

2G Energy AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: 2GB GR
 ISIN: DE000A0HL8N9

Very high order
 backlog

RATING
PRICE TARGET **BUY**
 Return Potential **€25.00**
 Risk Rating 38.5%
 Medium

UPPER AREA OF GUIDANCE RANGE LIKELY

A very high order backlog and a boost in international business have led 2G's management to confirm 2016 guidance (turnover: €150-170m, EBIT margin of 3-5%). The Management Board expects both sales and the EBIT margin in the upper area of the range. We confirm our 2016E estimates (sales: €174.1m, EBIT margin 4.8%). The stock is attractively valued, and we reiterate our Buy recommendation and €25.00 price target.

Very high order backlog of over €100m The order backlog amounted to €101.1m at the end of May – an increase of nearly 40% over the previous year's €72.4m. The high foreign share of 44.1% is evidence that 2G's internationalisation strategy is bearing fruit. The UK remains strong with an order backlog of €19.8m, followed by the US with €13.3m. In France, 2G has benefited from an upturn in demand due to the energy transition law adopted there and recorded an order backlog of €3.0m.

Guidance confirmed – upper area of the range likely Based on the high order backlog, of which a large proportion should come through to sales in 2016, and a thriving service business, the Management Board has confirmed its guidance for 2016 (revenues: €150-170m, EBIT margin: 3-5%) and expects to land in the upper area of this range in terms of both sales and EBIT margin.

Order intake in German biogas market takes up strongly 2G's biogas segment saw a sharp increase in order intake of 184% to €16.2m in 2016 (previous year: €5.7m). We attribute this to the fact that many German biogas plant operators have to modernise their CHP plants after 10 years of production and in many cases an exchange is worthwhile. By contrast, the CHP business is likely to remain weak in the area of new biogas plants. According to the new renewable energy law drafted by the German Bundestag, only 150 MW per year will be promoted through tenders between 2017 and 2019, and 200 MW per year from 2020 to 2022. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2013	2014	2015	2016E	2017E	2018E
Revenue (€m)	126.13	186.61	152.88	174.10	187.00	200.09
Y-o-y growth	-13.9%	47.9%	-18.1%	13.9%	7.4%	7.0%
EBIT (€m)	3.12	11.29	4.77	8.32	13.81	15.01
EBIT margin	2.5%	6.0%	3.1%	4.8%	7.4%	7.5%
Net income (€m)	0.89	6.50	2.78	5.58	9.38	10.14
EPS (diluted) (€)	0.20	1.47	0.63	1.26	2.12	2.29
DPS (€)	0.00	0.00	0.37	0.37	0.37	0.37
FCF (€m)	0.70	4.42	-1.26	0.47	4.72	6.24
Net gearing	-6.9%	-11.0%	-8.0%	-5.4%	-9.6%	-14.8%
Liquid assets (€m)	5.18	25.92	14.42	10.48	11.89	10.15

RISKS

The main risks include regulatory changes, internationalisation, increasing competition, high natural gas and low electricity prices, and low share liquidity.

COMPANY PROFILE

2G Energy AG is a leading producer of combined heat and power plants (CHP). The company offers a wide product range of plants with a capacity from 20 kW to 4 MW and addresses both the biogas and the natural gas market. 2G is headquartered in Heek, Germany, and has an additional production site in the US.

MARKET DATA

As of 04 Jul 2016

Closing Price	€ 18.00
Shares outstanding	4.43m
Market Capitalisation	€ 79.98m
52-week Range	€ 16.38 / 22.65
Avg. Volume (12 Months)	5,082

Multiples	2015	2016E	2017E
P/E	28.7	14.3	8.5
EV/Sales	0.5	0.4	0.4
EV/EBIT	16.0	9.3	5.4
Div. Yield	2.0%	2.0%	2.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2015

Liquid Assets	€ 10.15m
Current Assets	€ 72.38m
Intangible Assets	€ 5.79m
Total Assets	€ 95.86m
Current Liabilities	€ 27.56m
Shareholders' Equity	€ 52.65m

SHAREHOLDERS

Christian Grotholt	30.0%
Ludger Gausling	25.3%
Free Float	44.7%



Even existing biogas plants which lose feed-in tariff support after 20 years are allowed to participate in the tenders. They receive a ten-year follow-up financing. The new EEG will continue to give financial incentives for flexible and demand-orientated power production. Biogas plant operators can thus increase their revenues via the management und flexibility premium as well as marketing positive and negative balancing energy. 2G offers plant operators concepts to exploit this flexibility potential. We assume that 2G will do good business on the market for existing plants in the coming years, as there is a high demand for modernisation/replacement.

German natural gas CHP segment currently suffering from legal uncertainty In the natural gas segment the order intake in 2016 declined significantly (€7.0m vs. €19.0m in the previous year). This is likely due to the still pending approval by the EU Commission of the amended Combined Heat and Power (CHP) Act. Many companies have put investments in CHP plants on hold, as long as there is no legal certainty. We continue to expect the Commission to approve the law.

2G exploits growth in the French market In 2015, the French Government passed the Energy Transition Act, which aims at a more rapid expansion of the biogas plant sector (1,500 new biogas plants by 2020). A significant improvement in financial support is expected to double total plant capacity to approximately 600 MW. Since then, as noted above, the French market has significantly increased and 2G already has an order backlog of €3.0m. In order to exploit the growth potential of the French market, 2G has founded a sales and service company based in Nantes and recruited an industry expert as Managing Director, who previously worked successfully with international companies in France.

Continuity on the Management Board CFO Dietmar Brockhaus has received a five-year contract extension and will remain in charge of the areas of finance, law, human resources, and investor relations.

Forecasts confirmed We see our 2016E forecast supported by the confirmation and specification of guidance (upper area of sales and EBIT margin guidance). A good first quarter (total output at €35.6m), the high order backlog, and the thriving service business should ensure that the upper end of the guidance will be achieved.

Attractive valuation – Buy recommendation reiterated An updated DCF model still yields a target price of €25.00. The share price weakness of recent months has made the valuation even more attractive, as an EV/EBIT 2016E of 9x shows. We maintain our Buy recommendation and see fair value at €25.00.



VALUATION MODEL

Figures in €m	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Net sales	174.10	187.00	200.09	212.10	224.82	236.06	247.87	257.78
Growth yoy	14%	7%	7%	6%	6%	5%	5%	4%
EBIT	8.32	13.81	15.01	15.91	16.86	17.70	18.59	20.62
EBIT margin	4.8%	7.4%	7.5%	7.5%	7.5%	7.5%	7.5%	8.0%
NOPLAT	5.74	9.53	10.36	10.98	11.63	12.22	12.83	14.23
+ depreciation & amortis. (excl. GW)	2.79	2.94	3.10	3.18	3.37	3.54	3.72	3.87
= net operating cash flow	8.53	12.47	13.46	14.16	15.01	15.76	16.55	18.10
- total investments (Capex and WC)	-7.91	-7.60	-7.00	-6.87	-6.43	-6.24	-6.55	-6.25
capital expenditure	-4.00	-4.00	-4.00	-3.18	-3.37	-3.54	-3.72	-3.87
working capital	-3.91	-3.60	-3.00	-3.69	-3.05	-2.70	-2.83	-2.38
+/- others (incl. adj. on net int., provisions, etc)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
= Free cash flow (FCF)	0.62	4.87	6.46	7.29	8.58	9.52	9.99	11.85
PV of FCF's	0.59	4.18	5.02	5.13	5.48	5.51	5.24	5.63

€m	
PVs of FCFs explicit period (2016E-29E)	64.03
PVs of FCFs in terminal period	42.63
Enterprise Value (EV)	106.66
Net cash / (Net debt)	4.24
Shareholder value	110.90
No. of shares outstanding	4.43

Fair value per share (€)	25.00
--------------------------	-------

WACC	10.3%
Cost of equity	10.7%
Pre-tax cost of debt	4.0%
Normal tax rate	31.0%
After-tax cost of debt	2.8%
Share of equity	95.0%
Share of debt	5.0%
Terminal growth	2.0%
Terminal EBIT margin	7.0%

Sensitivity analysis

Fair value per share (€)

		Terminal EBIT margin						
		5.5%	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%
WACC	13.3%	13.11	14.65	16.19	17.73	19.27	20.81	22.35
	12.3%	14.55	16.25	17.94	19.63	21.33	23.02	24.71
	11.3%	16.32	18.20	20.08	21.95	23.83	25.71	27.59
	10.3%	18.52	20.63	22.74	25.03	26.95	29.06	31.17
	9.3%	21.33	23.73	26.13	28.53	30.93	33.33	35.73
7.3%	30.16	33.48	36.80	40.12	43.43	46.75	50.07	

* for layout purposes the model shows numbers only to 2023, but runs until 2029



INCOME STATEMENT

All figures in €m	2013	2014	2015	2016E	2017E	2018E
Revenues	126.1	186.6	152.9	174.1	187.0	200.1
Total output	137.5	189.6	154.7	174.6	187.6	200.7
Material costs	-96.9	-134.0	-100.6	-116.8	-123.6	-132.3
Gross profit	40.6	55.6	54.1	57.8	64.0	68.4
Personnel expenses	-21.5	-25.5	-29.3	-28.6	-28.9	-30.9
Other operating income	1.7	3.2	3.3	2.6	3.0	3.2
Other operating expenses	-15.5	-19.1	-19.9	-20.7	-21.3	-22.6
EBITDA	5.5	14.0	8.1	11.1	16.8	18.1
Depreciation and amortisation	-2.4	-2.7	-3.3	-2.8	-2.9	-3.1
Operating income (EBIT)	3.1	11.3	4.8	8.3	13.8	15.0
Net financial result	-0.3	-0.3	-0.3	-0.2	-0.2	-0.3
Income before taxes & minority interests	2.8	10.9	4.5	8.1	13.6	14.7
Income taxes	-1.8	-4.1	-1.9	-2.5	-4.2	-4.6
Minority interests	0.1	0.4	-0.2	0.0	0.0	0.0
Net income / loss	0.9	6.5	2.8	5.6	9.4	10.1
EPS in €	0.20	1.47	0.63	1.26	2.12	2.29
Diluted EPS in €	0.20	1.47	0.63	1.26	2.12	2.29
Ratios						
Gross margin	32.2%	29.8%	35.4%	33.2%	34.2%	34.2%
EBIT margin	2.5%	6.0%	3.1%	4.8%	7.4%	7.5%
EBITDA margin	4.4%	7.5%	5.3%	6.4%	9.0%	9.1%
Net income margin	0.7%	3.5%	1.8%	3.2%	5.0%	5.1%
Tax rate	63.3%	37.1%	42.0%	31.0%	31.0%	31.0%
Expenses as % of revenues						
Personnel expenses	17.0%	13.6%	19.2%	16.4%	15.5%	15.4%
Other operating expenses	12.3%	10.2%	13.0%	11.9%	11.4%	11.3%
Depreciation and amortisation	1.9%	1.5%	2.2%	1.6%	1.6%	1.5%
Y/Y growth						
Revenues	-13.9%	47.9%	-18.1%	13.9%	7.4%	7.0%
Operating income	-81.2%	262.2%	-57.7%	74.4%	66.0%	8.7%
Net income / loss	-92.2%	626.2%	-57.2%	101.0%	68.0%	8.1%



BALANCE SHEET

All figures in €m	2013	2014	2015	2016E	2017E	2018E
Assets						
Current assets, total	66.7	69.9	72.4	78.8	86.6	96.0
Cash and cash equivalents	10.5	11.9	10.2	10.0	13.1	17.7
Trade accounts and notes receivables	23.1	22.0	24.6	28.6	30.7	32.9
Inventories	28.1	31.2	32.2	34.8	37.4	40.0
Other current assets	5.1	4.9	5.3	5.4	5.4	5.4
Non-current assets, total	21.9	22.7	23.5	24.6	25.7	26.6
Property, plant and equipment	15.8	16.9	17.7	19.1	20.3	21.4
Goodwill + intangible assets	5.6	5.4	5.8	5.6	5.4	5.2
Financial assets	0.5	0.4	0.0	0.0	0.0	0.0
Total assets	88.6	92.6	95.9	103.4	112.3	122.6
Shareholders' equity & debt						
Liabilities, total	41.5	40.5	43.2	46.9	48.0	49.8
Interest bearing debt	7.2	6.1	5.9	7.0	7.0	7.0
Trade accounts payable	7.5	5.6	5.4	8.0	9.1	10.9
Provisions	10.0	11.2	11.7	11.7	11.7	11.7
Other current liabilities	16.7	17.5	20.2	20.2	20.2	20.2
Shareholders equity, total	47.2	52.1	52.6	56.5	64.3	72.8
Share capital	4.4	4.4	4.4	4.4	4.4	4.4
Capital reserve	11.2	11.2	11.2	11.2	11.2	11.2
Losses carried forward / retained earnings	31.1	35.9	37.1	41.0	48.8	57.3
Other reserves	0.0	-0.3	-0.6	-0.7	-0.6	-0.6
Minority interests	0.3	0.4	0.8	0.5	0.5	0.5
Total consolidated equity and debt	88.6	92.6	95.9	103.4	112.3	122.6
Ratios						
Current ratio (x)	2.5	2.7	2.6	2.6	2.8	2.9
Equity ratio (as %)	53.2%	56.2%	54.9%	54.6%	57.3%	59.4%
Net gearing (as %)	-6.9%	-11.0%	-8.0%	-5.4%	-9.6%	-14.8%
Equity per share (in €)	10.6	11.8	11.9	12.8	14.5	16.4
Net debt	-3.2	-5.7	-4.2	-3.1	-6.1	-10.7
Interest coverage ratio	10	33	17	36	63	47
Av. Working Capital/Sales	27.4%	18.2%	23.6%	22.2%	22.7%	22.8%
Return on Equity (ROE)	1.9%	12.5%	5.3%	9.9%	14.6%	13.9%
Return on capital employed (ROCE)	4.7%	16.9%	6.8%	11.4%	17.5%	17.2%
Days of inventory turnover	81	61	77	73	73	73
Days sales outstanding (DSO)	67	43	59	60	60	60
Days payables outstanding (DPO)	28	15	20	25	27	30



CASH FLOW STATEMENT

All figures in €m	2013	2014	2015	2016E	2017E	2018E
Net income	1.0	6.9	2.6	5.6	9.4	10.1
+ Depreciation and amortisation	2.4	2.7	3.3	2.8	2.9	3.1
- Investment in working capital	0.7	-2.8	-2.0	-3.9	-3.6	-3.0
+/- Others (prov., non cash expenses, interest, etc.)	0.0	1.5	-1.8	0.0	0.0	0.0
Operating cash flow	4.1	8.3	2.1	4.5	8.7	10.2
- CAPEX	-3.4	-3.8	-3.3	-4.0	-4.0	-4.0
Free cash flow	0.7	4.4	-1.3	0.5	4.7	6.2
Other cash flow from investing	0.4	0.3	2.3	0.0	0.0	0.0
Investment cash flow	-3.1	-3.5	-1.0	-4.0	-4.0	-4.0
Financial cash flow	-4.7	-3.1	-1.9	-0.6	-1.6	-1.6
Change in cash	-3.6	1.6	-0.8	-0.1	3.1	4.6
Exchange rate-related changes	0.0	-0.4	-0.4	0.0	0.0	0.0
Cash, start of the year	13.7	10.1	11.4	10.1	10.0	13.1
Cash, end of the year	10.1	11.4	10.1	10.0	13.1	17.7
Free cash flow per share in €	0.16	1.00	-0.28	0.11	1.07	1.41
Y/Y growth						
Operating cash flow	-	99.9%	-75.0%	116.6%	95.3%	17.4%
Free cash flow	-	n.a.	n.a.	n.a.	914.5%	32.1%
Financial cash flow	-	-32.8%	-39.8%	-68.6%	176.8%	0.0%
Free cash flow per share	-	n.a.	n.a.	n.a.	914.5%	32.1%

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	26 November 2010	€13.30	Buy	€18.00
2...37	↓	↓	↓	↓
38	14 March 2016	€19.00	Buy	€25.00
39	29 April 2016	€18.44	Buy	€25.00
40	30 May 2016	€18.00	Buy	€25.00
41	Today	€18.06	Buy	€25.00

Authored by: Dr. Karsten von Blumenthal, Analyst

Company responsible for preparation:

First Berlin Equity Research GmbH

Mohrenstraße 34
10117 Berlin

Tel. +49 (0)30 - 80 93 96 85 Fax +49 (0)30 - 80 93 96 87

info@firstberlin.com
www.firstberlin.com

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

Copyright© 2016 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 34b OF THE GERMAN SECURITIES TRADING ACT [WPHG] AND THE GERMAN ORDINANCE ON THE ANALYSIS OF FINANCIAL INSTRUMENTS [FINANV]

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular the German Securities Trading Act [WpHG] and the German Ordinance on the Analysis of Financial Instruments [FinAnV], into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with Section 34b Paragraph 1 p. 2 No. 2 of the German Securities Trading Act [WpHG] financial analyses may only be passed on or publicly distributed if circumstances or relations which may cause conflicts of interest among the authors, the legal entities responsible for such preparation or companies associated with them are disclosed along with the financial analysis.

First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest (further information and data may be provided on request):

- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

If despite these measures one or more of the aforementioned conflicts of interest cannot be avoided on the part of the author or First Berlin, then reference shall be made to such conflict of interest.

PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

STRONG BUY: An expected favourable price trend of more than 50% combined with sizeable confidence in the quality and forecast security of management.

BUY: An expected favourable price trend of more than 25% percent.

ADD: An expected favourable price trend of between 0% and 25%.

REDUCE: An expected negative price trend of between 0% and -15%.

SELL: An expected negative price trend of more than -15%.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <http://firstberlin.com/disclaimer-english-link/>

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt

EXCLUSION OF LIABILITY (DISCLAIMER)

RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA, Canada and/or the United Kingdom (Great Britain).