

Enapter AG

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

Update

RATING

PRICE TARGET

Return Potential
 Risk Rating

BUY

€ 6.00

56.3%
 High

SALES WARNING BUT EBITDA GUIDANCE UNCHANGED

Enapter has lowered 2024 sales guidance from €34m to between €22m and €24m. The reasons for this are delays in the production of Nexus electrolysers and postponements of customer projects. Despite the significant reduction in sales guidance, Enapter is maintaining its EBITDA guidance (€-7m - €-8m). We attribute this to a higher gross margin and cost discipline. Following the 2024 sales warning, we have significantly lowered our forecasts for subsequent years. The current order backlog of some €50m ensures strong growth for 2025 (FBe: +136% y/y). Overall, however, the ramp-up of the hydrogen economy is progressing much more slowly than anticipated. Geopolitical challenges and weak growth in Europe are further stress factors. An updated DCF model yields a new price target of €6.00 (previously: €11.00). We confirm our Buy recommendation.

2024 EBITDA guidance remains unchanged despite sales warning

Although Enapter has significantly lowered 2024 sales guidance, EBITDA guidance remains unchanged. This is a clear indication that the company has its costs under control.

Enapter concludes core partner agreement with Adsensys

In October, Enapter concluded a core partner agreement with the Dutch energy company Adsensys B.V. Enapter will supply Adsensys with AEM stacks, which Adsensys will use to build its own electrolysers in the megawatt range. Adsensys plans to realise electrolyser projects based on Enapter's AEM technology with a total capacity of 10 MW by 2026. We see the conclusion of this first core partnership as proof that Enapter's new strategy of focussing on its core competence, stack production, while third-party suppliers build their own electrolysers using Enapter's technology, is bearing fruit.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024E	2025E	2026E
Revenue (€m)	8.4	14.7	31.6	22.1	52.3	79.2
Y-o-y growth	307.8%	73.8%	115.4%	-29.9%	135.9%	51.5%
EBIT (€m)	-8.6	-12.9	-2.7	-12.6	-6.7	-0.5
EBIT margin	-102.1%	-87.6%	-8.5%	-56.7%	-12.9%	-0.6%
Net income (€m)	-8.7	-13.0	-7.2	-18.5	-12.4	-5.5
EPS (diluted) (€)	-0.38	-0.51	-0.26	-0.68	-0.43	-0.19
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-33.0	-64.9	-24.5	-13.1	-14.9	-8.6
Net gearing	-33.8%	-2.1%	30.6%	39.4%	69.5%	93.4%
Liquid assets (€m)	19.6	5.1	14.6	11.6	3.2	3.6

RISKS

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

COMPANY PROFILE

Enapter produces standardised stacks & electrolysers, which are scalable to larger units based on a modular approach. Enapter's patent-protected AEM technology offers high cost reduction potential. Enapter has production sites in Pisa, Italy, & Saerbeck, Germany, and ca. 200 employees.

MARKET DATA

As of 28 Nov 2024

Closing Price	€ 3.84
Shares outstanding	27.20m
Market Capitalisation	€ 104.43m
52-week Range	€ 3.49 / 9.97
Avg. Volume (12 Months)	23,526

Multiples	2023	2024E	2025E
P/E	n.a.	n.a.	n.a.
EV/Sales	4.3	6.2	2.6
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2024

Liquid Assets	€ 4.08m
Current Assets	€ 44.35m
Intangible Assets	€ 13.12m
Total Assets	€ 133.53m
Current Liabilities	€ 16.13m
Shareholders' Equity	€ 72.71m

SHAREHOLDERS

BluGreen	55.7%
Svelland Global Trading Master	9.2%
Skandinaviska Enskilda Banken	5.6%
Other Investors	13.0%
Free Float	16.5%



Forecasts significantly lowered Enapter has an order backlog of €50m. We therefore consider our new 2025E revenue forecast of €52m to be well achievable. Overall, we have revised our estimates significantly downwards (see figure 1). We now expect positive EBITDA of €5m and EBIT close to break-even for 2026E. We target a first positive net result for 2027E.

Figure 1: Revisions to forecasts

All figures in €m	2024E			2025E			2026E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	33.9	22.2	-35%	67.4	52.3	-22%	141.2	79.2	-44%
EBIT	-12.2	-12.6	-	-7.7	-6.7	-	6.0	-0.5	-
margin	-36.1%	-56.7%	-	-11.4%	-12.9%	-	4.3%	-0.6%	-
Net income	-18.4	-18.5	-	-13.8	-12.4	-	0.2	-5.5	-
margin	-54.3%	-83.4%	-	-20.5%	-23.8%	-	0.2%	-6.9%	-
EPS (diluted, in €)	-0.68	-0.68	-	-0.51	-0.43	-	0.01	-0.19	-

Source: First Berlin Equity Research

Fair value declines significantly An updated DCF model, which takes our revised forecasts into account, yields a significantly lower fair value. The new price target is €6.00 (previously: €11.00). We confirm our Buy recommendation.



VALUATION MODEL

DCF valuation model								
All figures in EUR '000								
	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Net sales	22,150	52,250	79,150	113,185	157,841	214,520	283,947	365,775
NOPLAT	-12,746	-6,850	-534	9,813	17,181	24,076	26,765	34,607
+ depreciation & amortisation	4,601	5,060	5,563	5,714	5,944	6,341	6,897	7,591
Net operating cash flow	-8,145	-1,790	5,029	15,527	23,125	30,417	33,662	42,198
- total investments (CAPEX, WC, Other)	2,918	-5,074	-8,669	-9,151	-17,433	-21,820	-26,375	-30,710
<i>Capital expenditures</i>	-4,430	-14,108	-7,124	-7,470	-9,671	-12,130	-14,714	-17,225
<i>Working capital</i>	5,148	6,534	-1,545	-1,681	-7,762	-9,690	-11,661	-13,485
<i>Other</i>	2,200	2,500	0	0	0	0	0	0
Free cash flows (FCF)	-5,227	-6,864	-3,640	6,376	5,692	8,597	7,287	11,488
PV of FCF's	-5,163	-5,902	-2,724	4,154	3,226	4,242	3,130	4,294

All figures in thousands	
PV of FCFs in explicit period (2024E-2038E)	74,751
PV of FCFs in terminal period	123,445
Enterprise value (EV)	198,195
+ Net cash / - net debt	-25,236
+ Investments / minority interests	1
Shareholder value	172,960
Diluted number of shares	29,073
Fair value in EUR	5.95

Terminal growth	4.0%
Terminal EBIT margin	14.6%

WACC		Terminal growth rate						
		2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
11.9%	11.9%	9.83	10.22	10.66	11.16	11.72	12.36	13.11
12.9%	12.9%	8.02	8.30	8.61	8.96	9.35	9.78	10.28
13.9%	13.9%	6.60	6.80	7.02	7.27	7.55	7.85	8.19
14.9%	14.9%	5.45	5.60	5.77	5.95	6.15	6.37	6.61
15.9%	15.9%	4.52	4.63	4.76	4.89	5.04	5.20	5.37
16.9%	16.9%	3.75	3.84	3.94	4.04	4.15	4.27	4.39
17.9%	17.9%	3.12	3.19	3.26	3.34	3.42	3.51	3.60

* for layout purposes the model shows numbers only to 2031, but runs until 2038



INCOME STATEMENT

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
Revenues	8,442	14,671	31,605	22,150	52,250	79,150
Changes in inventories	540	525	2,078	0	0	0
Own work	3,330	6,383	4,076	2,215	2,090	1,583
Total output	12,312	21,579	37,759	24,365	54,340	80,733
Cost of goods sold	7,874	12,013	12,961	14,841	37,098	53,822
Gross profit (total output / COGS)	4,439	9,567	24,798	9,525	17,243	26,911
Personnel costs	7,596	14,300	13,561	13,500	14,207	15,100
Other operating income	1,367	2,799	4,116	4,430	4,703	3,958
Other operating expenses	5,828	8,648	13,867	8,417	9,405	10,685
EBITDA	-7,619	-10,582	1,485	-7,963	-1,667	5,083
Depreciation and amortisation	1,002	2,276	4,168	4,601	5,060	5,563
Operating income (EBIT)	-8,622	-12,858	-2,683	-12,564	-6,727	-480
Net financial result	-88	-97	-3,618	-5,719	-5,567	-4,951
Pre-tax income (EBT)	-8,709	-12,955	-6,301	-18,283	-12,295	-5,430
Income taxes	-8	23	864	183	123	54
Minority interests	1	1	1	0	0	0
Net income / loss	-8,701	-12,977	-7,163	-18,465	-12,417	-5,485
Diluted EPS (in €)	-0.38	-0.51	-0.26	-0.68	-0.43	-0.19
Ratios						
Gross margin on total output	36.1%	44.3%	65.7%	39.1%	31.7%	33.3%
EBITDA margin on revenues	-90.3%	-72.1%	4.7%	-35.9%	-3.2%	6.4%
EBIT margin on revenues	-102.1%	-87.6%	-8.5%	-56.7%	-12.9%	-0.6%
Net margin on revenues	-103.1%	-88.4%	-22.7%	-83.4%	-23.8%	-6.9%
Tax rate	0.1%	-0.2%	-13.7%	-1.0%	-1.0%	-1.0%
Expenses as % of revenues						
Personnel costs	90.0%	97.5%	42.9%	60.9%	27.2%	19.1%
Depreciation and amortisation	11.9%	15.5%	13.2%	20.8%	9.7%	7.0%
Other operating expenses	69.0%	58.9%	43.9%	38.0%	18.0%	13.5%
Y-Y Growth						
Revenues	307.8%	73.8%	115.4%	-29.9%	135.9%	51.5%
Operating income	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net income/ loss	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.



BALANCE SHEET

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
Assets						
Current assets, total	29,920	27,577	54,778	44,399	31,263	32,560
Cash and cash equivalents	19,604	5,071	14,589	11,640	3,208	3,618
Short-term investments	0	0	0	0	0	0
Receivables	2,638	8,014	23,269	18,205	14,315	13,011
Inventories	3,604	8,421	11,310	8,945	8,131	10,322
Other current assets	4,073	6,071	5,609	5,609	5,609	5,609
Non-current assets, total	32,221	80,237	86,631	86,661	95,910	97,621
Property, plant & equipment	23,985	67,900	72,902	71,609	79,195	79,193
Goodwill & other intangibles	7,110	10,272	11,973	13,296	14,959	16,673
Right-of-use assets	1,055	909	1,007	1,007	1,007	1,007
Other assets	1,156	748	748	748	748	748
Total assets	62,141	107,814	141,408	131,060	127,173	130,181
Shareholders' equity & debt						
Current liabilities, total	10,397	16,070	18,745	16,460	22,289	33,706
Short-term debt	1,186	871	1,004	1,000	5,000	17,075
Leasing liabilities	155	116	135	135	135	135
Accounts payable	6,387	11,191	5,534	3,253	5,082	4,424
Current provisions	516	1,243	4,438	4,438	4,438	4,438
Other current liabilities	2,309	2,765	7,769	7,769	7,769	7,769
Long-term liabilities, total	5,224	5,290	42,398	44,800	47,501	44,577
Long-term debt	2,708	2,371	38,108	38,108	38,108	35,032
Leasing liabilities	575	471	579	781	982	1,133
Other liabilities	512	605	1,632	3,832	6,332	6,332
Deferred revenue	1,428	1,844	2,080	2,080	2,080	2,080
Minority interests	2	1	-1	-1	-1	-1
Shareholders' equity	46,518	86,454	80,266	69,801	57,383	51,898
Share capital	24,406	27,195	27,195	29,073	29,073	29,073
Capital reserve	37,615	87,586	88,623	94,745	94,745	94,745
Other reserves	-83	69	9	9	9	9
Treasury stock	0	0	0	0	0	0
Loss carryforward / retained earnings	-15,418	-28,396	-35,560	-54,026	-66,443	-71,928
Total consolidated equity and debt	62,141	107,814	141,408	131,060	127,173	130,181
Ratios						
Current ratio (x)	2.88	1.72	2.92	2.70	1.40	0.97
Quick ratio (x)	2.53	1.19	2.32	2.15	1.04	0.66
Equity ratio	74.9%	80.2%	56.8%	53.3%	45.1%	39.9%
Net debt	-15,711	-1,830	24,522	27,468	39,899	48,490
Net gearing	-33.8%	-2.1%	30.6%	39.4%	69.5%	93.4%
Return on equity (ROE)	-18.7%	-15.0%	-8.9%	-26.5%	-21.6%	-10.6%
Days of sales outstanding (DSO)	114	199	269	300	100	60
Days inventory outstanding	167	256	319	220	80	70
Days payables outstanding (DPO)	296	340	156	80	50	30



CASH FLOW STATEMENT

All figures in EUR '000	2021A	2022A	2023A	2024E	2025E	2026E
EBIT	-8,622	-12,858	-2,683	-12,564	-6,727	-480
Depreciation and amortisation	1,002	2,276	4,168	4,601	5,060	5,563
EBITDA	-7,619	-10,582	1,485	-7,963	-1,667	5,083
Changes in working capital	-1,136	-6,476	-16,962	5,148	6,534	-1,545
Other adjustments	758	1,594	1,410	-5,902	-5,690	-5,005
Operating cash flow	-7,997	-15,464	-14,067	-8,716	-824	-1,467
Investments in PP&E	-21,570	-44,989	-5,930	-1,551	-10,450	-3,166
Investments in intangibles	-3,483	-4,436	-4,496	-2,880	-3,658	-3,958
Free cash flow	-33,050	-64,889	-24,493	-13,146	-14,931	-8,591
Acquisitions & disposals, net	0	0	0	0	0	0
Other investments	-11	-65	0	0	0	0
Investment cash flow	-25,064	-49,490	-10,426	-4,430	-14,108	-7,124
Debt financing, net	2,463	-653	34,138	-4	4,000	9,000
Equity financing, net	48,304	52,998	0	8,000	0	0
Dividends paid	0	0	0	0	0	0
Other financing	-2,350	-1,924	-127	2,200	2,500	0
Financing cash flow	48,417	50,421	34,011	10,196	6,500	9,000
FOREX & other effects	0	0	0	0	0	0
Net cash flows	15,356	-14,534	9,519	-2,950	-8,431	409
Cash, start of the year	4,248	19,604	5,071	14,589	11,640	3,208
Cash, end of the year	19,604	5,071	14,590	11,640	3,208	3,618

Y-Y Growth

Operating cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Financial cash flow	449.0%	4.1%	-32.5%	-70.0%	-36.3%	38.5%

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
Friedrichstr. 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, Friedrichstraße 69, 10117 Berlin

The production of this recommendation was completed on 29 November 2024 at 10:53

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

Copyright© 2024 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...15	↓	↓	↓	↓
16	12 January 2024	€7.68	Buy	€13.00
17	31 January 2024	€8.10	Buy	€13.00
18	14 February 2024	€8.64	Buy	€13.00
19	1 March 2024	€7.28	Buy	€13.00
20	29 May 2024	€4.51	Buy	€11.00
21	21 June 2024	€4.28	Buy	€11.00
22	10 September 2024	€4.16	Buy	€11.00
23	16 October 2024	€3.97	Buy	€11.00
24	Today	€3.84	Buy	€6.00

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 very 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.