November 17th, 2021
Research update

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3U Holding AG

Light and shadows in the year to date

Rating: Hold (prev.: Buy) | **Price:** 4.51 € | **Price target:** 4.40 € (prev.: 3.80 €)

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Recent business development

Basic data

Based in:	Marburg
Sector:	Software / E-Commerce
Headcount:	227
Accounting:	IFRS
ISIN:	DE0005167902
Ticker:	UUU:GR
Price:	4.51 Euro
Market segment:	Prime Standard
Number of shares:	35.3 m
Market Cap:	159.3 m Euro
Enterprise Value:	187.2 m Euro
Free Float:	67.0 %
Price high/low (12M):	4.78 / 2.00 Euro
Ø turnover (Xetra, 12 M):	69,900 Euro / day

As in the second quarter, 3U was confronted with challenging general conditions in the segments Renewable Energies (below-average wind availability) and SHAC (supply bottlenecks and rising purchase prices) in the summer months, which, together with the negative consolidation effect from last year's sale of a subsidiary and a wind farm, resulted in an almost ten percent decline in sales. In terms of earnings, this was compensated for by the partial sale of a property, which is why the nine-month net profit even increased significantly. Nevertheless, 3U has specified its outlook for the full year to the lower end of the target range and is thus aiming for sales of around EUR 58 m, EBITDA of EUR 11 m and a net profit of EUR 2 m. Compared to the previous year, the profit is therefore likely to fall somewhat in 2021, which is also due to the high costs of the next expansion steps at weclapp (two acquisitions, run-up to the IPO, staff expansion). However, we see these upfront investments as necessary and advantageous and assume that weclapp will thus be able to continue the high growth, which again amounted to almost 50 percent in the nine-month period, at the current level for even longer.

FY ends: 31.12.	2018	2019	2020	2021e	2022e	2023e
Sales (m Euro)	48.0	51.4	61.1	57.2	71.2	85.2
EBIT (m Euro)	2.7	5.5	5.9	5.1	7.1	9.2
Net profit	1.9	4.1	3.3	2.3	3.0	3.8
EPS	0.05	0.12	0.09	0.06	0.08	0.11
Dividend per share	0.03	0.04	0.05	0.03	0.04	0.08
Sales growth	2.3%	7.2%	18.7%	-6.3%	24.5%	19.7%
Profit growth	81.5%	111.7%	-20.2%	-30.3%	31.7%	27.8%
PSR	3.32	3.10	2.61	2.78	2.24	1.87
PER	82.4	38.9	48.8	69.9	53.1	41.5
PCR	267.7	34.0	33.3	26.9	9.0	14.7
EV / EBIT	69.2	34.1	31.5	36.4	26.4	20.4
Dividend yield	0.7%	0.9%	1.0%	0.7%	0.9%	1.8%

Group sales below previous year

The 3U Group's nine-month sales fell by just under 10 percent year-on-year to EUR 40.2 m, mainly due to the sale of a subsidiary and a wind farm at the end of 2020, which together contributed EUR 6.2 m to group sales in the previous year. Adjusted for this effect, revenues from continuing operations increased by around 5 percent, with part of this increase being due to the fact that sales from the sold subsidiary (intra-group in the previous year) now count as external sales. Organic growth in continuing operations is thus likely to have been somewhat lower.

weclapp accelerates again

Organic growth was achieved primarily in the ICT segment, whose revenues increased by almost 20 percent to EUR 16.6 m. The most important driver of this was once again the cloud software specialist weclapp, which grew by 49 percent to almost EUR 7.6 m and thus now generates almost half of the segment's revenues. Fortunately, after the slight slowdown in the second quarter, the momentum at weclapp picked up again significantly in the summer months; viewed separately, the third quarter showed the strongest growth of the current year with an increase of over 54 percent. Voice Business and Data Centre Services have also increased, while the telephony business with private customers, which had recorded an interim high last year due to the pandemic, has now resumed the long-term downward trend.

Weak wind availability burdens sales

In contrast, there was a very significant decline in sales in the segment Renewable Energies, where, in addition to the disposal of the sold wind farm, the unfavourable weather conditions (fewer wind and sun hours compared to the previous year) and the expiry of the guaranteed feed-in tariff for part of the portfolio had a noticeable effect. As a result, segment sales fell by 38 percent to EUR 4.4 m.

Selfio hit by supply bottlenecks

Sales in the SHAC segment were also down (-17 percent to EUR 19.9 m). In addition to last year's sale of the stake in ClimaLevel, this reflects the negative consequences of supply bottlenecks and price increases in the construction sector, which made themselves felt in a 5 percent decline in sales to EUR 15.9 m at Selfio, the segment's core company. In contrast, the segment company Pelia, which is responsible for logistics as well as B2B business, made an increasing contribution to group revenue, but this is largely due to the deconsolidation of the important customer ClimaLevel.

Business figures	9M 2020	9M 2021	*Change*
Sales	44.49	40.21	*-9.6%*
ITC	13.86	16.56	*+19.5%*
Of which weclapp	5.10	7.60	*+49.0%*
Renewable Energies	7.12	4.39	*-38.3%*
SHAC	23.95	19.95	*-16.7%*
Of which Selfio	16.80	15.90	*-5.4%*
Gross profit	22.32	22.19	*-0.6%*
Gross margin	*50.2%*	*55.2%*	
Renewable Energies	6.43	5.56	*-13.6%*
SHAC	3.66	3.57	*-2.3%*
Renewable Energies	5.61	3.22	*-42.6%*
SHAC	-0.38	-0.30	*-22.2%*
Renewable Energies	*14.5%*	*13.8%*	
SHAC	26.4%	21.6%	
Renewable Energies	*78.7%*	*73.2%*	
SHAC	-1.6%	-1.5%	
EBIT	2.59	2.48	*-4.2%*
ITC	3.08	3.00	*-2.5%*
Renewable Energies	2.99	1.16	*-61.4%*
SHAC	-0.70	-0.65	*-6.2%*
EBIT margin	*5.8%*	*6.2%*	
EBT	2.12	2.15	*+1.4%*
EBT margin	*4.8%*	*5.3%*	
Net profit	0.60	0.94	*+55.8%*
Net margin	*1.4%*	*2.3%*	
Free cash flow	-2.07	-15.08	-

m Euro and percent, source: Company

Gross profit stable

Despite the significant decline in sales, gross profit – with EUR 22.2 m – remained stable at the previous year's level (EUR 22.3 m). This was made possible on the one hand by the cost of materials, which fell by 9 percent due to the sale of ClimaLevel and the decline in sales at Selfio, and on the other hand by three positive effects. These included the increased change in inventories (EUR 0.2 m after EUR 0.03 m), the higher capitalisation of services (EUR 0.3 m after EUR 0.04 m) and, above all, the completion of the sale of the parts of the Adelebsen property rented to third parties, which generated income of EUR 2 m.

Strong staff growth and one-off costs at weclapp

Below gross profit, however, personnel expenses and other operating expenses continued to rise. While the latter increased by 7 percent to EUR 6.5 m, the increase in personnel expenses amounted to 3 percent to EUR 10.1 m. For both items, the increase thus accelerated in the third quarter, which is due to the intensified measures to broaden the growth base, especially at weclapp. These included the costs of the ITscope and FinanzGeek acquisitions (on the latter, see below) and the preparation of the IPO targeted for the first half of 2022, but above all the continued expansion of the workforce. The average number of employees (full-time equivalents) in the nine-month period was 120 in the ICT segment, a third higher than the previous year, which, due to the numerous hirings only in the course of the reporting period and the largely stable number of employees in the telecommunications business, still clearly understates the dynamics at weclapp. In total, personnel expenses in the ICT segment increased by 35 percent to EUR 5.5 m in the first nine months, while other operating expenses in the division rose by almost 60 percent to EUR 2.8 m. According to the company, almost EUR 0.5 m of this was attributable to the upfront costs of the IPO alone.

EBIT slightly lower

Due to these upfront costs of the expansion and the IPO, weclapp's EBITDA margin decreased to 24.7 percent (2020 financial year: 35.8 percent), which caused a decline of 4.8 percentage points to 21.6 percent in the ICT segment. Across the group, the combination of the stable gross profit and the increase in costs led to a 14 percent decline in EBITDA to EUR 5.6 m. Nine-month EBIT fell as well, but its decline was cushioned to 4 percent by lower depreciation and amortisation. These decreased by 20 percent to EUR 3.1 m, mainly due to the sale of the wind farm. Nevertheless, the decline in earnings was most pronounced in the segment Renewable Energies in the nine-month period. There, EBIT fell by 61 percent to EUR 1.2 m, while in the ITC segment it fell by just under 3 percent to EUR 3.0 m and in the SHAC segment it even improved slightly to EUR -0.7 m. The largest positive EBIT change was achieved in other activities, where the income from the property sale was recognised.

Net profit increases by 56 percent

Since the financial result improved at the same time from EUR -0.5 m to EUR -0.3 m, the pre-tax result even increased minimally (+1 percent) to EUR 2.1 m. After taxes and minorities, a net profit of EUR 0.9 m remained after nine months, 56 percent more than a year ago. The clearly disproportionate increase compared to the half-year result was made possible by the halved share of minority shareholders in the group result, which was due to the lower profit contribution of the wind farms and the departure of the minority shareholders of ClimaLevel.

High cash outflow

In contrast to the first half of the year, when 3U was able to report a high operating cash flow surplus, this has slipped significantly into the red after nine months at EUR -3.4 m. The decisive factor for this was the build-up of inventories, which increased by EUR 5.8 m in the third quarter alone. This primarily reflects construction investment in the space earmarked for sale in the "InnoHubs" project in Würzburg. There was also a significant change in the investment cash flow in the third quarter. While this had showed a moderate cash outflow of EUR -0.7 m after six months, the outflow increased to EUR -11.7 m at the end of September, mainly due to the payment of the cash component of the purchase price for ITscope. In total, the free cash flow of the first nine months amounted to EUR -15.1 m.

Net liquidity turns into the red

This outflow (and the payments from financing activities amounting to EUR 1.4 m) was financed from existing liquidity, which consequently decreased by EUR 16.2 m to EUR 10.2 m since the turn of the year. This means that for the first time in several quarters, liquidity is below the sum of financial liabilities (EUR 19.7 m).

Balance sheet total strongly increased

The ITscope acquisition also left a clear mark on the balance sheet. The largest change relates to intangible assets, into which the bulk of the purchase price has flowed, and which have additionally increased due to the consolidation of intangible assets already existing at ITscope. Overall, this item increased by EUR 27.2 m to EUR 29.6 m, which means that it now accounts for more than a quarter of the balance sheet total, which increased by 22 percent to EUR 105.0 m. On the liabilities side of the balance sheet, the largest increase was in minority interests, which rose by EUR 5.5 m to EUR 6.4 m due to the issue of new weclapp shares to the sellers of ITscope and, together with the nine-month profit, were the main reason for the increase in equity capital by EUR 7.6 m to EUR 59.6 m. In relation to the balance sheet total, this corresponds to a slightly lower but still very comfortable equity ratio of 56.7 percent.

Forecast specified at the lower end

In response to the persistently challenging environment in the SHAC segment and the below-average earnings of the wind farms in the third quarter as well, 3U has basically confirmed its own forecast for the full year but has now concretised it towards the lower end of the forecast ranges. These remain unchanged at EUR 58 to 63 m for sales, EUR 11 to 13 m for EBITDA and EUR 2 to 4 m for net income. This already includes the contribution of ITscope, which, according to our calculations, is likely to amount to EUR 1 to 1.5 m in sales when consolidated from the fourth quarter onwards. The earnings forecast also includes income from the first partial sales of property development in Würzburg, which is expected to be in the seven-figure range in the fourth quarter.

Another acquisition

After the reporting period, 3U announced another acquisition. For an amount of "less than one million", weclapp has acquired the start-up FinanzGeek, which develops modern, cloud-based business software for micro-enterprises. Since the solution has a smaller scope of services compared to weclapp and thus also a lower complexity, the company sees this as a highly synergetic addition to its own products; all the more so since numerous micro-enterprises are already being successfully approached in the sales process and acquired as test customers. With the new offer, which is specifically tailored to the needs of this target group, weclapp now hopes to further increase the conversion rate in this segment. FinanzGeek is designed exclusively as a SaaS solution, is currently still running in test mode and is to be rolled out for sales "in the first half of 2022 at the latest".

Several model changes

The nine-month report has prompted us to make model changes in several places. The acquisition price for ITscope was significantly higher than we had assumed, but at the same time fewer new weclapp shares were issued than previously assumed, so that the dilution effect on the 3U stake in weclapp is now smaller. In addition, our estimates have taken into account the higher sales and cost dynamics at weclapp as well as the weak development of wind farms in the third quarter and the challenging industry situation in which Selfio finds itself. Thus, in line with the company's forecast, we have now lowered the sales expectation for Selfio for this year to EUR 21 m, whereas we had previously expected a growth to EUR 24.8 m.

Sales: 2021 lower, 2028 higher

For 2021, the changes have resulted in a reduced sales estimate of EUR 57.2 m (previously: EUR 59.5 m), which is slightly below the company's forecast. Our sales estimate for next year is also still below the old figure, while from 2023 the effects of the raised growth rates at weclapp will become predominant. We have thus taken into account both the massive expansion of employee capacities and the FinanzGeek acquisition, from which we expect a significant contribution to growth. With this expansion of its offering range, weclapp can precisely address a market segment that – in terms of numbers – makes up half of the SMB market (small and medium-sized businesses). Overall, this has increased the target sales of our model (for the year 2028) from previously EUR 172 m to EUR 189 m.

Target margin raised

The higher growth dynamic at weclapp causes a shift in the sales mix towards the highly profitable software business, so that the margins assumed in our model have also increased. However, as we have also increased costs at weclapp, this effect will only come into play from 2025 onwards, until then the margins will be below the previous estimates. The target EBIT margin is now 16.7 percent, 0.8 percentage points higher than before. For the current year, however, we now expect EBITDA of EUR 10.3 m and a net profit of EUR 2.3 m (previously: EUR 11.4 m and EUR 2.6 m, respectively). The table on this page shows the overall model business development resulting from our assumptions for the years 2021 to 2028; detailed overviews of the estimates for balance sheet, income statement and cash flows statement can be found in the Annex.

Framework data unchanged

The basic data of the model remain unchanged. We continue to discount the cash flows resulting from our estimates at a WACC rate of 6.8 percent, based on a cost of equity of 8.5 percent (consisting of: beta factor: 1.3, risk-free interest rate: 1.0 percent, risk premium 5.8 percent), borrowing costs of 4.0 percent, a target debt ratio of 30 percent and a tax rate for the tax shield of 30.0 percent. The assumptions used to determine the terminal value have also remained the same: In order to reduce risk, we continue to use a 30 percent safety margin discount on the target EBIT margin for 2028 and, subsequently, a "perpetual" growth rate of 1 percent.

Price target: EUR 4.40 per share

The model results in a market value of equity after minorities of EUR 155.1 m or EUR 4.39 per share, from which we derive the new price target of EUR 4.40 (previously: EUR 3.80). The increase is mainly due to the increase in growth rates at weclapp. In addition, the lower dilution of the 3U stake in weclapp

m Euro	12 2021	12 2022	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028
Sales	57.2	71.2	85.2	102.7	123.2	142.8	165.5	189.4
Sales growth		24.5%	19.7%	20.5%	20.0%	15.9%	15.9%	14.4%
EBIT margin	9.0%	10.0%	10.8%	11.3%	12.6%	14.1%	15.6%	16.7%
EBIT	**5.1**	**7.1**	**9.2**	**11.6**	**15.5**	**20.2**	**25.8**	**31.6**
Tax rate	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%
Adjusted tax payments	1.5	2.1	2.7	3.5	4.6	6.0	7.7	9.4
NOPAT	**3.6**	**5.0**	**6.5**	**8.1**	**10.9**	**14.2**	**18.1**	**22.2**
+ Depreciation & Amortisation	5.2	6.1	5.3	4.3	4.1	3.9	3.5	3.3
+ Increase long-term accruals	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross operating cash flo	8.9	11.2	11.9	12.5	15.0	18.2	21.7	25.6
- Increase Net Working Capital	-2.3	7.1	-0.5	-0.6	-0.7	-0.8	-1.0	-1.1
- Investments in fixed assets	-21.9	-1.0	-1.0	-1.1	-1.1	-1.1	-1.2	-1.2
Free cash flow	**-15.4**	**17.3**	**10.3**	**10.8**	**13.2**	**16.2**	**19.5**	**23.3**

(compared to our previous expectations) as a result of the ITscope takeover had a positive impact and more than compensated for the effect of the purchase price, which was higher than previously assumed. We continue to rate the estimation risk as slightly above average, awarding four out of six possible points.

Sensitivity analysis

When the input parameters are varied for our sensitivity analysis (WACC between 5.8 and 7.8 percent and perpetual cash flows growth between 0 and 2 percent), the fair value of the share lies between EUR 3.38 and EUR 6.42.

Sensitivity analysis	Perpetual cash flows growth				
WACC	**2.0%**	**1.5%**	**1.0%**	**0.5%**	**0.0%**
5.8%	6.42	5.83	5.37	4.99	4.67
6.3%	5.65	5.20	4.83	4.53	4.27
6.8%	5.04	4.69	**4.39**	4.14	3.93
7.3%	4.54	4.26	4.02	3.82	3.64
7.8 %	4.13	3.90	3.70	3.53	3.38

Conclusion

The current financial year is difficult for two segments of 3U Holding. While earnings from the wind farms and the solar park remained below their normal value due to unfavourable weather conditions in the second and third quarters, the e-commerce subsidiary Selfio is struggling with supply bottlenecks and rising purchase prices. Together with the negative consolidation effect of last year's sales of subsidiaries, this was reflected in a 10 percent decline in nine-month sales.

In terms of earnings, this was largely compensated by the income from a property sale, but with regard to the full year, the management has now specified its outlook at the lower end of the previous forecast range.

At the same time, however, the current year is characterised by several developments that are not yet reflected in revenues and earnings, but which will further improve the basis for growth for the future. These include the progress made with the real estate project in Würzburg, which will generate significant income for the first time in the current quarter, but above all the strategic course set by weclapp.

The software subsidiary has not only accelerated its organic growth again, it is also making great strides towards the IPO targeted for the first half of 2022. In addition, the workforce was increased significantly, and the company's own market position was further strengthened with two promising acquisitions.

We have taken these initiatives as an opportunity to make our growth assumptions for weclapp a little bolder, which has also increased future group revenues and margins in our model. As a result, the fair value we determined has increased significantly to EUR 4.40. However, since the share price has reached and exceeded our previous price target since our last update, we do not currently see any further upside potential for the share despite the increase in the price target and adjust our rating to "Hold". A new adjustment could result as soon as the terms of weclapp's IPO are known.

Annex I: Balance sheet and P&L estimation

Balance sheet estimation

m Euro	12 2020	12 2021	12 2022	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028
ASSETS									
I. Total non-current assets	39.2	71.0	65.8	61.5	58.3	55.4	52.6	50.4	48.2
1. Intangible assets	2.4	29.4	27.8	26.6	25.5	24.7	24.1	23.5	23.1
2. Tangible assets	34.7	39.4	35.9	32.9	30.7	28.6	26.5	24.8	23.0
II. Total current assets	43.5	38.9	43.1	49.2	54.9	61.9	70.0	79.3	89.7
LIABILITIES									
I. Equity	52.0	60.7	63.5	67.3	72.0	78.6	87.2	98.3	111.5
II. Accruals	1.6	1.7	1.8	2.0	2.1	2.2	2.3	2.4	2.5
III. Liabilities									
1. Long-term liabilities	20.6	30.7	27.1	24.9	22.7	19.5	15.6	10.7	4.9
2. Short-term liabilities	11.7	16.7	16.5	16.5	16.5	17.0	17.6	18.3	19.0
TOTAL	**85.9**	**109.9**	**108.9**	**110.7**	**113.3**	**117.3**	**122.6**	**129.6**	**137.9**

P&L estimation

m Euro	12 2020	12 2021	12 2022	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028
Sales	61.1	57.2	71.2	85.2	102.7	123.2	142.8	165.5	189.4
Gross profit	27.6	29.0	39.3	49.4	62.4	78.9	94.7	113.5	133.2
EBITDA	11.6	10.3	13.2	14.5	15.8	19.6	24.1	29.2	34.9
EBIT	5.9	5.1	7.1	9.2	11.6	15.5	20.2	25.8	31.6
EBT	5.3	4.3	6.1	8.4	10.8	14.8	19.7	25.6	31.7
EAT (before minorities)	4.0	3.0	4.3	5.9	7.6	10.4	13.8	18.0	22.3
EAT	3.3	2.3	3.0	3.8	4.7	6.5	9.0	12.1	15.1
EPS	0.09	0.06	0.08	0.11	0.13	0.19	0.25	0.34	0.43

Annex II: Cash flows estimation and key figures

Cash flows estimation

m Euro	12 2020	12 2021	12 2022	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028
CF operating	4.8	5.9	17.6	10.8	11.4	13.9	17.0	20.6	24.6
CF from investments	-4.8	-21.9	-1.0	-1.0	-1.1	-1.1	-1.1	-1.2	-1.2
CF financing	5.3	2.2	-5.7	-4.6	-5.5	-7.0	-9.2	-11.8	-14.8
Liquidity beginning of year	20.6	26.4	12.7	23.7	28.8	33.6	39.4	46.1	53.7
Liquidity end of year	26.4	12.7	23.7	28.8	33.6	39.4	46.1	53.7	62.3

Key figures

Percent	12 2020	12 2021	12 2022	12 2023	12 2024	12 2025	12 2026	12 2027	12 2028
Sales growth	18.7%	-6.3%	24.5%	19.7%	20.5%	20.0%	15.9%	15.9%	14.4%
Gross margin	45.3%	50.7%	55.1%	57.9%	60.8%	64.0%	66.3%	68.6%	70.3%
EBITDA margin	18.9%	18.0%	18.6%	17.0%	15.4%	15.9%	16.9%	17.7%	18.4%
EBIT margin	9.7%	9.0%	10.0%	10.8%	11.3%	12.6%	14.1%	15.6%	16.7%
EBT margin	8.6%	7.5%	8.6%	9.9%	10.6%	12.0%	13.8%	15.5%	16.7%
Net margin (after minorities)	5.3%	4.0%	4.2%	4.5%	4.6%	5.3%	6.3%	7.3%	8.0%

Disclaimer

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The charts were made with Tai-Pan (www.lp-software.de).

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10) sc-consult GmbH has included the company's shares in a virtual portfolio managed by sc-consult GmbH

Following conflicts of interests occurred in this report: 1), 3), 4)

Within the framework of compliance regulations, sc-consult GmbH has established structures and processes for the identification and disclosure of conflicts of interests. The responsible compliance representative is currently managing director Dipl.-Kfm. Holger Steffen (e-mail: holger.steffen@sc-consult.com).

II) Preparation and updating

The present financial analysis was prepared by: Dipl. Volkswirt Dr. Adam Jakubowski

Participants in the preparation of the present financial analysis: -

The present analysis was finished on 17.11.2021 at 8:00 and published on 17.11.2021 at 9:30.

For the preparation of its financial analyses, the sc-consult GmbH uses a five-tier rating scheme with regard to price expectation in the next twelve months. Additionally, estimation risk is quantified on a scale from 1 (low) to 6 (high). The ratings are as follows:

Strong Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as below average (1 to 2 points).
Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as average (3 to 4 points).
Speculative Buy	We expect an increase in price for the analysed financial instrument by at least 10 percent. We assess the estimation risk as above average (5 to 6 points).

Hold	We expect that the price of the analysed financial instrument will remain stable (between -10 and +10 percent). The forecast risk (1 to 6 points) has no further impact on the rating. The rating "hold" is also used in cases where we perceive a price potential of more than 10 percent, but explicitly mentioned temporary factors prevent a short-term realization of the price potential.
Sell	We expect that the price of the analysed financial instrument will drop by at least 10 percent. The forecast risk (1 to 6 points) has no further impact on the rating.

The expected change in price refers to the current share price of the analysed company. This price and any other share prices used in this analysis are XETRA closing prices as of the last trading day before publication. If the share is not traded on XETRA, the closing price of another public stock exchange is used with a separate note to that effect.

The price targets published within the assessment are calculated with common methods of financial mathematics, especially with the DCF (discounted cash flow) method, the sum of the parts valuation and a peer group analysis. The valuation methods are affected by economic framework conditions, especially by the development of the interest rates.

The rating resulting from these methods reflects current expectations and can change anytime subject to company-specific or economic changes.

More detailed explanations of the models used by SMC Research can be found at:
http://www.smc-research.com/impressum/modellerlaeuterungen

An overview of the recommendations prepared and distributed by SMC Research in the last 12 months can be found at: http://www.smc-research.com/publikationsuebersicht

In the past 24 months, sc-consult GmbH has published the following financial analyses for the company:

Date	Rating	Price target	Conflict of interests
31.08.2021	Buy	3.80 Euro	1), 3), 4)
19.05.2021	Hold	3.50 Euro	1), 3), 4)
18.03.2021	Buy	3.00 Euro	1), 3), 4)
19.11.2020	Buy	2.60 Euro	1), 3), 4)
13.10.2020	Buy	2.40 Euro	1), 3), 4)
18.08.2020	Buy	2.40 Euro	1), 3)
14.05.2020	Buy	2.05 Euro	1), 3)
31.03.2020	Buy	1.90 Euro	1), 3)
17.02.2020	Buy	2.40 Euro	1), 3), 4)

In the course of the next twelve months, sc-consult GmbH will presumably prepare the following financial analyses for the company: one report, one update and two research comments.

The publishing dates for the financial analyses are not yet fixed at the present moment.

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