

PNE AG

Germany / Cleantech
 Primary exchange: Frankfurt
 Bloomberg: PNE3 GR
 ISIN: DE000A0JBPBG2

Capital Markets Day

RATING
PRICE TARGET **ADD**
€ 26.00
 Return Potential 16.6%
 Risk Rating High

SCALE-UP 2.0: PLAN FOR ACCELERATED GROWTH

In November, PNE presented its growth strategy 2023 - 2027 ("Scale up 2.0") at its capital markets day. The main targets are to (1) increase EBITDA to >€150m (2021: €33m), (2) expand its own green power plant portfolio from 283 MW (end November 2022) to up to 1,500 MW/MWp (planned CapEx: €1.6bn), (3) expand the project pipeline to >20 GW/GWp (9M/22: 11.4 GW/GWp) and sell an average of ~600 MW of projects p.a., (4) expand its Service segment's wind and PV projects management capacity from 2,200 MW to more than 3,500 MW. This is an ambitious growth plan with a focus on own green power production. Given the expected strong increase in demand for green power and PNE's project pipeline, we expect the company to be able to reach the 2027 targets. We have incorporated the targets into our segment forecasts and DCF models. An updated sum-of-the-parts valuation yields a new price target of €26.0 (previously: €18.1). We upgrade our rating from Reduce to Add.

EBITDA >€150 Mio. in 2027 PNE targets 2027 group EBITDA of >€150m. According to our assumptions, PNE will reach this target if the expansion plans are executed as planned.

Expansion of own power production to up to 1,500 MW/MWp PNE's current own plant portfolio consists of 283 MW wind power and a biomass plant (5.6 MW). By the end of the year, we expect PNE to reach wind capacity of 319 MW. By 2027, the company is targeting green power capacity of 1,500 MW/MWp, 1,000 MW of which will be wind and 500 MWp solar. The wind portfolio will be located in Germany, France, and Poland (currently: only Germany). The PV portfolio will be situated in Germany, France, Poland, Italy and Spain (currently: no PV assets). As PNE develops the wind and solar plants itself, the profit margin that would be generated by selling the assets is instead distributed over the life time of the plants resulting in hidden reserves.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--------------------|--------|--------|--------|---------|---------|---------|
| Revenue (€m) | 132.80 | 109.69 | 117.73 | 109.61 | 117.44 | 150.55 |
| Y-o-y growth | 45.3% | -17.4% | 7.3% | -6.9% | 7.1% | 28.2% |
| EBITDA (€m) | 28.71 | 26.35 | 32.65 | 32.96 | 44.48 | 59.50 |
| EBITDA margin | 21.6% | 24.0% | 27.7% | 30.1% | 37.9% | 39.5% |
| Net income (€m) | -0.77 | 1.62 | 25.13 | 10.47 | -7.99 | -5.47 |
| EPS (diluted) (€) | -0.01 | 0.02 | 0.33 | 0.14 | -0.10 | -0.07 |
| DPS (€) | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 |
| FCF (€m) | -42.56 | -83.03 | -89.05 | -133.44 | -162.25 | -148.90 |
| Net gearing | 62.9% | 129.9% | 166.3% | 220.9% | 308.6% | 394.9% |
| Liquid assets (€m) | 111.94 | 111.62 | 149.63 | 135.59 | 107.28 | 84.32 |

RISKS

Risks to our price target include, but are not limited to: changes in legislation, project delays, project approval risks, project financing risks, tender awards, award prices, and interest rate changes.

COMPANY PROFILE

PNE AG is a clean energy solution provider active in wind & PV project development, green power production, and energy services. Currently, the company had an international wind and PV project pipeline of ca. 11.4 GW and an own wind power plant portfolio with a capacity of ca. 283 MW. PNE is based in Cuxhaven, Germany.

MARKET DATA

As of 14 Dec 2022

Closing Price € 22.30
 Shares outstanding 76.37m
 Market Capitalisation € 1702.97m
 52-week Range € 7.69 / 24.05
 Avg. Volume (12 Months) 136,411

| Multiples | 2021 | 2022E | 2023E |
|------------|------|-------|-------|
| P/E | 67.7 | 162.6 | n.a. |
| EV/Sales | 17.6 | 18.9 | 17.7 |
| EV/EBITDA | 63.6 | 63.0 | 46.7 |
| Div. Yield | 0.2% | 0.2% | 0.2% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2022

Liquid Assets € 115.65m
 Current Assets € 351.65m
 Intangible Assets € 63.69m
 Total Assets € 894.59m
 Current Liabilities € 123.64m
 Shareholders' Equity € 222.71m

SHAREHOLDERS

Morgan Stanley Infrastructure Partners 39.8%
 Active Ownership Fund SCS 12.0%
 Enkraft 5.0%
 Samson Rock Capital LLP 3.1%
 Free Float 40.0%



Expansion of project pipeline to more than 20 GW/GWp (9M/22: 11.4 GW/GWp) In addition to 10 GW of onshore wind projects, the pipeline is expected to include around 8 GWp of PV projects as well as a further 2 GW of offshore wind projects. There is also a focus on future technologies such as hybrid projects with electrolysers, battery and gas storage systems as well as heat generators (combined heat & power). In this context, PNE will also expand its technical competence for the development, construction and operation of Power-to-X and battery solutions. PNE plans to sell 600 MW/MWp in projects & project rights p.a. on average.

Expansion of Service segment PNE intends to become a European leader in operational management of wind and PV plants. Currently, the company has ca. 2,200 MW under management. The company aims to manage >3,500 MW by 2027. PNE plans additional service products in the areas of electricity trading, optimisation of wind and PV projects, life cycle management of renewable energy projects and engineering services, such as island solutions based on clean energies. PNE views Germany, France, and Spain as the most attractive markets.

POWER PRODUCTION SEGMENT GROWTH MODEL

PNE's Scale-up 2.0 strategy targets a green power portfolio of 1.500 MW/MWp. Figure 1 shows our capacity expansion model. We assume that PNE will add 86 MW in 2022E, resulting in a wind portfolio capacity of 319 MW. To reach 1,000 MW wind capacity, PNE plans three-digit increases in MW capacity p.a. until 2028. We assume that in terms of secured projects, the 1,000 MW will be reached in 2027E, but in terms of operating assets at the end of 2028E. The same goes for solar. We predict that the first PV capacity addition will take place in 2025E and that the 500 MW target in terms of operating PV assets will be reached at the end of 2028E.

Figure 1: Green power capacity expansion model 2022E – 2028E

| MW | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|---------------------------|------------|------------|------------|------------|------------|--------------|--------------|
| Wind | | | | | | | |
| Capacity, 1 Jan | 233 | 319 | 419 | 519 | 619 | 719 | 839 |
| Additional capacity | 86 | 100 | 100 | 100 | 100 | 120 | 161 |
| Capacity, YE | 319 | 419 | 519 | 619 | 719 | 839 | 1,000 |
| Solar | | | | | | | |
| Capacity, 1 Jan | 0 | 0 | 0 | 0 | 120 | 240 | 360 |
| Additional capacity | 0 | 0 | 0 | 120 | 120 | 120 | 140 |
| Capacity, YE | 0 | 0 | 0 | 120 | 240 | 360 | 500 |
| Wind, capacity YB | | | | | | | |
| Total capacity, YE | 319 | 419 | 519 | 739 | 959 | 1,199 | 1,500 |

Source: First Berlin Equity Research

PNE plans to invest around €1.6bn in its own portfolio. In figure 2 (overleaf), we have modelled the capital expenditure schedule for 2023 - 2028. For wind power plants, we model a price of €1.7m per MW and for photovoltaic power plants €0.8m / MW. This results in €1.16bn of CapEx in additional wind capacity from 2023 - 2027 and €400m in new solar capacity. The two numbers total almost €1.6bn, which is PNE's stated capital expenditure sum.

**Figure 2: Capacity additions (wind, PV) and CapEx**

| | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | sum |
|-----------------------|------------|------------|------------|------------|------------|------------|--------------|
| Wind | | | | | | | |
| New capacity (MW) | 100 | 100 | 100 | 100 | 120 | 161 | 681 |
| CapEx (€/MW) | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | - |
| CapEx (€m) | 175 | 175 | 175 | 175 | 210 | 282 | 1,192 |
| Solar | | | | | | | |
| New capacity (MW) | 0 | 0 | 120 | 120 | 120 | 140 | 500 |
| CapEx (€/MW) | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | - |
| CapEx (€m) | 0 | 0 | 90 | 90 | 90 | 105 | 375 |
| Sum CapEx (€m) | 175 | 175 | 265 | 265 | 300 | 387 | 1,567 |

Source: First Berlin Equity Research

Our assumptions for the Power Production segment revenue growth model (see figure 3 overleaf) are:

- Average annual capacity = capacity at the start of the year. We assume that newly installed capacity will begin operation at the end of the year. This is certainly a conservative assumption and will be adjusted to the actual start of operation of new green power capacity every year.
- Specific power production of the wind power portfolio will rise from 2,100 MWh/MW in 2023E to 2,300 MWh/MW in 2027E. The increase reflects technical advances in wind turbines.
- Specific power production of the solar power portfolio will be 1,050 MWh/MWp. This assumes that most of the PV power plant capacity will be installed in Germany (ca. 1,000 MWh/MWp) with the remainder in Poland (ca. 1,000 MWh/MWp), France (ca. 1,050 MWh/MWp), Italy (ca. 1,200 MWh/MWp), and Spain (ca. 1,400 MWh/MWp).
- PNE's average selling price (ASP) for power declines from 123 €/MWh in 2022E to 80 €/MWh in 2025E. The very high ASP in 2022E reflects the surge in the gas prices following Russia's reduction of natural gas deliveries to Europe. The high gas prices translate into high power prices via the merit order effect. The German government plans to tax revenue from selling solar and wind power above the level of EEG remuneration plus a safety surcharge of 30 €/MWh at a rate of 90%. This law will be effective from 1 December 2022 to at least 30 June 2023. We have thus modelled an average selling price of 90 €/MWh for 2023. We expect a further price decline in 2024 (85 €/MWh) and 2025 (80 €/MWh) as power and gas markets adjust to the 2022 price shock (higher installation rates of wind and solar, more storage capacity, more LNG capacity and delivery reducing the natural gas price).
- The Silbitz biomass plant will produce 39,200 MWh p.a. The plant was commissioned in 2003. It has a capacity of 5.6 MW and an assumed specific power production of ca. 7,000 MWh/MW. We model the decommission of the plant at the end of 2027. We assume slightly higher average selling prices than for wind and solar, as the plant is able to offer base load capacity and can deliver power in times of low wind and no sun, when prices are high.

Based on our assumptions, the green power portfolio will generate more than €156m in revenue in 2027E. We expect an EBITDA margin of almost 80% resulting in Electricity Generation segment EBITDA of €125m in 2027E.

**Figure 3: Power Production segment revenue growth model**

| | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|---|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Wind | | | | | | | |
| Average capacity (MW) | 253 | 319 | 419 | 519 | 619 | 719 | 839 |
| Specific power production (MWh/MW) | 2,017 | 2,100 | 2,150 | 2,200 | 2,250 | 2,300 | 2,300 |
| Power production (MWh) | 510,301 | 670,320 | 901,280 | 1,142,240 | 1,393,200 | 1,654,160 | 1,930,160 |
| Average selling price (€/MWh) | 123 | 90 | 85 | 80 | 80 | 80 | 80 |
| Revenue wind (€m) | 63.0 | 60.3 | 76.6 | 91.4 | 111.5 | 132.3 | 154.4 |
| Solar | | | | | | | |
| Average capacity (MW) | 0 | 0 | 0 | 0 | 120 | 240 | 360 |
| Specific power production (MWh/MW) | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 |
| Power production (MWh) | 0 | 0 | 0 | 0 | 126,000 | 252,000 | 378,000 |
| Average selling price (€/MWh) | | | | | 80 | 80 | 80 |
| Revenue solar (€m) | 0.0 | 0.0 | 0.0 | 0.0 | 10.1 | 20.2 | 30.2 |
| Silbitz biomass plant | | | | | | | |
| Capacity | 6 | 6 | 6 | 6 | 6 | 6 | 0 |
| Specific power production (MWh/MW) | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 0 |
| Power Production (MWh) | 39,200 | 39,200 | 39,200 | 39,200 | 39,200 | 39,200 | 0 |
| Average selling price (€/MWh) | 170 | 100 | 100 | 100 | 100 | 100 | 0 |
| Revenue Silbitz (€m) | 6.7 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 0.0 |
| Total revenue (€m) | 69.6 | 64.2 | 80.5 | 95.3 | 125.5 | 156.4 | 184.7 |
| EBITDA margin | 83% | 82% | 80% | 80% | 80% | 80% | 79% |
| EBITDA Electricity Generation (€m) | 57.7 | 52.8 | 64.4 | 76.2 | 100.1 | 124.6 | 146.7 |

Source: First Berlin Equity Research

PROJECT DEVELOPMENT SEGMENT GROWTH MODEL

PNE aims to sell ca. 600 MW in projects & project rights per year on average. According to our model, PNE's wind project rights sales will rise from 300 MW in 2023E to 460 MW in 2027E. In the solar sub-segment, we expect project rights sales to increase from 100 MWp in 2023E to 220 MWp in 2027E (see figure 4 overleaf).

The price of wind project rights varies significantly depending on factors such as national regulation and support for wind power, national power prices, and local wind conditions. We observe prices per MW ranging from a low five-digit euro sum to middle six-digit euro amounts. The average selling price is thus heavily dependent on the country mix. As we do not know this mix in advance, we use an average selling price of 80,000 €/MW.

This is also the case for solar project rights, where national regulations, power prices, and local irradiation cause prices to vary from country to country. We assume an average selling price of 30,000 €/MWp.

In coming years, we model only low sales of turnkey wind and solar plants, as PNE will focus on the expansion of its own plant portfolio, which means that fewer turnkey projects can be sold. With the expansion and evolution of the project pipeline, we forecast an increase of sales of turnkey projects. In the wind sub-segment, we expect sales to rise from 3 MW in 2023E to 38 MW in 2027E. In the solar sub-segment, we model first sales in 2026E (10 MW) and 50 MW in 2027E. We assume an average selling price of turnkey wind projects of 2.3 €/m/MW and 0.9 €/m/MWp for turnkey PV projects.

On average, our forecasted project & project rights sales for both wind and solar are close to PNE's target of 600 MW/MWp p.a. Based on the assumptions stated above, we forecast Project segment sales to increase from €34m in 2023E to €176m in 2027E. Segment



EBITDA including consolidation will remain in negative territory in the coming years due to the costs of constructing wind and solar plants for PNE's own plant portfolio. In our model, 2027E will be the first year of positive segment EBITDA (including consolidation).

Figure 4: Project development segment revenue generation model 2023E - 2028E

| | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|--|-------------|-------------|-------------|-------------|--------------|--------------|
| Wind | | | | | | |
| Wind farms sold turnkey (MW) | 3 | 7 | 10 | 15 | 38 | 42 |
| ASP (€/MW) | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 | 2.30 |
| Revenue wind farms (€m) | 6.9 | 16.1 | 23.0 | 34.5 | 87.4 | 96.6 |
| Wind project rights sold (MW) | 300 | 350 | 400 | 440 | 460 | 470 |
| ASP (€/MW) | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |
| Revenue wind projects (€m) | 24.0 | 28.0 | 32.0 | 35.2 | 36.8 | 37.6 |
| Solar | | | | | | |
| Solar parks sold turnkey (MW) | 0 | 0 | 0 | 10 | 50 | 40 |
| ASP (€/MW) | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 |
| Revenue solar plants (€m) | 0 | 0 | 0 | 9 | 45 | 36 |
| Solar project rights sold (MW) | 100 | 150 | 200 | 210 | 220 | 230 |
| ASP (€/MW) | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| Revenue solar projects (€m) | 3.0 | 4.5 | 6.0 | 15.3 | 51.6 | 42.9 |
| Total revenue Project segment | 33.9 | 48.6 | 61.0 | 85.0 | 175.8 | 177.1 |
| EBITDA Project segment incl. consolidation | -14.9 | -12.4 | -9.4 | -4.3 | 16.9 | 15.0 |

Source: First Berlin Equity Research

SERVICES SEGMENT GROWTH MODEL

Based on PNE's plan to increase operational management of wind and PV plants from ca. 2,200 MW/MWp to >3,500 MW/MWp and to offer additional services in the areas of electricity trading, optimisation of wind and PV projects, life cycle management of renewable energy projects and engineering services, we have slightly increased our Services segment forecasts.

Figure 5: Services Segment sales & EBITDA 2023E - 2028E

| in €m | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|----------------|-------|-------|-------|-------|-------|-------|
| External sales | 19.3 | 21.4 | 23.8 | 26.2 | 28.8 | 31.3 |
| Internal sales | 6.4 | 7.1 | 7.9 | 8.7 | 9.6 | 10.4 |
| Sales | 25.7 | 28.6 | 31.7 | 35.0 | 38.3 | 41.8 |
| Growth | 6% | 11% | 11% | 10% | 10% | 9% |
| EBITDA | 6.5 | 7.5 | 9.0 | 9.9 | 10.9 | 11.8 |
| Margin | 25.4% | 26.4% | 28.4% | 28.4% | 28.4% | 28.3% |

Source: First Berlin Equity Research



FORECASTS OF GROUP SALES & EBITDA

We forecast that group sales will increase from €110m in 2022E to €361m in 2027E, driven by all three segments (see figure 6). Group EBITDA is projected to rise from €33.0m in 2022E to €152.3m in 2027E. The main EBITDA driver is the Electricity Generation segment, which more than doubles EBITDA from €57.7m in 2022E to €124.6m in 2027E (see figure 7).

Figure 6: Segment and group sales 2022E - 2028E

| External revenue | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Projects | 21.8 | 33.9 | 48.6 | 61.0 | 85.0 | 175.8 | 177.1 |
| Electricity Generation | 69.6 | 64.2 | 80.5 | 95.3 | 125.5 | 156.4 | 184.7 |
| Services | 18.2 | 19.3 | 21.4 | 23.8 | 26.2 | 28.7 | 31.2 |
| Total | 109.6 | 117.4 | 150.5 | 180.1 | 236.7 | 360.9 | 392.9 |
| Growth | <i>n.m.</i> | 7% | 28% | 20% | 31% | 52% | 9% |

Source: First Berlin Equity Research

Figure 7: Segment and group EBITDA 2022E - 2028E

| EBITDA | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Projects incl. consolidation | -30.5 | -14.9 | -12.4 | -9.4 | -4.3 | 16.9 | 15.0 |
| Electricity Generation | 57.7 | 52.8 | 64.4 | 76.2 | 100.1 | 124.6 | 146.7 |
| Services | 5.8 | 6.5 | 7.5 | 9.0 | 9.9 | 10.8 | 11.8 |
| Total | 33.0 | 44.5 | 59.5 | 75.9 | 105.8 | 152.3 | 173.5 |
| Growth | <i>n.m.</i> | 35% | 34% | 28% | 39% | 44% | 14% |

Source: First Berlin Equity Research

SEGMENT FORECASTS ADJUSTED FOR “SCALE UP 2.0”

PNE's expansion plan for 2023 - 2027 has a stronger focus on the expansion of its own plant portfolio than our previous segment forecast. We have thus increased our segment estimates. A more rapid expansion of the own plant portfolio means that fewer projects can be sold to the market. However, the Project Development segment growth envisaged by PNE is stronger than in our previous forecasts. We have adjusted our forecasts in the Project Development segment for both effects. In 2023E & 2024E, the net effect is negative. We have raised our Services segment forecasts slightly based on PNE's plans to expand the segment. Adding up the numbers results in our group forecasts for 2023E and 2024E being lower.

We have also lowered our 2022E forecast to reflect:

- the introduction of the tax on revenue from power generation from wind, solar, and other sources in Germany starting on 1 December, as this will cut into PNE's power production revenue;
- relatively weak wind conditions so far in Q4;
- a more cautious approach regarding Project Development EBITDA, as some project rights sales may not be closed before the end of the year.

However, our new 2022E EBITDA forecast of €33m is still above PNE's upper guidance end of €30m (see figure 8 overleaf).

**Figure 8: Revisions to forecasts**

| All figures in €m | 2022E | | | 2023E | | | 2024E | | |
|--------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| | Old | New | Delta | Old | New | Delta | Old | New | Delta |
| Sales | 123.6 | 109.6 | -11.4% | 166.6 | 117.4 | -29.5% | 288.7 | 150.5 | -47.9% |
| EBITDA | 50.0 | 33.0 | -34.1% | 64.9 | 44.5 | -31.5% | 101.3 | 59.5 | -41.3% |
| margin | 40.4% | 30.1% | | 39.0% | 37.9% | | 35.1% | 39.5% | |
| Net income | 22.6 | 10.5 | -53.7% | 9.1 | -8.0 | - | 26.5 | -5.5 | - |
| margin | 18.3% | 9.6% | | 5.5% | -6.8% | | 9.2% | -3.6% | |
| EPS (diluted) in € | 0.30 | 0.14 | -54.3% | 0.12 | -0.10 | - | 0.35 | -0.07 | - |

Source: First Berlin Equity Research

VALUATION MODEL

SUM-OF-THE-PARTS VALUATION

We use a sum-of-the-parts (SotP) analysis to model PNE's fair value. Each of the three segments

- Project Development,
- Electricity Generation, and
- Services

is valued individually using a discounted cash flow (DCF) model.

Sum-of-the-parts valuation

| SotP valuation | Fair value in €m | Fair value per share in € | FVPS in € old | Delta |
|-------------------------|------------------|---------------------------|---------------|------------|
| Project Development | 682.10 | 8.94 | 11.49 | -22% |
| Electricity Generation | 1,154.45 | 15.12 | 4.95 | 206% |
| Services | 134.53 | 1.76 | 1.65 | 7% |
| Sum of the parts | 1,971.08 | 25.82 | 18.09 | 43% |
| Price target | | 26.00 | 18.10 | 44% |

The segment DCF models are shown and explained on the following pages.



PROJECT DEVELOPMENT

The Project Development segment includes onshore and offshore wind farm and solar plant development on an international scale. Projects that are not sold but added to the own plant portfolio incur development and construction costs but no external segment sales. PNE accounts for this in its Consolidation segment. For simplicity, we integrate Consolidation into the Project Development segment. Our DCF model thus shows only external sales.

Our DCF model assumptions are:

- Weighted average cost of capital (WACC) of 7.8%; (cost of equity: 11.3%, pre-tax cost of debt: 5.0%, tax rate: 30%, debt share: 45%, equity share: 55%);
- Terminal growth rate of 3.0%;
- Terminal EBITDA margin (including consolidation) of 13.5%.
- That a major share of the commissioned turnkey projects is transferred to the Electricity Generation segment by the end of 2028E. These projects do not generate a segment profit, as they are not sold. From 2029E on, we model that PNE sells all turnkey projects. This explains the jump in sales and earnings in 2029E.

DCF model for Project Development segment

| All figures in €'000 * | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales | 21,800 | 33,900 | 48,600 | 61,000 | 85,000 | 175,800 | 177,100 | 653,600 |
| NOPLAT | -33,025 | -17,314 | -14,755 | -11,564 | -6,351 | 11,433 | 9,953 | 82,118 |
| + depreciation & amortisation | 2,507 | 2,451 | 2,309 | 2,198 | 2,087 | 2,037 | 2,229 | 2,400 |
| Net operating cash flow | -30,518 | -14,863 | -12,446 | -9,366 | -4,264 | 13,470 | 12,182 | 84,517 |
| - total investments (CAPEX and WC) | -19,430 | -12,540 | -3,610 | -34,886 | -27,655 | -6,782 | -5,060 | -11,525 |
| Capital expenditures | -1,308 | -1,356 | -1,458 | -1,342 | -1,700 | -3,516 | -3,542 | -1,961 |
| Working capital | -18,122 | -11,184 | -2,152 | -33,544 | -25,955 | -3,266 | -1,518 | -9,564 |
| Free cash flows (FCF) | -49,948 | -27,403 | -16,056 | -44,252 | -31,919 | 6,688 | 7,122 | 72,992 |
| PV of FCF's | -49,781 | -25,337 | -13,770 | -35,209 | -23,561 | 4,580 | 4,524 | 43,012 |

| All figures in thousands | |
|--|---------|
| PV of FCFs in explicit period (2022E- 2036E) | 128,400 |
| PV of FCFs in terminal period | 493,586 |
| Enterprise value (EV) | 621,986 |
| + Net cash / - net debt | 60,579 |
| + Investments / minority interests | -463 |
| Shareholder value | 682,102 |
| Number of shares (diluted) | 76,337 |
| Fair value per share in EUR | 8.94 |

| WACC | 7.8% | Terminal growth rate | | | | | | | |
|-----------------------------|-------|----------------------|-------|-------|-------|-------|-------|-------|--------|
| | | 1.5% | 2.0% | 2.5% | 3.0% | 3.5% | 4.0% | 4.5% | |
| Cost of equity | 11.3% | 4.8% | 18.23 | 20.59 | 23.98 | 29.28 | 38.67 | 59.96 | 154.66 |
| Pre-tax cost of debt | 5.0% | 5.8% | 13.00 | 14.13 | 15.60 | 17.60 | 20.47 | 24.94 | 32.88 |
| Tax rate | 30.0% | 6.8% | 9.79 | 10.40 | 11.15 | 12.10 | 13.35 | 15.03 | 17.46 |
| After-tax cost of debt | 3.5% | 7.8% | 7.63 | 7.99 | 8.42 | 8.94 | 9.57 | 10.38 | 11.43 |
| Share of equity capital | 55.0% | 8.8% | 6.10 | 6.32 | 6.58 | 6.88 | 7.24 | 7.68 | 8.22 |
| Share of debt capital | 45.0% | 9.8% | 4.96 | 5.10 | 5.26 | 5.45 | 5.67 | 5.93 | 6.23 |
| Fair value per share in EUR | 8.94 | 10.8% | 4.09 | 4.09 | 4.09 | 4.09 | 4.09 | 4.09 | 4.09 |

* for layout purposes the model shows numbers only to 2029, but runs until 2036



ELECTRICITY GENERATION

The Electricity Generation segment includes power production from green power plants. Currently, the portfolio combines its own 19 wind farms with a total capacity of 283 MW, and the Silbitz biomass power plant with a capacity of 5.6 MW. PNE plans to build up a wind & solar power production portfolio of up to 1,500 MW (1,000 wind, 500 MWp solar) by year-end 2027 (including secured projects that will be built in 2028). The following table shows our assumptions for the expansion of this portfolio.

Forecasted portfolio expansion

| Wind & solar power portfolio | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| Wind power capacity (MW), year start | 55.3 | 130.1 | 134.8 | 233.2 | 319.2 | 419.2 | 519.2 | 619.2 | 719.2 | 839.2 |
| Additional capacity (MW) | 74.8 | 4.7 | 98.4 | 86.0 | 100.0 | 100.0 | 100.0 | 100.0 | 120.0 | 161.0 |
| Wind power capacity (MW), year end | 130.1 | 134.8 | 233.2 | 319.2 | 419.2 | 519.2 | 619.2 | 719.2 | 839.2 | 1,000.2 |
| Solar power capacity (MW), year start | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 120.0 | 240.0 | 360.0 |
| Additional capacity (MW) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 120.0 | 120.0 | 120.0 | 140.0 |
| Solar power capacity (MW), year end | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 120.0 | 240.0 | 360.0 | 500.0 |
| Portfolio capacity (wind & PV), year start | 55.3 | 130.1 | 134.8 | 233.2 | 319.2 | 419.2 | 519.2 | 739.2 | 959.2 | 1,199.2 |
| Additional capacity (MW) | 74.8 | 4.7 | 98.4 | 86.0 | 100.0 | 100.0 | 220.0 | 220.0 | 240.0 | 301.0 |
| Portfolio capacity (wind & PV), year end | 130.1 | 134.8 | 233.2 | 319.2 | 419.2 | 519.2 | 739.2 | 959.2 | 1,199.2 | 1,500.2 |

Our segment DCF model assumes:

- CapEx of almost €1.6bn from 2023E - 2028E
- Maintenance CapEx (including repowering) of ca. €41m p.a. starting in 2029E in order to keep the portfolio at the 1,500 MW/MWp level;
- Weighted average cost of capital (WACC) of 4.4%; (cost of equity: 7.3%, pre-tax cost of debt: 4.5%, tax rate: 30%, debt share: 70%, equity share: 30%);
- Terminal growth rate of 1.0%;
- Terminal EBITDA margin of 78.0%.

DCF model for Electricity Generation segment

| All figures in EUR'000 * | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Net sales | 69,635 | 64,249 | 80,529 | 95,299 | 125,456 | 156,413 | 184,653 | 226,037 |
| NOPLAT | 19,439 | 20,854 | 26,253 | 31,475 | 50,158 | 55,389 | 66,109 | 80,131 |
| + depreciation & amortisation | 23,960 | 30,357 | 36,630 | 44,171 | 44,977 | 65,941 | 77,589 | 92,581 |
| Net operating cash flow | 43,399 | 51,211 | 62,883 | 75,646 | 95,135 | 121,330 | 143,698 | 172,712 |
| - total investments (CAPEX and WC) | -153,484 | -173,967 | -178,122 | -267,833 | -270,783 | -305,937 | -392,166 | -48,542 |
| Capital expenditures | -146,200 | -175,000 | -175,000 | -265,000 | -265,000 | -300,000 | -386,750 | -40,606 |
| Working capital | -7,284 | 1,033 | -3,122 | -2,833 | -5,783 | -5,937 | -5,416 | -7,937 |
| Free cash flows (FCF) | -110,085 | -122,756 | -115,239 | -192,187 | -175,648 | -184,607 | -248,468 | 124,170 |
| PV of FCF's | -109,874 | -117,363 | -105,525 | -168,577 | -147,584 | -148,581 | -191,538 | 91,690 |

All figures in thousands

| | |
|---|--------------|
| PV of FCFs in explicit period (2022E-2036E) | -323,636 |
| PV of FCFs in terminal period | 1,895,284 |
| Enterprise value (EV) | 1,571,648 |
| + Net cash / - net debt | -417,200 |
| + Investments / minority interests | 0 |
| Shareholder value | 1,154,448 |
| Number of shares (diluted) | 76,337 |
| Fair value per share in EUR | 15.12 |

| | |
|------------------------------------|--------------|
| WACC | 4.4% |
| Cost of equity | 7.3% |
| Pre-tax cost of debt | 4.5% |
| Tax rate | 30.0% |
| After-tax cost of debt | 3.2% |
| Share of equity capital | 30.0% |
| Share of debt capital | 70.0% |
| Fair value per share in EUR | 15.12 |

| WACC | Terminal growth rate | | | | | | |
|------|----------------------|-------|-------|-------|-------|-------|-------|
| | 0.4% | 0.6% | 0.8% | 1.0% | 1.2% | 1.4% | 1.6% |
| 3.6% | 12.86 | 16.64 | 20.95 | 25.92 | 31.69 | 38.50 | 46.64 |
| 3.9% | 10.46 | 13.75 | 17.45 | 21.67 | 26.52 | 32.15 | 38.75 |
| 4.1% | 8.39 | 11.27 | 14.50 | 18.13 | 22.25 | 26.98 | 32.45 |
| 4.4% | 6.60 | 9.14 | 11.96 | 15.12 | 18.68 | 22.71 | 27.31 |
| 4.6% | 5.02 | 7.28 | 9.78 | 12.55 | 15.64 | 19.11 | 23.04 |
| 4.9% | 3.63 | 5.65 | 7.87 | 10.32 | 13.03 | 16.05 | 19.44 |
| 5.1% | 2.39 | 4.21 | 6.20 | 8.37 | 10.77 | 13.42 | 16.37 |

* for layout purposes the model shows numbers only to 2029, but runs until 2036



SERVICES

The Services segment includes technical and commercial operations management of green power plants, construction management, transformer station services, wind measurement, financing, and electricity marketing services.

Our DCF model assumptions are:

- Weighted average cost of capital (WACC) of 7.4% (cost of equity: 8.8%, pre-tax cost of debt: 4.5%, tax rate: 30%, debt share: 30%, equity share: 70%);
- Terminal growth rate of 2.5%;
- Terminal EBITDA margin of 28.2%.

DCF model for Services segment

| All figures in €'000 * | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales (external and inter-segment) | 24,239 | 25,727 | 28,557 | 31,698 | 34,940 | 38,244 | 41,564 | 44,851 |
| NOPLAT | 2,027 | 2,719 | 3,917 | 5,232 | 5,970 | 6,688 | 7,383 | 8,051 |
| + depreciation & amortisation | 3,589 | 3,546 | 3,235 | 3,253 | 3,356 | 3,498 | 3,669 | 3,858 |
| Net operating cash flow | 5,617 | 6,266 | 7,152 | 8,485 | 9,326 | 10,186 | 11,051 | 11,909 |
| - total investments (CAPEX and WC) | -3,493 | -3,651 | -3,416 | -3,875 | -4,172 | -4,458 | -4,727 | -4,972 |
| Capital expenditures | -3,393 | -3,602 | -3,323 | -3,772 | -4,066 | -4,349 | -4,617 | -4,864 |
| Working capital | -99 | -49 | -93 | -103 | -107 | -109 | -109 | -108 |
| Free cash flows (FCF) | 2,124 | 2,615 | 3,736 | 4,609 | 5,154 | 5,728 | 6,325 | 6,936 |
| PV of FCF's | 2,117 | 2,427 | 3,228 | 3,709 | 3,862 | 3,997 | 4,109 | 4,196 |

| All figures in thousands | |
|---|-------------|
| PV of FCFs in explicit period (2022E-2036E) | 56,949 |
| PV of FCFs in terminal period | 83,079 |
| Enterprise value (EV) | 140,028 |
| + Net cash / - net debt | -5,500 |
| + Investments / minority interests | 0 |
| Shareholder value | 134,528 |
| Number of shares (diluted) | 76,337 |
| Fair value per share in EUR | 1.76 |

| WACC | | Terminal growth rate | | | | | | |
|-------|-----------------------------|----------------------|------|------|-------------|------|------|-------|
| | | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% | 3.5% | 4.0% |
| 4.4% | Cost of equity | 3.23 | 3.63 | 4.19 | 5.05 | 6.54 | 9.69 | 20.95 |
| 5.4% | Pre-tax cost of debt | 2.39 | 2.59 | 2.85 | 3.19 | 3.68 | 4.42 | 5.71 |
| 6.4% | Tax rate | 1.87 | 1.98 | 2.12 | 2.29 | 2.51 | 2.81 | 3.23 |
| 7.4% | After-tax cost of debt | 1.52 | 1.59 | 1.67 | 1.76 | 1.88 | 2.03 | 2.22 |
| 8.4% | Share of equity capital | 1.27 | 1.31 | 1.36 | 1.42 | 1.49 | 1.57 | 1.67 |
| 9.4% | Share of debt capital | 1.07 | 1.10 | 1.14 | 1.17 | 1.22 | 1.27 | 1.33 |
| 10.4% | Fair value per share in EUR | 0.93 | 0.95 | 0.97 | 0.99 | 1.02 | 1.06 | 1.09 |

* for layout purposes the model shows numbers only to 2029, but runs until 2036



INCOME STATEMENT

| All figures in EUR '000 | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | 132,796 | 109,689 | 117,728 | 109,614 | 117,444 | 150,547 |
| Change in inventories | 33,723 | 38,204 | 129,819 | 0 | 0 | 0 |
| Own work | 0 | 0 | 0 | 151,360 | 184,000 | 184,000 |
| Other operating income | 4,659 | 3,819 | 4,480 | 5,023 | 6,933 | 6,974 |
| Total aggregate output | 171,179 | 151,711 | 252,027 | 265,997 | 308,377 | 341,521 |
| Cost of goods sold | -92,961 | -72,729 | -161,554 | -161,327 | -186,516 | -193,722 |
| Gross profit (total aggr. output / COGS) | 78,218 | 78,982 | 90,473 | 104,670 | 121,862 | 147,798 |
| Personnel costs | -30,600 | -35,054 | -38,499 | -43,956 | -47,183 | -51,276 |
| Other operating expenses | -18,911 | -17,580 | -19,320 | -27,753 | -30,194 | -37,026 |
| EBITDA | 28,707 | 26,348 | 32,654 | 32,961 | 44,484 | 59,496 |
| Depreciation and amortisation | -12,597 | -18,177 | -23,389 | -30,056 | -36,355 | -42,174 |
| Operating income (EBIT) | 16,110 | 8,170 | 9,265 | 2,905 | 8,130 | 17,322 |
| Interest Expense | -10,890 | -11,182 | -10,790 | -14,627 | -20,202 | -25,793 |
| Interest Income | 582 | 251 | 4,414 | 26,020 | 0 | 0 |
| Other financial income / expenses | 32 | 52 | 138 | 0 | 0 | 0 |
| Pre-tax income (EBT) | 5,835 | -2,708 | 3,028 | 14,299 | -12,072 | -8,471 |
| Income taxes | -5,946 | 3,611 | 21,636 | -4,290 | 3,622 | 2,541 |
| Minority interests | -655 | 717 | 463 | 463 | 463 | 463 |
| Net income / loss | -765 | 1,621 | 25,127 | 10,472 | -7,987 | -5,467 |
| Diluted EPS (in €) | -0.01 | 0.02 | 0.33 | 0.14 | -0.10 | -0.07 |

Ratios

| | | | | | | |
|--|--------|--------|---------|--------|--------|--------|
| Gross margin (gross profit/total aggr. output) | 45.7% | 52.1% | 35.9% | 39.4% | 39.5% | 43.3% |
| EBITDA margin on revenues | 21.6% | 24.0% | 27.7% | 30.1% | 37.9% | 39.5% |
| EBIT margin on revenues | 12.1% | 7.4% | 7.9% | 2.7% | 6.9% | 11.5% |
| Net margin on revenues | -0.6% | 1.5% | 21.3% | 9.6% | -6.8% | -3.6% |
| Tax rate | 101.9% | 133.4% | -714.6% | -30.0% | -30.0% | -30.0% |

Expenses as % of revenues

| | | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|-------|
| Personnel costs | 23.0% | 32.0% | 32.7% | 40.1% | 40.2% | 34.1% |
| Depreciation and amortisation | 9.5% | 16.6% | 19.9% | 27.4% | 31.0% | 28.0% |
| Other operating expenses | 14.2% | 16.0% | 16.4% | 25.3% | 25.7% | 24.6% |

Y-Y Growth

| | | | | | | |
|------------------|--------|--------|---------|--------|--------|--------|
| Revenues | 45.3% | -17.4% | 7.3% | -6.9% | 7.1% | 28.2% |
| Operating income | 106.8% | -49.3% | 13.4% | -68.6% | 179.8% | 113.1% |
| Net income/ loss | n.m. | n.m. | 1450.5% | -58.3% | n.m. | n.m. |



BALANCE SHEET

| All figures in EUR '000 | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
|---|----------------|----------------|----------------|----------------|------------------|------------------|
| Assets | | | | | | |
| Current assets, total | 250,445 | 346,594 | 363,469 | 373,978 | 347,335 | 332,226 |
| Cash and cash equivalents | 111,935 | 111,617 | 149,625 | 135,586 | 107,279 | 84,322 |
| Short-term investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables | 34,251 | 40,171 | 29,492 | 38,573 | 39,737 | 46,302 |
| Inventories | 84,807 | 174,003 | 163,711 | 179,178 | 179,678 | 180,961 |
| Other current assets | 19,452 | 20,803 | 20,641 | 20,641 | 20,641 | 20,641 |
| Non-current assets, total | 299,571 | 317,215 | 463,531 | 584,376 | 727,979 | 865,586 |
| Property, plant & equipment | 174,081 | 176,341 | 273,523 | 394,368 | 537,972 | 675,578 |
| Goodwill & other intangibles | 64,719 | 64,330 | 63,964 | 63,964 | 63,964 | 63,964 |
| Rights-of-use assets | 39,376 | 39,125 | 64,732 | 64,732 | 64,732 | 64,732 |
| Other assets | 60,771 | 76,544 | 126,044 | 126,044 | 126,044 | 126,044 |
| Total assets | 550,016 | 663,809 | 827,000 | 958,354 | 1,075,315 | 1,197,812 |
| Shareholders' equity & debt | | | | | | |
| Current liabilities, total | 113,636 | 108,209 | 109,302 | 113,490 | 101,954 | 93,434 |
| Short-term financial debt | 11,705 | 24,223 | 22,758 | 25,000 | 22,000 | 11,000 |
| Liabilities from leases (ST) | 3,057 | 4,626 | 6,862 | 6,862 | 6,862 | 6,862 |
| Accounts payable | 35,276 | 31,364 | 34,398 | 33,381 | 24,845 | 27,325 |
| Current provisions | 8,381 | 4,617 | 6,747 | 6,747 | 6,747 | 6,747 |
| Other current liabilities | 58,275 | 48,005 | 45,399 | 48,362 | 48,362 | 48,362 |
| Long-term liabilities, total | 231,260 | 355,038 | 495,905 | 616,116 | 756,116 | 896,116 |
| Long-term financial debt | 188,953 | 272,887 | 385,066 | 503,081 | 643,081 | 783,081 |
| Liabilities from leases (LT) | 37,207 | 70,388 | 103,719 | 105,858 | 105,858 | 105,858 |
| Other liabilities | 5,100 | 11,763 | 7,120 | 7,177 | 7,177 | 7,177 |
| Minority interests | -13,283 | -7,070 | -7,382 | -7,845 | -8,308 | -8,771 |
| Shareholders' equity | 218,402 | 207,633 | 229,175 | 236,594 | 225,553 | 217,033 |
| Share capital | 76,603 | 76,603 | 76,603 | 76,603 | 76,603 | 76,603 |
| Capital reserve | 82,953 | 82,953 | 82,953 | 82,953 | 82,953 | 82,953 |
| Other reserves | -819 | -2,692 | -3,109 | -3,109 | -3,109 | -3,109 |
| Treasury stock | -707 | -707 | -707 | -707 | -707 | -707 |
| Retained earnings | 60,372 | 51,476 | 73,435 | 80,854 | 69,813 | 61,293 |
| Total consolidated equity and debt | 550,016 | 663,809 | 827,000 | 958,354 | 1,075,315 | 1,197,812 |
| Ratios | | | | | | |
| Current ratio (x) | 2.20 | 3.20 | 3.33 | 3.30 | 3.41 | 3.56 |
| Quick ratio (x) | 1.46 | 1.59 | 1.83 | 1.72 | 1.64 | 1.62 |
| Net cash | -128,987 | -260,507 | -368,779 | -505,214 | -670,521 | -822,479 |
| Net gearing | 59.1% | 125.5% | 160.9% | 213.5% | 297.3% | 379.0% |
| Book value per share (€) | 2.74 | 2.63 | 2.91 | 3.00 | 2.85 | 2.73 |
| Tangible book value per share (€) | 1.89 | 1.80 | 2.08 | 2.17 | 2.02 | 1.90 |
| Equity ratio (incl. minorities) | 37.3% | 30.2% | 26.8% | 23.9% | 20.2% | 17.4% |
| Return on equity (ROE) | -0.4% | 0.8% | 11.0% | 4.4% | -3.5% | -2.5% |
| Return on assets (ROA) | 1.8% | 1.9% | 4.3% | 2.6% | 1.1% | 1.7% |
| Return on investment (ROI) | -0.1% | 0.2% | 3.0% | 1.1% | -0.7% | -0.5% |
| Return on capital employed (ROCE) | 5.4% | 2.0% | 1.7% | 0.4% | 1.0% | 1.8% |



CASH FLOW STATEMENT

| All figures in EUR '000 | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
|--|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| EBIT | 16,110 | 8,170 | 9,265 | 2,905 | 8,130 | 17,322 |
| Depreciation and amortisation | 12,597 | 18,177 | 23,389 | 30,056 | 36,355 | 42,174 |
| EBITDA | 28,707 | 26,348 | 32,654 | 32,961 | 44,484 | 59,496 |
| Changes in working capital | 19,031 | -75,310 | 217 | -22,603 | -10,200 | -5,368 |
| Other adjustments | -12,331 | -19,538 | -9,093 | 7,104 | -16,580 | -23,252 |
| Operating cash flow | 35,407 | -68,500 | 23,778 | 17,462 | 17,705 | 30,877 |
| Investments in PP&E | -77,966 | -14,450 | -112,828 | -150,901 | -179,958 | -179,781 |
| Investments in intangibles | 0 | -81 | 0 | 0 | 0 | 0 |
| Free cash flow | -42,559 | -83,031 | -89,050 | -133,439 | -162,253 | -148,904 |
| Acquisitions & disposals, net | 85 | 104 | 30,976 | 0 | 0 | 0 |
| Other investments | 0 | 0 | -139 | 0 | 0 | 0 |
| Cash flow from investing | -77,882 | -14,427 | -81,991 | -150,901 | -179,958 | -179,781 |
| Debt financing, net | 37,555 | 86,483 | 122,179 | 119,202 | 137,000 | 129,000 |
| Equity financing, net | 5,669 | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | -2,975 | -3,053 | -3,053 | -3,053 | -3,053 | -3,053 |
| Other financing | 0 | -573 | -7,152 | 0 | 0 | 0 |
| Cash flow from financing | 40,249 | 82,857 | 111,974 | 116,149 | 133,947 | 125,947 |
| Forex and other changes in cash | -14,911 | -248 | -15,754 | 0 | 0 | 0 |
| Net cash flows | -17,135 | -318 | 38,008 | -17,290 | -28,306 | -22,958 |
| Cash, start of the year | 129,071 | 111,935 | 111,617 | 149,625 | 135,586 | 107,279 |
| Cash, end of the year | 111,936 | 111,617 | 149,625 | 132,335 | 107,279 | 84,322 |
| EBITDA/share (in €) | 0.38 | 0.35 | 0.43 | 0.43 | 0.58 | 0.78 |
| Operating cashflow/share (in €) | 0.47 | -0.90 | 0.31 | 0.23 | 0.23 | 0.40 |
| Y-Y Growth | | | | | | |
| Operating cash flow | n.m. | n.m. | n.m. | -26.6% | 1.4% | 74.4% |
| Free cash flow | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EBITDA/share | 83.1% | -10.0% | 23.9% | 0.9% | 35.0% | 33.7% |

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PRICE TARGET DATES

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

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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 | 31 March 2008 | €2.38 | Buy | €4.50 |
| 2...110 | ↓ | ↓ | ↓ | ↓ |
| 111 | 12 May 2021 | €7.33 | Add | €7.70 |
| 112 | 12 August 2021 | €7.27 | Add | €7.90 |
| 113 | 11 November 2021 | €8.26 | Add | €8.80 |
| 114 | 18 March 2022 | €9.49 | Add | €10.00 |
| 115 | 19 April 2022 | €12.12 | Reduce | €11.50 |
| 116 | 12 May 2022 | €12.42 | Reduce | €12.00 |
| 117 | 11 August 2022 | €15.90 | Reduce | €15.20 |
| 118 | 10 November 2022 | €21.30 | Reduce | €18.10 |
| 119 | Today | €22.30 | Add | €26.00 |

INVESTMENT HORIZON

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

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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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