but runs until 2035

Source: First Berlin Equity Research



PEER GROUP ANALYSIS

For the peer group analysis, we select the most important listed electrolyser manufacturers where the focus lies clearly on the production of electrolysers. These include the companies ITM Power Plc, McPhy Energy S.A. and Nel ASA.

In addition, the most important fuel cell manufacturers are taken into account, as they are likely to benefit from the trend towards (green) hydrogen in the same way as the electrolyser suppliers. Fuel cell technology is the reversal of electrolysis technology. The hydrogen is converted into electricity and water in an electrochemical reaction in the fuel cell. Fuel cells are used for stationary and mobile power supply as well as for driving vehicles (forklifts, cars, buses, trucks, trains, ships, and in the future aircraft). The most important listed fuel cell manufacturers are Ballard Power, Plug Power, FuelCell Energy, Ceres Power, and SFC Energy. The Norwegian company, Hexagon Purus, is also part of the peer group. The subsidiary of Hexagon Composites went public in December 2020 and manufactures hydrogen storage systems for electric vehicles. The peer group comparison is based on the analyst consensus estimates for the years 2021-2023 (source: Bloomberg).

Figure 7: Peergroup Enapter

| Peergroup - Key Figures | | | | | | | | | | | | | | | | |
|-------------------------|-----|----------------|---------------|---------------|-------|-------|-------|-------|---------|---------|--------|--------|--------|--------|--------|--------|
| Company | LC | Price in LC | MC in LC m | EV in LC m | EPS | | | Sales | | | EBITDA | | | EBIT | | |
| | | | | | 21e | 22e | 23e | 21e | 22e | 23e | 21e | 22e | 23e | 21e | 22e | 23e |
| ITM Power | GBP | 4.07 | 2,241.2 | 2,193.1 | -0.04 | -0.04 | -0.01 | 5.3 | 27.7 | 74.8 | -17.9 | -14.1 | -2.4 | -20.2 | -15.9 | -6.0 |
| McPhy Energy | EUR | 15.95 | 445.4 | 254.5 | -0.48 | -0.62 | -0.54 | 14.7 | 24.1 | 53.6 | -11.8 | -12.9 | -8.6 | -11.2 | -14.3 | -12.6 |
| NEL | NOK | 14.85 | 21,633.6 | 18,389.5 | -0.48 | -0.23 | -0.06 | 950.4 | 1,493.6 | 2,335.0 | -290.9 | -198.0 | 61.9 | -408.2 | -349.3 | -115.9 |
| Ballard Power Systems | USD | 15.92 | 4,737.9 | 3,509.4 | -0.27 | -0.20 | -0.10 | 103.2 | 146.6 | 225.4 | -63.1 | -51.4 | -26.1 | -68.1 | -64.7 | -41.6 |
| Plug Power | USD | 27.40 | 15,737.3 | 11,844.2 | -0.42 | -0.20 | -0.04 | 492.0 | 748.8 | 1,137.7 | -91.4 | 37.4 | 169.5 | -170.7 | -46.0 | 16.3 |
| FuelCell Energy | USD | 6.84 | 2,205.9 | 2,224.0 | -0.28 | -0.18 | -0.13 | 72.5 | 121.1 | 207.2 | -33.8 | -14.1 | 8.9 | -60.8 | -45.2 | -31.6 |
| Ceres Power | GBP | 10.49 | 1,997.4 | 1,939.7 | -0.08 | -0.07 | -0.08 | 30.4 | 34.7 | 38.8 | -13.1 | -10.5 | -9.9 | -12.5 | -10.4 | -9.0 |
| Hexagon Purus | NOK | 33.72 | 7,723.8 | 6,775.0 | -1.28 | -1.17 | -0.68 | 324.5 | 516.0 | 1,055.0 | -295.5 | -364.0 | -283.5 | -314.0 | -345.0 | -194.0 |
| SFC Energy | EUR | 27.50 | 397.9 | 384.5 | -0.15 | 0.27 | 0.60 | 67.1 | 102.0 | 150.0 | 5.0 | 10.6 | 17.7 | 2.0 | 5.6 | 11.5 |

Source: Bloomberg

| Peergroup - Valuation Multiples | | | | | | | | | | | | | | | | |
|---------------------------------|-----|----------------|---------------|---------------|-------|--------|-------|------------|-------|-------|-------------|--------|--------|-----------|-------|--------|
| Company | LC | Price in LC | MC in LC m | EV in LC m | P / E | | | EV / Sales | | | EV / EBITDA | | | EV / EBIT | | |
| | | | | | 21e | 22e | 23e | 21e | 22e | 23e | 21e | 22e | 23e | 21e | 22e | 23e |
| ITM Power | GBP | 4.07 | 2,241.2 | 2,193.1 | neg. | neg. | neg. | 416.62 | 79.10 | 29.33 | neg. | neg. | neg. | neg. | neg. | neg. |
| McPhy Energy | EUR | 15.95 | 445.4 | 254.5 | neg. | neg. | neg. | 17.36 | 10.56 | 4.75 | neg. | neg. | neg. | neg. | neg. | neg. |
| NEL | NOK | 14.85 | 21,633.6 | 18,389.5 | neg. | neg. | neg. | 19.35 | 12.31 | 7.88 | neg. | neg. | 297.08 | neg. | neg. | neg. |
| Ballard Power Systems | USD | 15.92 | 4,737.9 | 3,509.4 | neg. | neg. | neg. | 33.99 | 23.94 | 15.57 | neg. | neg. | neg. | neg. | neg. | neg. |
| Plug Power | USD | 27.40 | 15,737.3 | 11,844.2 | neg. | neg. | neg. | 24.07 | 15.82 | 10.41 | neg. | 316.27 | 69.88 | neg. | neg. | 726.37 |
| FuelCell Energy | USD | 6.84 | 2,205.9 | 2,224.0 | neg. | neg. | neg. | 30.68 | 18.36 | 10.74 | neg. | neg. | 250.74 | neg. | neg. | neg. |
| Ceres Power | GBP | 10.49 | 1,997.4 | 1,939.7 | neg. | neg. | neg. | 63.84 | 55.87 | 49.99 | neg. | neg. | neg. | neg. | neg. | neg. |
| Hexagon Purus | NOK | 33.72 | 7,723.8 | 6,775.0 | neg. | neg. | neg. | 20.88 | 13.13 | 6.42 | neg. | neg. | neg. | neg. | neg. | neg. |
| SFC Energy | EUR | 27.50 | 397.9 | 384.5 | neg. | 103.00 | 45.83 | 5.73 | 3.77 | 2.56 | 77.06 | 36.13 | 21.79 | 197.19 | 68.14 | 33.58 |
| Average | | | | | n.a. | 103.00 | 45.83 | 70.28 | 25.87 | 15.29 | 77.06 | 176.20 | 159.87 | 197.19 | 68.14 | 379.98 |
| Median | | | | | n.a. | 103.00 | 45.83 | 24.07 | 15.82 | 10.41 | 77.06 | 176.20 | 160.31 | 197.19 | 68.14 | 379.98 |

Source: First Berlin Equity Research, Bloomberg

Since the consensus estimates 2021E-2023E for EBITDA, EBIT and EPS of most peer group companies are negative, an assessment of Enapter based on multipliers such as EV/EBITDA, EV/EBIT and P/E is not possible. The only multiplier available is EV/revenue. The peer group median value for 2023E is 10.4 (see figure 7). On the basis of our Enapter sales estimate for 2023 of €115.2m and the 2023E median sales multiple of 10.4, this would result in a fair EV of €115.2m * 10.4 = €1,199.3m. According to our model, Enapter's pro forma cash position amounts to €42.7m, which leads to a fair shareholder value of €1,242.0m. Based on the diluted number of shares we calculate to be 24.11 million, this yields a fair value of €51.51 (figure 8 overleaf).

**Figure 8: Peergroup based valuation of Enapter**

| Peer group-based fair value | Unit | new | old |
|--------------------------------------|------|---------|-------|
| EV/sales multiplier 2023E | x | 10.4 | 13.1 |
| Enapter's sales 2023E | €m | 115.2 | 68.3 |
| Fair EV | €m | 1,199.3 | 897.8 |
| Net cash position (pro forma) | €m | 42.7 | 42.7 |
| Fair shareholder value | €m | 1,242.0 | 940.5 |
| Diluted number of shares, discounted | m | 24.11 | 24.11 |
| Fair value per share | € | 51.51 | 39.00 |

Source: First Berlin Equity Research

FAIR VALUE AND PRICE TARGET

We derive our target price from our DCF model-based valuation, as well as from our peer group-based valuation and weight both at 50%. This yields a price target of €34 (previously: €26, see figure 9).

Figure 9: Price target calculation

| in € | new | old |
|-----------------------|-------|-------|
| Fair value DCF model | 17.42 | 13.23 |
| Fair value peer group | 51.51 | 39.00 |
| Mean | 34.46 | 26.12 |
| Price target | 34.00 | 26.00 |

Source: First Berlin Equity Research



INCOME STATEMENT

| All figures in EUR '000 | 2019A | 2020A | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E |
|--------------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Revenues | 929 | 2,070 | 9,253 | 43,588 | 115,200 | 193,536 | 258,048 | 353,894 |
| Changes in Inventories | 107 | 242 | 0 | 0 | 0 | 0 | 0 | 0 |
| Own Work | 1,805 | 2,208 | 2,406 | 2,179 | 2,304 | 2,516 | 3,143 | 4,022 |
| Cost of goods sold | 1,108 | 2,320 | 8,790 | 32,255 | 80,640 | 135,475 | 180,634 | 247,726 |
| Gross profit (Sales ./. COGS) | -179 | -250 | 463 | 11,333 | 34,560 | 58,061 | 77,414 | 106,168 |
| Personnel costs | 1,827 | 3,356 | 6,612 | 12,343 | 16,219 | 24,192 | 31,130 | 41,148 |
| Other operating income | 73 | 605 | 463 | 872 | 1,728 | 2,516 | 3,284 | 4,408 |
| Other operating expenses | 1,232 | 2,369 | 4,189 | 7,953 | 13,900 | 19,354 | 25,218 | 33,781 |
| EBITDA | -1,253 | -2,920 | -7,470 | -5,912 | 8,473 | 19,547 | 27,494 | 39,668 |
| Depreciation and amortisation | 248 | 625 | 882 | 2,618 | 6,668 | 6,864 | 7,030 | 7,338 |
| Operating income (EBIT) | -1,501 | -3,544 | -8,352 | -8,530 | 1,805 | 12,683 | 20,464 | 32,331 |
| Net financial result | -15 | -21 | -45 | -1,421 | -2,961 | -2,811 | -2,769 | -2,716 |
| Non-operating expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-tax income (EBT) | -1,516 | -3,565 | -8,397 | -9,950 | -1,156 | 9,872 | 17,695 | 29,614 |
| Income taxes | 0 | 3 | 0 | 0 | 0 | 494 | 885 | 5,923 |
| Minority interests | -2 | -1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income / loss | -1,518 | -3,569 | -8,397 | -9,950 | -1,156 | 9,379 | 16,810 | 23,692 |
| Ratios | | | | | | | | |
| Gross margin on revenues | -19.2% | -12.1% | 5.0% | 26.0% | 30.0% | 30.0% | 30.0% | 30.0% |
| EBITDA margin on revenues | -134.8% | -141.0% | -80.7% | -13.6% | 7.4% | 10.1% | 10.7% | 11.2% |
| EBIT margin on revenues | -161.5% | -171.2% | -90.3% | -19.6% | 1.6% | 6.6% | 7.9% | 9.1% |
| Net margin on revenues | -163.4% | -172.4% | -90.7% | -22.8% | -1.0% | 4.8% | 6.5% | 6.7% |
| Tax rate | 0.0% | -0.1% | 0.0% | 0.0% | 0.0% | 5.0% | 5.0% | 20.0% |
| Expenses as % of revenues | | | | | | | | |
| Personnel costs | 196.5% | 162.1% | 71.5% | 28.3% | 14.1% | 12.5% | 12.1% | 11.6% |
| Depreciation and amortisation | 26.7% | 30.2% | 9.5% | 6.0% | 5.8% | 3.5% | 2.7% | 2.1% |
| Other operating expenses | 132.5% | 114.4% | 45.3% | 18.2% | 12.1% | 10.0% | 9.8% | 9.5% |
| Y-Y Growth | | | | | | | | |
| Revenues | 30.9% | 122.7% | 347.0% | 371.1% | 164.3% | 68.0% | 33.3% | 37.1% |
| Operating income | n.m. | n.m. | n.m. | n.m. | n.m. | 602.9% | 61.3% | 58.0% |
| Net income/ loss | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 79.2% | 40.9% |



BALANCE SHEET

| All figures in EUR '000 | 2019A | 2020A | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E |
|-------------------------------------------|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | | | |
| Current assets, total | 3,530 | 6,633 | 23,973 | 12,916 | 25,665 | 41,025 | 57,116 | 79,733 |
| Cash and cash equivalents | 1,354 | 4,248 | 19,903 | 2,246 | 2,039 | 1,947 | 5,312 | 9,023 |
| Short-term investments | 255 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables | 38 | 184 | 761 | 3,583 | 9,468 | 15,907 | 21,209 | 29,087 |
| Inventories | 862 | 1,300 | 2,408 | 6,186 | 13,256 | 22,270 | 29,693 | 40,722 |
| Other current assets | 1,020 | 901 | 901 | 901 | 901 | 901 | 901 | 901 |
| Non-current assets, total | 4,469 | 7,917 | 28,558 | 110,290 | 114,335 | 117,216 | 122,446 | 130,928 |
| Property, plant & equipment | 1,245 | 2,870 | 21,371 | 99,983 | 100,896 | 100,648 | 101,999 | 105,530 |
| Goodwill & other intangibles | 2,071 | 3,977 | 6,116 | 9,236 | 12,368 | 15,497 | 19,376 | 24,326 |
| Right-of-use assets | 1,119 | 1,033 | 1,033 | 1,033 | 1,033 | 1,033 | 1,033 | 1,033 |
| Other assets | 34 | 38 | 38 | 38 | 38 | 38 | 38 | 38 |
| Total assets | 7,999 | 14,550 | 52,530 | 123,206 | 140,000 | 158,241 | 179,562 | 210,661 |
| Shareholders' equity & debt | | | | | | | | |
| Current liabilities, total | 2,742 | 4,452 | 7,980 | 13,392 | 21,342 | 19,937 | 21,886 | 29,238 |
| Short-term debt | 915 | 1,415 | 3,000 | 6,000 | 10,415 | 3,000 | 0 | 0 |
| Leasing liabilities | 83 | 109 | 109 | 109 | 109 | 109 | 109 | 109 |
| Accounts payable | 583 | 947 | 2,890 | 5,302 | 8,837 | 14,847 | 19,795 | 27,148 |
| Current provisions | 62 | 239 | 239 | 239 | 239 | 239 | 239 | 239 |
| Other current liabilities | 1,181 | 1,851 | 1,851 | 1,851 | 1,851 | 1,851 | 1,851 | 1,851 |
| Long-term liabilities, total | 1,327 | 1,353 | 3,639 | 78,853 | 88,854 | 99,122 | 101,683 | 101,738 |
| Long-term debt | 21 | 21 | 21 | 62,021 | 69,606 | 77,606 | 77,606 | 77,606 |
| Leasing liabilities | 639 | 568 | 754 | 868 | 983 | 1,051 | 1,112 | 1,167 |
| Other liabilities | 165 | 278 | 2,378 | 15,478 | 17,778 | 19,978 | 22,478 | 22,478 |
| Deferred revenue | 502 | 486 | 486 | 486 | 486 | 486 | 486 | 486 |
| Minority interests | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Shareholders' equity | 3,931 | 8,744 | 40,910 | 30,960 | 29,804 | 39,182 | 55,993 | 79,684 |
| Share capital | 1,238 | 22,269 | 24,113 | 24,113 | 24,113 | 24,113 | 24,113 | 24,113 |
| Capital reserve | 5,854 | -6,771 | 31,948 | 31,948 | 31,948 | 31,948 | 31,948 | 31,948 |
| Other reserves | -13 | -37 | -37 | -37 | -37 | -37 | -37 | -37 |
| Treasury stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss carryforward / retained earnings | -3,148 | -6,716 | -15,113 | -25,064 | -26,220 | -16,841 | -31 | 23,661 |
| Total consolidated equity and debt | 7,999 | 14,550 | 52,530 | 123,206 | 140,000 | 158,241 | 179,562 | 210,661 |
| Ratios | | | | | | | | |
| Current ratio (x) | 1.29 | 1.49 | 3.00 | 0.96 | 1.20 | 2.06 | 2.61 | 2.73 |
| Quick ratio (x) | 0.97 | 1.20 | 2.70 | 0.50 | 0.58 | 0.94 | 1.25 | 1.33 |
| Net debt | -673 | -2,812 | -16,882 | 65,775 | 77,982 | 78,659 | 72,294 | 68,583 |
| Net gearing | -17.1% | -32.2% | -41.3% | 212.5% | 261.7% | 200.8% | 129.1% | 86.1% |
| Return on equity (ROE) | -38.6% | -40.8% | -20.5% | -32.1% | -3.9% | 23.9% | 30.0% | 29.7% |
| Days of sales outstanding (DSO) | 15.1 | 32.5 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Days inventory outstanding | 284.1 | 204.5 | 100.0 | 70.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Days in payables (DIP) | 192.2 | 149.1 | 120.0 | 60.0 | 40.0 | 40.0 | 40.0 | 40.0 |



CASH FLOW STATEMENT

| All figures in EUR '000 | 2019A | 2020A | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E |
|-------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|
| EBIT | -1,501 | -3,544 | -8,352 | -8,530 | 1,805 | 12,683 | 20,464 | 32,331 |
| Depreciation and amortisation | 248 | 625 | 882 | 2,618 | 6,668 | 6,864 | 7,030 | 7,338 |
| EBITDA | -1,253 | -2,920 | -7,470 | -5,912 | 8,473 | 19,547 | 27,494 | 39,668 |
| Changes in working capital | 89 | 528 | 258 | -4,187 | -9,421 | -9,443 | -7,777 | -11,554 |
| Other adjustments | 18 | 255 | -45 | -1,421 | -2,961 | -3,305 | -3,653 | -8,639 |
| Operating cash flow | -1,146 | -2,137 | -7,257 | -11,520 | -3,909 | 6,799 | 16,064 | 19,475 |
| Investments in PP&E | -381 | -1,830 | -19,023 | -80,749 | -6,912 | -5,806 | -7,390 | -9,652 |
| Investments in intangibles | -1,829 | -2,208 | -2,313 | -3,487 | -3,686 | -3,871 | -4,809 | -6,113 |
| Free cash flow | -3,356 | -6,175 | -28,593 | -95,756 | -14,507 | -2,878 | 3,865 | 3,711 |
| Acquisitions & disposals, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other investments | -709 | 250 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment cash flow | -2,919 | -3,789 | -21,336 | -84,236 | -10,598 | -9,677 | -12,199 | -15,764 |
| Debt financing, net | 19 | 1,240 | 1,585 | 65,000 | 12,000 | 585 | -3,000 | 0 |
| Equity financing, net | 1,200 | 6,189 | 40,563 | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other financing | 3,428 | 1,390 | 2,100 | 13,100 | 2,300 | 2,200 | 2,500 | 0 |
| Financing cash flow | 4,646 | 8,819 | 44,248 | 78,100 | 14,300 | 2,785 | -500 | 0 |
| FOREX & other effects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net cash flows | 581 | 2,894 | 15,655 | -17,656 | -207 | -92 | 3,365 | 3,711 |
| Cash, start of the year | 773 | 1,354 | 4,248 | 19,903 | 2,246 | 2,039 | 1,947 | 5,312 |
| Cash, end of the year | 1,354 | 4,248 | 19,903 | 2,246 | 2,039 | 1,947 | 5,312 | 9,023 |

Y-Y Growth

| | | | | | | | | |
|---------------------|------|-------|--------|-------|--------|--------|--------|-------|
| Operating cash flow | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 136.3% | 21.2% |
| Free cash flow | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | -4.0% |
| Financial cash flow | | 89.8% | 401.7% | 76.5% | -81.7% | -80.5% | n.m. | n.m. |

Imprint / Disclaimer

First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

Anschrift:

First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

First Berlin Equity Research GmbH

Authored by: Dr. Karsten von Blumenthal, Analyst

All publications of the last 12 months were authored by Dr. Karsten von Blumenthal.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

The production of this recommendation was completed on 12 August 2021 at 15:32

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

Copyright© 2021 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of Enapter AG the following relationships and circumstances exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Enapter AG for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0,5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

With regard to the financial analyses of Enapter AG the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Enapter AG for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

| Category | | 1 | 2 |
|--------------------------------------|----------------------------------------|---------------|-------------|
| Current market capitalisation (in €) | | 0 - 2 billion | > 2 billion |
| Strong Buy ¹ | An expected favourable price trend of: | > 50% | > 30% |
| Buy | An expected favourable price trend of: | > 25% | > 15% |
| Add | An expected favourable price trend of: | 0% to 25% | 0% to 15% |
| Reduce | An expected negative price trend of: | 0% to -15% | 0% to -10% |
| Sell | An expected negative price trend of: | < -15% | < -10% |

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

RECOMMENDATION & PRICE TARGET HISTORY

| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 21 September 2020 | €6.50 | Buy | €8.90 |
| 2...1 | ↓ | ↓ | ↓ | ↓ |
| 2 | 21 September 2020 | €6.50 | Buy | €8.90 |
| 3 | 2 February 2021 | €35.80 | Add | €41.70 |
| 4 | 27 April 2021 | €22.30 | Add | €26.00 |
| 5 | Today | €26.20 | Buy | €34.00 |

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

EXCLUSION OF LIABILITY (DISCLAIMER)

RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA and/or Canada.