MOLOGEN AG

Germany / Pharmaceutical/Biotechnology
Primary Exchange: Frankfurt
Bloomberg: MGN GR
ISIN: DE0006637200

Capital raise successfully completed

RATING	**BUY**
PRICE TARGET	**€11.30**
Return Potential	698.6%
Risk Rating	High

MOVING FORWARD WITH "NEXT LEVEL"

Mologen has successfully completed the 1 for 2 rights issue announced on 26 September and raised gross proceeds of €13.6m. We expect Mologen to raise a further €2.5m in early November through the issue of a convertible bond to its largest shareholder, Global Derivative Trading (GDT). Total proceeds of €16.1m will be used to implement the "Next Level" strategy described in our note of 22 July. Holders of 75% of the shares, including the largest shareholder, GDT, took up their rights. The private placement of shares not subscribed in the rights issue was oversubscribed. A Chinese Investor, TowerCrest, which had committed to subscribe up to 3.4m shares ahead of the issue, decided after the approval of Mologen, not to participate. A further capital raise is likely to be required by the end of the second half of 2017. The strength of the interest shown in the recent financing round bodes well for the success of capital market activity next year. We have lowered our price target from €11.60 to €11.30 to reflect a higher level of dilution from the recent issue and projected future issuance than previously forecast as well as cash burn since the end of June. We maintain our Buy recommendation.

Total proceeds of €16.1m to be used to fund "Next Level" strategy
Mologen has issued 11,315,750 new shares at €1.20 in a 1 for 2 rights issue raising gross proceeds of €13.6m. The company also plans to issue a convertible bond with a nominal value of €2.54m to GDT in early November. The coupon will be 6%, the conversion price €1.50 and maturity will be in eight years. The combined €16.1m proceeds of the two capital measures will be used to implement the "Next Level" strategy announced in June. "Next Level" entails a sharpening of Mologen's focus on its lead drug candidate, lefitolimod, and the next generation of this product - EnanDIM - which is currently a pre-clinical molecule family. Some of the proceeds of the transaction will be used to finance the transfer of lefitolimod production to a contract manufacturer and upscale production in preparation for market entry. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2013	2014	2015	2016E	2017E	2018E
Revenue (€m)	0.23	0.01	0.04	0.00	0.00	36.36
Y-o-y growth	278.3%	-94.7%	225.0%	n.a.	n.a.	n.a.
EBIT (€m)	-10.86	-17.10	-20.54	-26.32	-24.33	12.71
EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	35.0%
Net income (€m)	-10.83	-17.08	-20.54	-26.35	-24.48	12.56
EPS (diluted) (€)	-0.70	-1.02	-0.99	-1.07	-0.81	0.28
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-9.01	-15.70	-15.18	-28.25	-23.88	12.73
Net gearing	-58.4%	-101.9%	-126.1%	-147.3%	-425.6%	-129.2%
Liquid assets (€m)	8.77	13.56	24.59	12.49	7.51	20.24

RISKS

Risks to our price target include but are not limited to development, partnering, financial, and regulatory risks.

COMPANY PROFILE

MOLOGEN is an R&D-stage biotechnology company based in Berlin. The firm focuses on innovative DNA-based and cell-based drug development for the treatment of diseases with unmet medical need. The company's furthest developed products are MGN1703 for the treatment of colorectal carcinoma, small cell lung cancer and HIV. In addition a combination study of MGN1703 with Yervoy is being performed.

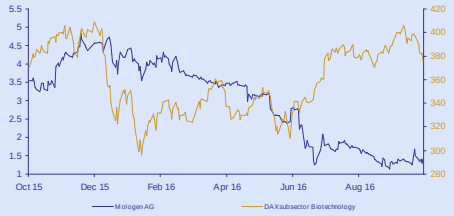
MARKET DATA

As of 31 Oct 2016

Closing Price	€ 1.42
Shares outstanding	33.95m
Market Capitalisation	€ 48.04m
52-week Range	€ 1.15 / 4.85
Avg. Volume (12 Months)	41,804

Multiples	2015	2016E	2017E
P/E	n.a.	n.a.	n.a.
EV/Sales	672.1	n.a.	n.a.
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2016

Liquid Assets	€ 15.33m
Current Assets	€ 16.04m
Intangible Assets	€ 0.21m
Total Assets	€ 16.46m
Current Liabilities	€ 6.71m
Shareholders' Equity	€ 9.75m

SHAREHOLDERS

Global Derivative Trading GmbH	29.0%
Baloise Group	7.0%
Deutsche Balaton AG	5.0%
Deutscher Ring Krankenvers. a.G.	4.0%
IPConcept	3.0%
Free float	52.0%

Analyst: Simon Scholes, Tel. +49 (0)30 - 80 93 96 94

Completion of IMPALA phase III recruitment in MCRC end of 2016/early 2017 Lefitolimod (MGN1703) is currently the subject of four clinical trials. Mologen continues to recruit patients for its phase III IMPALA pivotal study with lefitolimod (MGN1703) in metastatic colorectal cancer (mCRC). Patient recruitment for IMPALA began in September 2014 and is scheduled to be completed by the end of 2016. Mologen intends to evaluate the data within approximately 24 months of completion of recruitment. Some uncertainty remains as to the precise timing as the primary end point is overall survival.

IMPULSE topline phase II results in small cell lung cancer expected in H1 2017 Enrolment of 100 patients to the IMPULSE phase II trial with lefitolimod (MGN1703) in small cell lung cancer was completed in autumn 2015. The primary endpoint of the study is overall survival. Mologen intends to start the primary analyses by the end of 2016 and publish topline results in the first half of 2017.

TEACH phase I results in HIV due in H1/17 An early stage trial with HIV patients carried out at the Aarhus University Hospital in Denmark in 2015 suggests that lefitolimod (MGN1703) could play a role in the kick and kill concept of HIV eradication. In the first phase of the trial, patients received one month of treatment. In the extension phase, patients will be treated with lefitolimod (MGN1703) for six months. Topline results of the study are expected in the first half of 2017. The so-called TEACH trial is the first time that lefitolimod (MGN1703) has been evaluated in patients with diseases other than cancer and is being conducted within the framework of a collaborative agreement with Mologen.

Completion of recruitment for combination trial with Yervoy scheduled for 2018 In January 2016, Mologen concluded a cooperation agreement with the MD Anderson Cancer Center at the University of Texas to conduct a phase 1 trial of lefitolimod (MGN1703) with the immune checkpoint inhibitor Yervoy. The trial started in mid-July 2016 and will include around 50 to 60 patients. Completion of recruitment is scheduled for 2018. The trial with Yervoy will be the first time that lefitolimod (MGN1703) has been evaluated in combination with a checkpoint inhibitor and may be the first of several studies of lefitolimod (MGN1703) in combination with other anti-cancer drugs.

Holders of 75% of the shares took up rights; private placement oversubscribed Holders of 75% of the shares, including the largest shareholder, GDT, took up their rights in the rights issue. Before the issue started, GDT was given the opportunity to subscribe to up to 1 million shares in a private placement of any unsubscribed shares. A Chinese investor, TowerCrest Limited Liability Cooperation (TowerCrest), also committed to purchase up to 3.4 million new shares in the private placement. GDT subscribed to 1 million of the unsubscribed shares, thereby raising its stake from 24% before the issue to 29% now. However, in view of the oversubscription of the placement, TowerCrest decided after the approval of Mologen not to participate.

We maintain our Buy recommendation but lower the price target from €11.60 to €11.30 Mologen had cash and cash equivalents of €15.3m at the end of June. Taking into account the proceeds of the rights issue and the convertible bond as well as estimated cash burn of €8.8m from 1 July to 31 October, we project Mologen's end October cash position to be ca. €22.2m. As we indicated in our July study, we do not expect the conclusion of a partnership with a large pharmaceutical company for further development of lefitolimod (MGN1703) and an associated milestone payment until 2018. Our cash burn forecast for 2017 is €23.9m. This figure and management statements that the company's financing is secured until Q4 2017, suggest that another capital raise is likely in the second half of next year. We have pencilled in the issue of 14.5m shares at €1.30 to raise gross proceeds of €18.9m. This would take total gross issuance proceeds during 2016 and 2017 to €35m. In our July note we also assumed total issuance proceeds of €35m but assumed that the entire sum would be issued before the end of this year at €1.40. A lower average issue price than we

previously assumed as well as cash burn since the end of June are the main reasons for the reduction in our price target from €11.60 to €11.30. We maintain our Buy recommendation.

Figure 1: Changes to our forecasts

	2016E			2017E			2018E		
in €m	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales*	0.00	0.00	-	0.00	0.00	-	36.36	36.36	0.0%
EBIT	-26.32	-26.32	-	-23.93	-24.33	-	12.71	12.71	0.0%
margin	*neg.*	*neg.*	-	*neg.*	*neg.*	-	*35.0%*	*35.0%*	-
Net income	-26.32	-26.35	-	-23.93	-24.48	-	12.71	12.56	-1.2%
margin	*neg.*	*neg.*	-	*neg.*	*neg.*	-	*35.0%*	*34.5%*	-
EPS (in €)	-1.16	-1.07	-	-0.49	-0.81	-	0.26	0.28	8.0%

* including other operating income and upfront/milestone payment(s)

Source: First Berlin Equity Research

Figure 2: Pipeline valuation

Compound	Project[1)]	Present Value	Patient Pop	Treatment Cost	Market Size	Market Share	Peak Sales	PACME Margin[2)]	Discount Factor	Patent Life[3)]	Time to Market
MGN1703	CRC-EU	€258M	165K	€38,182	€6,300M	10%	€825M	18%	15%	10	4 Years
MGN1703	CRC-US	€241M	105K	€63,636	€6,682M	10%	€840M	18%	15%	8	4 years
MGN1703	SCLC-EU	€55M	23K	€27,273	€614M	50%	€397M	15%	15%	10	4 years
MGN1703	SCLC-US	€51M	14K	€45,455	€650M	50%	€404M	15%	15%	8	4 years
MGN1601	RCC-EU	€116M	41K	€38,182	€1,581M	30%	€1,141M	25%	15%	10	9 years
MGN1601	RCC-US	€113M	26K	€63,636	€1,674M	25%	€1,110M	25%	15%	12	9 years
PACME PV		€835M			€17,500M		€3,715M				
Costs PV[4)]		€446M									
NPV		€389M									
Milestones PV		€101M									
Profrma net cash		€38M									
Fair Value		€527M									
Proforma share count		46,853K									
Price Target		€11.25									

1) A project typically refers to a specific indication or, where necessary or relevant, a combination between indication and geographic market

2) PACME (Profit After Costs and Marketing Expenses) reflects the company's profit share on future revenues. This share may be derived in the form of royalties (outsourced marketing/manufacturing) or operating EBITDA margin (in-house model), or some mix of both (depending on the specific parameters of partnership agreements)

3) Remaining patent life after the point of approval

4) Includes company-level R&D, G&A, Financing Costs and CapEx; COGS and S&M are factored into the PACME margin for each project

Source: First Berlin Equity Research

Figure 3: Changes to our pipeline valuation model

	Old	New	Delta
PACME PV	**€835.1M**	**€835.1M**	**0.0%**
Costs PV (4)	€446.4M	€446.4M	0.0%
NPV	**€388.7M**	**€388.7M**	**0.0%**
Milestones PV	€100.7M	€100.7M	0.0%
Proforma net cash	€48.0M	€37.9M	-21.1%
Fair Value	€537.4M	€527.3M	-1.9%
Share Count	46,331K	46,853K	1.1%
Price Target	**€11.60**	**€11.25**	**-3.0%**

Source: First Berlin Equity Research

INCOME STATEMENT

All figures in EUR '000	2013	2014	2015	2016E	2017E	2018E
Net product revenues	**227**	**12**	**39**	**0**	**0**	**0**
Milestone & upfront payments	**0**	**0**	**0**	**0**	**0**	**36,364**
Total revenue	**227**	**12**	**39**	**0**	**0**	**36,364**
Cost of materials	**2,904**	**8,687**	**11,011**	**15,000**	**12,000**	**12,000**
Gross profit	**-2,677**	**-8,675**	**-10,972**	**-15,000**	**-12,000**	**-12,000**
PACME (incl. milestone & upfront payments)	**-2,677**	**-8,675**	**-10,972**	**-15,000**	**-12,000**	**24,364**
Depreciation	1,014	110	121	140	150	180
Personnel costs	4,364	5,113	5,074	5,900	5,200	5,500
Other operating income (expense)	-2,803	-3,199	-4,372	-5,280	-6,975	-5,970
Operating income (EBIT)	**-10,858**	**-17,097**	**-20,539**	**-26,320**	**-24,325**	**12,714**
Net financial result	30	19	3	-25	-153	-153
Pre-tax income (EBT)	**-10,828**	**-17,078**	**-20,536**	**-26,345**	**-24,478**	**12,560**
Net income / loss	**-10,828**	**-17,078**	**-20,536**	**-26,345**	**-24,478**	**12,560**
Diluted EPS (in EUR)	**-0.70**	**-1.02**	**-0.99**	**-1.07**	**-0.81**	**0.28**
EBITDA	**-9,844**	**-16,987**	**-20,418**	**-26,180**	**-24,175**	**12,894**
Ratios						
EBIT margin on PACME	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA margin on PACME	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net margin on PACME	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Expenses as % of PACME						
Personnel costs	n.m.	n.m.	n.m.	n.m.	n.m.	22.6%
Y-Y Growth						
Total revenues	278.3%	-94.7%	225.0%	n.m.	n.m.	n.m.
Operating income	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net income/ loss	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

BALANCE SHEET

All figures in EUR '000	2013	2014	2015	2016E	2017E	2018E
Assets						
Current assets, total	**15,480**	**14,613**	**25,981**	**13,889**	**8,920**	**21,896**
Cash and cash equivalents	8,765	13,563	24,592	12,489	7,510	20,241
Short-term Investments	6,000	0	0	0	0	0
Receivables	0	0	0	0	0	0
Inventories	33	30	28	30	40	200
Other current assets	682	1,020	1,361	1,370	1,370	1,455
Non-current assets, total	**457**	**440**	**414**	**425**	**415**	**1,300**
Property, plant & equipment	220	234	239	280	300	900
Goodwill & other intangibles	237	206	175	145	115	400
Other assets	0	0	0	0	0	0
Total assets	**15,937**	**15,053**	**26,395**	**14,314**	**9,335**	**23,196**
Shareholders' equity & debt						
Current liabilities, total	**943**	**1,747**	**6,886**	**5,010**	**5,610**	**6,910**
Short-term debt	19	10	8	10	10	10
Accounts payable	554	1,315	6,390	4,500	5,000	6,000
Other current liabilities	370	422	488	500	600	900
Long-term liabilities, total	**10**	**8**	**6**	**2,555**	**2,560**	**2,590**
Convertible bond	0	0	0	2,540	2,540	2,540
Long term debt	0	0	0	0	0	0
Deferred revenue	10	8	6	15	20	50
Shareholders' equity	**14,984**	**13,298**	**19,503**	**6,749**	**1,165**	**13,696**
Total consolidated equity and debt	**15,937**	**15,053**	**26,395**	**14,314**	**9,335**	**23,196**
Ratios						
Current ratio (x)	16.42	8.36	3.77	2.77	1.59	3.17
Quick ratio (x)	16.38	8.35	3.77	2.77	1.58	3.14
Net gearing	-58.4%	-101.9%	-126.1%	-147.3%	-425.6%	-129.2%
Book value per share (€)	0.97	0.78	0.86	0.22	0.04	0.31
Net cash	8,746	13,553	24,584	9,939	4,960	17,691
Return on equity (ROE)	-54.3%	-120.8%	-125.2%	-200.7%	-618.6%	169.0%

CASH FLOW STATEMENT

All figures in EUR '000	2013	2014	2015	2016E	2017E	2018E
EBIT	**-10,858**	**-17,097**	**-20,539**	**-26,320**	**-24,325**	**12,714**
Depreciation and amortization	1,014	110	121	140	150	180
EBITDA	**-9,844**	**-16,987**	**-20,418**	**-26,180**	**-24,175**	**12,894**
Changes in working capital	-146	-93	4,786	-1,889	590	1,055
Other adjustments	1,121	1,475	546	-25	-153	-153
Operating cash flow	**-8,869**	**-15,605**	**-15,086**	**-28,094**	**-23,738**	**13,796**
CAPEX	-145	-93	-95	-151	-140	-1,065
Free cash flow	**-9,014**	**-15,698**	**-15,181**	**-28,245**	**-23,878**	**12,731**
Debt financing, net	**0**	**0**	**0**	**0**	**0**	**0**
Equity financing, net	**8**	**14,495**	**26,207**	**13,600**	**18,900**	**0**
Convertible bond				**2,540**		
Changes in other financial assets	**-6,000**	**6,000**	**0**	**0**	**0**	**0**
Other Changes in Cash	**-6**	**1**	**3**	**2**	**0**	**0**
Net cash flows	**-15,012**	**4,798**	**11,029**	**-12,103**	**-4,978**	**12,731**
Cash, start of the year	23,777	8,765	13,563	24,592	12,489	7,510
Cash, end of the year	**8,765**	**13,563**	**24,592**	**12,489**	**7,510**	**20,241**
EBITDA/share	**-0.64**	**-1.01**	**-0.98**	**-1.07**	**-0.80**	**0.29**
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	9 January 2013	€12.14	Buy	€26.70
2...15	↓	↓	↓	↓
16	6 April 2016	€3.78	Buy	€16.50
17	22 July 2016	€1.36	Buy	€11.60
18	16 August 2016	€1.96	Buy	€11.60
19	Today	€1.42	Buy	€11.30

Authored by: Simon Scholes, Analyst

Company responsible for preparation:

First Berlin Equity Research GmbH
Mohrenstraße 34
10117 Berlin

Tel. +49 (0)30 - 80 93 96 94 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

INFORMATION PURSUANT TO SECTION 34B OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO 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], Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) 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 of the German Securities Trading Act [WpHG] and Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) 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).