



Research study (IPO study)



"Electrification of German/European volume segments through direct sales and digitally-supported partner network sales of fully electric cars"

"Marketing of pure electric cars under the German ELARIS brand combined with a full-service offering with a focus on private and corporate customers"

"The increased expansion of the e-mobility business via a highly scalable digital sales and service platform opens up considerable growth and earnings potential"

Fair value per share: € 47.55

IMPORTANT NOTE:

Please note the disclaimer/risk warning and the disclosure of potential conflicts of interest in accordance with Section 85 WpHG and Art. 20 MAR from page 47

Note in accordance with MiFID II regulation for "minor non-monetary benefit" research: This research fulfils the requirements for classification as a "minor non-monetary benefit". Further information on this can be found in the disclosure under "I. Research under MiFID II"

ELARIS AG *5a; 6a; 11

Fair value per share: € 47.55

Fair value of the company:
€ 576.92 million

Master data:

ISIN: DE000A37FT17
WKN: A37FT1
Number of shares: 12.13 million

Transparency level:
m:access
(Munich Stock Exchange)

Market segment:
Freiverkehr
(open market)

Accounting:
HGB

Financial year: 31/12/

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* Catalogue of possible conflicts of interest on page 48

Company profile

Industry: e-mobility

Focus: direct sales and partner network sales of fully electric e-vehicles including after-sales service and supplementary business (sale of e-charging infrastructure, charging cards, etc.)

Employees ELARIS Group: Ø 24 employees (FY 2023)

Company headquarters: Grünstadt, Rhineland-Palatinate, Germany

Management Board: Lars Stevenson (CEO)

ELARIS AG (ELARIS) is a German company active in the fast-growing e-mobility sector as a provider of fully electric e-vehicles and related business areas (spare parts and service business, e-charging station business, etc.). As an automotive manufacturer, ELARIS sources its electric cars from well-known Chinese e-vehicle manufacturers (contract manufacturing) and sells them itself (online sales) and via sales partners under its own ELARIS brand in Germany and several other European countries (e.g. Austria). The company maintains extensive technology, development and production partnerships with these manufacturing companies (OEMs). The subsidiary ELARIS Innovation GmbH will also offer customers of the ELARIS Group comprehensive charging infrastructure solutions in the future. In Germany, ELARIS has currently entered into a cooperation agreement with 82 car dealers and 86 Euromaster locations for the sale (including service) of ELARIS electric cars and charging stations. The company has also entered into a framework agreement with Euromaster (part of the Michelin Group), on the basis of which this workshop chain will take over the maintenance and repair of ELARIS electric vehicles as well as sales activities.

Consolidated income statement in € million	31/12/2022	31/12/2023e	31/12/2024e	31/12/2025e	31/12/2026
Revenue	3.04	13.46	130.26	256.69	388.02
EBITDA	-3.14	-3.81	10.78	30.57	60.19
EBIT	-3.35	-3.95	10.61	30.38	59.98
Net result (EAT)	-3.48	-4.47	5.94	20.02	40.77

Sources: ELARIS AG; GBC AG estimates

EXECUTIVE SUMMARY

- ELARIS AG (ELARIS) is a German company and a provider of fully electric e-vehicles and related business areas (spare parts and service business, e-charging station business, etc.) in the up-and-coming and fast-growing e-mobility sector. As a result of the transport and mobility transition initiated in the EU as a whole and in Germany specifically, which includes an EU ban on combustion engines from 2035, automotive experts expect that future individual mobility will be strongly characterised by battery-powered electric cars so that Germany and the EU can achieve their environmental and climate policy goals (keyword: long-term climate neutrality). As part of its political orientation, the current coalition is aiming for 15 million electric vehicles on German roads by 2030. According to the Federal Motor Transport Authority (KBA), 524,219 electric cars were registered in 2023, a significant increase of 11.4% compared to the previous year (470,559) and a new record. At the same time, the share of electric cars in total registrations increased to 18.4% (previous year: 17.7%).
- The ELARIS Group continued its growth trajectory in the 2022 financial year with a significant increase in sales of 241.6% to € 3.04 million (PY: € 0.89 million). The company was also able to continue this clearly positive sales trend in the first ten months of the 2023 financial year, generating sales of € 9.39 million (31 October 2022: € 2.29 million). The sales growth achieved was primarily due to a significant increase in the sales volume of e-cars.
- At the operating result level (EBITDA), a negative result of € -3.14 million was achieved in the 2022 financial year due to high investments in the development and expansion of the e-mobility business, which was therefore below the PY's level (PY: € -1.14 million). However, it should be noted at this point that the previous year's result was influenced by clearly positive extraordinary income (€ 2.02 million). EBITDA of € -1.66 million was generated in the first ten months of the 2023 financial year (31 October 2022: € -4.28 million).
- We anticipate a massive acceleration in growth in future financial years. The further expansion of the product portfolio and the sales and service partner network as well as increased marketing measures should prove to be the main growth drivers for this. Additional growth impetus should also result from the development of complementary business areas (spare parts and charging infrastructure business, etc.) and from the development of new markets outside Germany, which we have not taken into account in our conservative forecasts and which therefore open up (further) significant upside and value enhancement potential.
- For the past financial year 2023, we specifically expect a jump in sales compared to the previous year to € 13.46 million (PY: € 3.04 million) and an operating result (EBITDA) of € -3.81 million (PY: € -3.14 million). For the coming years 2024 and 2025, we anticipate a massive increase in sales (EBITDA) to € 130.26 million (€ 10.78 million) in 2024e and € 256.69 million (€ 30.57 million) in 2025e based on our expected dynamic sales/growth development and the onset of economies of scale. For the following year 2026, we anticipate a further increase in sales and EBITDA to € 388.02 million and € 60.19 million respectively. At the same time, the EBITDA margin should gradually increase significantly from the expected 8.3% in 2024 to 15.5% in 2026.
- Overall, we believe that the ELARIS Group, with its attractive product portfolio, extensive network of sales and service partners and disruptive sales approach (combination of online sales and stationary sales), is well positioned to benefit significantly from the further ramp-up of e-mobility in the German automotive market. The company's ramp-up and highly scalable business model should enable it to achieve disproportionately high earnings growth and a sharp rise in profitability in parallel with the expected dynamic sales growth.
- **As part of our DCF model, we have calculated a fair company value of € 47.55 per share at the end of the 2024 financial year based on our estimates.**

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INITIAL PUBLIC OFFERING (IPO) IN MARCH 2024 ON THE M:ACCESS QUALITY SEGMENT OF THE MUNICH STOCK EXCHANGE AND SUBSEQUENT XETRA LISTING

As part of the initial public offering (IPO) on 14 March on the m:access of the Munich Stock Exchange, the public offering is not intended to offer new shares, but only existing shares. ELARIS AG hopes that the company's publicity and active investor relations work will increase public interest in the company. ELARIS also hopes that this step will improve acceptance with regard to future capital measures, particularly with regard to easier access to institutional capital. For institutional investors in particular, an existing stock market listing is often a basic prerequisite for being able to actively participate in planned capital measures.

The offered shares with a volume of up to 10,000 originate exclusively from the property of ELARIS Holding GmbH, the previous main shareholder of ELARIS AG. The current share capital of ELARIS AG amounts to € 12.13 million as divided into 12.13 million shares.

THE COMPANY

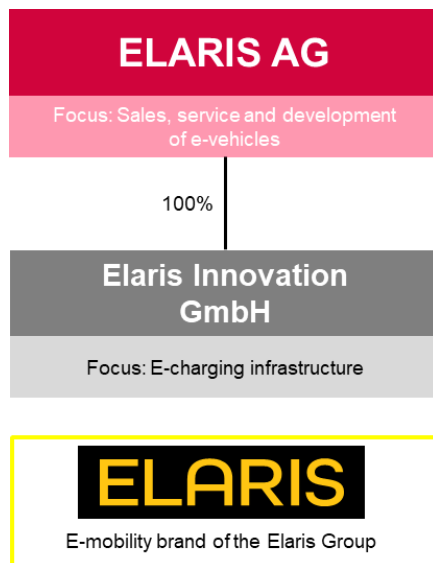
Company profile and organisational structure

ELARIS AG was founded with its articles of association dated 22 April 2020 under the (then) company Epos E-Car GmbH with its registered office in Grünstadt. Since its foundation, ELARIS has been active in the e-mobility sector, focusing on the development, production and marketing of fully electric vehicles and associated services and products. The production of electric cars is carried out by well-known Chinese manufacturing companies (OEMs) with which ELARIS maintains a development and manufacturing co-operation (contract manufacturing).

On 25 August 2020, the shareholders' meeting of Epos E-Car GmbH resolved to change the company's name to ELARIS GmbH. ELARIS AG was created through a completed change of legal form in October 2022 (conversion from GmbH to AG).

As part of a non-cash capital increase, 100.0% of the shares in ELARIS Innovation GmbH were contributed to ELARIS AG by ELARIS Holding GmbH in December 2023. ELARIS Innovation GmbH will offer customers of the ELARIS Group comprehensive e-charging infrastructure solutions in the future.

Current corporate structure



Sources: ELARIS AG; GBC AG

ELARIS Innovation GmbH (ELARIS Innovation), which specialises in charging infrastructure solutions for electric vehicles, is currently the sole holding (or subsidiary) of ELARIS AG and therefore also represents a significant part of the ELARIS Group's operating business.

The parent company (ELARIS AG) also forms the strategic management and financial holding company for the subsidiary, performing central management functions and providing shared services, particularly in the areas of finance, administration, human resources, IT, strategy and public relations.

Shareholder structure of ELARIS AG

Major shareholders in %	Status: March 2024
ELARIS Holding GmbH*	approx. 91.1%
Neon Equity AG	approx. 5.0%

Source: ELARIS securities prospectus *attributable to the management board of ELARIS AG Lars Stevenson

The main shareholder of ELARIS AG is ELARIS Holding GmbH, which currently holds around 85.0% of the shares in the company. In addition, the investment company Neon Equity AG also holds significant shares in ELARIS AG with a stake of around 5.0%.

The main shareholders of ELARIS Holding GmbH are the sole members of the Management Board of ELARIS AG, Mr Lars Stevenson, and his wife, who each hold an indirect interest (via LB Holding GmbH) of 42.5% and, therefore, 85.0% of the shares in total. In addition, factonet Holding GmbH holds 10.0% and Mr Zheng Yao 3.0% of the shares in ELARIS Holding GmbH.

Selected important partners of the ELARIS Group



Sources: ELARIS AG; GBC AG

Management

Management of ELARIS AG

Lars Stevenson (CEO/Managing Director)

Lars Stevenson has around 30 years of professional experience in founding and managing companies. He gained his first experience as a founder and managing director when he founded an IT system house (production and distribution of PCs, notebooks and IT solutions). In addition, Mr Stevenson founded HMI Human Machine Intelligence GmbH (development and distribution of AI software) in 2008 and was its managing director until 2013, which was awarded the German Innovation Prize in 2011 and sold to investors in 2012. In 2010, he founded a company that operated as an automotive supplier (production and distribution of LED lighting) and was sold to investors in 2014. In addition, Mr Stevenson was and is the co-founder of several companies in the field of product distribution and technology development. He is the indirect founder and sole director of ELARIS AG and was already its managing director before the change of legal form (then ELARIS GmbH) to a stock corporation.

Supervisory Board

Lutz L. Linden (Chairman of the Supervisory Board)

Mr Lutz Leif Linden studied industrial engineering at the Technical University in Darmstadt. After completing his studies, he founded MCL Management Consult by Linden in 1992, which is now also active internationally in Europe and Asia (especially in China and Japan) and specialises in advising automobile manufacturers, automotive suppliers and motor sports with regard to communication, public relations and marketing. Mr Linden has been Managing Director of MCL Management Consult by Linden since it was founded in 1992 and now has around 30 years of experience in managing and advising companies in the automotive industry. He also works for the Automobilclub von Deutschland (AvD) (the German Automobile Association) in various companies, including as Managing Director or Secretary General, and for the Fédération Internationale de l'Automobile (FIA) as Financial Auditor and President of the GT Commission. Mr Linden has been Chairman of the Supervisory Board of ELARIS AG since last year 2023.

Max E. M. Koller

Mr Max Emilian Koller is a co-founder and shareholder of various companies in the Koller Group. After completing his training as a toolmaker, he became a master craftsman and worked for EBRO Elektronik from 1989 to 1994 as workshop manager for toolmaking and plastics production until he co-founded Koller Formenbau GmbH together with his brother Thomas Sebastian Koller in 1994. He is still the managing director of this company today. In the years that followed, the Koller Group founded various other companies such as Koller Kunststofftechnik GmbH and expanded into Hungary with Honsa Kft. in 1999. Since 2015, the Koller Group has also been active in Mexico. The Koller Group manufactures car components such as CFRTP rear window frames in collaboration with BMW and is a supplier to other car manufacturers such as Volkswagen and Audi. Mr Koller has almost 30 years of experience in founding and managing companies in Germany and abroad and has extensive connections to well-known car manufacturers. Mr Koller has been a member of the Supervisory Board of the ELARIS Group since September 2023 and is also chairman of this body.

Thomas S. Koller

Mr Thomas Sebastian Koller is a co-founder and shareholder of various companies in the Koller Group. Following his training as a toolmaker, he acquired the title of master craftsman and in 1994, together with his brother Max Emilian Michael Koller, co-founded Koller Formenbau GmbH, where he is still Managing Director today. In the years that followed, the Koller Group founded various other companies such as Koller Kunststofftechnik GmbH and expanded into Hungary with Honsa Kft. in 1999. Since 2015, the Koller Group has also been active in Mexico. The Koller Group manufactures car components such as CFRTP rear window frames in collaboration with BMW and is a supplier to other car manufacturers such as Volkswagen and Audi. Like his brother, Mr Max Koller, Mr Thomas Koller has almost 30 years of experience in founding and managing companies in Germany and abroad and has extensive connections to well-known car manufacturers. Mr Koller has been a member of the Supervisory Board of the ELARIS Group since September 2023.

Company history and milestones of ELARIS

Year	Event
April 2020	Foundation of Epos E-Car GmbH
August 2020	Change of name from Epos E-Car GmbH to ELARIS GmbH
2021	Start of sales of vehicles from the DY0 model series as an in-house-developed e-vehicle and the PIO and BEO model series based on prefabricated e-models
2021	Digitalisation of e-vehicles through ELARIS: data sovereignty, telematics, software for head units and apps
December 2021	Cooperation with Gothaer Insurance Group offers ELARIS customers customised insurance offers for e-cars and promotes the sale of ELARIS products via its customer network
October 2022	Conversion of ELARIS GmbH into ELARIS AG
October 2022	Cooperation with Euromaster (Michelin Group). The tyre and car service chain takes over servicing (repair, maintenance, etc.) for ELARIS as an exclusive partner and also brokers new vehicles
2022	The ELARIS Group succeeded in raising around € 11.80 million in liquid funds from investors via a profit-participation certificate. The majority of the funds raised came from an investor in the automotive sector (Koller family / Koller Automotive)
December 2023	ELARIS Innovation GmbH (focus: e-charging infrastructure solutions) was contributed to ELARIS AG as part of a non-cash capital increase
January 2023	Cooperation with autohelden.com. These dealers and partners connected to the digital marketplace will also take over sales and services for the ELARIS Group in future
June 2023	ELARIS has entered into a co-operation with the digital platform autohelden.com and will use it to manage dealer sales in future. The options for mutual participation are currently being examined.
July 2023	ELARIS becomes the new top sponsor of the Bundesliga football club and Champions League participant 1. FC Union Berlin
2023	Jaco and Leo electric cars are produced exclusively for ELARIS
2023	Start of planning for own design and saloon product construction kit, also first van as in-house development at Asiastar Manufaktur
2023	Media cooperation with SevenVentures (ProSiebenSat.1) for high-reach media campaigns
2024	Initial public offering (IPO) on 14 March 2024 on m:access (Munich Stock Exchange), with planned additional Xetra listing

Sources: ELARIS AG; GBC AG

Business model and business areas

Overview of general business activities

The ELARIS Group's business activities focus on the development, production and marketing of fully electric vehicles and e-charging stations (wallboxes for electric cars). The company has positioned itself as a German manufacturer (OEM) of high-performance, technology-leading electric cars and as a technology and development partner to Chinese electric car manufacturers with a full-service offering (360° offering).

The company sources its electric vehicles and e-charging stations from well-known Chinese manufacturers (OEMs), which produce these electric cars on behalf of ELARIS following joint development and design with the manufacturing companies. This cooperation gives ELARIS access to cost-efficient and modern vehicle production in China's largest automotive market. In terms of electric car sales, ELARIS pursues a multi-channel approach, i.e. the company sells its electric vehicles itself (direct sales) and via various sales partners (car dealers, affiliate partner companies, etc.) under its own ELARIS brand. The

main focus in terms of sales territories is currently primarily on Germany, Europe's largest passenger car market. For this reason, we will focus in particular on business activities in this sales region in the following explanations.

The electric cars marketed by ELARIS are primarily based on existing and established electric car models that have already been produced and sold primarily in the Chinese car market. The company therefore utilises tried-and-tested automotive platforms from its Chinese vehicle manufacturers, with whom ELARIS maintains extensive partnerships at various levels.

The necessary adjustments to existing electric vehicle models, which must be made on behalf of ELARIS before they can be sold in the individual target markets, relate in particular to the areas of vehicle interiors, vehicle software architecture and homologation (technical vehicle testing and subsequent type approval). With regard to vehicle software architecture, ELARIS supplies contract manufacturers with individual software modules and a digital platform (the ELARIS vehicle platform system) for electric vehicles, which primarily relate to the front-end or user interface (vehicle head unit). These software solutions focus on areas such as charging management, vehicle functions and infotainment.

At present, the company has concluded a cooperation agreement with 82 car dealers and 86 Euromaster locations in Germany for the sale of ELARIS cars and charging stations. In addition to selling the electric vehicles, the dealers also take on service activities for the ELARIS electric vehicles.

Sales and service co-operations of the ELARIS Group

Exclusive contracts with Euromaster, AvD & Gothaer Insurance for selling and servicing of Elaris EV-Car and EV-Transporter

- Euromaster Elaris E-Competence Center - around 92 in Germany and 14 in Austria
- Gothaer will start brokering Elaris vehicles at their 1,600 agencies
- in the first month already > 250 ELARIS Finn sold
- AvD is planning to offer an AvD membership including an ELARIS Car for the first year + special ELARIS offer for their 1.2 Mio. members
- IRS sites are converted into ELARIS workshops
- More than 2,300 branded Elaris/Euromaster Sales & Service locations in Germany / Austria by 2022
- Autohelden started brokering Elaris vehicles addressing their 1.300 Car Dealers

EUROMASTER
Euromaster, a 100% Michelin-company, operates 2,300 branches in 17 European countries and employs 11,800 people, around 2,000 of them in Germany. Head-quarters in France.

Gothaer
GOTHAER is one of the leading insurance companies in the motor vehicle industry operating 1,600 agencies and generating a turnover of € 4.8 billion.
From May they will offer over all agencies ELARIS E-Cars

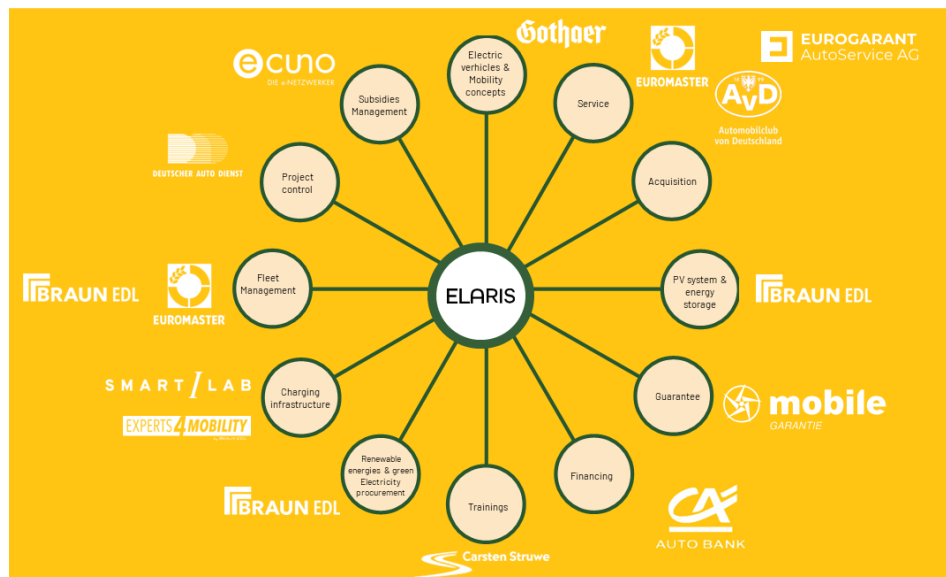
AvD
The Automobile Club of Germany (AvD) is one of the oldest German automobile clubs and the second largest automobile club in Germany with 1.2 million members.
Automobilclub von Deutschland
They started to promote ELARIS Cars

Sources: ELARIS AG; GBC AG

ELARIS vehicles and charging stations are also sold in other European countries (including Austria) in addition to the core German market via local distributors who have been granted a sales license by the ELARIS Group.

In terms of vehicle sales and service, ELARIS also cooperates with Euromaster (part of the Michelin Group). There is a framework agreement with this workshop chain, on the basis of which Euromaster takes over the maintenance and repair of ELARIS electric vehicles as well as sales activities relating to ELARIS cars. With regard to spare parts management and the associated logistics, ELARIS relies on external partners who provide these services for ELARIS. The spare parts purchased by the ELARIS Group also come from the contract manufacturers of ELARIS e-vehicles.

ELARIS value chain—360-degree offering through strong partners



Sources: ELARIS AG; GBC AG

In order to strengthen the sale and marketing of its own electric cars, ELARIS has also entered into a cooperation with the second-largest automobile club AvD and the well-known insurance group Gothaer. Through this cooperation, the latter offers ELARIS customers customised insurance offers for their electric vehicles and promotes the sale of ELARIS vehicles via its customer network.

In addition, the subsidiary ELARIS Innovation will also offer comprehensive charging infrastructure solutions for electric vehicles in future, thereby expanding this subsidiary into a full-service provider. This includes the sale of individual hardware and software products (e.g. wallboxes or charging cards for payment at public charging points) for private and corporate customers on the one hand and, in particular, the consultation, creation and implementation of comprehensive charging solutions for fleet operators and commercial customers on the other. The associated charging points are sold by ELARIS itself and also via sales partners (car dealerships, retailers, etc.).

The services associated with the marketing of the wallboxes and charging stations (initial consultation, concept development, etc.) can be booked by customers on request. In the past, consulting, installation and maintenance of the charging stations was carried out exclusively by cooperation partners. In future, however, this will be carried out by the subsidiary ELARIS Innovation, with the exception of maintenance and installation activities. Only individual components of the overall solution, such as subsidy management or fleet consulting, are to be covered or taken over by specialised partner companies (including Experts4Mobility).

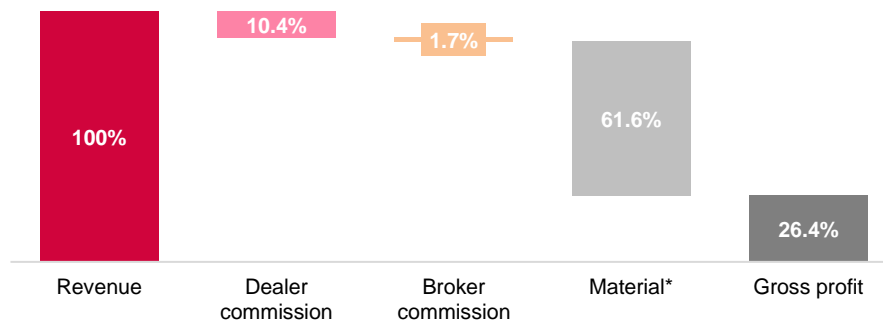
Revenue sources of the ELARIS business model

ELARIS's business model is primarily geared towards generating trading margins or trading profits with the electric vehicles purchased by the contract manufacturers and subsequently resold by them.

In view of the fact that, in our opinion, the company regularly succeeds in negotiating favourable conditions for the purchase of vehicle models from its foreign contract

manufacturers as part of the sales cooperation, we expect ELARIS to continue to generate high gross profits and gross margins on its revenue from vehicle sales in the future. We expect the gross profit margin from the vehicle fleet mix sold in the coming financial periods to average at least 17.0% (GBCe). This means that ELARIS generally has very profitable sales revenues in its core business (car trading), which enable a very high contribution margin.

ELARIS margin bridge in core business (estimated values based on the current vehicle mix on offer)



Source: GBC AG *includes car purchases from contract manufacturers (OEMs)

The company also intends to generate additional after-sales revenue in the future. This will primarily result from their high-margin trade in spare parts and their sale of classic vehicle accessories (roof box, towbar, etc.). ELARIS plans to purchase the spare parts for its electric vehicles from the relevant Chinese contract manufacturers and then sell them on to the respective partners with whom it has sales and service cooperation agreements.

In light of the planned expansion of ELARIS Innovation GmbH into a full-service provider of charging infrastructure solutions, this strategic step should also enable ELARIS to generate significant revenue from private and business customers in this business segment in the future. The potential revenue in this business segment results from the sale of hardware and software products (e.g. wallboxes or charging cards for payment at public charging points).

On the other hand, the consulting, creation and implementation of comprehensive charging infrastructure solutions in connection with the charging hardware enables further consulting-specific sources of revenue.

Accordingly, the charging infrastructure business primarily generates revenue from hardware trading (trading margin) and consulting services offered (consulting revenue). There is also further revenue potential from the sale of charging cards (brokerage commissions).

Online platform ELARIS World for digitalisation, control and management of the ELARIS Group

With the online platform "ELARIS World", the ELARIS Group is pursuing the goal of mapping all business processes completely digitally and structuring and automating all manual work. The focus here is on maximising per capita effectiveness in order to deploy human resources more efficiently and, consequently, to maximise margins.

Overview of key elements of ELARIS World



Sources: ELARIS AG; GBC AG

ELARIS World is a central digital platform that simplifies the interface between the various partners (suppliers, dealers, brokers, etc.), end customers (B2B and B2C) and the ELARIS team and makes it measurable.

Main functions of the ELARIS World platform



Sources: ELARIS AG; GBC AG

Each of these target groups, therefore, has its own platform access (log-in), which can be used to view and manage all information and tasks. In addition, management can call up various KPIs with just a few clicks via various dashboards and, thus, have maximum insight and transparency without being actively involved in day-to-day business. In the future, ELARIS World will also include an ELARIS Academy, which will enable new employees to be familiarised with new tasks in a highly efficient manner within a few days using explanatory videos.

Customisation of e-vehicles and in-house development activities

All vehicles and charging stations developed and sold by ELARIS are manufactured by contract manufacturers (OEMs) in China. These Chinese industrial companies are manufacturers that specialise in the development and production of electric vehicles and electronic systems. ELARIS maintains extensive technology and development partnerships with these Chinese vehicle manufacturers.

It should be emphasised at this point that ELARIS does not order products or vehicles from its contract manufacturers for stock, but only those for which a binding order has already been placed, whether by end customers (direct sales), dealers/sales partners or distributors from abroad.

Given that ELARIS typically uses existing and established electric car models or vehicle platforms from its partner companies (Chinese OEMs) for the development and marketing of its electric cars, the company does not require extensive R&D resources. However, the company usually develops the software-related charging management solutions and other car software for electric vehicle infotainment for its model lines itself and provides the contract manufacturers with its own digital platform for the electric vehicles.

This means that ELARIS generally utilises electric car models that have already been developed and proven by the various (OEM) manufacturers. One exception to this is the DYO vehicle model, which is the first electric vehicle sold by ELARIS to date and which was initially developed solely for the company and in consultation with it.

ELARIS also has an influence, within the scope of technical and legal possibilities, on which vehicle components and equipment are to be used by electric car manufacturers for the respective ELARIS model lines. When it comes to influencing or modifying, ELARIS is guided by European standards (compliance with statutory safety standards as part of type approval, etc.) and customer expectations (e.g. with regard to the scope and design of the interior fittings).

The digital platform, consisting of the operating system and the software applications based on it (together known as the Trusted Service Platform, or TSP), which is provided by ELARIS itself, represents a significant customisation of the contract manufacturer's vehicle specifically for ELARIS.

For some time now, many car manufacturers have been focusing on software for infotainment or automated driving in order to differentiate themselves from the competition. According to many automotive experts, vehicle software applications will be one of the most important factors when buying a car in the future.

In addition to the software for infotainment, there is also a large amount of software that is essential for the convenient and safe operation of vehicles. This includes the operating system and the basic functions based on it. Together with the computers and computing power required for this, they form the central nervous system of future electric cars.

The TSP is particularly important for electric vehicles and forms the basis of the infotainment system and communication with external networks and services (e.g. the mobile internet). ELARIS provides the software components as well as the hardware of the TSP to electric car manufacturers. In addition to charging management software adapted to European standards, ELARIS also supplies customised infotainment software that includes a wide range of software applications (e.g. mobile internet, navigation via Google Maps, online Gmail mailbox, etc.) for car drivers.

ELARIS infotainment system with comprehensive software applications



Sources: ELARIS AG; GBC AG

The TSP is based on the Android Automotive operating system. ELARIS has the graphics design and the development and integration of applications into the TSP as carried out by third-party developers. In addition, ELARIS operates a so-called "connected car platform" via its own servers, on which vehicle data and user data collected via the TSP are bundled and stored. The company's (connected car platform) servers are located in Germany. This is intended to ensure the best possible data security for customers.

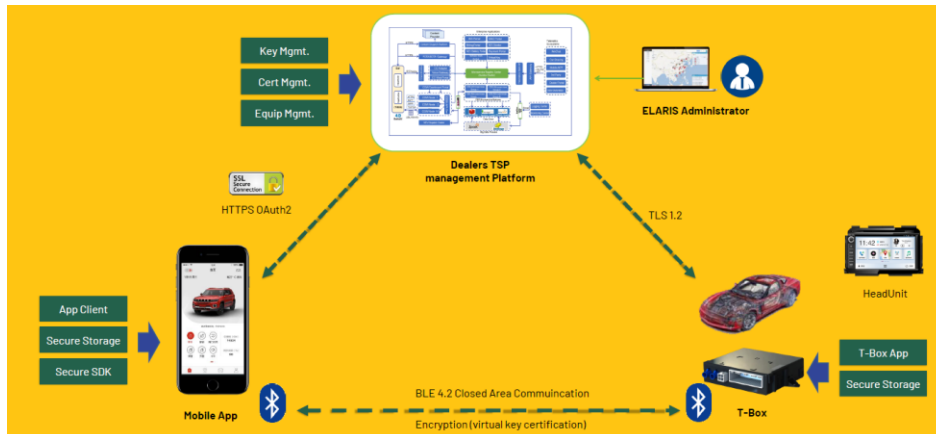
In terms of hardware, the company sources its own displays for the centre console (ELARIS HeadUnit) from suppliers in China, which are delivered directly to the Chinese contract manufacturers and installed by them. The TSP provided by ELARIS is installed by the car manufacturers or contract manufacturers directly during vehicle production. Updates or the integration of new software applications for electric cars that have already been delivered are carried out by the company itself (over-the-air updates).

ELARIS also takes care of adapting the charging management software of the electric cars to the European charging infrastructure. In this case, too, the customisations developed by the company are implemented directly by the contract developers and ELARIS can carry out software updates on the electric vehicles already delivered itself (over-the-air updates).

While ELARIS does not develop any software applications for the vehicles itself in the area of TSP, but instead has programming activities carried out by third parties, the company is also active with its own development activities in the area of charging management software.

After consultation with the respective electric car manufacturer (OEM) regarding the desired customisations, the respective models are produced for ELARIS on an order-specific basis and distributed by the company under the ELARIS brand in the corresponding target markets. This is based on the distribution agreements concluded between ELARIS and the manufacturers or contract manufacturers, which regularly grant the company exclusive distribution rights for the respective electric car models in contractually-agreed European countries.

The ELARIS vehicle platform system



Sources: ELARIS AG; GBC AG

Disruptive sales structure of the ELARIS Group

With regard to its sales activities, which currently focus mainly on the German automotive market, the ELARIS Group is pursuing a disruptive sales approach without its own authorised dealers, thus deviating from the traditional sales structure of German vehicle manufacturers and vehicle suppliers.

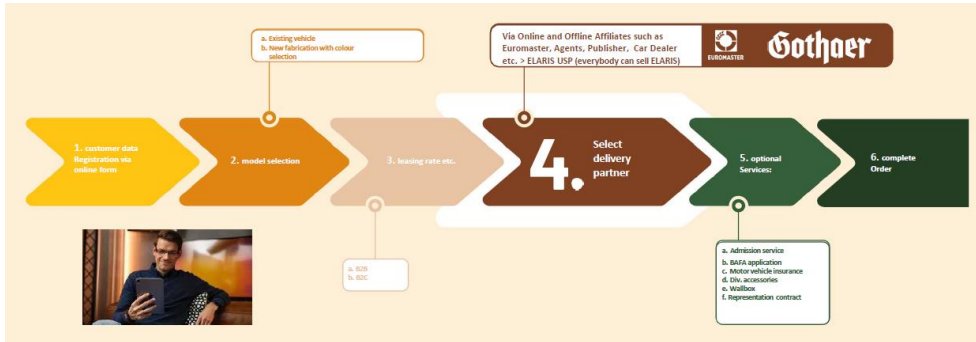
The electric vehicles offered by ELARIS are sold via cooperation partners (e.g. Euromaster or dealers/car dealerships), who act as dealers vis-à-vis the company and earn corresponding resale margins or participate in the sales success as intermediaries via commissions. Customers can also purchase e-cars directly from ELARIS (direct sales) via its website (www.ELARIS.eu) and subsequent contact with the ELARIS customer department. With its disruptive sales approach, the company endeavours to combine online and offline sales. Accordingly, sales are also made via sales partners with digitalised processes, i.e. intermediaries also use digital end devices/devices (e.g. iPad sales tools) that are connected to the company's digital platform (ELARIS World) when selling ELARIS vehicles.

In addition to ELARIS vehicles, the company also offers charging stations and charging hardware via its own website as part of its **direct sales programme**. As soon as customers indicate an interest in purchasing via an order process when visiting the website, the ELARIS customer department contacts them to finalise the contract. In addition, potential customers can obtain comprehensive advice on all ELARIS products via the company's own telephone hotline. The vehicles offered by the company cannot only be (classically) purchased, but also leased and rented. The leasing model involves an ELARIS leasing partner (CA Autobank Deutschland), which acts as lessor to the customer. The purchased or leased vehicles are then delivered via an ELARIS sales partner close to the customer, who receives a corresponding delivery commission.

Through its second **sales channel, dealers/car dealerships**, ELARIS currently maintains sales partnerships with 82 car dealers in Germany, which include both the electric vehicles and the associated charging stations. The cooperation agreements concluded with the dealers give the respective dealers a high degree of flexibility in sales. There is therefore no obligation for dealers to purchase ELARIS electric vehicles. Instead, depending on the individual case, a dealer can always decide whether they wish to act merely as an intermediary between ELARIS and the end customer or as a dealer. In the latter case, the dealer acquires the electric vehicle directly from ELARIS for subsequent resale to the private or corporate customer and thus represents the customer from ELARIS's perspective.

Where necessary, dealers also provide sales advice and, if required, enable customers to take test drives.

Disruptive sales - the digital path of the middleman

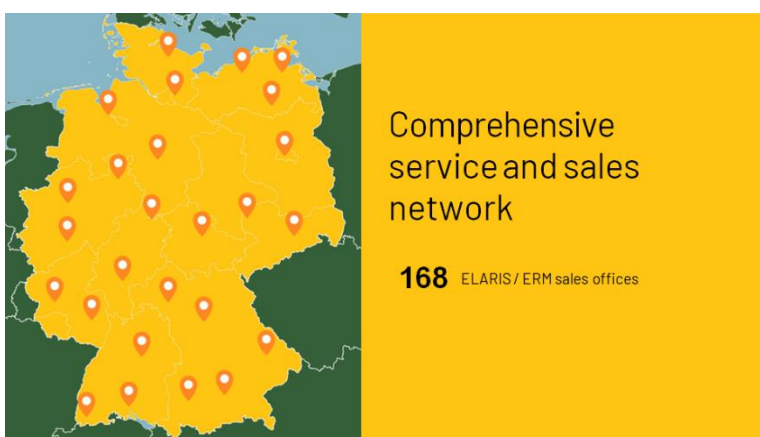


Sources: ELARIS AG; GBC AG

Another sales channel is their cooperation with the **Euromaster** workshop chain (part of the Michelin Group). Euromaster advertises their electric car partnership with ELARIS on its German website and also enables customers to make appointments for test drives at Euromaster service centres directly via its website. In addition to test drives, interested customers at these locations have the opportunity to obtain advice from Euromaster employees and ultimately also to buy or lease ELARIS electric cars. In its relationship with potential customers, however, Euromaster acts as an intermediary rather than a dealer. This means that in the case of a car sale, ELARIS always remains the contractual partner or, in the case of a leasing contract, the respective ELARIS leasing partner remains the lessor.

The basis for this cooperation activity is a framework agreement concluded between ELARIS and Euromaster in April 2021, which includes the assumption of maintenance and service activities as well as sales activities by the workshop chain. In view of this, 86 of the approximately 260 Euromaster service locations in Germany are currently participating in this cooperation.

Extensive co-operations of the ELARIS Group enable a comprehensive service and sales network in the core market of Germany



Sources: ELARIS AG; GBC AG

Marketing activities

In terms of its marketing activities, the ELARIS Group is currently mainly active on the well-known social media platforms LinkedIn, TikTok, Instagram and Facebook, where it distributes its own videos and various other marketing content. Recently, however, ELARIS has begun to significantly step up its marketing activities. For example, the company entered into a sponsorship partnership with Bundesliga club 1. FC Union Berlin at the end of July of the last financial year 2023.

Sales-specific co-operations with Union Berlin and NTV

ELARIS x FC Union Berlin

Measures:

- **FC Union podcast placement**
→ secure a large podcast fanbase
- **Fan combination package**
→ Car + season ticket
- **Exclusive FC Union Berlin special-edition model**
→ Increase the branding

ELARIS x NTV (Januar 2023)

NTV leasing offer on attractive terms

Sources: ELARIS AG; GBC AG

The company has been supporting 1. FC Union Berlin as a top sponsor and sustainable mobility partner with electric cars since it joined the club. ELARIS also supports the football club in the further professionalisation of women's football and will adorn the shirts of Union Berlin's professional women's team in the Regionalliga Nord-Ost with its logo in future.

Media co-operation with SevenVentures

seven VENTURES

We will link the online and offline worlds using specific partnerships and achieve top media exposure in exchange for equity. This will enable us to create new sales channels and expand existing ones.

**A real Win-Win situation:
Media for cash and an equity interest in vehicle sales.**

The advantages:

- **Massive increase in reach**
- **Stronger branding**
- **Significant rise in car sales expected**

Sources: ELARIS AG; GBC AG

In addition, ELARIS entered into a further partnership with SevenVentures, the investment arm of ProSiebenSat.1, in 2023. As part of the partnership, ELARIS receives a comprehensive media package in return for a (fixed) fee and a share of sales (success commission). This co-operation is intended to link the online and offline worlds and dynamically increase the existing reach via top media placements. ELARIS vehicle sales are to be significantly increased through a massive increase in reach and stronger branding. All in all, the ELARIS Group has budgeted a media budget of around € 4.00 million for future and existing marketing expenditure, which primarily relates to the past 2023 financial year.

Product portfolio and services

All-electric ELARIS passenger car portfolio



Sources: ELARIS AG; GBC AG

Electric vehicles

The ELARIS brand is aimed at the volume segment of the German and European automotive market and stands for high-quality electric vehicles with good equipment that are fun to drive, very well made and very safe. The brand also stands for affordable mobility, i.e. the electric cars are typically offered with a good price-performance ratio in the respective target markets. ELARIS, therefore, competes in the German automotive market with traditional volume manufacturers such as Volkswagen, Hyundai, Kia and Opel. In addition to private customers, the customer focus is primarily on corporate customers.

The range of electric vehicles offered by the ELARIS Group currently comprises five different vehicle types. These range from small cars (ELARIS DYO) and SUVs (ELARIS BEO) to vans (ELARIS CARO). Since the summer of 2023, the vehicle range has been expanded and rounded off by the compact car "ELARIS LEO" and the sporty saloon "ELARIS JACO". The company now offers a complete range from small cars to vans, which is set to be expanded even further in the future.

ELARIS DYO - the self-developed small car

230km-275km Reach WLTP 1 hour Loading time from 30% to 80% 24,200€ With full equipment



Sources: ELARIS AG; GBC AG

As several car manufacturers have significantly reduced their product range in the small car segment in the past, the number of vehicles on offer in this market segment is quite limited. Against this background, the company sees good marketing and sales opportunities with the attractive and affordable DYO model, particularly in this niche.

All electric vehicles marketed and distributed by ELARIS are produced by contract manufacturers on the basis of a binding customer order, i.e. there is no production for stock. The contract manufacturers are generally large Chinese electric vehicle manufacturers, such as Skywell, Dorcen or JAC, who have many years of experience and expertise in the field of e-mobility.

ELARIS BEO - The family car

465 km
Reach WLTP

30 min
Loading time for 300 km

48,800€
With full equipment



Sources: ELARIS AG; GBC AG

All models offered by the company are purely battery-powered electric vehicles (and therefore not plug-in hybrid vehicles), which are currently generally equipped with a lithium-ion battery.

ELARIS LEO - The compact all-rounder

510 km
Reach WLTP

25 min
Loading time for 255 km

From 46,200 €
With medium equipment



Sources: ELARIS AG; GBC AG

It is currently not possible to customise the equipment, but it is possible to choose between predefined equipment packages for some models. For some ELARIS models, it is also possible to choose between batteries of different strengths and thus make a preferred selection with regard to the desired vehicle range.

ELARIS JACO - The sporty saloon

630 km
Reach WLTP

25 min
Loading time for 345 km

43,100€
With full equipment



Sources: ELARIS AG; GBC AG

In addition to a small car and various SUVs, ELARIS also offers a practical and compact van especially for corporate customers, the ELARIS CARO. This is available in two different model variants (CARO, CARO S), which differ mainly in terms of payload and battery range.

ELARIS CARO - The practical and compact transporter

380km-500km
Reach NEFZ

30 min
30-80%

From 62,700€
With full equipment



Sources: ELARIS AG; GBC AG

Charging infrastructure

In addition, the ELARIS Group also sells charging hardware, the ELARIS Wallbox, under its "ELARIS" brand and offers it for nationwide installation. The installation is carried out by external service providers (certified installers). With the ELARIS Wallbox CLASSIC and the ELARIS Wallbox Smart, the company offers two different versions of charging hardware.

The first variant (Classic) is mainly suitable for installation and operation in private areas. The ELARIS Wallbox Smart, on the other hand, is also suitable for installation and operation in semi-public areas, as it offers access protection via a chip card (RFID), is network-compatible and can also communicate with a central management system via the OCPP (Open Charge Point Protocol) application protocol.

The ELARIS WALLBOX with nationwide installation

Elaris Wallbox Classic	Elaris Wallbox Smart
→ Charging power mode 3 to 11 kW	→ Charging power mode 3 to 22 kW
→ Plug type type 2	→ Plug type type 2
→ Charging cable length 5 m	→ Charging cable length 5 m
→ Operating status display, front lighting, LED multifunction push-button	→ High quality touch display
→ Rated voltage 230 V / 400 V (1/3-phase AC)	→ Rated voltage 230 V / 400 V (1/3-phase AC)
→ Rated current up to 16 A (adjustable from 6 A in 2 A steps during installation)	→ Residual current detection AC 30 mA, DC 6mA (integrated)
→ Residual current detection AC 30 mA, DC 6mA (integrated)	→ Networkable
	→ For private and semi-public use
	→ Access protection via RFID card
	→ Basic monitoring
	→ OCPP communication
	→ 5 year guarantee

595€
incl. VAT

Installed nationwide at a flat rate!

895€
incl. VAT

Installed nationwide at a flat rate!



Sources: ELARIS AG; GBC AG

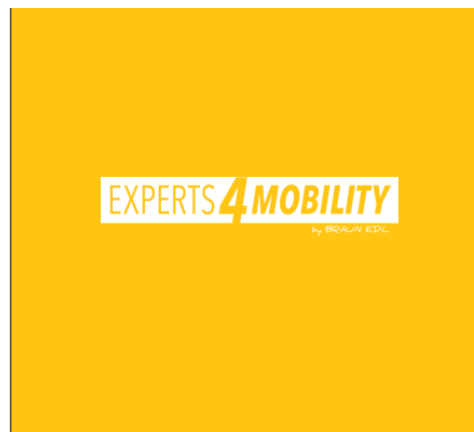
Following the acquisition of ELARIS Innovation GmbH as part of a non-cash capital increase (December 2023), the company is to be further developed and expanded into a full-service provider of charging infrastructure solutions. In addition to the sale of individual hardware and software products, this includes, in particular, the consulting, creation and implementation of comprehensive solutions for fleet operators and commercial customers.

In addition to ELARIS products (wallbox and charging card for payment at public charging stations), the charging hardware products to be sold in future will also include charging stations and mobile charging stations from other manufacturers or brands as well as photovoltaic systems. With regard to the software associated with the hardware, the main aim is to offer software solutions for integration into customer accounting.

The creation, design and implementation of charging infrastructure solutions typically includes an initial consultation with site assessment, the creation of the mobility and charging infrastructure concept (including feasibility study), the selection of charging hardware and software for networking with accounting and electricity load management (integration into the backend). The installation of the charging infrastructure is also carried out by external service providers. As part of the entire process, ELARIS supports its customers in the organisation and implementation of all legal requirements and operator obligations and, if desired, can also take over subsidy management for customers.

ELARIS - comprehensive charging infrastructure solutions

- Concept development and construction of a functional charging infrastructure**
- Through your Elaris contact partner, advice and project management for the conversion of the vehicle fleet and the establishment of a future-oriented, economically viable and modularly expandable charging infrastructure:
- Electric vehicles & alternative drive concepts
 - Fleet Consulting
 - Backend & billing handling
 - Examination & expansion of grid connection
 - Subsidies management
 - The entire process chain can be mapped from a single source, from the application for subsidies to site selection, procurement, installation, connection and technical maintenance of the charging infrastructure to integration into the backend.



Sources: ELARIS AG; GBC AG

MARKET AND MARKET ENVIRONMENT

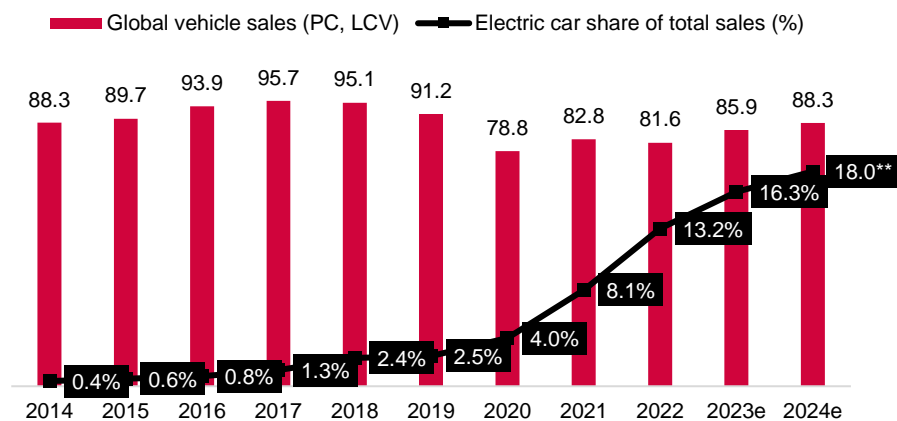
Global automotive market - strong trend towards electric cars

General characteristics of the global automotive market

The ELARIS Group is positioning itself as a German provider of electric cars with a focus on the German electric car market. Other European countries (e.g. the Netherlands and Austria) are also at the centre of the company's business expansion strategy.

Against this backdrop, we will focus primarily on the German car market in addition to the European car market and, in particular, on the fast-growing electric car segment of the overall market.

Development of vehicle sales in the global automotive market (in millions) and the electric car share* (in %) of total sales



Sources: OICA; ZSW; S&P Global Mobility; IEA GBC AG *pure electric cars (BEV) and plug-in hybrids (PHEV) **own estimate

The global automotive market is generally regarded as a multi-billion euro sector. According to market studies, between around 79.0 million and sometimes even around 96.0 million (combustion) vehicles have been sold worldwide in this sector every year over the past decade. The global automotive market is dominated by a few market players or groups, such as Toyota, Volkswagen, Hyundai, General Motors, Stellantis and the Renault-Nissan-Mitsubishi Alliance, which, according to our estimates, accounted for over 50.0% of global car sales in 2023.

The global automotive industry is generally categorised as a cyclical sector, i.e. the volume of vehicles sold in the overall market is significantly influenced by current economic developments (income situation, etc.). In addition to macroeconomic aspects, car sales are traditionally also decisively influenced by factors such as the oil price level (keyword: operating costs) and the interest rate level (financing costs).

Transformation of the global automotive industry

For some time now, the global automotive industry has been undergoing a major transformation towards e-mobility, autonomous driving and increased digitalisation.

The ongoing shift towards electric cars can be observed in the almost constantly increasing share of the electric car market in total global car sales. According to market studies (OICA, ZSW, S&P, IEA), the share of electric cars in total global car sales has risen massively from 1.3% in 2017 to 16.3% in 2023. This means that more than one in seven

vehicles sold worldwide last year was an electric car. In parallel to the increased electrification of the passenger car sector, the digitalisation and networking of vehicles is becoming increasingly important and cars are increasingly becoming a kind of rolling computer connected to the internet with ever faster computing power and extensive vehicle software.

While hardware has dominated the vehicle in the past, many automotive experts believe that vehicle software will provide a clear differentiation in the future. This means that countless apps, software functions such as ChatGPT, autonomous driving, car range and battery charging times will make the difference in the future.

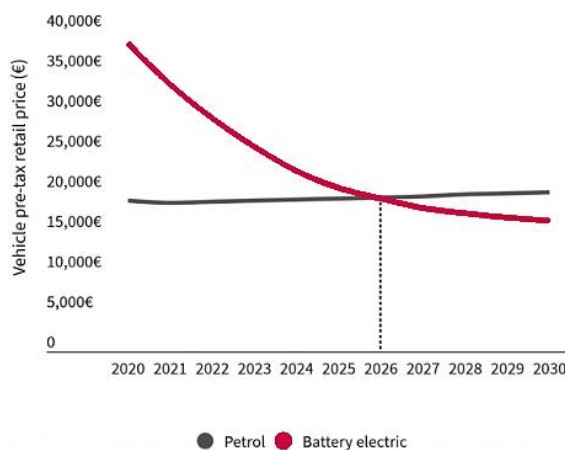
For many automotive experts, the all-electric car or battery-powered electric car is considered the car of the future in terms of drive type and the classic combustion engine is seen as a discontinued model. Some industry experts are already predicting that the electric car will be cheaper to buy than a conventional combustion vehicle, e.g. in the form of a petrol car, before 2030.

According to a study (BloombergNEF) from 2021, an electric vehicle in the mid-range car segment (vehicle class C) in Europe is expected to cost the same as a traditional combustion vehicle as early as 2026, meaning that price parity will already exist between the two drive types at this time. Lower manufacturing costs in connection with economies of scale should lead to this.

This would mean that the electric car would lose its previous cost disadvantage in terms of acquisition costs and thus gain significant competitive strength in terms of purchase price. In terms of maintenance and wear and tear costs, the electric car is already considered more cost-effective for consumers and drivers due to the lower number of vehicle parts and components used.

On the other hand, a combustion engine car is becoming increasingly expensive to run due to its CO₂ emissions, as CO₂ emissions are taxed in the EU in particular, causing petrol and diesel prices to rise as a consequence. In addition, the pollutant-specific limits to be complied with by car manufacturers (keyword: EU fleet limits) are leading to ever more complex exhaust gas purification systems and new exhaust gas purification regulations, making a classic combustion vehicle increasingly cost-intensive to produce in future, which is then also reflected in higher sales prices.

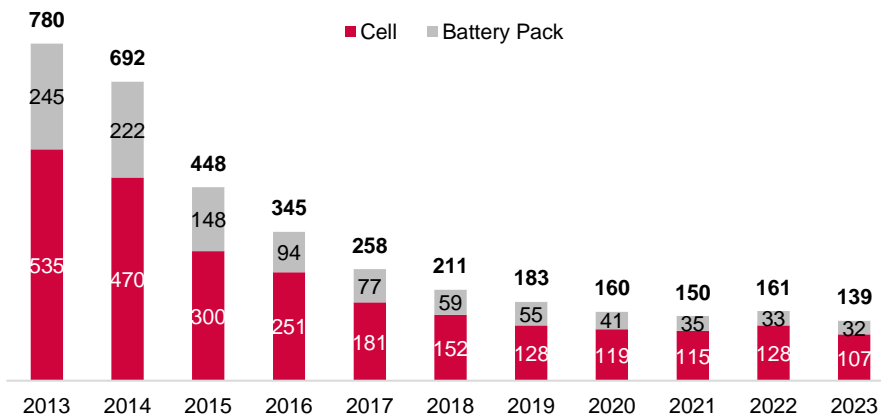
Expected future price parity between electric and combustion vehicles*



Sources: BloombergNEF; GBC AG *related to mid-range cars (class C)

As the battery and the software are considered to be the essential core of electric cars, the battery typically accounts for up to 40.0% of vehicle costs. After (lithium-ion) battery costs having already been significantly reduced by car manufacturers in the past, making electric vehicles much more affordable, car manufacturers see further significant cost-cutting potential in the area of the vehicle battery.

Volume-weighted average price of lithium-ion batteries and cells (real 2022 dollars / kWh)



Sources: BloombergNEF; GBC AG

Leading electric car manufacturer BYD, for example, sees significant potential for optimisation in the area of lithium-independent batteries, as this type of battery is very cost-intensive to produce due to the scarcity of lithium as a raw material. In summer 2023, BYD launched an electric car on the market that stores electricity in an innovative sodium-ion battery instead of a conventional lithium-ion battery.

Although this type of battery is heavier than a lithium-ion battery, this battery variant is considerably cheaper due to the ubiquitous availability and low cost of sodium and should therefore make electric cars significantly cheaper in the future. Some Asian car manufacturers are already expecting that the new sodium-ion battery or new battery generation (solid-state batteries) will reduce battery manufacturing costs by between 30.0% and 40.0% in the future. This would significantly reduce the list prices of electric cars.

The historically comprehensive transformation of the automotive industry towards e-mobility has been decisively fuelled or initiated by the environmental and climate policy efforts of various countries ("Paris Climate Protection Agreement"; "European Green Deal", USA net-zero emissions by 2050, etc.), government subsidy programmes (e.g. with regard to the automotive industry in China) and technological progress (constant innovations have made cheaper and better e-cars possible).

Leading industrialised nations such as China discovered electromobility as a key area and promising technology for themselves at a very early stage and have strongly promoted the expansion of this sector (e.g. through electric car sales quotas for domestic manufacturers) and thus massively advanced it. In addition to China, which has introduced various support measures such as tax breaks for electric car purchases, other leading industrialised countries such as the USA have also launched their own (support) programmes (Inflation Act; purchase premium for electric car purchases) in order to accelerate the further ramp-up of electromobility. Industrialised countries such as Germany have also significantly promoted the establishment and ramp-up of e-mobility with special subsidy instruments, such as the environmental bonus, as part of their ongoing mobility transition.

EU regulation in the European mobility sector

European regulation by the European Union (EU) is a very important factor in the development of e-mobility in the European car market, the third-largest car market in the world. At this point, it should be emphasised that the European Union sees itself as a global pioneer in the field of environmental and climate protection and is pursuing an ambitious and consistent policy in this area (keyword: "European Green Deal"; "Fit for 55 Initiative"). This is also reflected in the European Climate Law, which stipulates that a climate-neutral economy and society should be established in Europe by 2050 as part of the energy transition.

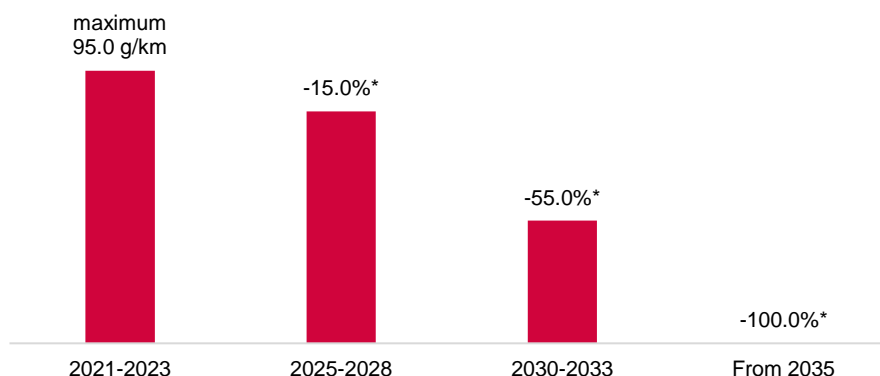
A key element in achieving climate neutrality is the increased use of clean and environmentally-friendly means of transport and mobility. In this respect, the EU sees the electric car and e-mobility as a climate-neutral and climate-friendly means of mobility. Accordingly, EU policy strongly supports and promotes the ramp-up and establishment of the electric car within the EU.

In line with the objectives of the European Green Deal, Europe aims to become the first climate-neutral continent with zero net greenhouse gas emissions by 2050. On the way there, net greenhouse gas emissions are to be reduced by at least 55.0% by 2030 as compared to 1990.

The EU Climate Change Act contains a long-term package of measures or roadmap to gradually achieve the goal of climate neutrality by 2050. Among other things, it includes emission reductions, investments in climate-friendly technologies and environmental protection.

Emission reductions apply to several sectors, among others. In addition to the transport sector, this also applies to the automotive sector, for example. In future, European car manufacturers will have to comply with even stricter CO₂ fleet limits. At the end of 2022, the EU member states and the European Parliament reached a political agreement on stricter CO₂ emission standards for new passenger cars and light commercial vehicles, thus paving the way for the virtual end of new cars with combustion engines from 2035.

Estimated CO₂ emissions reduction for new cars - combustion engine phase-out from 2035



Sources: European Council; Council of the European Union; GBC AG *in comparison to the targets for 2021

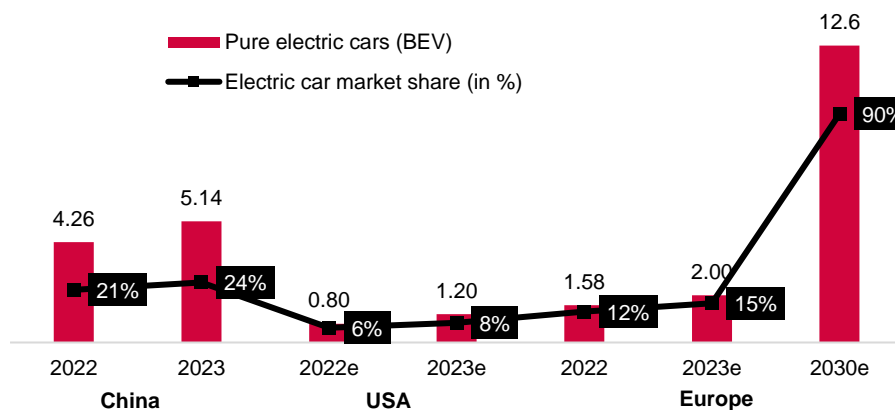
In concrete terms, this agreement means that CO₂ emissions for new cars must be reduced by 55.0% by 2030 as compared to 2021 and by 50.0% for light commercial vehicles. By 2035, CO₂ emissions from new cars and light commercial vehicles must fall by 100.0%. This, in turn, means that from 2035, practically only cars and light commercial vehicles

that do not emit any CO₂ during operation may be registered, which is tantamount to a ban on combustion cars. At the same time, this will give the European e-mobility industry, which is aiming to increase investment in this sector or has already done so, a certain degree of planning security with regard to its capital-intensive projects.

Development of electromobility in key core markets

In recent years, China has become the largest single market for electric cars and is also the leading market in the global e-mobility sector. According to a recent study by the CAM (Center of Automotive Management), 5.14 million all-electric vehicles (BEVs) were sold in China in 2023, which corresponds to an increase of 20.7% compared to the previous year (PY: € 4.26 million). At the same time, the BEV share of total sales rose significantly to 23.7% (PY: 20.7%). This means that around one in four vehicles sold in the Chinese car market last year was a fully electric car.

Development of electric car sales in core automotive regions (in millions) and electric car market share of total sales (%)



Sources: CAM; GBC AG

According to estimates by the authors of the study, 1.20 million all-electric vehicles (BEVs) were sold in the USA, the second-largest automotive market, last year, which equates to an increase of 50.0% compared to the previous year (PY: € 0.80 million). At the same time, the share of all-electric vehicles in total new sales rose to 7.7% (PY: 5.8%).

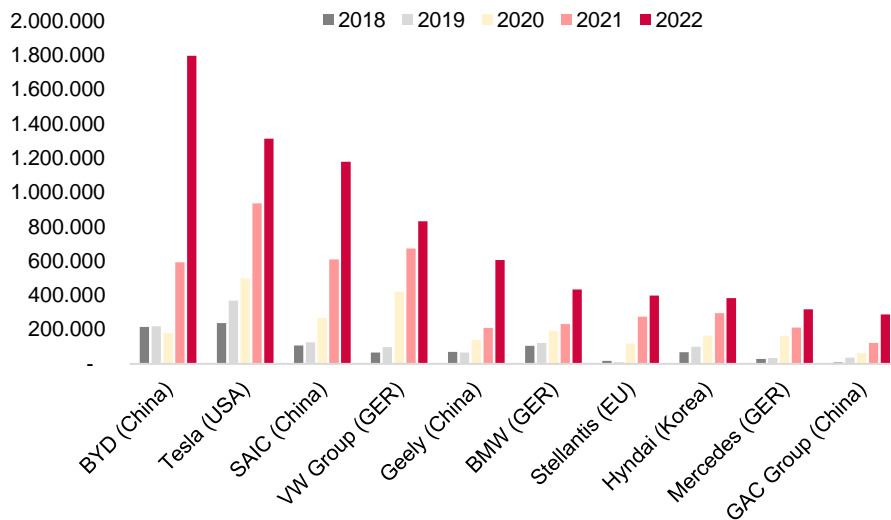
In the European automotive market, the ramp-up of electromobility also continued to gather pace in 2023. The number of fully electric vehicles sold increased significantly by 26.6% year-on-year to 2.00 million (PY: 1.58 million). At the same time, the share of battery-powered electric cars (BEV share) in total sales increased significantly to 15.4% (PY: 12.2%).

A differentiated picture emerges with regard to the market-leading car manufacturers in the various car markets. In the past, German car manufacturers (VW Group, etc.) and Japanese manufacturers (Toyota, Renault-Nissan-Mitsubishi Alliance) dominated key core regions of the car markets for classic combustion vehicles.

However, with the gradual increase in the share of electric cars in total sales, new players have also set out to change the global car markets. Tesla, for example, has managed to overtake its traditional competitors with its innovative cars in just a few years. Thanks to its strong positioning, Tesla was able to take the lead in new registrations with its important Model Y in the first quarter of 2023, making it the best-selling car in the world according to an analysis by Jato Dynamics. According to a ZEW study, Tesla was the world's second-

largest electric car manufacturer in 2022 with 1.31 million (+39.4% compared to the previous year: 0.94 million) newly registered or sold electric cars.

Development of global new registrations of electric cars* by major car manufacturer (million)

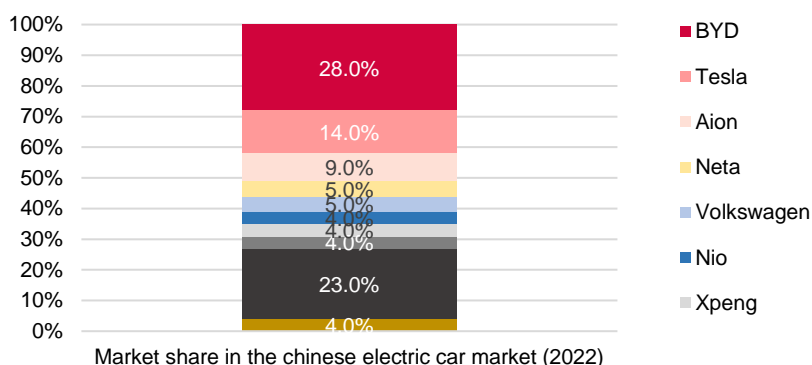


Sources: ZSW; GBC AG *Fully electric vehicles (BEV) and hybrids (PHEV)

In addition to the American electric car manufacturer Tesla, Chinese vehicle suppliers such as BYD are increasingly entering the global market with innovative electric cars and challenging traditional automotive giants such as the Volkswagen Group, which are still heavily dependent on the combustion engine business. According to a ZSW data survey, BYD was the world's largest producer of electric cars in 2022 with 1.80 million (+205.0% compared to the previous year: 0.59 million) newly registered or sold vehicles.

In the course of the epochal upheaval in the automotive industry, the Chinese car manufacturers' strong focus on e-mobility is opening up the opportunity to turn the balance of power in the automotive sector on its head. According to experts, the development lead of Chinese e-car manufacturers regarding the key components of batteries and car software for electric vehicles is estimated to be several years long.

Market shares of major car manufacturers in the Chinese electric car market



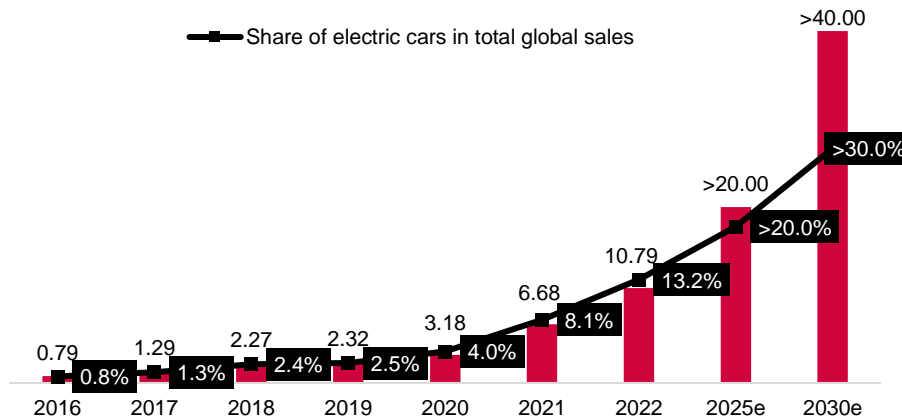
Sources: Company information; GBC AG

On the domestic market in China, BYD even managed to wrest the market leadership in the overall automotive market from the VW Group in 2022 and take the top position itself. BYD was the clear market leader in the Chinese electric car market in 2022 with a market

share of 28.0%. It was followed by Tesla (14.0%), Aion (9.0%), Neta (5.0%) and Volkswagen (5.0%).

Various automotive experts expect the global ramp-up of electromobility to continue in the coming years. For example, the International Energy Agency (IEA) expects the number of electric cars to increase dynamically from 10.79 million in 2022 to over 20.0 million by 2025 and over 40.0 million by 2030. At the same time, the share of electric cars in total global sales is expected to increase to over 20.0% (2025e) and, subsequently, to over 40.0% (2030e).

Development of global sales (or new registrations) of electric cars (in millions)



Sources: ZSW; IEA; GBC AG

Germany wants to become the lead market for e-mobility

German climate and environmental protection policy is closely linked to European policy in these areas and is also pursuing ambitious goals with regard to environmental and climate protection policy.

In summer 2021, the German Bundestag adopted stronger climate protection targets and passed the new Climate Protection Act of 2021 to this end. It enshrines the goal that Germany should be climate-neutral by 2045. On the way there, a total of 65.0% of all greenhouse gas emissions are to be reduced by 2030 (compared to 1990) and 88.0% by 2040. Various specific measures have been defined to achieve these targets.

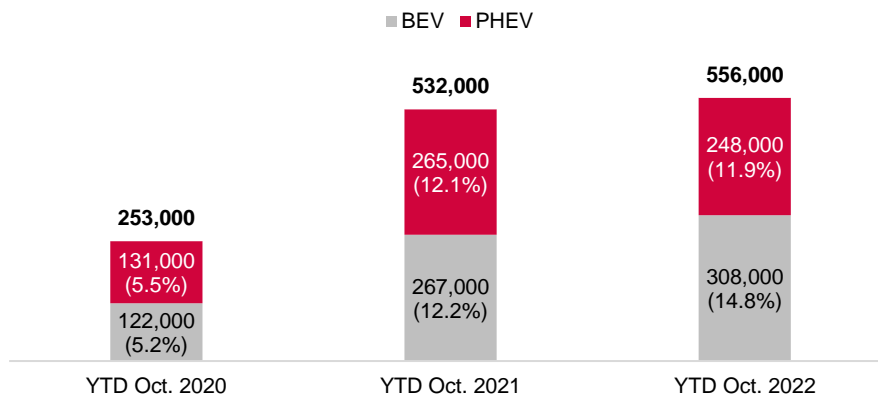
In order to achieve Germany's climate policy goals, the important mobility and transport sector in particular must be transformed in the direction of climate-friendly e-mobility. According to various studies, the large number of passenger cars in Germany, with a volume of over 40.0 million vehicles, accounts for a large proportion of climate-damaging emissions in the transport sector (60.0% of which are caused by passenger cars according to the dena study).

As part of the transformation that has begun in the automotive and transport sector, Germany is aiming to become the leading market for e-mobility in Europe in future, according to the current coalition government's plan. According to the current government's plans, at least 15 million fully electric vehicles (BEV) are to be on German roads by 2030. At the same time, the number of publicly-accessible charging points is to increase to 1.0 million by 2030, with a focus on the fast-charging infrastructure. The government is also endeavouring to ensure that the expansion of the charging infrastructure is ahead of demand.

In order to increasingly establish e-mobility in Germany and drive the further growth of this sector, the government promoted and supported both the sale of e-cars and the associated charging infrastructure (keyword: environmental bonus for e-car purchases, promotion of wallbox purchases, etc.).

In general, the German e-mobility sector is still a relatively young growth market that has grown very dynamically in the past. The e-mobility market has recorded high growth rates, particularly thanks to government subsidies (especially the scrapping premium at the time).

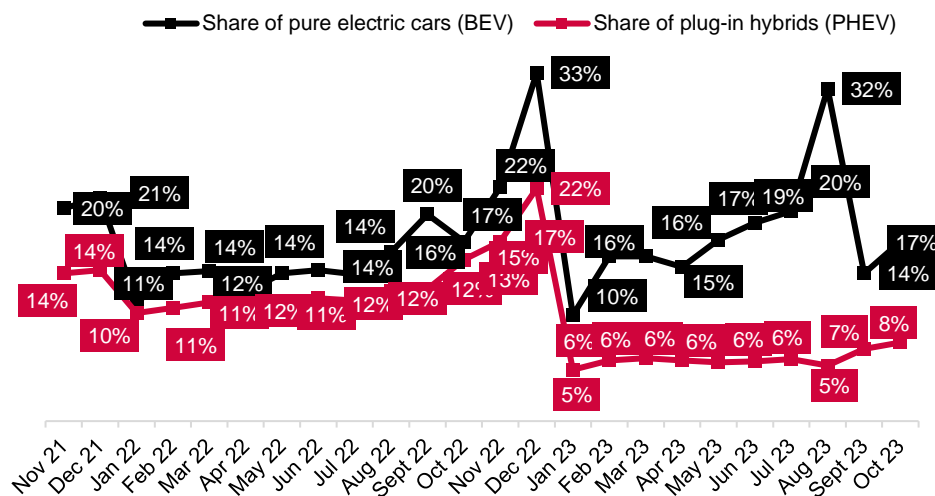
Electric car registrations in the German passenger car market (as of October 2022)



Sources: GBC AG; CAM

In the first ten months of 2022, 308,000 battery electric vehicles (BEV) were registered in Germany, which corresponds to a significant increase of 15.4% compared to the previous year (YTD Oct. 2021: 267,000). At the same time, the share of new registrations of fully electric vehicles rose significantly to 14.8% (YTD Oct. 2021: 12.2%). Due to reduced government subsidies for plug-in hybrid vehicles (PHEV), the number of registered vehicles in this segment fell moderately in the same period to 248,000 vehicles (YTD Oct. 2021: 265,000). The new registration rate for plug-in hybrid vehicles was 11.9% and thus remained almost at the previous year's level. According to CAM market experts, the share of all-electric cars (BEV) was 17.1% and plug-in hybrids (PHEV) 7.5% in October last year.

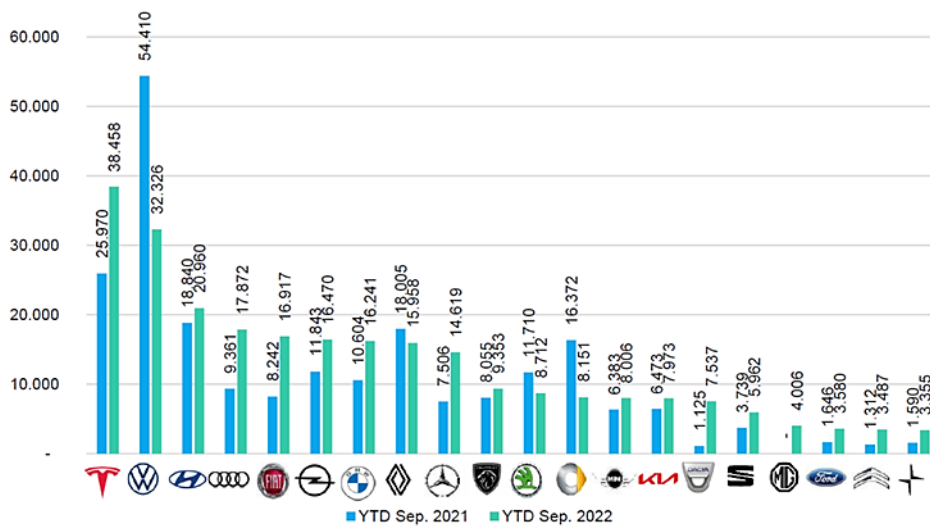
E-car market share in Germany over the course of the year



Sources: CAM; GBC AG

According to a recent CAM study, leadership in sales of all-electric vehicles (BEVs) on the German passenger car market changed hands in the first three quarters of 2022 compared to the previous year. While the Volkswagen brand suffered significant sales losses and fell back to second place as a result, the US electric car manufacturer Tesla was able to increase its vehicle deliveries once again and thus become the market leader. The Korean brand Hyundai was able to defend its third place with a similarly high sales level as in the same period of the previous year, closely followed by the Audi and Fiat brands, which were able to significantly increase their new registration figures.

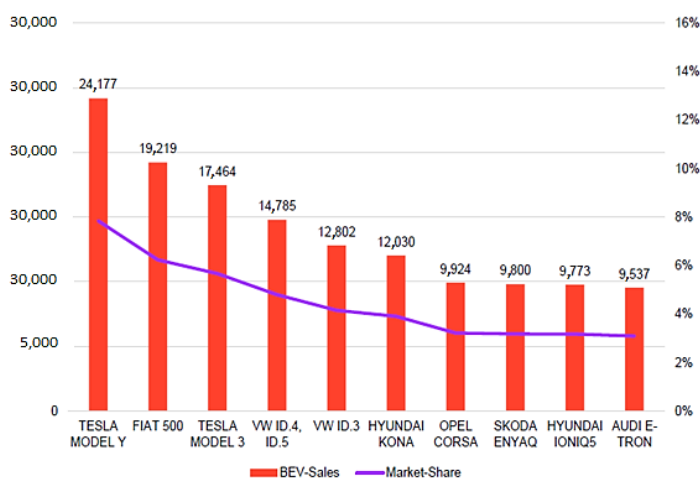
Top 20 electric car sales (BEV) by brand on the German car market*



Sources: CAM; GBC AG *As at: October 2022

In terms of vehicle models, a CAM study of the first three quarters of 2022 revealed a similar market picture for the top positions. Here, too, the US car manufacturer Tesla dominated the German all-electric car market (BEV market) with its Model Y and Model 3 model series. With cumulative vehicle sales of over 40,000, Tesla's market share was 13.5%.

Top 10 - Sales and market share of all-electric cars (BEVs) in Germany by model series (Q1-Q3 2022)

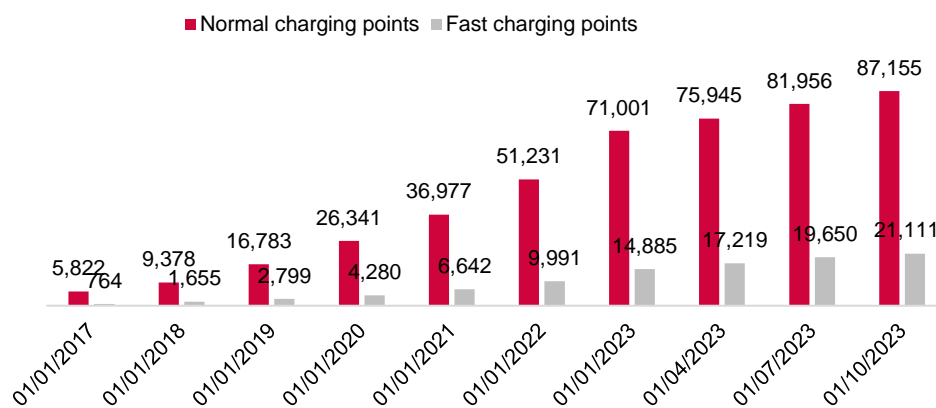


Sources: CAM; GBC AG

The Fiat brand was able to capitalise on its long-running bestseller, the Fiat 500, to take second place. Sales of the small car totalled over 19,000 electric vehicles between January and September 2022. The Volkswagen Group, the market leader in the overall market, was in fourth and fifth place with its ID.3, ID.4 and ID.5 electric models. In total, over 27,000 electric cars from these two model series were sold or newly registered in the first three quarters of 2022.

Further expansion of the charging infrastructure is crucial for the continued ramp-up of e-mobility in Germany and is also an important factor for the general attractiveness of electric vehicles. At the beginning of October of last year 2023, the number of publicly accessible charging points in Germany was 108,266, a significant increase of 26.1% compared to the beginning of the year (Jan. 2023: 85,886).

Development of public charging points for electric vehicles in Germany

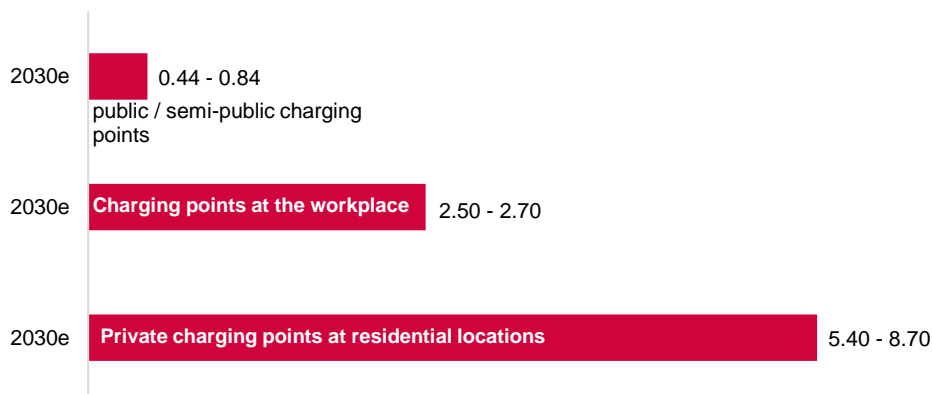


Sources: GBC AG; Federal Network Agency

Despite the significant growth in charging points, the expansion of the charging infrastructure continues to lag massively behind the target set by the German government (one million public charging points by 2030) in the key issues paper "Climate Protection 2030".

Based on a study carried out, the National Charging Infrastructure Center expects 5.40 million to 8.70 million private charging points at residential locations by 2030, depending on the forecast number of e-vehicles. In the workplace sector, the experts see a demand of around 2.50 million to 2.70 million charging points. For the publicly accessible charging infrastructure sector, the market researchers expect at least 0.44 million to 0.84 million charging points to be required in 2030.

Demand for charging points by sector (in millions)



Sources: GBC AG; National Charging Infrastructure Center

Furthermore, according to its own statistical surveys, the National Centre for Charging Infrastructure assumes that the number of electric vehicles in Germany will increase to a total of 14.80 million electric cars (battery electric vehicles and plug-in hybrid vehicles), including around 9.6 million battery electric vehicles (BEV), by 2030.

According to the German Federal Motor Transport Authority (KBA), the number of all-electric vehicles in Germany at the beginning of the year (January 2024) was around 1.41 million, a significant increase of around 30.6% compared to the previous year (2023: € 1.08 million).

In the past, it has been observed that the number of electric vehicles has increased at a more rapid pace than the newly-installed charging infrastructure. Some experts even believe that the further ramp-up of e-mobility will be jeopardised if the expansion of the necessary infrastructure does not keep pace with the number of new e-vehicle registrations.

With public companies, energy suppliers, oil companies and the private sector (primarily for self-supply) having mainly invested in charging infrastructure in recent years, it has been noticeable for some time that, in addition to significantly expanding and improving the range of electric cars on offer, automotive groups are now also increasingly investing in their own charging infrastructure. The automotive groups are thus expanding their previous business model and are now also operating their own charging stations. This should also provide additional support for the ramp-up of e-mobility and the market penetration of electric cars. A well-developed and comprehensive charging network is one of the decisive factors for the attractiveness of e-mobility.

Parallel to the targeted dynamic growth in the number of electric cars, the associated electricity demand for operating these vehicles is also increasing at the same rate. According to a study by the Fraunhofer Institute, an additional 44-terawatt hours (TWh) of electricity is expected to be required for the number of electric cars forecast to be on the road in 2030. This would correspond to around 6.6% of the 665 TWh of electricity demand estimated by the Federal Ministry of Economics in 2030. Other estimates by market experts even anticipate an electricity demand of around 1,000 TWh by 2050.

Thanks to its good positioning with a strong range of e-cars and its disruptive sales approach (combination of direct sales and a network of dealers and sales partners), the ELARIS Group should be able to benefit significantly from the further ramp-up of e-mobility in Germany and Europe.

COMPANY DEVELOPMENT & FORECAST

Historical company development

P&L (in € million)	FY 2021	FY 2022	01/01/-31/10/2023**
Revenue	0.89	3.04	9.39
EBITDA	-1.14*	-3.14	-1.66
EBIT	-1.39*	-3.35	-1.80
Net result (EAT)	-1.51*	-3.48	-2.24

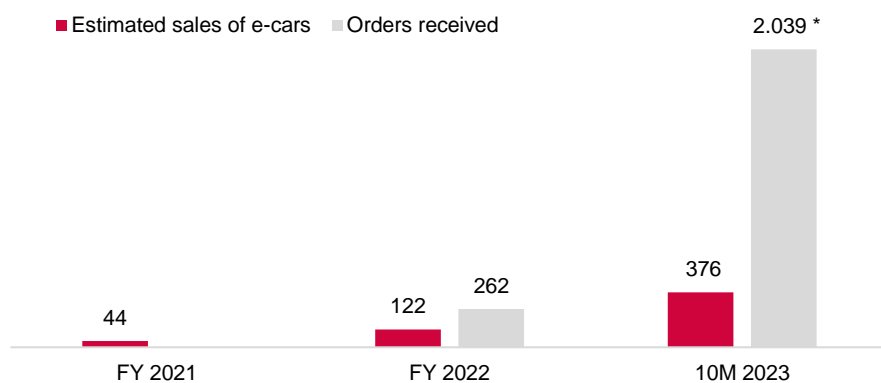
Sources: GBC AG; ELARIS AG *positively influenced by extraordinary income of € 2.02 million **according to unaudited information in the securities prospectus

Sales development

The past financial years of the ELARIS Group were primarily characterised by the development and expansion of their e-mobility business. In particular, this included the development of sales and service structures (car dealerships/dealerships, direct sales, maintenance/repair service, etc.), which is traditionally essential for the mobility business.

With regard to the development of sales channels to date, ELARIS has entered into a cooperation agreement with the workshop and car service chain Euromaster (part of the Michelin Group), among others. As part of this partnership, Euromaster provides servicing for ELARIS in Germany and also brokers new ELARIS vehicles.

Development of e-car sales and orders

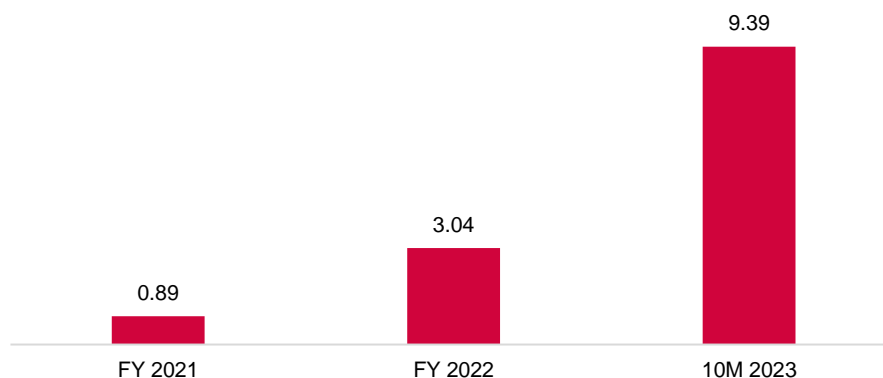


Sources: ELARIS AG; GBC AG *Total annual value of the company for FY 2023

In terms of sales, we estimate that the company managed to significantly increase e-car sales in the 2022 financial year by 177.3% to 122 (FY 2021 GBCe: 44 e-cars) compared to the previous year (start year). Over the period from January to October of the last financial year 2023, vehicle sales then increased significantly to 376 e-cars, thus achieving a significant increase compared to the previous year's sales.

In terms of customer orders received, ELARIS reports that it received orders for electric vehicles totalling 2,039 in the past 2023 financial year, which is a huge increase over the previous year (PY: 262 orders) and provides a good basis for the expected massive increase in sales.

Development of sales (in € million)



Sources: ELARIS AG; GBC AG

Based on the e-vehicle sales achieved, revenue of € 3.04 million was generated in the 2022 financial year, which corresponds to a significant increase in revenue of 241.6% compared to the previous year (PY: revenue of € 0.89 million). At the end of October of the last financial year 2023, sales already totalled € 9.39 million and were therefore significantly higher than the level of the entire previous year and the same period of the previous year (10M 2022: € 2.29 million).

According to our estimates, almost all of the revenue generated to date has been from sales of new vehicles. In our opinion, these should primarily result from sales of the small car model "ELARIS DYO" (formerly: ELARIS PIO).

Earnings development

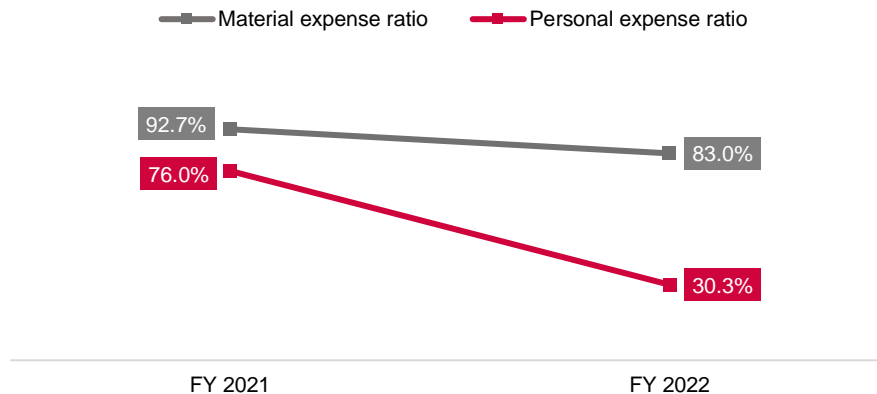
In terms of earnings performance, however, the ELARIS Group continued to report a negative result at all earnings levels due to the currently still low volume of business and the simultaneously high level of investment in the development and expansion of the e-mobility business.

The investments made are also reflected in the company's various cost items. The main cost factors for the company are traditionally personnel and material expenses (electric cars purchased from contract manufacturers).

Personnel expenses totalled € 0.92 million in the 2022 financial year and increased significantly by 35.3% compared to the previous year (PY: € 0.68 million) due to the expansion and development of the business model. In contrast, the personnel expenses ratio fell significantly to 30.3% (PY: 76.0%) due to the disproportionate growth in business.

The cost of materials also increased significantly by 203.6% to € 2.52 million (PY: € 0.83 million) due to the expansion of business and the rapid increase in e-car sales. In combination with the increase in sales, the cost-of-materials ratio fell to 83.0% (PY: 92.7%).

Development of key cost ratios (in relation to sales / in %)

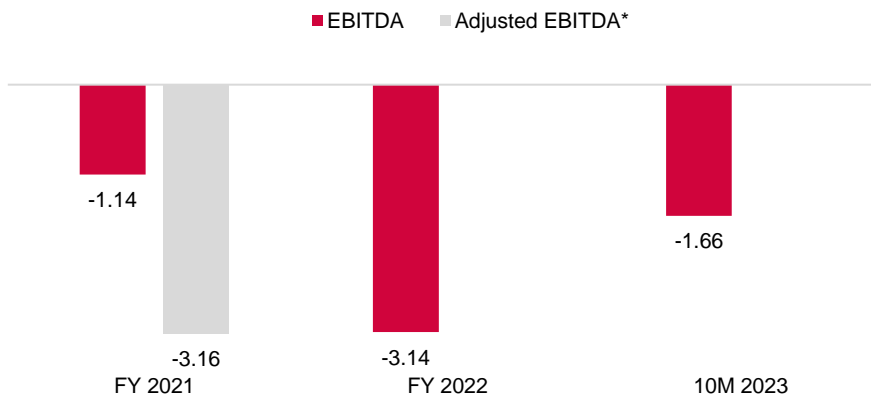


Sources: ELARIS AG; GBC AG

In total, a negative operating result (EBITDA) of € -3.14 million was achieved in the 2022 financial year, which was even worse than the previous year's result (PY: € -1.14 million). However, it should be noted at this point that the previous year's result was positively influenced by extraordinary income (from a debt waiver) totalling € 2.02 million. Adjusted for this effect, the reported EBITDA was at the same level as the previous year's adjusted EBITDA (adjusted EBITDA GBCe: € -3.16 million) and it should be noted that losses are naturally to be expected in the start-up phase.

At the end of October of the past financial year 2023, EBITDA totalled € -1.66 million, a significant improvement on the operating earnings situation in the prior-year period and the same period of the previous year (10M 2022 EBITDA: € -4.13 million).

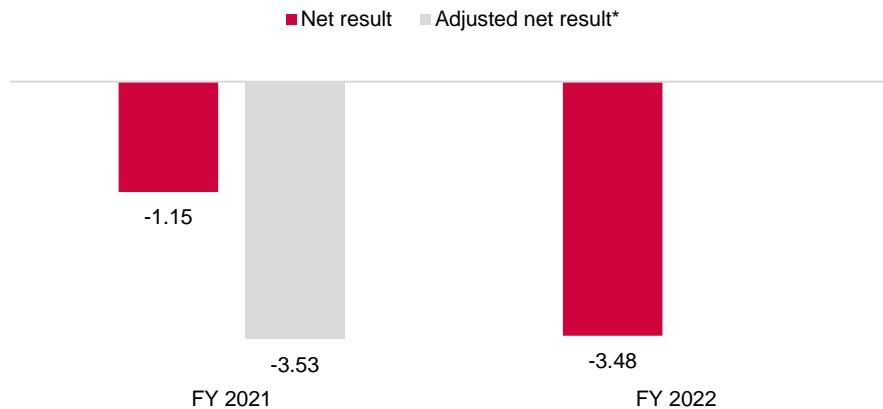
Development of EBITDA and adjusted EBITDA (in € million)



Sources: ELARIS AG; GBC AG *EBITDA corrected for special effects

Taking depreciation, amortisation, financing and tax effects into account, the net result for the 2022 financial year was € -3.48 million, which was almost on a par with the previous year (adjusted net result GBCe: € -3.53 million). At the end of October of the past financial year 2023, the net result amounted to € -2.24 million, an improvement on the performance at the same period of the previous year (10M 2022 net result: € -4.28 million).

Development of the net result and the adjusted net result (in € million)



Sources: ELARIS AG; GBC AG *Net result corrected for special effects

Overall, it can be stated that the ELARIS Group achieved a significant leap in sales in the 2022 financial year. This positive sales trend continued with high momentum over the first ten months of the past 2023 financial year. Their still low revenue base and their extensive investments in the development and expansion of their e-mobility business have led to a negative earnings statement to date. However, we believe that the strong expansion of their sales and service structures has created a very good starting point for expected dynamic growth.

Balance sheet situation of ELARIS AG

Selected balance sheet items (in € million)	31/12/2021	31/12/2022	01/01/-31/10/2023*
Equity (equity ratio)	5.81 (72.4%)	4.82 (28.5%)	4.48 (19.6%)
Receivables and other assets	0.83	0.83	10.54
Inventories	6.42	15.39	11.03
Bank loans	0.00	5.04	8.05
Cash and cash equivalents	0.48	0.20	0.15
Balance sheet total	8.02	16.92	22.90

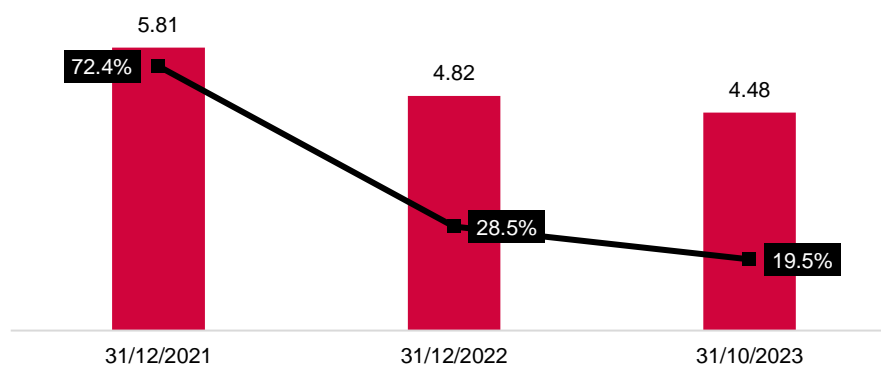
Sources: ELARIS AG; GBC AG *according to unaudited information in the securities prospectus

Due to the sales and marketing-driven business model, the assets side of the ELARIS Group's balance sheet is primarily characterised by a high proportion of inventories. These totalled € 15.39 million as at 31 December 2022 and have increased significantly by 139.7% compared to the previous year (31 December 2021: € 6.42 million) due to the sharp rise in business activities. As at 31 October 2023, the volume of inventories remained at a high level of € 11.0 million.

In addition, the negative net result led to a decrease in equity to € 4.82 million at the end of the 2022 financial year (31 December 2021: € 5.81 million). At the same time, the equity ratio fell to 28.5% (31 December 2021: 72.4%). At the end of October of the last financial year 2023, equity amounted to € 4.48 million (31 October 2022: € 2.48 million) and was thus at the same level as at the end of the previous year. Due to the disproportionately strong increase in bank loans (from € 3.90 million to € 8.05 million), the equity ratio fell to 19.6% as at 31 October 2023 (31 October 2022: 19.2%).

In the past, extensive investments in the development and expansion of the business model and the associated start-up losses were primarily financed through the issuance of profit-participation certificates (with equity character). Between September 2020 and October 2023, ELARIS acquired profit-participation capital with equity character totalling around € 12.4 million from investors. This inflow of capital was more than sufficient to cover the investments made. The funds received through the issue of profit-participation certificates are recognised by ELARIS as equity.

Development of equity and equity ratio (in € million / in %)



Sources: ELARIS AG; GBC AG

At the end of the 2022 financial year, bank loans amounted to € 5.04 million (31 December 2021: € 0.00 million), which primarily resulted from the financing of goods purchases. Due to the strong expansion of their e-car business, bank liabilities as at 31 October 2023

increased significantly compared to the previous year to € 8.05 million (31 October 2022: € 3.90 million).

This was offset by cash and cash equivalents of € 0.20 million as at the reporting date of 31 December 2022 (31 December 2021: € 0.48 million). At the end of October 2023, these amounted to € 0.15 million.

After the balance sheet date of 31 October 2023, equity increased significantly as a result of a non-cash capital increase and a cash capital measure. A non-cash capital increase with a volume of € 12.0 million was carried out by issuing 12,000,000 new shares with a nominal value of € 1.00 per share to the shareholders of Elaris Innovation GmbH, Elaris Holding GmbH and Neon Equity AG, in return for the contribution of a total of 96.0% of the shares in Elaris Innovation GmbH to ELARIS AG. As a result of this non-cash capital increase (HR entry at the end of January 2023), the company's share capital and equity increased from € 100,000 to € 12.1 million.

At the end of January of the current financial year 2024, ELARIS carried out a further increase in share capital by issuing 31,707 new shares at a subscription price of € 41.00 per share. As part of this cash capital increase, the share capital of ELARIS AG increased further to € 12,131,707 and, at the same time, the company received new liquid funds of around € 1.30 million to finance growth. Accordingly, this cash capital measure was carried out on the basis of a company valuation for ELARIS AG of around € 497.0 million.

According to our estimates, ELARIS therefore currently has total equity of around € 18.50 million.

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Exclusive ODM (Original Design Manufacturer) of high-performance, technology-leading electric car manufacturers from the lead market of China • Very scalable business model with the main focus on sales and marketing activities relating to electric vehicles • Extensive sales and service co-operations with well-known partners (Euromaster, Gothaer, AvD, etc.) • Close business relationships with established Chinese electric car manufacturers, who also grant ELARIS exclusive distribution rights as part of their sales co-operation • The full range of services for the electric vehicles on offer ensures comprehensive end customer support • The media cooperation with SevenVentures promotes vehicle sales and at the same time supports the establishment of the "ELARIS" brand as a provider of affordable e-cars that covers various relevant market segments 	<ul style="list-style-type: none"> • There is a key personnel risk, particularly at Management Board level • Still relatively small company size and strong dependence on external capital inflows • Strong focus on the German sales market and therefore high dependence on this high-volume individual market • High dependency on the various sales and service partners and contract manufacturers (OEMs) • Currently still-limited development resources, which are currently restricted primarily to the area of vehicle software
Opportunities	Risks
<ul style="list-style-type: none"> • Further expansion of their market position in their core business of sales and marketing of modified electric cars; opening up car markets outside Germany through distributors opens up additional growth potential • The expansion and strengthening of the existing sales and service channels could also boost their planned growth • The transformation of their business model towards the in-house development of electric vehicles would significantly improve their current market opportunities; such a strategic step up from general importer to manufacturer would significantly increase the sales potential • Development of a lucrative maintenance and service business related to vehicle sales. Establishment of a spare parts business enables very high margins, which would lead to significant earnings contributions • Massive expansion of the electric charging infrastructure business area (project planning of charging infrastructure) and associated services (maintenance, services, etc.) 	<ul style="list-style-type: none"> • The volume sold on the German or European car market could be weaker than expected and thus have a negative impact on the company's sales performance • The domestic automotive market is considered a highly competitive market with many vehicle suppliers; increased competition, e.g. from new suppliers, could lead to pressure on margins • The fact that ELARIS has its electric vehicles produced by contract manufacturers in China means that there are potential political risks, for example in the form of sudden trade restrictions or significantly higher import duties than before • The German e-mobility sector is also heavily characterised by government subsidies, e.g. in the form of the scrapping premium. The government's ending of the scrapping premium at the end of 2023 could lead to a sharp decline in the e-car market and thus also have a negative impact on ELARIS's business performance.

Source: GBC AG

Forecasts and modelling assumptions

P&L in € million	FY 2022	FY 2023e	FY 2024e	FY 2025e	FY 2026e
Revenue	3.04	13.46	130.26	256.69	388.02
EBITDA	-3.14	-3.81	10.78	30.57	60.19
EBIT	-3.35	-3.95	10.61	30.38	59.98
Net result (EAT)	-3.48	-4.47	5.94	20.02	40.77

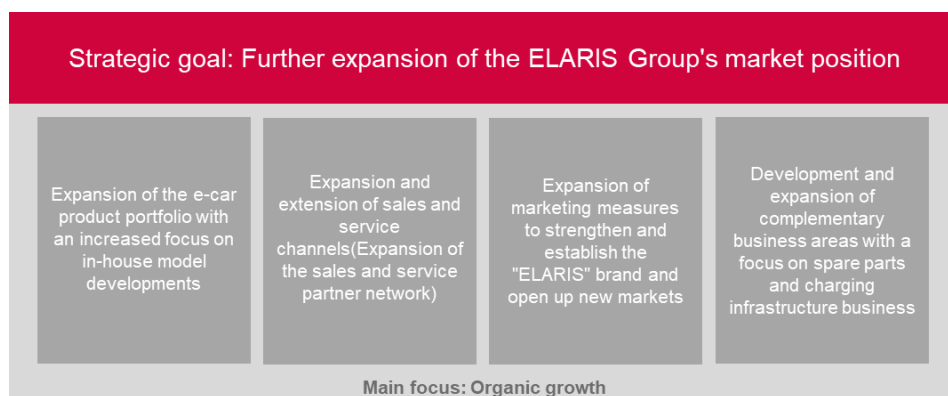
Sources: ELARIS AG; GBC AG forecasts

Sales forecasts

With its disruptive sales approach (combination of digitally-supported partner network sales via dealerships/car dealerships and direct sales), the ELARIS Group has focused specifically on the high-growth market segment of fully electric e-cars in the European/German car market. The market segment of electric vehicles in particular has grown significantly faster than the overall car market in recent years due to the veritable boom in electric cars. Automotive experts also expect a further significant increase in the share of electric cars in the total market sales of new vehicles in the automotive market in the coming years, and a further increase in the share of electric cars is expected for the core automotive markets (the USA, China, the EU, etc.) in particular. With regard to the European automotive market in particular, the further ramp-up of e-mobility will be favoured by the EU's target of phasing out combustion engines by 2035 and other EU initiatives (the Green Deal, etc.).

Accordingly, ELARIS generally pursues a growth-orientated corporate strategy. Key elements of this growth strategy are their expansion of their e-car product portfolio, their expansion of sales and service channels, their increase in marketing measures and their development and expansion of complementary business areas with a focus on the spare parts and charging infrastructure business.

Key elements of the ELARIS Group's growth strategy



Sources: ELARIS AG; GBC AG

In order to massively drive sales growth, their existing **electric car product portfolio** is to be successively expanded with additional electric vehicle models. The new ELARIS "LEO" and "JACO" models have already been added to the product portfolio. With regard to new electric car models, these are to be increasingly developed in close cooperation with the Chinese contract manufacturers themselves in order to be able to offer even more customised models for customers and customer requirements. The company is thus aiming to transform itself from a general importer of modified electric cars into a (German) manufacturer of fully electric vehicles.

In addition, their sales volume is to be increased by further expanding and extending their existing **sales and service channels**. Their sales and service partner network currently consists of 82 car dealerships/dealerships and 86 Euromaster locations.

In addition, the company intends to significantly boost future sales growth through extensive **marketing measures** and to further establish and strengthen the ELARIS brand at the same time. According to the ELARIS Group, it has earmarked a marketing budget of around € 4.00 million for planned and existing marketing measures, particularly in the past 2023 financial year. As part of the implementation of its marketing strategy, the ELARIS Group also became a top sponsor of Bundesliga club 1. FC Union Berlin in the summer of the past financial year and is now supporting this football club with its e-car portfolio as a sustainable mobility partner.

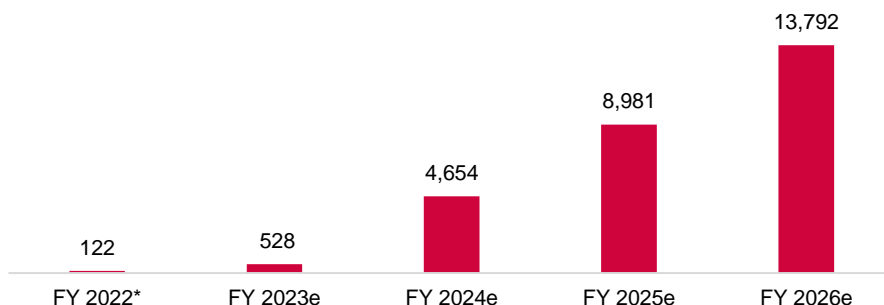
Furthermore, ELARIS is also endeavouring to open up foreign markets via distributors. Their planned expansion outside the German domestic market is primarily focused on the neighbouring European countries of Austria, Switzerland and the Netherlands.

Parallel to the planned expansion of their core business of "marketing electric cars", the **complementary business areas focusing on the spare parts and charging infrastructure business** are also to be established and expanded. The establishment of a spare parts business in particular would supplement the existing core revenue from vehicle trading with particularly high-margin after-sales revenue, resulting in an even more profitable revenue mix. The integration of ELARIS Innovation GmbH, which offers the planning and implementation of charging infrastructure solutions, was completed in order to further round off the range of services in the e-mobility sector. This is primarily intended to meet the demand from corporate customers (fleet operators) for holistic sustainable-mobility solutions, as they often require charging infrastructure solutions (charging hardware, charging infrastructure consulting, etc.) in addition to e-vehicles.

In view of their expansive business development to date, their good market positioning and their promising growth strategy, we expect sales to continue to develop dynamically in the future. Our sales forecasts are conservatively based on our estimates of future e-car sales in the German domestic market. Consequently, after-sales revenue (spare parts business, etc.), revenue from the charging infrastructure business and revenue from expansion into new foreign markets (especially neighbouring European countries) are not included in our forecasts and therefore represent additional significant upside potential and thus also open up further (possible) potential for value appreciation.

For the past financial year 2023, we specifically assume that e-car sales will have increased significantly compared to the previous year (FY 2023: 122) to 528 vehicles. For the subsequent financial years 2024 and 2025, we expect a further massive increase in sales to 4,654 (FY 2024) and 8,981 (FY 2025) vehicles respectively. In the following FY 2026, sales should increase again to 13,792 vehicles. The expected further massive expansion of their sales partner network and the extensive marketing measures forecast should contribute significantly to this rapid increase in sales. The recent significant expansion of their electric car portfolio should also boost future sales growth thanks to their resulting broader market segment coverage.

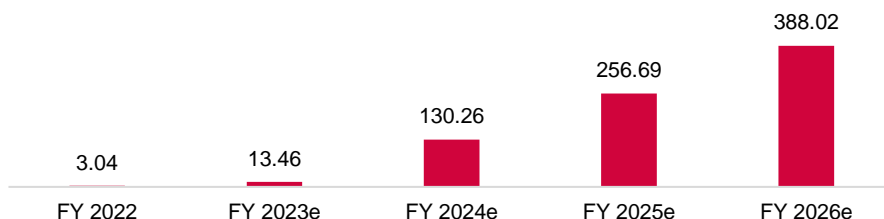
Expected e-car sales



Source: GBC AG *own estimate (GBCe)

Based on our sales estimates for the past 2023 financial year, we anticipate a jump in sales compared to the previous year (PY: € 3.04 million) to € 13.46 million. For the following years 2024 and 2025, we anticipate a further dynamic increase in sales to € 130.26 million and € 256.69 million respectively due to expected significant sales growth. For the following year 2026, we anticipate further strong sales growth to € 388.02 million.

Expected sales development (in € million)



Sources: ELARIS AG; GBC AG forecasts

Earnings forecasts

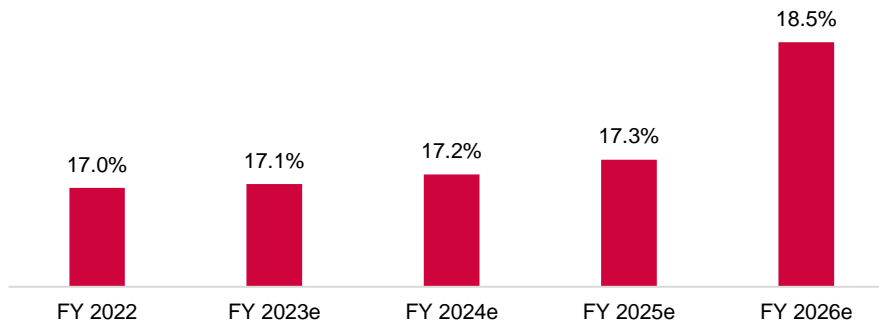
The dynamic sales growth we expect is also reflected in our medium and long-term earnings forecasts.

Thanks to the company's good positioning (extensive sales and service network, etc.) and aggressive growth strategy in the emerging domestic e-mobility market, particularly in the less competitive small car segment (addressed with the ELARIS "DYO"), the company should also be able to achieve attractive price levels on the e-car market in the future.

Thanks to its good relationships with various Chinese contract manufacturers and the bundling of large order volumes, the ELARIS Group is generally able to secure favourable purchasing conditions for the e-cars it orders. Due to the dynamic increase in future sales volumes that we are forecasting, future purchasing conditions with Chinese OEMs (e-vehicle manufacturers) should continue to improve as a result of the expected volume effects.

Against this backdrop, we expect that the company will continue to achieve attractive gross profit margins of at least 17.0% in the future, with a slight upward trend due to the expected volume effects (purchasing advantages with a stronger volume decrease for contract manufacturers).

Expected development of the gross profit margin (in %)



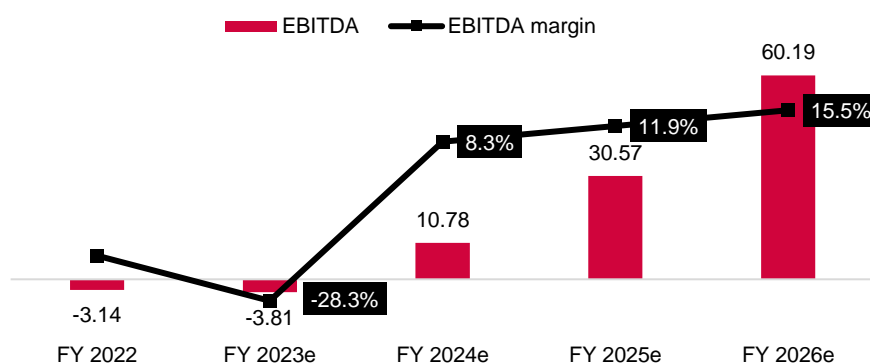
Sources: ELARIS AG; GBC AG forecasts

In principle, ELARIS's business model is not very capital-intensive, as the company does not have to invest in extensive production, sales structures and research structures like traditional car manufacturers. Instead, the company largely fulfils a dealer's function and the focus of the company's development and customisation services is currently mainly on car software (infotainment) and vehicle interiors (equipment, safety standards, etc.).

In addition to its own direct sales organisation (online sales including online advice), ELARIS also relies on a large network of sales partners (car dealerships/dealers, Euro-master, etc.). Accordingly, ELARIS is able to implement its growth strategy with a generally small staff structure. In view of this, ELARIS has a very scalable business model.

In general, the ELARIS Group focuses very strongly on the exterior and interior design of e-cars (access to established e-car platforms), vehicle-specific software applications (infotainment) and digitally supported sales and marketing. In our opinion, this enables ELARIS to achieve significant cost advantages, which should also be reflected in the company's above-average margin levels in the future.

Expected development of EBITDA and EBITDA margin (in € million / in %)

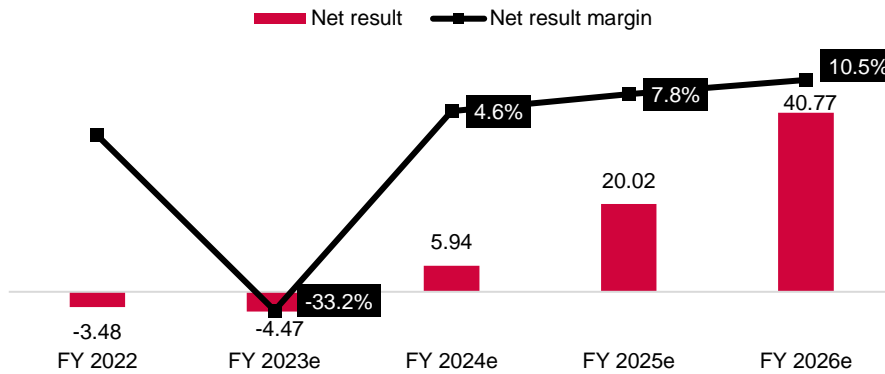


Sources: ELARIS AG; GBC AG forecasts

For the past 2023 financial year, we expect a negative operating result (EBITDA) of € -3.81 million due to the fact that the marketing measures have only just begun to ramp up, the expansion of their vehicle portfolio has started and the expansion of their sales partner network is still at a relatively early stage. In subsequent financial years, these strategic success factors should have an even greater impact and make a decisive contribution to the company's growth. Accordingly, EBITDA should increase significantly to € 10.78 million and € 30.57 million in the subsequent years 2024 and 2025, based on our expected dynamic sales growth and the strong onset of economies of scale (due to the company's

platform approach). For the following financial year 2026, we anticipate a further significant increase in EBITDA to € 60.19 million. At the same time, we expect the EBITDA margin to gradually increase significantly from the expected 8.3% in the current FY 2024 to 15.5% in FY 2026.

Expected development of the net result and net margin (in € million / in %)



Sources: ELARIS AG; GBC AG

At net level, we are forecasting a net result (EAT) of € -4.47 million for the past 2023 financial year. In subsequent financial years, the net result should increase disproportionately in line with the forecast dynamic sales growth due to expected economies of scale to a target of € 40.77 million in 2026.

Overall, we believe that the ELARIS Group, with its attractive product portfolio, extensive sales and service partners and disruptive sales approach (combination of online sales and stationary sales), is well positioned to benefit significantly from the further gradual ramp-up of e-mobility in the German automotive market. Thanks to their highly scalable business model, it should be possible to achieve disproportionately high earnings growth and a sharp rise in profitability in parallel with their expected dynamic growth.

VALUATION

Modelling assumptions

We valued ELARIS AG using a three-stage DCF model. Starting with the specific estimates for the years 2023 to 2026 in phase 1 and for the years 2027 to 2030 in phase 2, we took the tax rate into account at 30.0% in phase 1 and phase 2. In the third phase, a residual value is also determined after the end of the forecast horizon using the perpetuity and a sustainable tax rate of 30.0% is assumed. In the terminal value, we assume a growth rate of 3.0%.

Determination of the cost of capital

The weighted average cost of capital (WACC) of ELARIS AG is calculated from the cost of equity and the cost of debt. To determine the cost of equity, the fair market premium, the company-specific beta and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the IDW's Technical Committee for Business Valuation and Economics (FAUB). This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method. The average yields of the previous three months are used to smooth out short-term market fluctuations. The **risk-free interest rate currently used is 2.50%**.

We use the historical market premium of 5.50% as a reasonable expectation of a market premium. This is supported by historical analyses of equity market returns. The market premium reflects the percentage by which the equity market is expected to outperform low-risk government bonds.

According to the GBC estimation method, a beta of 2.21 is currently determined. Due to the young age of the company and the associated high company risk, we have currently still taken a high beta into account.

Using the assumptions made, this results in a cost of equity of 16.89% (beta multiplied by risk premium plus risk-free interest rate), which also takes into account the currently still high company risk. As we assume a sustainable weighting of equity costs of 80.0%, this results in a weighted average cost of capital (WACC) of 14.44%.

Valuation result

Future cash flows are discounted on the basis of the entity approach. We have calculated the corresponding cost of capital (WACC) at 14.44%. The resulting fair value per share at the end of the 2024 financial year corresponds to a target price of € 47.55 and reflects the company's expected massive growth momentum.

DCF model

ELARIS AG - Discounted Cashflow (DCF) model

Value driver used in the DCF model's estimate phase:

consistency - phase		final - phase	
Revenue growth	20.5%	Perpetual growth rate	3.0%
EBITDA margin	11.3%-13.0%	Perpetual EBITA margin	19.4%
Depreciation on fixed assets	10.3%	Effective tax rate in terminal value	30.0%
Working capital to revenue	15.0%		

Three-phase DCF model:

Phase in mEUR	estimate				consistency				final value
	FY 23e	FY 24e	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	
Revenue	13.46	130.26	256.69	388.02	467.56	563.41	678.91	818.09	3.0%
Revenue change	343.4%	867.8%	97.1%	51.2%	20.5%	20.5%	20.5%	20.5%	
Revenue to fixed assets	18.39	164.94	294.46	361.83	361.76	373.12	389.01	399.78	
EBITDA	-3.81	10.78	30.57	60.22	79.20	103.05	131.98	159.04	
EBITDA margin	-28.3%	8.3%	11.9%	15.5%	16.9%	18.3%	19.4%	19.4%	
EBITA	-3.95	10.61	30.38	60.13	79.09	102.92	131.83	158.86	
EBITA margin	-29.4%	8.1%	11.8%	15.5%	16.9%	18.3%	19.4%	19.4%	19.4%
Taxes on EBITA	0.84	-3.18	-9.11	-18.04	-23.73	-30.87	-39.55	-47.66	
Tax rate	21.2%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
EBI (NOPLAT)	-3.11	7.42	21.27	42.09	55.37	72.04	92.28	111.20	
Return on capital	-20.3%	78.3%	47.2%	70.3%	93.4%	100.9%	107.3%	107.4%	91.8%
Working Capital (WC)	8.75	44.29	59.04	58.20	70.13	84.51	101.84	122.71	
WC to sales	65.0%	34.0%	23.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Investment in WC	5.87	-35.54	-14.75	0.84	-11.93	-14.38	-17.32	-20.88	
Operating fixed assets (OFA)	0.73	0.79	0.87	1.07	1.29	1.51	1.75	2.05	
Depreciation on OFA	-0.15	-0.17	-0.19	-0.09	-0.11	-0.13	-0.15	-0.18	
Depreciation to OFA	20.0%	21.8%	21.6%	10.3%	10.3%	10.3%	10.3%	10.3%	
CAPEX	-0.17	-0.23	-0.27	-0.29	-0.33	-0.35	-0.39	-0.48	
Capital employed	9.48	45.08	59.91	59.27	71.43	86.02	103.58	124.76	
EBITDA	-3.81	10.78	30.57	60.22	79.20	103.05	131.98	159.04	
Taxes on EBITA	0.84	-3.18	-9.11	-18.04	-23.73	-30.87	-39.55	-47.66	
Total investment	5.70	-35.77	-15.02	0.55	-12.26	-14.73	-17.71	-21.36	
Investment in OFA	-0.17	-0.23	-0.27	-0.29	-0.33	-0.35	-0.39	-0.48	
Investment in WC	5.87	-35.54	-14.75	0.84	-11.93	-14.38	-17.32	-20.88	
Investment in goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free cashflows	2.73	-28.17	6.43	42.73	43.21	57.45	74.72	90.02	968.33

Value operating business (due date)	508.18	609.74
Net present value explicit free cashflows	131.53	178.70
Net present value of terminal value	376.65	431.04
Net debt	2.53	32.82
Value of equity	505.65	576.92
Minority interests	0.00	0.00
Value of share capital	505.65	576.92
Outstanding shares in m	12.10	12.13
Fair value per share in €	41.79	47.55

Cost of capital:

Risk-free rate	2.5%
Market risk premium	6.5%
Beta	2.21
Cost of equity	16.9%
Target weight	80.0%
Cost of debt	6.5%
Target weight	20.0%
Tax shield	28.7%
WACC	14.4%

Return on capital	WACC				
	13.8%	14.1%	14.4%	14.7%	15.0%
91.3%	50.50	48.88	47.35	45.92	44.56
91.6%	50.61	48.99	47.45	46.01	44.65
91.8%	50.72	49.09	47.55	46.11	44.74
92.1%	50.83	49.19	47.65	46.20	44.83
92.3%	50.94	49.30	47.75	46.30	44.93

APPENDIX

I.

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2. The research report is made available to all interested investment service providers at the same time.

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BUY	The expected return, based on the calculated price target, including dividend payment within the corresponding time horizon is $\geq + 10\%$.
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