

ad pepper media International N.V.

The Netherlands / Internet Services
 Frankfurt
 Bloomberg: APM GR
 ISIN: NL0000238145

Q3/24 report

RATING
BUY

PRICE TARGET
€ 2.90

Return Potential 84.7%
 Risk Rating Medium

WILL ONLINE SHOPPERS OPEN THEIR PURSES IN Q4?

ad pepper media (APM) reported final Q3/24 figures which matched preliminary numbers. Revenue was roughly stable (€5.2m) and EBITDA improved significantly y/y from €101k to €485k. EBIT turned around from €-111k to €275k and even net income was positive (€178k). For Q4, APM is guiding towards stable revenue y/y (Q4/23: €5.9m) and an improved EBITDA figure. We model Q4 revenue of €6.0m and EBITDA of €739k versus Q4/23 EBITDA of €369k. For 2025E, we expect 5% revenue growth and a further EBITDA margin increase to 9.9% against the backdrop of improving macro-economic fundamentals in APM's main markets. An updated DCF model yields an unchanged €2.90 price target. We confirm our Buy rating.

Main Q3 and 9M takeaways 9M gross profit was stable at €15.2m. 9M operating costs were significantly reduced (selling and marketing expenses: €-1.2m and G&A expenses: €-0.6m). APM restored profitability both in Q3 and 9M. In the first nine months, EBIT improved from €-1.1m to €0.6m (see figure 1 overleaf). Net income was positive both in Q3 (€178k) and 9M (€171k). APM successfully managed the earnings turnaround despite a slight revenue decline.

All operating segments delivered positive contributions to 9M group EBITDA The affiliate network Webgains is by far the strongest horse in APM's stable (9M EBITDA: €1.7m). The full-service performance marketing agency ad agents contributed €0.6m, while the ad pepper media segment (lead generation; iLead platform for customised online marketing campaigns) has been suffering from declining revenues and contributed only €0.1m. Holding costs resulted in admin segment EBITDA of €-1.2m.

Main markets weaker, small markets stronger APM lost some ground in its main markets Germany and the United Kingdom. 9M revenue in Germany was down 2% y/y at €6.6m and the UK registered a 5% decline to €4.2m. APM's revenue in Spain retreated 5% to €2.4m. But in APM's smaller markets (Switzerland, France, Italy, and the Netherlands) revenue rose 11% to €2.5m.

FINANCIAL HISTORY & PROJECTIONS

| | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--------------------|---------|---------|---------|--------|--------|--------|
| Revenue (€m) | 27.65 | 24.87 | 21.75 | 21.62 | 22.77 | 24.93 |
| Y-o-y growth | 7.9% | -10.0% | -12.5% | -0.6% | 5.3% | 9.5% |
| EBITDA (€m) | 4.38 | 1.28 | 0.02 | 1.93 | 2.25 | 2.60 |
| EBITDA margin | 15.8% | 5.1% | 0.1% | 8.9% | 9.9% | 10.4% |
| Net income (€m) | 1.73 | -0.89 | -0.94 | 0.59 | 0.45 | 0.71 |
| EPS (diluted) (€) | 0.08 | -0.04 | -0.05 | 0.03 | 0.02 | 0.03 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FCF (€m) | 1.91 | 1.71 | 1.13 | -0.09 | 0.43 | 1.57 |
| Net gearing | -104.2% | -108.0% | -105.0% | -97.7% | -94.0% | -95.2% |
| Liquid assets (€m) | 20.70 | 17.01 | 19.84 | 19.12 | 18.87 | 19.77 |

RISKS

The main risks are regulatory changes, technological innovations, dependence on key customers, and intense competition.

COMPANY PROFILE

ad pepper media International N.V. is an international digital performance marketing company, which acts as a holding for its three operating units ad pepper media (lead generation & audience targeting), Webgains (affiliate network), and ad agents (full service agency). The company is headquartered in Nuremberg, Germany.

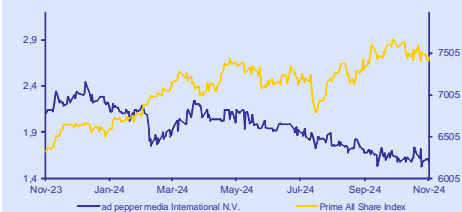
MARKET DATA

As of 21 Nov 2024

| | |
|-------------------------|---------------|
| Closing Price | € 1.57 |
| Shares outstanding | 21.95m |
| Market Capitalisation | € 34.46m |
| 52-week Range | € 1.52 / 2.44 |
| Avg. Volume (12 Months) | 3,578 |

| Multiples | 2023 | 2024E | 2025E |
|------------|-------|-------|-------|
| P/E | n.a. | 58.4 | 77.2 |
| EV/Sales | 1.0 | 1.0 | 1.0 |
| EV/EBITDA | 919.8 | 11.4 | 9.8 |
| Div. Yield | 0.0% | 0.0% | 0.0% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2024

| | |
|----------------------|----------|
| Liquid Assets | € 18.25m |
| Current Assets | € 33.54m |
| Intangible Assets | € 0.22m |
| Total Assets | € 39.01m |
| Current Liabilities | € 19.65m |
| Shareholders' Equity | € 18.77m |

SHAREHOLDERS

| | |
|-----------------------|-------|
| EMA B.V. | 40.9% |
| Euro Serve Media GmbH | 7.1% |
| Treasury shares | 5.4% |
| Free Float | 46.7% |



Figure 1: Reported figures

| All figures in €m | Q3-24A | Q3-24E | Delta | Q3-23A | Delta | 9M-24A | 9M-23A | Delta |
|--------------------|--------|--------|-------|--------|-------|--------|--------|-------|
| Gross sales | 21.87 | 21.94 | 0% | 21.41 | 2% | 63.04 | 61.97 | 2% |
| Revenue | 5.22 | 5.45 | -4% | 5.38 | -3% | 15.62 | 15.88 | -2% |
| EBITDA | 0.49 | 0.40 | 21% | 0.10 | 380% | 1.19 | -0.35 | - |
| margin | 9.3% | 7.4% | - | 1.9% | - | 7.6% | -2.2% | - |
| EBIT | 0.28 | 0.19 | 44% | -0.16 | - | 0.56 | -1.13 | - |
| margin | 5.3% | 3.5% | - | -3.0% | - | 3.6% | -7.1% | - |
| EBT | 0.34 | 0.26 | 35% | -0.11 | - | 0.76 | -1.02 | - |
| margin | 6.6% | 4.7% | - | -2.1% | - | 4.9% | -6.4% | - |
| Net income | 0.18 | 0.08 | 131% | -0.26 | - | 0.17 | -1.30 | - |
| margin | 3.4% | 0.4% | - | -4.9% | - | 1.1% | -8.2% | - |
| EPS (diluted) in € | 0.01 | 0.00 | 151% | -0.01 | - | 0.01 | -0.06 | - |

Source: First Berlin Equity Research, ad pepper media International N.V.

Balance sheet remains strong The main non-current asset is the stake in solute (€3.7m). Higher trade receivables and lower payables led to slightly negative working capital. APM's securities were reclassified as cash & cash equivalents due to a remaining time to maturity of less than three months. The cash position retreated 8% to €18.2m (=47% of balance sheet total). While equity remained stable, a lower balance sheet total (-9%) resulted in the equity ratio widening 4.1 percentage points to 48.1% (see figure 2). APM has no bank debt. All in all, APM's balance sheet remains strong with both a high net cash position (€18.2m excluding lease liabilities) and a high equity ratio.

Figure 2: Balance sheet, selected items

| in €m | 9M-24A | 2023A | Delta |
|--|--------------|--------------|-------------|
| Right-of-use assets | 0.98 | 1.18 | -17% |
| Listed debt and marketable securities (solute stake) | 3.69 | 3.69 | 0% |
| Non-current assets, total | 5.57 | 5.64 | -1% |
| Securities and deposits | 0.00 | 3.52 | -100% |
| Trade receivables | 14.06 | 13.12 | 7% |
| Cash & cash equivalents | 18.25 | 19.84 | -8% |
| Current assets, total | 32.71 | 37.30 | -12% |
| Equity | 18.77 | 18.88 | -1% |
| Equity ratio | 48.1% | 44.0% | 4.1 PP |
| Payables | 14.09 | 17.66 | -20% |
| Working Capital | -0.04 | -4.53 | n.m. |
| Balance sheet total | 39.01 | 42.94 | -9% |

Source: First Berlin Equity Research, ad pepper media International N.V.

Negative free cash flow of €-3.9m Operating cash flow amounted to €-3.8m due mainly to lower trade payables (€-2.8m). Investing cash flow was positive and came in at €3.4m owing chiefly to proceeds from the sale of securities and maturing deposits (€+3.5m). Cash flow from financing activities was €-1.2m, propelled by lease payments (€-0.5m) and dividends to non-controlling interests (€-0.7m). Net cash flow amounted to €-1.6m (see figure 3 overleaf). Operating cash flow is largely driven by seasonality, and we expect it to be positive at the end of the strong Christmas quarter.

**Figure 3: Cash flow statement, selected items**

| in €m | 9M-24A | 9M-23A |
|---------------------|--------|--------|
| Operating cash flow | -3.78 | -3.00 |
| CAPEX | -0.14 | -0.09 |
| Free cash flow | -3.93 | -3.09 |
| Cash flow investing | 3.39 | 3.93 |
| Cash flow financing | -1.22 | -0.67 |
| Net cash flow | -1.61 | 0.27 |

Source: First Berlin Equity Research, ad pepper media International N.V.

Buy rating confirmed at unchanged price target Based on unaltered forecasts, an updated DCF model yields an unchanged price target of €2.90. We confirm our Buy recommendation.



VALUATION MODEL

| DCF valuation model | | | | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| All figures in EUR '000 | 2024 E | 2025 E | 2026 E | 2027 E | 2028 E | 2029 E | 2030 E | 2031 E |
| Net revenue | 21,622 | 22,766 | 24,929 | 27,297 | 29,890 | 32,721 | 35,798 | 39,106 |
| NOPLAT | 674 | 919 | 1,156 | 1,530 | 1,839 | 2,194 | 2,598 | 3,054 |
| + depreciation & amortisation | 854 | 904 | 928 | 919 | 937 | 948 | 958 | 969 |
| Net operating cash flow | 1,528 | 1,823 | 2,084 | 2,449 | 2,776 | 3,142 | 3,556 | 4,024 |
| - total investments (CAPEX and WC) | -2,030 | -1,620 | -761 | -468 | -385 | -429 | -477 | -531 |
| Capital expenditures | -216 | -273 | -324 | -355 | -389 | -425 | -465 | -508 |
| Working capital | -1,814 | -1,347 | -437 | -113 | 4 | -3 | -12 | -22 |
| Free cash flows (FCF) | -502 | 203 | 1,323 | 1,981 | 2,391 | 2,713 | 3,079 | 3,493 |
| PV of FCF's | -496 | 180 | 1,061 | 1,431 | 1,555 | 1,589 | 1,624 | 1,659 |

| All figures in thousands | | |
|---|-------------|----------------------------|
| PV of FCFs in explicit period (2024E-2038E) | 20,592 | |
| PV of FCFs in terminal period | 18,848 | |
| Enterprise value (EV) | 39,439 | Terminal growth 2.0% |
| + Net cash / - net debt | 18,552 | Terminal EBIT margin 16.0% |
| + Investments / minority interests | 8,676 | |
| Shareholder value | 66,667 | |
| Number of shares (diluted) | 22,751 | |
| Fair value per share in EUR | 2.93 | |

| WACC | | Terminal growth rate | | | | | | |
|-------|------|----------------------|------|------|------|------|------|------|
| | | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% | 3.5% |
| 7.0% | 4.31 | 4.49 | 4.69 | 4.94 | 5.24 | 5.62 | 6.10 | |
| 8.0% | 3.77 | 3.88 | 4.02 | 4.17 | 4.36 | 4.58 | 4.85 | |
| 9.0% | 3.36 | 3.44 | 3.53 | 3.63 | 3.75 | 3.89 | 4.06 | |
| 10.0% | 3.04 | 3.10 | 3.16 | 3.23 | 3.31 | 3.41 | 3.51 | |
| 11.0% | 2.79 | 2.83 | 2.88 | 2.93 | 2.99 | 3.05 | 3.12 | |
| 12.0% | 2.59 | 2.62 | 2.66 | 2.69 | 2.73 | 2.78 | 2.83 | |
| 13.0% | 2.43 | 2.45 | 2.47 | 2.50 | 2.53 | 2.57 | 2.60 | |
| 14.0% | 2.29 | 2.31 | 2.33 | 2.35 | 2.37 | 2.40 | 2.42 | |

* for layout purposes the model shows numbers only to 2031, but runs until 2038



INCOME STATEMENT

| All figures in EUR '000 | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|---|----------------|---------------|---------------|---------------|---------------|---------------|
| Gross sales | 111,539 | 98,229 | 85,988 | 85,486 | 90,009 | 98,560 |
| Media costs | 83,893 | 73,361 | 64,239 | 63,864 | 67,243 | 73,631 |
| Revenues | 27,646 | 24,868 | 21,749 | 21,622 | 22,766 | 24,929 |
| Cost of sales | 1,059 | 1,164 | 873 | 605 | 820 | 1,072 |
| Gross profit | 26,587 | 23,704 | 20,876 | 21,017 | 21,946 | 23,857 |
| S&M | 15,739 | 16,638 | 14,867 | 13,533 | 13,716 | 14,583 |
| G&A | 7,707 | 7,164 | 7,785 | 7,423 | 7,502 | 7,728 |
| Other operating income | 530 | 937 | 966 | 1,319 | 956 | 598 |
| Other operating expenses | 477 | 651 | 184 | 303 | 341 | 474 |
| EBITDA | 4,378 | 1,275 | 24 | 1,931 | 2,247 | 2,598 |
| Depreciation and amortisation | 1,184 | 1,088 | 1,018 | 854 | 904 | 928 |
| Operating income (EBIT) | 3,194 | 187 | -994 | 1,077 | 1,343 | 1,670 |
| Net financial result | -38 | -131 | 363 | 416 | 228 | 249 |
| Non-operating expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-tax income (EBT) | 3,156 | 56 | -631 | 1,493 | 1,571 | 1,920 |
| Income taxes | 592 | 306 | 68 | 403 | 424 | 514 |
| Minority interests | -839 | -643 | -245 | -500 | -700 | -700 |
| Net income / loss | 1,725 | -893 | -944 | 590 | 447 | 705 |
| Diluted EPS (in €) | 0.08 | -0.04 | -0.05 | 0.03 | 0.02 | 0.03 |
| Ratios | | | | | | |
| Gross margin in % of gross sales | 23.8% | 24.1% | 24.3% | 24.6% | 24.4% | 24.2% |
| Gross margin in % of revenues | 96.2% | 95.3% | 96.0% | 97.2% | 96.4% | 95.7% |
| EBITDA margin in % of revenues | 15.8% | 5.1% | 0.1% | 8.9% | 9.9% | 10.4% |
| EBIT margin | 11.6% | 0.8% | -4.6% | 5.0% | 5.9% | 6.7% |
| Net margin | 6.2% | -3.6% | -4.3% | 2.7% | 2.0% | 2.8% |
| Tax rate | 18.8% | 542.6% | -10.8% | 27.0% | 27.0% | 26.8% |
| Expenses as % of sales or revenues | | | | | | |
| Media costs (as % of gross sales) | 75.2% | 74.7% | 74.7% | 74.7% | 74.7% | 74.7% |
| S&M (as % of revenues) | 56.9% | 66.9% | 68.4% | 62.6% | 60.2% | 58.5% |
| G&A (as % of revenues) | 27.9% | 28.8% | 35.8% | 34.3% | 33.0% | 31.0% |
| Depreciation and amortisation | 4.3% | 4.4% | 4.7% | 4.0% | 4.0% | 3.7% |
| Other operating expenses | 1.7% | 2.6% | 0.8% | 1.4% | 1.5% | 1.9% |
| Y-Y Growth | | | | | | |
| Gross sales | 10.1% | -11.9% | -12.5% | -0.6% | 5.3% | 9.5% |
| Net revenues | 7.9% | -10.0% | -12.5% | -0.6% | 5.3% | 9.5% |
| EBITDA | -33.3% | -70.9% | -98.1% | 7946.6% | 16.4% | 15.6% |
| Operating income | -41.4% | -94.1% | n.m. | n.m. | 24.7% | 24.4% |
| Net income/ loss | -52.9% | n.m. | n.m. | n.m. | -24.3% | 57.9% |



BALANCE SHEET

| All figures in EUR '000 | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Assets | | | | | | |
| Current assets, total | 40,753 | 41,768 | 37,297 | 36,488 | 37,544 | 40,488 |
| Cash and cash equivalents | 20,704 | 17,008 | 19,842 | 19,124 | 18,868 | 19,765 |
| Financial assets | 26 | 6,334 | 3,621 | 3,621 | 3,621 | 3,621 |
| Receivables | 19,319 | 17,568 | 13,124 | 13,032 | 14,346 | 16,392 |
| Inventories | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 704 | 858 | 710 | 710 | 710 | 710 |
| Non-current assets, total | 5,599 | 2,186 | 5,644 | 5,638 | 5,694 | 5,765 |
| Property, plant & equipment | 346 | 230 | 173 | 160 | 185 | 230 |
| Goodwill & other intangibles | 628 | 374 | 168 | 175 | 207 | 232 |
| Right-of-use assets | 1,177 | 1,318 | 1,184 | 1,184 | 1,184 | 1,184 |
| Financial assets | 3,448 | 184 | 3,936 | 3,936 | 3,936 | 3,936 |
| Other assets | 0 | 79 | 183 | 183 | 183 | 183 |
| Total assets | 46,352 | 43,954 | 42,941 | 42,126 | 43,239 | 46,253 |
| Shareholders' equity & debt | | | | | | |
| Current liabilities, total | 25,318 | 27,448 | 23,238 | 21,333 | 21,299 | 22,908 |
| Short-term debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts payable | 20,247 | 20,836 | 17,657 | 15,752 | 15,718 | 17,327 |
| Current provisions | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 4,566 | 6,089 | 5,045 | 5,045 | 5,045 | 5,045 |
| Lease liabilities | 505 | 523 | 536 | 536 | 536 | 536 |
| Long-term liabilities, total | 946 | 840 | 822 | 822 | 822 | 822 |
| Long-term debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Lease liabilities | 741 | 840 | 754 | 754 | 754 | 754 |
| Other liabilities | 205 | 0 | 68 | 68 | 68 | 68 |
| Minority interests | 1,413 | 1,176 | 1,217 | 1,717 | 2,417 | 3,117 |
| Shareholders' equity | 18,675 | 14,490 | 17,664 | 18,254 | 18,701 | 19,406 |
| Share capital | 1,075 | 1,075 | 1,160 | 1,160 | 1,160 | 1,160 |
| Capital reserve | 63,782 | 63,782 | 67,173 | 67,173 | 67,173 | 67,173 |
| Other reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss carryforward / retained earnings | -46,182 | -50,367 | -50,669 | -50,079 | -49,632 | -48,927 |
| Total consolidated equity and debt | 46,352 | 43,954 | 42,941 | 42,126 | 43,239 | 46,253 |
| Ratios | | | | | | |
| Current ratio (x) | 1.61 | 1.52 | 1.61 | 1.71 | 1.76 | 1.77 |
| Quick ratio (x) | 1.61 | 1.52 | 1.61 | 1.71 | 1.76 | 1.77 |
| Net debt | -19,458 | -15,645 | -18,552 | -17,834 | -17,578 | -18,475 |
| Net gearing | -104.2% | -108.0% | -105.0% | -97.7% | -94.0% | -95.2% |
| Equity ratio | 43.3% | 35.6% | 44.0% | 47.4% | 48.8% | 48.7% |
| Book value per share (in €) | 0.89 | 0.71 | 0.85 | 0.83 | 0.85 | 0.88 |
| Return on equity (ROE) | 9.2% | -6.2% | -5.3% | 3.2% | 2.4% | 3.6% |
| Return on investment (ROI) | 3.7% | -2.0% | -2.2% | 1.4% | 1.0% | 1.5% |
| Return on assets (ROA) | 4.0% | -1.6% | -2.1% | 1.4% | 1.0% | 1.5% |



CASH FLOW STATEMENT

| All figures in EUR '000 | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| EBIT | 3,194 | 187 | -994 | 1,077 | 1,343 | 1,670 |
| Depreciation and amortisation | 1,184 | 1,088 | 1,018 | 854 | 904 | 928 |
| EBITDA | 4,378 | 1,275 | 24 | 1,931 | 2,247 | 2,598 |
| Changes in working capital | 636 | 3,256 | 1,975 | -1,814 | -1,347 | -437 |
| Other adjustments | -2,806 | -2,600 | -760 | 13 | -196 | -265 |
| Operating cash flow | 2,208 | 1,931 | 1,239 | 131 | 703 | 1,897 |
| Investments in PP&E | -121 | -111 | -53 | -108 | -137 | -175 |
| Investments in intangibles | -178 | -108 | -61 | -108 | -137 | -150 |
| Free cash flow | 1,909 | 1,712 | 1,125 | -86 | 430 | 1,573 |
| Acquisitions & disposals, net | 57 | 1,938 | 6,091 | 0 | 0 | 0 |
| Other investments | -1,999 | -5,000 | -3,521 | 0 | 0 | 0 |
| Investment cash flow | -2,241 | -3,281 | 2,456 | -216 | -273 | -324 |
| Debt financing, net | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity financing, net | -2,489 | -1,232 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 |
| Other financing | -1,340 | -1,124 | -893 | -632 | -687 | -675 |
| Financing cash flow | -3,829 | -2,356 | -893 | -632 | -687 | -675 |
| FOREX & other effects | 236 | 10 | 33 | 0 | 0 | 0 |
| Net cash flows | -3,626 | -3,696 | 2,834 | -718 | -256 | 898 |
| Cash, start of the year | 24,330 | 20,704 | 17,008 | 19,842 | 19,124 | 18,868 |
| Cash, end of the year | 20,704 | 17,008 | 19,842 | 19,124 | 18,868 | 19,765 |
| EBITDA/share (in €) | 0.21 | 0.06 | 0.00 | 0.09 | 0.10 | 0.12 |
| Y-Y Growth | | | | | | |
| Operating cash flow | -34.7% | -12.5% | -35.8% | -89.5% | 438.7% | 169.6% |
| Free cash flow | -26.4% | -10.3% | -34.3% | n.m. | n.m. | 265.5% |
| EBITDA/share | -32.7% | -69.9% | -98.2% | 7479.4% | 16.4% | 15.6% |

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Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

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The production of this recommendation was completed on 22 November 2024 at 10:37

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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:

| Category | | 1 | 2 |
|--------------------------------------|--|---------------|-------------|
| Current market capitalisation (in €) | | 0 - 2 billion | > 2 billion |
| Strong Buy ¹ | An expected favourable price trend of: | > 50% | > 30% |
| Buy | An expected favourable price trend of: | > 25% | > 15% |
| Add | An expected favourable price trend of: | 0% to 25% | 0% to 15% |
| Reduce | An expected negative price trend of: | 0% to -15% | 0% to -10% |
| Sell | An expected negative price trend of: | < -15% | < -10% |

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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.

RECOMMENDATION & PRICE TARGET HISTORY

| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 9 January 2018 | €4.06 | Add | €4.30 |
| 2...51 | ↓ | ↓ | ↓ | ↓ |
| 52 | 17 November 2023 | €2.06 | Buy | €3.00 |
| 53 | 9 February 2024 | €2.12 | Buy | €2.80 |
| 54 | 17 April 2024 | €2.18 | Buy | €2.90 |
| 55 | 28 May 2024 | €2.14 | Buy | €2.90 |
| 56 | 1 July 2024 | €1.99 | Buy | €2.90 |
| 57 | 16 July 2024 | €1.93 | Buy | €2.90 |
| 58 | 19 August 2024 | €1.87 | Buy | €2.90 |
| 59 | 16 October 2024 | €1.62 | Buy | €2.90 |
| 60 | Today | €1.57 | Buy | €2.90 |

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.

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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: <https://firstberlin.com/disclaimer-english-link/>

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