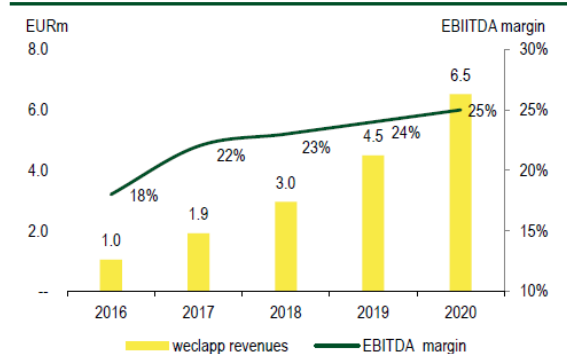


MainFirst's analyst team published a study on 3U HOLDING AG on May 18, 2018. Below is the executive summary:

Executive Summary

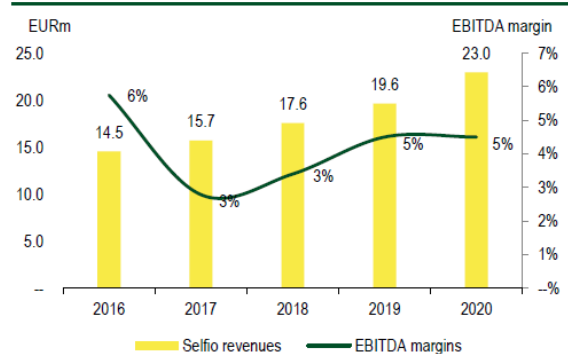
3U HOLDING has been through a phase of transformation but seems well positioned, in our view, to switch into growth mode over the next few years. With weclapp and Selfio, 3U HOLDING is exposed to what we believe are promising, structural growth trends in the cloud-based ERP-software space and the e-Commerce vertical for sanitary and heating products. Our analysis suggests that both companies are near an inflection point for top-line growth which we estimate should result in a FY18-20e CAGR of 51% and 14%, respectively. During the same time we expect profitability to improve disproportionately, as the businesses gain scale.

Figure 1: weclapp - financial profile



Source: MainFirst Research and company data

Figure 2: Selfio - financial profile



Source: MainFirst Research and company data

In our view, the two assets are clearly the hidden gems in 3U HOLDING's portfolio which should trigger a positive re-rating of the shares as investors realize the inherent value of the companies, which, in our view, are not adequately reflected in the current share price. We also note, that 3U HOLDING management considers to support organic growth via M&A, which may prove a positive trigger in the near- to mid-term.

In the Renewable Energies segment, 3U Energy has built a strong track record of not only building but successful selling wind park projects at an early stage. The company plans to invest c. EUR20m in the coming years, not only in new developments but also the acquisition of existing wind parks with a focus on assets in the mid- to late-stage of their lifecycle. We expect the current portfolio to expand from a total energy production capacity of 45MW to 100MW until 2020e. We note that we omit potential revenues from disposal in our model and

valuation approach. Moreover, potential contributions could increase the fair equity value in the range of 10%-30%

Our SotP-valuation indicates a fair value for 3U HOLDING's shares of EUR 1.50, which we set as our initial target price. We initiate coverage with an Outperform rating and >20% upside potential to yesterday's closing price. Unsurprisingly, weclapp and Selfio account for the bulk of our EV-calculation, for 3U HOLDING's portfolio, i.e. 34% and 24%, respectively. Main risks to our positive investment case are a bottleneck in staff or the failure to establish weclapp as leading ERP cloud-software vendor for German SMIDs which would slow and/or stagnate growth potential. Moreover, stagnation in the evolution of online penetration in the SHAC-industry and lack of suitable M&A targets to scale-up Selfio. Last but not least, a value-destructive capital allocation by management of the holding company.

About MainFirst:

MainFirst is an independent European financial services firm, specialising in equity brokerage, equity capital markets and asset management.

In equity brokerage MainFirst covers about 300 European companies and supports with more than 50 sales and sales trading staff over 450 leading European and international institutional investors. The company deliberately pursues a multi-local approach, with equity research and sales in the major financial centres in continental Europe as well as in London and New York. This affords MainFirst's proximity to businesses and investors, which in turn enables to take stronger views and establish closer contacts.