

|   |   |   |   |
|---|---|---|---|
| <b>Buy</b><br><b>EUR 61.00</b><br><br>Price <b>EUR 16.45</b><br>Upside <b>270.8 %</b> | <b>Value Indicators:</b> EUR<br>DCF: 60.78  | <b>Warburg ESG Risk Score: 2.0</b><br>ESG Score (MSCI based): n.a.<br>Balance Sheet Score: 2.5<br>Market Liquidity Score: 1.5 | <b>Description:</b><br>Multi-category brand for plant-based food products                 |
|   | <b>Market Snapshot:</b> EUR m<br>Market cap: 20.1<br>No. of shares (m): 1.2<br>EV: 17.8<br>Freefloat MC: 13.6<br>Ø Trad. Vol. (30d): 47.75 th | <b>Shareholders:</b><br>Freefloat 67.40 %<br>Jan Bredack 17.90 %<br>Paladin AM 9.00 %<br>Vegan Angels 5.70 %                  | <b>Key Figures (WRe):</b> 2022e<br>Beta: 2.8<br>Price / Book: 1.4 x<br>Equity Ratio: 31 % |

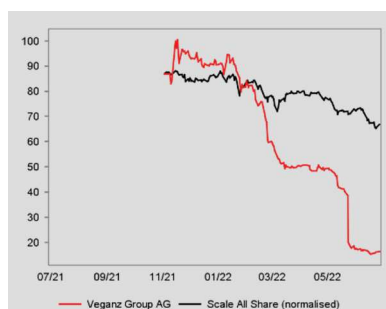
## Leaving rock-bottom behind, back on track for growth

### Meeting Highlights

- After a rather disappointing Q1, which was burdened by a sharp decline in discounter sales, Veganz seems to be back on track and is gaining market share from competitors. Massive supply-chain disruption in the food industry has prompted large consumer goods conglomerates to stop subsidizing their own plant-based food brands and increase prices, which has allowed Veganz to regain volume.
- To circumvent shortages and surging raw-material prices for its own products, Veganz has partially changed the product formulas or secured certain volumes via futures (soy protein), allowing the company to remain cost competitive compared to conventional products or even expand its margin on the same product prices.
- As already announced earlier this year, additional construction work for its large in-house site in Havel have resulted in a delay in the initial schedule. To fulfil its contracted volumes for 2022, Veganz is in the process of setting up temporary, smaller sites. The plant-based fish production ("Laxx") has already started production. For its plant-based cheese and TVP, production should start in the near future.
- The management has reported that approx. 50% of price increases were already implemented in H1. However, Veganz will not increase prices for all products, as it aims to remain competitive and avoid a delisting. On the one hand, this has an adverse effect on the gross margins of individual products but, on the other hand, the sales partner usually takes over some of the marketing costs, which lowers Veganz's marketing expenses and has a positive impact on the EBITDA margin.
- Cash and sufficient liquidity are the main priority of the management right now and several measures to shore up Veganz's cash position are currently being negotiated. A bilateral working capital facility, factoring, as well as sale-and-lease-back of the purchased machinery would limit the cash outflow and allow Veganz to bridge the gap (WRe: 2025) until FCF generation from in-house production starts to rise markedly.
- In addition, negotiations with the owner of the building in Havel are pending. Veganz wants to achieve shared costs for the additional work at the site. If negotiations are successful, some or all of the expenses would be covered by the owner, but the rent would increase, allowing Veganz to stretch the additional capex over the 15 years contracted renting period.

### Conclusion

- We deem Veganz to be back on track to reach its targets for 2024/25 as well as EBITDA breakeven. The management is focusing on the right key tasks such as cash management and diversification of sales channels. FY 2022 though, will remain a year of transition, but by 2023 at the latest, Veganz should be able to reiterate its growth trend and show remarkable top-line growth.
- As mentioned in previous comments, we expect Veganz to have sufficient cash to execute its strategy. There should also be positive news-flow ahead for the remainder of the year, which could help the share price gain some positive momentum again.

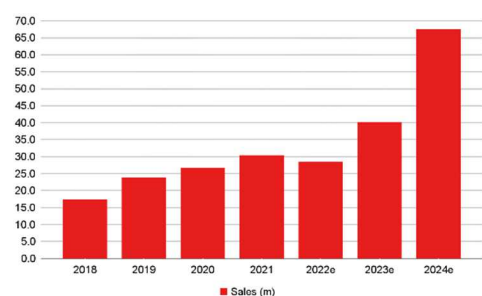


| Rel. Performance vs Scale All |         |
|-------------------------------|---------|
| 1 month:                      | -1.3 %  |
| 6 months:                     | -59.7 % |
| Year to date:                 | -59.7 % |
| Trailing 12 months:           | n/a     |

### Company events:

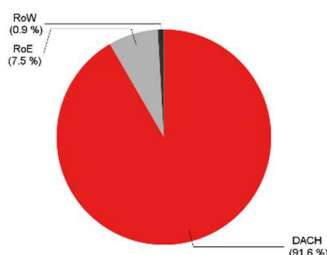
| FY End: 31.12. in EUR m    | CAGR (21-24e)  | 2018    | 2019    | 2020    | 2021    | 2022e   | 2023e   | 2024e  |
|----------------------------|--|---------|---------|---------|---------|---------|---------|--------|
| <b>Sales</b>               | 30.5 %   | 17.4    | 23.9    | 26.8    | 30.4    | 28.5    | 40.2    | 67.5   |
| Change Sales yoy           |  | n.a.    | 37.1 %  | 12.1 %  | 13.6 %  | -6.3 %  | 41.2 %  | 67.9 % |
| Gross profit margin        |  | 25.0 %  | 31.2 %  | 29.9 %  | 30.7 %  | 28.6 %  | 32.5 %  | 38.1 % |
| <b>EBITDA</b>              | -  | -2.9    | -3.2    | -3.2    | -9.8    | -10.2   | -3.8    | 1.6    |
| Margin                     |  | -16.4 % | -13.5 % | -12.1 % | -32.2 % | -35.8 % | -9.5 %  | 2.4 %  |
| <b>EBIT</b>                | -  | -3.2    | -4.1    | -4.3    | -10.8   | -11.6   | -5.9    | -0.5   |
| Margin                     |  | -18.4 % | -17.4 % | -16.0 % | -35.5 % | -40.8 % | -14.7 % | -0.7 % |
| <b>Net income</b>          | -  | -3.8    | -4.6    | -4.9    | -13.3   | -13.1   | -7.3    | -1.9   |
| <b>EPS</b>                 | -  | -3.78   | -4.59   | -4.94   | -10.88  | -10.74  | -6.00   | -1.51  |
| EPS adj.                   | -  | -3.78   | -4.59   | -4.94   | -10.88  | -10.74  | -6.00   | -1.51  |
| <b>DPS</b>                 | -  | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | 0.00    | 0.00   |
| Dividend Yield             |  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.   |
| <b>FCFPS</b>               |  | -1.76   | -2.52   | -3.27   | -11.19  | -13.31  | -12.96  | 2.30   |
| FCF / Market cap           |  | n.a.    | n.a.    | n.a.    | -12.2 % | -80.9 % | -78.8 % | 14.0 % |
| <b>EV / Sales</b>          |  | n.a.    | n.a.    | n.a.    | 3.1 x   | 0.6 x   | 0.8 x   | 0.5 x  |
| <b>EV / EBITDA</b>         |  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | 18.9 x |
| <b>EV / EBIT</b>           |  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.   |
| <b>P / E</b>               |  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.   |
| <b>P / E adj.</b>          |  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.   |
| <b>FCF Potential Yield</b> |  | n.a.    | n.a.    | n.a.    | -10.1 % | -57.3 % | -11.3 % | 5.3 %  |
| <b>Net Debt</b>            |  | 3.5     | 7.9     | 11.9    | -18.6   | -2.3    | 13.5    | 10.7   |
| <b>ROCE (NOPAT)</b>        |  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.   |
| <b>Guidance:</b>           | FY 2022: Sales and EBITDA slightly below 2021's levels |         |         |         |         |         |         |        |

**Sales development**  
in EUR m



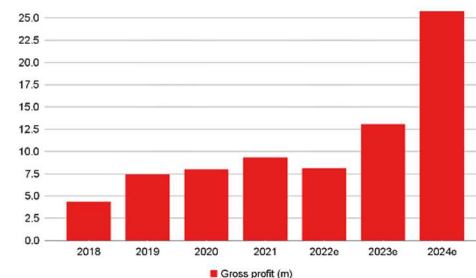
Source: Warburg Research

**Sales by regions**  
2021; in %



Source: Warburg Research

**Gross profit development**  
in EUR m



Source: Warburg Research

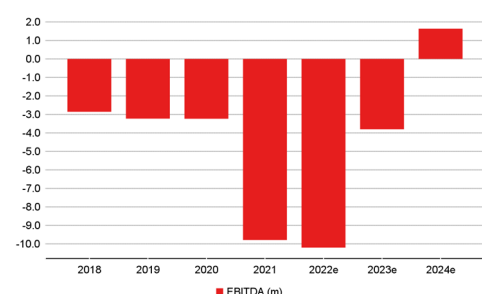
## Company Background

- Veganz' roots can be traced back to the establishment of a vegan supermarket chain by Jan Bredack in 2011 which evolved to a wholesaler of plant-based food products by utilizing its supplier network.
- In 2018, the focus changed towards the development and supply of Veganz branded products which are sold by leading grocery store chains across Europe.
- After selling the majority of the supermarkets, only the Berlin stores are left, accompanied by a small manufacture for vegan cheese.
- Currently, Veganz is vertically integrating the food value chain by setting up a own large-scale production facility for own products in the state of Brandenburg, Germany.
- Veganz focuses on plant-based food production. All products are labelled by the independent foundation "Eaternity", which rates the products' ecological footprint.

## Competitive Quality

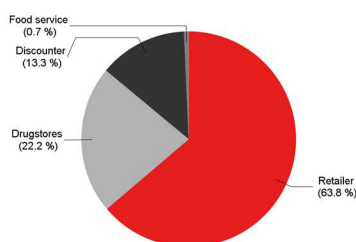
- Veganz is a full-range supplier of plant-based food, offering products across all relevant food categories. The product mix allows Veganz to reach a high customer penetration and portfolio diversification.
- Veganz is able to deliver innovative plant-based food due to its unique product development cycle including market research, research cooperation, customer feedback and in-house development.
- Veganz has built a strong supply chain network and experience in food processing, allowing for the full coverage of the supply chain in-house.
- With its planned production facility in Germany, Veganz will vertically integrate the value chain, which should result in a higher margin generation.
- Veganz has established various sales channels with supermarkets, drug stores and retailers, allowing for a fast expansion and raising market entry barriers for possible competitors.

**EBITDA development**  
in EUR m



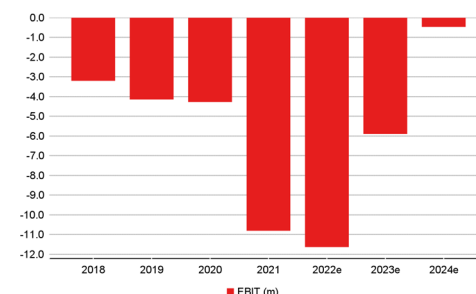
Source: Warburg Research

**Sales by sales channel**  
2021; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

DCF model

| Figures in EUR m            | Detailed forecast period |         |        | Transitional period |        |        |        |        |        |        |        |        |        | Term. Value    |
|-----------------------------|--------------------------|---------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
|                             | 2022e                    | 2023e   | 2024e  | 2025e               | 2026e  | 2027e  | 2028e  | 2029e  | 2030e  | 2031e  | 2032e  | 2033e  | 2034e  |                |
| Sales                       | 28.5                     | 40.2    | 67.5   | 95.4                | 118.2  | 144.5  | 173.8  | 205.5  | 237.9  | 268.6  | 293.6  | 303.9  | 311.5  |                |
| Sales change                | -6.3 %                   | 41.2 %  | 67.9 % | 41.2 %              | 24.0 % | 22.2 % | 20.3 % | 18.2 % | 15.8 % | 12.9 % | 9.3 %  | 3.5 %  | 2.5 %  | 2.0 %          |
| EBIT                        | -11.6                    | -5.9    | -0.5   | 6.7                 | 13.6   | 15.9   | 19.1   | 22.6   | 25.0   | 26.9   | 29.4   | 27.3   | 28.0   |                |
| EBIT-margin                 | -40.8 %                  | -14.7 % | -0.7 % | 7.0 %               | 11.5 % | 11.0 % | 11.0 % | 11.0 % | 10.5 % | 10.0 % | 10.0 % | 9.0 %  | 9.0 %  |                |
| Tax rate (EBT)              | 0.0 %                    | 0.0 %   | 0.0 %  | 28.4 %              | 29.3 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % |                |
| NOPAT                       | -11.6                    | -5.9    | -0.5   | 4.8                 | 9.6    | 10.3   | 12.4   | 14.7   | 16.2   | 17.5   | 19.1   | 17.8   | 18.2   |                |
| Depreciation                | 1.4                      | 2.1     | 2.1    | 2.1                 | 2.2    | 1.6    | 1.9    | 2.1    | 2.4    | 2.7    | 2.9    | 3.0    | 3.1    |                |
| in % of Sales               | 5.0 %                    | 5.2 %   | 3.1 %  | 2.2 %               | 1.8 %  | 1.1 %  | 1.1 %  | 1.0 %  | 1.0 %  | 1.0 %  | 1.0 %  | 1.0 %  | 1.0 %  |                |
| Changes in provisions       | 0.0                      | 0.0     | 0.0    | 0.0                 | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |                |
| Change in Liquidity from    |                          |         |        |                     |        |        |        |        |        |        |        |        |        |                |
| - Working Capital           | -2.1                     | 0.7     | -3.1   | -2.8                | -2.1   | -4.5   | -2.1   | -2.2   | -2.2   | -1.9   | -1.3   | -0.2   | 0.1    |                |
| - Capex                     | 6.7                      | 9.9     | 0.5    | 0.8                 | 0.5    | 0.6    | 0.9    | 1.2    | 1.7    | 2.1    | 2.6    | 3.0    | 3.1    |                |
| Capex in % of Sales         | 23.4 %                   | 24.6 %  | 0.8 %  | 0.8 %               | 0.4 %  | 0.4 %  | 0.5 %  | 0.6 %  | 0.7 %  | 0.8 %  | 0.9 %  | 1.0 %  | 1.0 %  |                |
| - Other                     | 0.0                      | 0.0     | 0.0    | 0.0                 | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |                |
| Free Cash Flow (WACC Model) | -14.8                    | -14.4   | 4.2    | 9.0                 | 13.4   | 15.8   | 15.6   | 17.7   | 19.1   | 19.9   | 20.7   | 17.9   | 18.2   | 19             |
| PV of FCF                   | -13.6                    | -11.5   | 2.9    | 5.4                 | 7.0    | 7.2    | 6.2    | 6.1    | 5.7    | 5.2    | 4.7    | 3.5    | 3.1    | 24             |
| share of PVs                | <b>-39.48 %</b>          |         |        | <b>96.18 %</b>      |        |        |        |        |        |        |        |        |        | <b>43.30 %</b> |

Model parameter

|                          |                |                     |             |
|--------------------------|----------------|---------------------|-------------|
| Derivation of WACC:      |                | Derivation of Beta: |             |
| Debt ratio               | 20.00 %        | Financial Strength  | 3.00        |
| Cost of debt (after tax) | 5.8 %          | Liquidity (share)   | 3.00        |
| Market return            | 7.50 %         | Cyclicality         | 3.00        |
| Risk free rate           | 2.00 %         | Transparency        | 3.00        |
|                          |                | Others              | 2.00        |
| <b>WACC</b>              | <b>15.09 %</b> | <b>Beta</b>         | <b>2.80</b> |

Valuation (m)

|                            |           |                              |              |
|----------------------------|-----------|------------------------------|--------------|
| Present values 2034e       | 32        |                              |              |
| Terminal Value             | 24        |                              |              |
| Financial liabilities      | 11        |                              |              |
| Pension liabilities        | 0         |                              |              |
| Hybrid capital             | 0         |                              |              |
| Minority interest          | 0         |                              |              |
| Market val. of investments | 0         |                              |              |
| Liquidity                  | 29        | No. of shares (m)            | 1.2          |
| <b>Equity Value</b>        | <b>74</b> | <b>Value per share (EUR)</b> | <b>60.78</b> |

Sensitivity Value per Share (EUR)

| Beta | WACC   | Terminal Growth |        |        |        |        |        |        | Beta | WACC   | Delta EBIT-margin |         |         |         |         |         |         |
|------|--------|-----------------|--------|--------|--------|--------|--------|--------|------|--------|-------------------|---------|---------|---------|---------|---------|---------|
|      |        | 1.25 %          | 1.50 % | 1.75 % | 2.00 % | 2.25 % | 2.50 % | 2.75 % |      |        | -1.5 pp           | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp |
| 3.03 | 16.1 % | 53.97           | 54.24  | 54.52  | 54.81  | 55.11  | 55.42  | 55.74  | 3.03 | 16.1 % | 45.90             | 48.87   | 51.84   | 54.81   | 57.78   | 60.75   | 63.72   |
| 2.91 | 15.6 % | 56.73           | 57.03  | 57.35  | 57.68  | 58.02  | 58.37  | 58.74  | 2.91 | 15.6 % | 48.33             | 51.44   | 54.56   | 57.68   | 60.79   | 63.91   | 67.03   |
| 2.86 | 15.3 % | 58.18           | 58.51  | 58.85  | 59.20  | 59.56  | 59.94  | 60.33  | 2.86 | 15.3 % | 49.61             | 52.81   | 56.00   | 59.20   | 62.39   | 65.58   | 68.78   |
| 2.80 | 15.1 % | 59.70           | 60.04  | 60.40  | 60.78  | 61.17  | 61.57  | 61.99  | 2.80 | 15.1 % | 50.95             | 54.23   | 57.50   | 60.78   | 64.05   | 67.33   | 70.60   |
| 2.74 | 14.8 % | 61.27           | 61.64  | 62.03  | 62.43  | 62.84  | 63.27  | 63.72  | 2.74 | 14.8 % | 52.35             | 55.71   | 59.07   | 62.43   | 65.79   | 69.15   | 72.51   |
| 2.69 | 14.6 % | 62.91           | 63.31  | 63.72  | 64.15  | 64.59  | 65.05  | 65.53  | 2.69 | 14.6 % | 53.80             | 57.25   | 60.70   | 64.15   | 67.59   | 71.04   | 74.49   |
| 2.57 | 14.1 % | 66.40           | 66.85  | 67.32  | 67.81  | 68.32  | 68.85  | 69.40  | 2.57 | 14.1 % | 56.90             | 60.54   | 64.17   | 67.81   | 71.45   | 75.09   | 78.72   |

- To reflect the full ramp-up of the in-house production, we have made a detailed forecast until 2026.
- We apply a long-term EBIT-margin of 9%, derived from established food peers with a broad value chain coverage.
- Growth rates are derived from the production plan of Veganz. As long-term growth rate, we apply 2.0%.
- To reflect the early-stage character of the plant-based food market, we apply a beta of 2.8 and WACC of 15.09%
- In line with the in-house production ramp up, we apply an increasing WC ratio and maintenance capex.

| Valuation                           |       |        |        |         |         |         |        |
|-------------------------------------|-------|--------|--------|---------|---------|---------|--------|
|                                     | 2018  | 2019   | 2020   | 2021    | 2022e   | 2023e   | 2024e  |
| Price / Book                        | n.a.  | n.a.   | n.a.   | 4.2 x   | 1.4 x   | 3.1 x   | 4.3 x  |
| Book value per share ex intangibles | -5.56 | -13.37 | -17.30 | 12.60   | 2.63    | -2.59   | -3.33  |
| EV / Sales                          | n.a.  | n.a.   | n.a.   | 3.1 x   | 0.6 x   | 0.8 x   | 0.5 x  |
| EV / EBITDA                         | n.a.  | n.a.   | n.a.   | n.a.    | n.a.    | n.a.    | 18.9 x |
| EV / EBIT                           | n.a.  | n.a.   | n.a.   | n.a.    | n.a.    | n.a.    | n.a.   |
| EV / EBIT adj.*                     | n.a.  | n.a.   | n.a.   | n.a.    | n.a.    | n.a.    | n.a.   |
| P / FCF                             | n.a.  | n.a.   | n.a.   | n.a.    | n.a.    | n.a.    | 7.2 x  |
| P / E                               | n.a.  | n.a.   | n.a.   | n.a.    | n.a.    | n.a.    | n.a.   |
| P / E adj.*                         | n.a.  | n.a.   | n.a.   | n.a.    | n.a.    | n.a.    | n.a.   |
| Dividend Yield                      | n.a.  | n.a.   | n.a.   | n.a.    | n.a.    | n.a.    | n.a.   |
| FCF Potential Yield (on market EV)  | n.a.  | n.a.   | n.a.   | -10.1 % | -57.3 % | -11.3 % | 5.3 %  |

\*Adjustments made for: -

| Company Specific Items      |      |      |      |      |       |       |       |
|-----------------------------|------|------|------|------|-------|-------|-------|
|                             | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
| Sales (incl. Veganz Retail) | 15.9 | 26.4 | 29.7 | 33.0 | 31.1  | 42.8  | 70.2  |

**Consolidated profit & loss**

| In EUR m   | 2018           | 2019           | 2020           | 2021           | 2022e          | 2023e          | 2024e         |
|--|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| <b>Sales</b>                                     | <b>17.4</b>    | <b>23.9</b>    | <b>26.8</b>    | <b>30.4</b>    | <b>28.5</b>    | <b>40.2</b>    | <b>67.5</b>   |
| Change Sales yoy                                 | n.a.           | 37.1 %         | 12.1 %         | 13.6 %         | -6.3 %         | 41.2 %         | 67.9 %        |
| Increase / decrease in inventory                 | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0           |
| Own work capitalised                             | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0           |
| <b>Total Sales</b>                               | <b>17.4</b>    | <b>23.9</b>    | <b>26.8</b>    | <b>30.4</b>    | <b>28.5</b>    | <b>40.2</b>    | <b>67.5</b>   |
| Material expenses                                | 13.1           | 16.4           | 18.8           | 21.1           | 20.4           | 27.1           | 41.8          |
| <b>Gross profit</b>                              | <b>4.4</b>     | <b>7.4</b>     | <b>8.0</b>     | <b>9.3</b>     | <b>8.1</b>     | <b>13.1</b>    | <b>25.8</b>   |
| <i>Gross profit margin</i>                       | <i>25.0 %</i>  | <i>31.2 %</i>  | <i>29.9 %</i>  | <i>30.7 %</i>  | <i>28.6 %</i>  | <i>32.5 %</i>  | <i>38.1 %</i> |
| Personnel expenses                               | 3.0            | 2.8            | 2.9            | 3.4            | 4.2            | 5.2            | 5.5           |
| Other operating income                           | 1.0            | 0.1            | 0.5            | 0.2            | 0.0            | 3.0            | 0.0           |
| Other operating expenses                         | 5.1            | 8.0            | 8.8            | 15.9           | 14.1           | 14.7           | 18.6          |
| Unfrequent items                                 | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0           |
| <b>EBITDA</b>                                    | <b>-2.9</b>    | <b>-3.2</b>    | <b>-3.2</b>    | <b>-9.8</b>    | <b>-10.2</b>   | <b>-3.8</b>    | <b>1.6</b>    |
| <i>Margin</i>                                    | <i>-16.4 %</i> | <i>-13.5 %</i> | <i>-12.1 %</i> | <i>-32.2 %</i> | <i>-35.8 %</i> | <i>-9.5 %</i>  | <i>2.4 %</i>  |
| Depreciation of fixed assets                     | 0.3            | 0.9            | 1.0            | 1.0            | 0.5            | 1.1            | 1.2           |
| <b>EBITA</b>                                     | <b>-3.2</b>    | <b>-4.1</b>    | <b>-4.3</b>    | <b>-10.8</b>   | <b>-10.7</b>   | <b>-4.9</b>    | <b>0.5</b>    |
| Amortisation of intangible assets                | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0           |
| Goodwill amortisation                            | 0.0            | 0.0            | 0.0            | 0.0            | 0.9            | 0.9            | 0.9           |
| <b>EBIT</b>                                      | <b>-3.2</b>    | <b>-4.1</b>    | <b>-4.3</b>    | <b>-10.8</b>   | <b>-11.6</b>   | <b>-5.9</b>    | <b>-0.5</b>   |
| <i>Margin</i>                                    | <i>-18.4 %</i> | <i>-17.4 %</i> | <i>-16.0 %</i> | <i>-35.5 %</i> | <i>-40.8 %</i> | <i>-14.7 %</i> | <i>-0.7 %</i> |
| <b>EBIT adj.</b>                                 | <b>-3.2</b>    | <b>-4.1</b>    | <b>-4.3</b>    | <b>-10.8</b>   | <b>-11.6</b>   | <b>-5.9</b>    | <b>-0.5</b>   |
| Interest income                                  | 0.0            | 0.0            | 0.0            | 0.3            | 0.0            | 0.0            | 0.0           |
| Interest expenses                                | 0.7            | 0.6            | 0.9            | 3.0            | 1.5            | 1.4            | 1.4           |
| Other financial income (loss)                    | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0           |
| <b>EBT</b>                                       | <b>-3.9</b>    | <b>-4.7</b>    | <b>-5.1</b>    | <b>-13.6</b>   | <b>-13.1</b>   | <b>-7.3</b>    | <b>-1.9</b>   |
| <i>Margin</i>                                    | <i>-22.2 %</i> | <i>-19.7 %</i> | <i>-19.2 %</i> | <i>-44.6 %</i> | <i>-46.1 %</i> | <i>-18.3 %</i> | <i>-2.7 %</i> |
| Total taxes                                      | -0.1           | -0.1           | -0.2           | -0.3           | 0.0            | 0.0            | 0.0           |
| <b>Net income from continuing operations</b>     | <b>-3.8</b>    | <b>-4.6</b>    | <b>-4.9</b>    | <b>-13.3</b>   | <b>-13.1</b>   | <b>-7.3</b>    | <b>-1.9</b>   |
| Income from discontinued operations (net of tax) | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0           |
| <b>Net income before minorities</b>              | <b>-3.8</b>    | <b>-4.6</b>    | <b>-4.9</b>    | <b>-13.3</b>   | <b>-13.1</b>   | <b>-7.3</b>    | <b>-1.9</b>   |
| Minority interest                                | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0           |
| <b>Net income</b>                                | <b>-3.8</b>    | <b>-4.6</b>    | <b>-4.9</b>    | <b>-13.3</b>   | <b>-13.1</b>   | <b>-7.3</b>    | <b>-1.9</b>   |
| <i>Margin</i>                                    | <i>-21.7 %</i> | <i>-19.2 %</i> | <i>-18.5 %</i> | <i>-43.8 %</i> | <i>-46.1 %</i> | <i>-18.3 %</i> | <i>-2.7 %</i> |
| Number of shares, average                        | 1.0            | 1.0            | 1.0            | 1.2            | 1.2            | 1.2            | 1.2           |
| <b>EPS</b>                                       | <b>-3.78</b>   | <b>-4.59</b>   | <b>-4.94</b>   | <b>-10.88</b>  | <b>-10.74</b>  | <b>-6.00</b>   | <b>-1.51</b>  |
| EPS adj.   | -3.78          | -4.59          | -4.94          | -10.88         | -10.74         | -6.00          | -1.51         |

\*Adjustments made for:

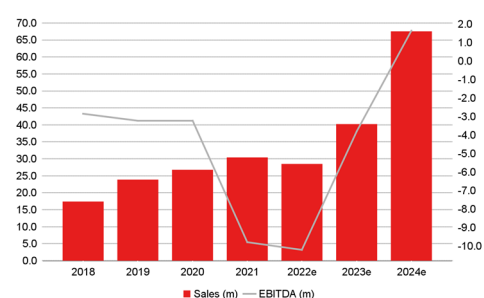
**Guidance: FY 2022: Sales and EBITDA slightly below 2021's levels**

**Financial Ratios**

|                               | 2018    | 2019    | 2020    | 2021    | 2022e   | 2023e   | 2024e  |
|-------------------------------|---------|---------|---------|---------|---------|---------|--------|
| Total Operating Costs / Sales | 116.4 % | 113.5 % | 112.1 % | 132.2 % | 135.8 % | 109.5 % | 97.6 % |
| Operating Leverage            | n.a.    | 0.8 x   | 0.3 x   | 11.2 x  | -1.2 x  | -1.2 x  | -1.4 x |
| EBITDA / Interest expenses    | n.m.    | n.m.    | n.m.    | n.m.    | n.m.    | n.m.    | 1.2 x  |
| Tax rate (EBT)                | 2.3 %   | 2.6 %   | 3.8 %   | 1.9 %   | 0.0 %   | 0.0 %   | 0.0 %  |
| Dividend Payout Ratio         | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %  |
| Sales per Employee            | 248,740 | 391,349 | 405,535 | n.a.    | n.a.    | n.a.    | n.a.   |

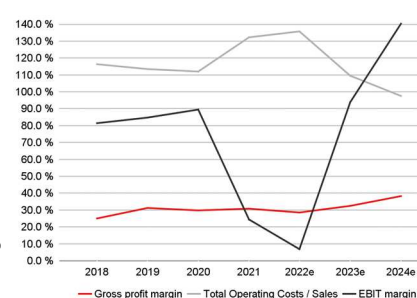
**Sales, EBITDA**

in EUR m

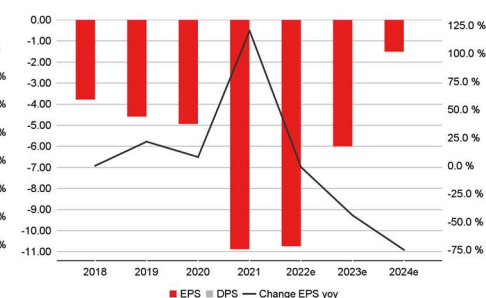


**Operating Performance**

in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

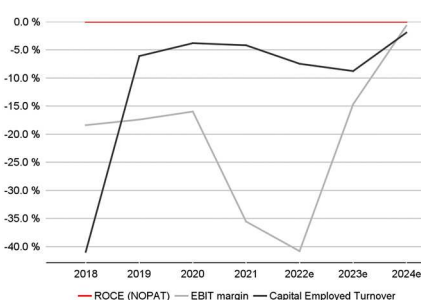
**Consolidated balance sheet**

| In EUR m  | 2018        | 2019        | 2020        | 2021        | 2022e       | 2023e       | 2024e       |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Assets</b>   |             |             |             |             |             |             |             |
| Goodwill and other intangible assets                    | 0.1         | 13.6        | 12.6        | 11.6        | 10.7        | 9.7         | 8.8         |
| thereof other intangible assets                         | 0.1         | 0.1         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| thereof Goodwill  | 0.0         | 13.4        | 12.6        | 11.6        | 10.7        | 9.7         | 8.8         |
| Property, plant and equipment                           | 0.2         | 0.1         | 0.4         | 0.8         | 7.0         | 15.7        | 15.1        |
| Financial assets  | 0.8         | 0.8         | 0.8         | 0.8         | 0.8         | 0.8         | 0.8         |
| Other long-term assets                                  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Fixed assets</b>                                     | <b>1.1</b>  | <b>14.5</b> | <b>13.7</b> | <b>13.2</b> | <b>18.4</b> | <b>26.2</b> | <b>24.6</b> |
| Inventories   | 1.9         | 1.9         | 2.1         | 2.8         | 3.2         | 5.7         | 6.8         |
| Accounts receivable                                     | 0.9         | 2.5         | 2.1         | 3.5         | 3.3         | 4.4         | 7.0         |
| Liquid assets   | 0.5         | 0.2         | 0.1         | 28.7        | 17.7        | 1.2         | 3.4         |
| Other short-term assets                                 | 1.8         | 1.7         | 2.1         | 2.6         | 2.6         | 2.6         | 2.6         |
| <b>Current assets</b>                                   | <b>5.1</b>  | <b>6.3</b>  | <b>6.4</b>  | <b>37.6</b> | <b>26.8</b> | <b>13.9</b> | <b>19.8</b> |
| <b>Total Assets</b>                                     | <b>6.2</b>  | <b>20.8</b> | <b>20.2</b> | <b>50.7</b> | <b>45.2</b> | <b>40.1</b> | <b>44.4</b> |
| <b>Liabilities and shareholders' equity</b>             |             |             |             |             |             |             |             |
| Subscribed capital                                      | 0.7         | 0.7         | 0.7         | 1.2         | 1.2         | 1.2         | 1.2         |
| Capital reserve   | 9.7         | 3.8         | 3.8         | 48.3        | 48.3        | 48.3        | 48.3        |
| Retained earnings                                       | -15.8       | -4.2        | -9.2        | -22.5       | -35.6       | -43.0       | -44.8       |
| Other equity components                                 | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Shareholders' equity                                    | -5.4        | 0.2         | -4.7        | 27.0        | 13.9        | 6.5         | 4.7         |
| Minority interest                                       | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Total equity</b>                                     | <b>-5.4</b> | <b>0.2</b>  | <b>-4.7</b> | <b>27.0</b> | <b>13.9</b> | <b>6.5</b>  | <b>4.7</b>  |
| Provisions  | 1.1         | 1.5         | 1.3         | 2.8         | 2.8         | 2.8         | 2.8         |
| thereof provisions for pensions and similar obligations | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Financial liabilities (total)                           | 4.0         | 8.1         | 12.0        | 10.0        | 15.4        | 14.7        | 14.1        |
| Short-term financial liabilities                        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Accounts payable  | 3.5         | 5.8         | 6.7         | 4.7         | 7.0         | 9.9         | 16.7        |
| Other liabilities                                       | 3.0         | 5.2         | 4.9         | 6.1         | 6.1         | 6.1         | 6.1         |
| <b>Liabilities</b>                                      | <b>11.7</b> | <b>20.6</b> | <b>24.9</b> | <b>23.7</b> | <b>31.3</b> | <b>33.5</b> | <b>39.7</b> |
| <b>Total liabilities and shareholders' equity</b>       | <b>6.2</b>  | <b>20.8</b> | <b>20.2</b> | <b>50.7</b> | <b>45.2</b> | <b>40.1</b> | <b>44.4</b> |

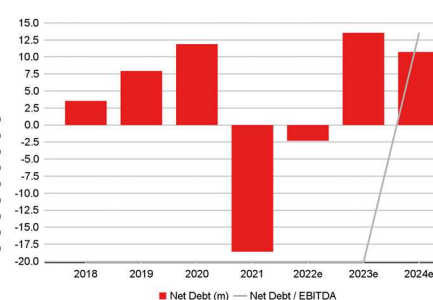
**Financial Ratios**

|   | 2018     | 2019     | 2020     | 2021     | 2022e   | 2023e   | 2024e   |
|---|----------|----------|----------|----------|---------|---------|---------|
| <b>Efficiency of Capital Employment</b> |          |          |          |          |         |         |         |
| Operating Assets Turnover               | -33.1 x  | -18.6 x  | -12.7 x  | 12.9 x   | 4.4 x   | 2.5 x   | 5.5 x   |
| Capital Employed Turnover               | -9.2 x   | 2.9 x    | 3.8 x    | 3.6 x    | 2.5 x   | 2.0 x   | 4.4 x   |
| ROA                                     | -331.4 % | -31.6 %  | -35.9 %  | -101.3 % | -71.5 % | -28.0 % | -7.5 %  |
| <b>Return on Capital</b>                |          |          |          |          |         |         |         |
| ROCE (NOPAT)                            | n.a.     | n.a.     | n.a.     | n.a.     | n.a.    | n.a.    | n.a.    |
| ROE                                     | 139.1 %  | 175.0 %  | 217.0 %  | -119.5 % | -64.3 % | -71.9 % | -33.0 % |
| Adj. ROE                                | 139.1 %  | 175.0 %  | 217.0 %  | -119.5 % | -64.3 % | -71.9 % | -33.0 % |
| <b>Balance sheet quality</b>            |          |          |          |          |         |         |         |
| Net Debt                                | 3.5      | 7.9      | 11.9     | -18.6    | -2.3    | 13.5    | 10.7    |
| Net Financial Debt                      | 3.5      | 7.9      | 11.9     | -18.6    | -2.3    | 13.5    | 10.7    |
| Net Gearing                             | -65.1 %  | 4107.9 % | -250.3 % | -68.8 %  | -16.7 % | 207.0 % | 228.8 % |
| Net Fin. Debt / EBITDA                  | n.a.     | n.a.     | n.a.     | n.a.     | n.a.    | n.a.    | 656.2 % |
| Book Value / Share                      | -5.4     | 0.2      | -4.7     | 22.1     | 11.3    | 5.3     | 3.8     |
| Book value per share ex intangibles     | -5.6     | -13.4    | -17.3    | 12.6     | 2.6     | -2.6    | -3.3    |

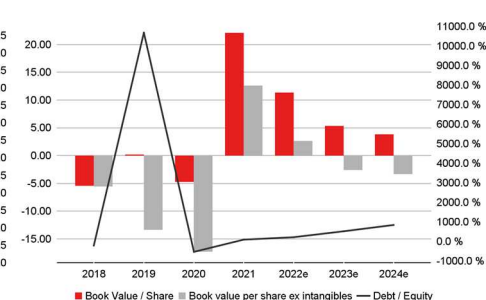
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

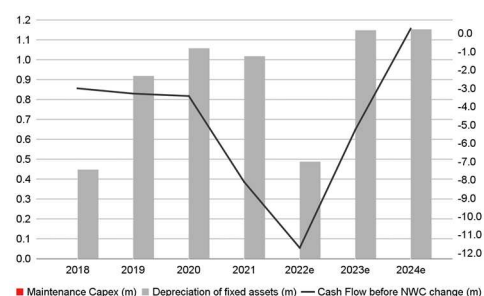
**Consolidated cash flow statement**

| In EUR m   | 2018        | 2019        | 2020        | 2021         | 2022e        | 2023e        | 2024e       |
|--|-------------|-------------|-------------|--------------|--------------|--------------|-------------|
| Net income   | -3.8        | -4.6        | -4.9        | -13.3        | -13.1        | -7.3         | -1.9        |
| Depreciation of fixed assets                           | 0.4         | 0.9         | 1.1         | 1.0          | 0.5          | 1.1          | 1.2         |
| Amortisation of goodwill                               | 0.0         | 0.0         | 0.0         | 0.0          | 0.9          | 0.9          | 0.9         |
| Amortisation of intangible assets                      | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Increase/decrease in long-term provisions              | 0.0         | 0.0         | 0.0         | 1.5          | 0.0          | 0.0          | 0.0         |
| Other non-cash income and expenses                     | 0.3         | 0.4         | 0.5         | 2.7          | 0.0          | 0.0          | 0.0         |
| <b>Cash Flow before NWC change</b>                     | <b>-3.0</b> | <b>-3.3</b> | <b>-3.4</b> | <b>-8.1</b>  | <b>-11.7</b> | <b>-5.2</b>  | <b>0.2</b>  |
| Increase / decrease in inventory                       | 2.6         | -1.5        | -0.2        | 0.0          | -0.4         | -2.5         | -1.1        |
| Increase / decrease in accounts receivable             | 0.0         | 0.0         | 0.0         | -2.7         | 0.2          | -1.1         | -2.6        |
| Increase / decrease in accounts payable                | -1.2        | 2.4         | 0.6         | -2.4         | 2.3          | 2.9          | 6.8         |
| Increase / decrease in other working capital positions | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Increase / decrease in working capital (total)         | 1.3         | 0.9         | 0.4         | -5.1         | 2.1          | -0.7         | 3.1         |
| <b>Net cash provided by operating activities [1]</b>   | <b>-1.7</b> | <b>-2.3</b> | <b>-3.0</b> | <b>-13.2</b> | <b>-9.6</b>  | <b>-5.9</b>  | <b>3.3</b>  |
| Investments in intangible assets                       | 0.0         | -0.1        | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Investments in property, plant and equipment           | -0.1        | -0.1        | -0.3        | -0.5         | -6.7         | -9.9         | -0.5        |
| Payments for acquisitions                              | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Financial investments                                  | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Income from asset disposals                            | 0.0         | 0.1         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| <b>Net cash provided by investing activities [2]</b>   | <b>0.0</b>  | <b>0.0</b>  | <b>-0.3</b> | <b>-0.2</b>  | <b>-6.7</b>  | <b>-9.9</b>  | <b>-0.5</b> |
| Change in financial liabilities                        | 2.2         | 2.3         | 5.6         | 2.0          | 5.3          | -0.6         | -0.6        |
| Dividends paid   | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Purchase of own shares                                 | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Capital measures                                       | 0.0         | 0.0         | 0.0         | 45.1         | 0.0          | 0.0          | 0.0         |
| Other  | -0.4        | -0.1        | -0.9        | -3.0         | 0.0          | 0.0          | 0.0         |
| <b>Net cash provided by financing activities [3]</b>   | <b>1.8</b>  | <b>2.1</b>  | <b>4.8</b>  | <b>44.1</b>  | <b>5.3</b>   | <b>-0.6</b>  | <b>-0.6</b> |
| <b>Change in liquid funds [1]+[2]+[3]</b>              | <b>0.2</b>  | <b>-0.2</b> | <b>1.5</b>  | <b>30.6</b>  | <b>-11.0</b> | <b>-16.5</b> | <b>2.2</b>  |
| Effects of exchange-rate changes on cash               | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0         |
| Cash and cash equivalent at end of period              | 0.4         | 0.5         | -2.1        | 28.6         | 17.7         | 1.2          | 3.4         |

**Financial Ratios**

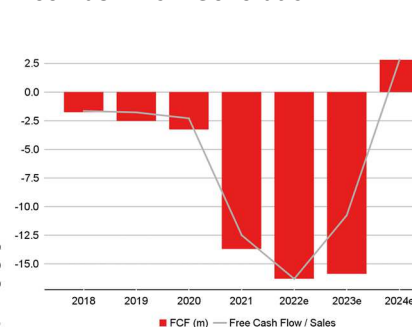
|                                      | 2018    | 2019    | 2020    | 2021    | 2022e   | 2023e   | 2024e    |
|--------------------------------------|---------|---------|---------|---------|---------|---------|----------|
| <b>Cash Flow</b>                     |         |         |         |         |         |         |          |
| FCF                                  | -1.8    | -2.5    | -3.3    | -13.7   | -16.3   | -15.9   | 2.8      |
| Free Cash Flow / Sales               | -10.1 % | -10.6 % | -12.2 % | -45.0 % | -57.1 % | -39.4 % | 4.2 %    |
| Free Cash Flow Potential             | n.a.    | -3.1    | -3.0    | -9.5    | -10.2   | -3.8    | 1.6      |
| Free Cash Flow / Net Profit          | 46.6 %  | 54.9 %  | 66.1 %  | 102.8 % | 123.9 % | 215.9 % | -151.8 % |
| Interest Received / Avg. Cash        | 7.3 %   | 0.6 %   | 6.5 %   | 1.8 %   | 0.0 %   | 0.0 %   | 0.0 %    |
| Interest Paid / Avg. Debt            | 34.4 %  | 9.4 %   | 8.7 %   | 27.4 %  | 11.9 %  | 9.6 %   | 9.6 %    |
| <b>Management of Funds</b>           |         |         |         |         |         |         |          |
| Investment ratio                     | 0.6 %   | 0.7 %   | 1.1 %   | 1.5 %   | 23.4 %  | 24.6 %  | 0.8 %    |
| Maint. Capex / Sales                 | n.a.    | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %   | 0.0 %    |
| Capex / Dep                          | 28.5 %  | 19.3 %  | 27.0 %  | 45.2 %  | 464.9 % | 472.9 % | 25.7 %   |
| Avg. Working Capital / Sales         | -2.1 %  | -4.5 %  | -7.3 %  | -1.5 %  | 1.9 %   | -0.4 %  | -2.0 %   |
| Trade Debtors / Trade Creditors      | 26.4 %  | 43.3 %  | 31.1 %  | 74.4 %  | 47.1 %  | 44.4 %  | 41.9 %   |
| Inventory Turnover                   | 7.0 x   | 8.7 x   | 8.9 x   | 7.5 x   | 6.4 x   | 4.8 x   | 6.1 x    |
| Receivables collection period (days) | 19      | 39      | 28      | 42      | 42      | 40      | 38       |
| Payables payment period (days)       | 98      | 130     | 129     | 82      | 126     | 133     | 146      |
| Cash conversion cycle (Days)         | -27     | -49     | -60     | 9       | -26     | -17     | -49      |

**CAPEX and Cash Flow**  
in EUR m



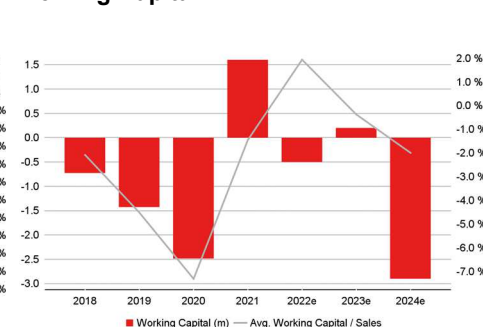
Source: Warburg Research

**Free Cash Flow Generation**



Source: Warburg Research

**Working Capital**



Source: Warburg Research

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| Company         | Disclosure | Link to the historical price targets and rating changes (last 12 months)  |
|-----------------|------------|---|
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

|     |                          |   |
|-----|--------------------------|---|
| -B- | <b>Buy:</b>              | The price of the analysed financial instrument is expected to rise over the next 12 months.               |
| -H- | <b>Hold:</b>             | The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months. |
| -S- | <b>Sell:</b>             | The price of the analysed financial instrument is expected to fall over the next 12 months.               |
| “-“ | <b>Rating suspended:</b> | The available information currently does not permit an evaluation of the company.                         |

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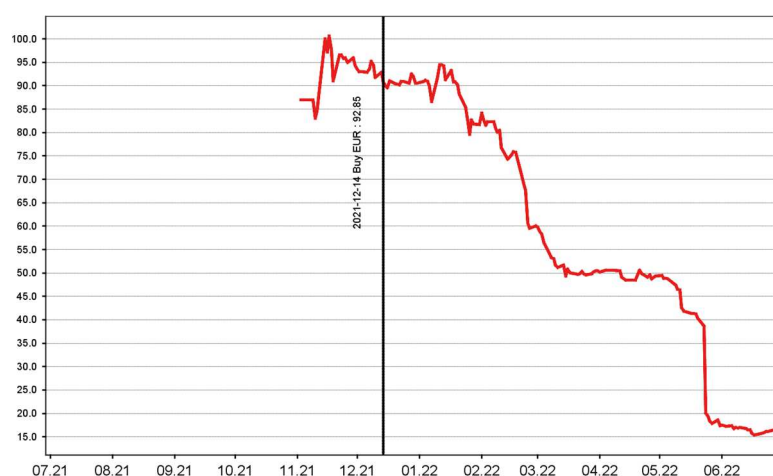
| Rating           | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy              | 172              | 80            |
| Hold             | 36               | 17            |
| Sell             | 3                | 1             |
| Rating suspended | 3                | 1             |
| <b>Total</b>     | <b>214</b>       | <b>100</b>    |

## WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

| Rating           | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy              | 52               | 87            |
| Hold             | 5                | 8             |
| Sell             | 1                | 2             |
| Rating suspended | 2                | 3             |
| <b>Total</b>     | <b>60</b>        | <b>100</b>    |

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Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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