

CR Capital Real Estate AG

Germany / Real Estate
 Primary exchange: Frankfurt
 Bloomberg: CRZ GR
 ISIN: DE000A2GS625

Update

RATING
BUY

PRICE TARGET
€ 37.00

Return Potential 28.0%
 Risk Rating High

THE SHAPE OF THINGS DURING THE LOCKDOWN

CR Capital shares were routed this spring on recessionary fears traced to covid-19. We believe this was overdone, given our unchanged positive views on CR Capital's opportunities to capitalise on the high demand for affordable housing. Despite the recent lockdowns, the company reported no significant red tape or development bottlenecks, and operations have continued unhampered, thanks to secure regional supply chains. We expect the company to handover up to 200 units in 2020, while the pipeline remains full with > 400 units under development. Management will propose a €1.50 / share dividend to the AGM, which remains unchanged after the 2:1 stock split. Our rolled over DCF model yields a €37 price target (old: €35). Our rating remains Buy.

Reason for optimism unchanged We like CR Capital for its position in the residential property segment. The company specialises in the construction of affordable housing predominantly in Leipzig, Berlin, and the Berlin exurbs and is benefiting from a residential market that continues to be shaped by an acute housing shortage, particularly for affordable homes, and soaring rents. Plus, owning a town house or flat has rarely been so attractive, thanks to rock bottom mortgage lending rates (~0.75%) coupled with an €18k KfW loan credit and another €12k child benefit subsidy.

Remote-working could provide further tailwinds We are in the midst of the largest experiment in home-working in our history. Corporates are reporting high investment into IT and communication infrastructures to support remote work and are now rethinking longer-term workspace strategies. Although some people are keen to return to the office, others have readily adapted and enjoy the flexibility of working from home. It is therefore easy to envision a hybrid model emerging whereby staff split time between home and the office. We believe CR Capital could directly benefit from this shift. Home-working requires adequate space. And many low to mid-salaried workers cannot afford to buy large enough flats in central locations. Plus, with the obstacle of a daily commute removed, we expect further migration into the exurbs of major hubs such as Berlin. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2015	2016	2017	2018	2019E*	2020E
Revenue (€m)	8.97	17.50	10.41	26.31	40.52	52.58
Y-o-y growth	-51.0%	95.1%	-40.5%	152.8%	54.0%	29.8%
EBIT (€m)	2.72	2.38	3.99	11.56	11.90	15.91
EBIT margin	30.3%	13.6%	38.4%	43.9%	29.4%	30.3%
Net income (€m)	1.69	2.17	5.77	7.80	10.00	12.57
EPS (diluted) (€)	0.45	0.58	1.54	2.08	2.66	3.35
DPS (€)	0.00	0.00	1.00	1.50	1.50	1.67
FCF (€m)	-1.33	10.57	-10.19	10.03	5.20	7.47
Net gearing	17.6%	-14.6%	24.7%	-5.6%	-3.6%	-6.6%
Liquid assets (€m)	1.95	5.44	1.98	3.94	6.39	8.03

* Reporting will switch to IFRS 10 on publication of 2019 results (preliminary 2019 net income of €90m)

RISKS

Risks include but are not limited to: increasing competition, the company's focus on the residential market in Berlin, and the loss of key personnel.

COMPANY PROFILE

CR Capital Real Estate AG is a property developer focused on the residential segment of the Berlin, Brandenburg, and Leipzig regions. The Berlin-based company specialises in the construction of affordable housing and is listed on the Open Market of the Frankfurt Stock Exchange.

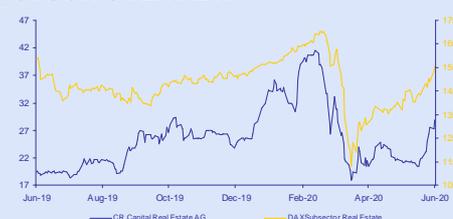
MARKET DATA

As of 03 Jun 2020

Closing Price	€ 28.90
Shares outstanding	3.76m
Market Capitalisation	€ 108.58m
52-week Range	€ 17.90 / 41.60
Avg. Volume (12 Months)	4,092

Multiples	2018	2019E	2020E
P/E	13.9	10.9	8.6
EV/Sales	4.3	2.8	2.1
EV/EBIT	9.7	9.5	7.1
Div. Yield	5.2%	5.2%	5.8%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2019

Liquid Assets	€ 1.35m
Current Assets	€ 16.82m
Intangible Assets	€ 10.41m
Total Assets	€ 51.23m
Current Liabilities	€ 1.00m
Shareholders' Equity	€ 38.87m

SHAREHOLDERS

MPH Group	61.0%
Free Float	39.0%



VALUATION

The company announced a switch to IFRS 10 accounting in February and preliminary unaudited net income of ~€90m for 2019. This overshoots FBe net income of €10m, but this was based on previous reporting standards. Shareholders' equity is also thought to have reached €200m at year end (2018: €35m) and will reflect the new structure as an investment entity. We will overhaul our forecasts and valuation model with publication of the full year results.

CR Capital is on track to realise over 200 units this year, which is at the upper end of our expected range. We look for the good business momentum to continue and spur further growth over the mid term. We have rolled our DCF model forward on unchanged forecasts, which yields a €37 price target (old: €35). Our rating remains Buy.

All figures in € '000	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Net sales	40,516	52,581	64,601	71,043	78,128	85,928	94,501	103,932
NOPLAT	8,468	11,135	13,934	15,467	17,175	17,882	18,541	19,128
(+) Depreciation & amortisation	61	79	97	107	117	129	142	156
(-) Revaluation profits	-462	-539	-635	-760	-894	-1,040	-1,197	-1,358
Net operating cash flow	8,066	10,676	13,396	14,814	16,398	16,972	17,486	17,926
(-) Capital expenditures	-2,246	-3,222	-5,104	-5,429	-5,795	-6,205	-7,166	-6,687
(-) Working capital	-2,359	-1,691	-2,369	-1,095	-1,250	-1,357	-1,546	-1,763
Free cash flows (FCF)	3,461	5,762	5,923	8,290	9,353	9,410	8,774	9,477
PV of FCF's	3,461	5,478	5,153	6,600	6,815	6,274	5,353	5,292

		23.7%	24.7%	25.7%	26.7%	27.7%	28.7%	29.7%	
Terminal EBIT margin									
PV of FCFs in explicit period (2018-2028E)	55,572	6.3%	50.00	54.00	59.00	64.00	69.00	73.00	78.00
PV of FCFs in terminal period	80,973	7.3%	41.00	44.00	48.00	51.00	55.00	58.00	62.00
Enterprise value (EV)	136,545	8.3%	35.00	37.00	40.00	43.00	46.00	48.00	51.00
Net cash / - net debt	1,996	9.3%	30.00	32.00	35.00	37.00	39.00	41.00	43.00
Investments / minority interests	0	10.3%	27.00	29.00	31.00	32.00	34.00	36.00	38.00
Shareholder value	138,541	11.3%	24.00	26.00	27.00	29.00	30.00	32.00	33.00
Fair value per share in EUR	37.00	12.3%	22.00	23.00	25.00	26.00	27.00	28.00	30.00

		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Terminal growth rate									
Cost of equity	11.8%	6.3%	51.00	55.00	59.00	64.00	70.00	79.00	90.00
Pre-tax cost of debt	5.0%	7.3%	43.00	46.00	48.00	51.00	55.00	60.00	66.00
Tax rate	30.0%	8.3%	37.00	39.00	41.00	43.00	45.00	48.00	52.00
After-tax cost of debt	3.5%	9.3%	33.00	34.00	35.00	37.00	39.00	41.00	43.00
Share of equity capital	70.0%	10.3%	29.00	30.00	31.00	32.00	34.00	35.00	36.00
Share of debt capital	30.0%	11.3%	27.00	27.00	28.00	29.00	30.00	31.00	32.00
WACC	9.3%	12.3%	24.00	25.00	25.00	26.00	27.00	27.00	28.00

*for layout purposes the model shows only to 2025 but runs until 2028



INCOME STATEMENT

in € '000	2016	2017	2018	2019E	2020E	2021E
Rental and operating income	17,498	10,409	26,309	40,516	52,581	64,601
Cost of goods sold	-16,002	-10,777	-22,118	-26,741	-34,704	-42,637
Personnel expenses	-706	-1,208	-1,633	-1,747	-1,887	-2,000
Other impairments	0	-24	-17	0	0	0
Other operating expenses	-853	-1,128	-1,444	-1,531	-1,622	-1,720
Other operating income	813	7,013	150	1,000	1,080	1,123
Revaluation gains	1,649	0	10,347	462	539	635
EBITDA	2,399	4,285	11,594	11,960	15,987	20,003
Depreciation & amortisation	-23	-291	-34	-61	-79	-97
Operating income (EBIT)	2,376	3,994	11,560	11,899	15,908	19,906
Interest expense	-176	-117	-212	-138	-199	-199
Interest income	12	0	1	0	0	0
Pre-tax income (EBT)	2,212	3,877	11,350	11,761	15,709	19,707
Tax expense	-46	1,890	-3,550	-1,764	-3,142	-4,336
Net income / loss	2,166	5,767	7,800	9,997	12,567	15,371
Diluted EPS (in €)	0.58	1.54	2.08	2.66	3.35	4.09
Adjusted EBITDA	750	4,285	1,247	11,497	15,448	19,367
Ratios						
EBITDA margin on revenues	13.7%	41.2%	44.1%	29.5%	30.4%	31.0%
EBIT margin on revenues	13.6%	38.4%	43.9%	29.4%	30.3%	30.8%
Net margin on revenues	12.4%	55.4%	29.6%	24.7%	23.9%	23.8%
Tax rate	2.1%	-48.7%	31.3%	15.0%	20.0%	22.0%
Expenses as % of revenues						
Personnel expenses	4.0%	11.6%	6.2%	4.3%	3.6%	3.1%
Other operating expenses	4.9%	10.8%	5.5%	3.8%	3.1%	2.7%
Y-Y Growth						
Revenues	95.1%	-40.5%	152.8%	54.0%	29.8%	22.9%
Operating income	-12.6%	68.1%	189.4%	2.9%	33.7%	25.1%
Net income/ loss	28.3%	166.2%	35.2%	28.2%	25.7%	22.3%

* CRC will report according to IFRS 10 from 2019 onwards



BALANCE SHEET

in € '000	2016	2017	2018	2019E	2020E	2021E
Assets						
Current assets, total	11,199	14,136	9,309	14,622	18,284	22,151
Cash and cash equivalents	5,440	1,984	3,940	6,391	8,030	9,197
Accounts receivable	377	2,187	268	2,220	2,881	3,540
Other assets	171	438	155	160	164	169
ST financial assets	31	146	3,136	3,136	3,136	3,136
Assets held for sale	5,180	9,381	1,810	2,715	4,073	6,109
Non-current assets, total	16,182	27,933	36,130	38,777	42,459	48,101
Intangible assets & goodwill	6,588	16,979	16,987	17,006	17,033	17,065
Tangible assets	32	96	76	96	123	155
Investment properties	9,179	10,854	19,064	21,672	25,301	30,878
Other LT assets	383	4	3	3	3	3
Total assets	27,380	42,068	45,439	53,399	60,743	70,252
Shareholders' equity & debt						
Current liabilities, total	611	1,774	1,484	2,011	2,368	2,726
Accounts payable	198	562	601	1,099	1,426	1,752
Provisions	221	252	325	332	338	345
ST debt	93	386	110	110	110	110
Other current liabilities	99	575	448	470	494	519
Long-term liabilities, total	4,063	11,905	8,549	11,619	11,673	11,737
Deferred tax assets	2,033	3,289	6,715	6,761	6,815	6,879
LT debt	2,030	8,616	1,834	4,858	4,858	4,858
Shareholders' equity, total	22,706	28,390	35,406	39,769	46,702	55,790
Total consolidated equity and debt	27,380	42,068	45,439	53,399	60,743	70,252
Ratios						
Current ratio (x)	18.3	8.0	6.3	7.3	7.7	8.1
Net debt	-3,317	7,018	-1,996	-1,423	-3,062	-4,229
Net gearing	-15%	25%	-6%	-4%	-7%	-8%
Return on equity (ROE)	10%	20%	22%	25%	27%	28%
Capital employed (CE)	23,456	41,985	46,840	51,868	57,270	65,318
Return on capital employed (ROCE)	9%	19%	18%	21%	24%	26%

* CRC will report according to IFRS 10 from 2019 onwards



CASH FLOW STATEMENT

in € '000	2016	2017	2018	2019E	2020E	2021E
Net income	2,166	5,767	7,800	9,997	12,567	15,371
Depreciation & amortisation	23	291	34	61	79	97
Revaluation result	-1,649	-158	-10,348	-462	-539	-635
Financial result	164	116	210	138	199	199
Tax Result	46	-1,733	3,550	1,764	3,142	4,336
Change in receivables/ other assets	7,743	-8,060	1,568	-1,957	-666	-664
Change in payables and other liabilities	-5,990	366	485	573	411	421
Operating cash flow	2,503	-3,411	3,299	10,114	15,193	19,125
Tax paid	-329	0	-47	-1,764	-3,142	-4,336
Interest income	12	0	1	0	0	0
Net operating cash flow	2,186	-3,411	3,253	8,350	12,052	14,789
Purchase PP&E	-12	-68	-21	-61	-79	-97
Purchase intangibles	-3	-1	0	-41	-53	-65
Purchase investment property	-376	-8,326	-1,461	-4,957	-6,616	-8,496
Proceeds from investment property disposals	8,773	1,612	8,660	1,906	2,167	1,518
Purchase of financial assets	0	0	-400	0	0	0
Cash flow from investing	8,382	-6,783	6,778	-3,151	-4,580	-7,140
Dividend paid to shareholders	0	0	-1,834	-5,634	-5,634	-6,284
Debt inflow, net	-3,433	6,878	-7,057	3,024	0	0
Equity inflow, net	0	-84	1,033	0	0	0
Interest expense	-176	-117	-211	-137	-199	-199
Cash flow from financing	-3,609	6,677	-8,069	-2,747	-5,833	-6,482
Consolidation changes to financial assets	-3,467	61	-6	0	0	0
Cash, start of the year	1,947	5,440	1,984	3,940	6,391	8,030
Change in cash, net	6,959	-3,517	1,962	2,451	1,639	1,167
Cash, end of the year	5,440	1,984	3,940	6,391	8,030	9,197
Free cash flow (FCF)	10,568	-10,194	10,031	5,198	7,472	7,650
FCFPS (in €)	2.81	-2.71	2.67	1.38	1.99	2.04
Y-Y Growth						
Net operating cash flow	-28.1%	n.m.	n.m.	156.7%	44.3%	22.7%
Free cash flow	n.m.	n.m.	n.m.	-48.2%	43.7%	2.4%
FCFPS	n.m.	n.m.	n.m.	-48.2%	43.7%	2.4%

* CRC will report according to IFRS 10 from 2019 onwards

Imprint / Disclaimer

First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

Anschrift:

First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDSStV

First Berlin Equity Research GmbH

Authored by: Ellis Acklin, Senior Analyst

All publications of the last 12 months were authored by Ellis Acklin.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

The production of this recommendation was completed on 4 June 2020 at 11:09

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

Copyright© 2020 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF 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 ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) 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 art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set out in Article 34 (3) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 (b) shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

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.

INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

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	23 July 2014	€0.95	Buy	€10.50
2...5	↓	↓	↓	↓
6	23 May 2017	€1.60	Buy	€14.00
7	29 April 2019	€31.80	Buy	€20.00
8	30 September 2019	€25.20	Buy	€35.00
9	Today	€28.90	Buy	€37.00

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

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

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 and/or Canada.
and/or Canada.**