

| | | | |
|---|--|--|--|
| Buy EUR 122.00 (EUR 65.00) Price EUR 87.50 Upside 39.4 % | Value Indicators: EUR SotP: 122.12 | Warburg ESG Risk Score: 2.8 ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 0.5 | Description: Online broker specialized on heavy traders |
| | Market Snapshot: EUR m Market cap: 204.5 No. of shares (m): 2.3 EV: 57.9 Freefloat MC: 147.5 Ø Trad. Vol. (30d): 182.64 th | Shareholders: Freefloat 72.1 % Management 3.0 % HSBC Trinkaus & Burkhardt 24.9 % | Key Figures (WRe): 2020/21e Beta: 1.4 Price / Book: 1.3 x Equity Ratio: 98 % |

Trade Republic funding round triggers revaluation; PT up

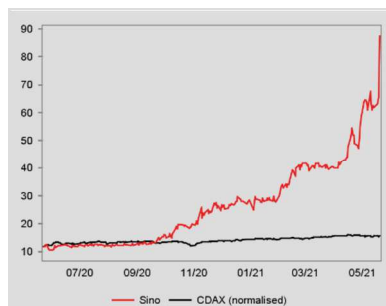
Trade Republic (TR), in which sino held 13.8% previously, announced another financing round of USD 900m, valuing the company at USD 5.3bn or EUR 4.4bn. In this context, sino sold some of its shares, reducing its stake to 8.8% and generating profit after taxes of EUR 127m. As a result, sino increased its 2020/21 guidance to net income after taxes of EUR 135-146m.

- The remaining stake of 8.8% will very likely be reduced further by the exercise of already agreed management options. Therefore, we assume a share of 2.8% will remain with sino in the end. Based on the valuation of the recent financing round, this is worth some EUR 113m.
- Furthermore, the company announced that the number of customers has already surpassed 1m, which is roughly in line with our assumption for customer growth (WRe 1.35m per September 21). However, this translates into a valuation of roughly USD 5k per customer which we regard as ambitious but feasible in light of the strong growth momentum.
- The funding round was led by the renowned venture capital investor Sequoia. All shareholders of Trade Republic agreed on an 18-month lock-up period after closing.
- The sale proceeds are incorporated in our financial model and we change the valuation of the TR stake in our Sum-of-the-Parts model to reflect the value of the financing round. Thereby, we reflect the sale proceeds of EUR 127m and the remaining share in TR of EUR 113m, deducted by the current book value of EUR 9m. This alone justifies a value per share of nearly EUR 100, enriched by the operating business and the existing cash (both included in sino operating business) as well as the remaining stake in tick TS AG.

| | sino operating business | Stake in tick TS | Stake in Trade Republic |
|------------------------------|-------------------------|------------------|-------------------------|
| Valuation indicator | DCF model | Market value | Funding round |
| Value per share | 21,39 | 1,91 | 98,82 |
| Total value per share | 122,12 | | |

Assessment: The high valuation of Trade Republic is clearly positive for sino as well and significantly exceeds our initial valuation approach (WRe EUR 1.5bn for Trade Republic). Interestingly, leading investor Sequoia holds a significant share in US broker Robinhood as well, which brings a potential takeover scenario to mind. However, in light of the significantly higher TR valuation, we increase our PT to EUR 122; Buy.

| Changes in Estimates: | | | | | | Comment on Changes: | |
|------------------------|----------------|---------|----------------|-------|----------------|---------------------|--|
| FY End: 30.9. in EUR m | 2020/21e (old) | + / - | 2021/22e (old) | + / - | 2022/23e (old) | + / - | |
| Sales | 11.7 | 0.0 % | 6.3 | 0.0 % | 6.3 | 0.0 % | <ul style="list-style-type: none"> ▪ Sale of Trade Republic stake increases 2020/21 net income significantly ▪ Estimates for the operating business remain unchanged |
| Net income | 16.4 | 774.1 % | 1.3 | 0.0 % | 1.3 | 0.0 % | |
| EPS | 7.02 | 773.9 % | 0.54 | 0.0 % | 0.54 | 0.0 % | |

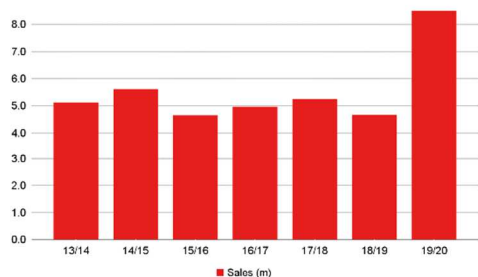


| Rel. Performance vs CDAX: | |
|---------------------------|---------|
| 1 month: | 68.8 % |
| 6 months: | 244.1 % |
| Year to date: | 199.4 % |
| Trailing 12 months: | 602.6 % |

| Company events: | |
|-----------------|------------------|
| 31.05.21 | Prel. Q2 |
| 30.06.21 | Q2 |
| 31.08.21 | Prel. Q3 |
| 30.11.21 | Prel. FY 2020/21 |

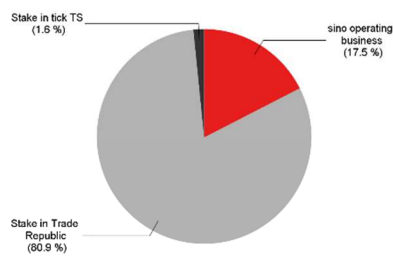
| FY End: 30.9. in EUR m | CAGR (19/20-22/23e) | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|----------------------------|--------------------------------------|---------|---------|---------|---------|----------|----------|----------|
| Sales | -9.3 % | 5.0 | 5.3 | 4.7 | 8.5 | 11.7 | 6.3 | 6.3 |
| Change Sales yoy | | 6.8 % | 5.8 % | -11.1 % | 82.0 % | 37.4 % | -46.4 % | 1.5 % |
| Gross profit margin | | 100.0 % | 100.0 % | 95.8 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| EBITDA | 1.5 % | -0.3 | -1.4 | -3.1 | 1.6 | 4.1 | 1.7 | 1.7 |
| Margin | | -6.9 % | -26.6 % | -66.6 % | 19.2 % | 35.3 % | 27.0 % | 26.9 % |
| EBIT | 2.6 % | -0.5 | -1.7 | -3.5 | 1.3 | 3.7 | 1.4 | 1.5 |
| Margin | | -10.4 % | -31.6 % | -74.3 % | 15.8 % | 31.3 % | 23.0 % | 22.9 % |
| Net income | -55.1 % | 2.2 | -1.0 | -1.6 | 13.9 | 143.4 | 1.3 | 1.3 |
| EPS | -55.1 % | 0.96 | -0.42 | -0.69 | 5.95 | 61.35 | 0.54 | 0.54 |
| EPS adj. | -55.1 % | 0.96 | -0.42 | -0.69 | 5.95 | 61.35 | 0.54 | 0.54 |
| DPS | - | 0.10 | 0.00 | 0.64 | 2.92 | 0.00 | 0.00 | 0.00 |
| Dividend Yield | | 2.1 % | n.a. | 15.0 % | 33.7 % | n.a. | n.a. | n.a. |
| FCFPS | | -0.29 | -0.36 | -1.01 | 3.30 | 62.75 | 1.54 | 0.60 |
| FCF / Market cap | | -6.3 % | -10.1 % | -23.8 % | 38.1 % | 71.7 % | 1.8 % | 0.7 % |
| EV / Sales | | 2.0 x | 1.6 x | 2.1 x | 2.4 x | 5.0 x | 8.7 x | 8.3 x |
| EV / EBITDA | | n.a. | n.a. | n.a. | 12.4 x | 14.0 x | 32.1 x | 31.0 x |
| EV / EBIT | | n.a. | n.a. | n.a. | 15.0 x | 15.8 x | 37.7 x | 36.4 x |
| P / E | | 4.9 x | n.a. | n.a. | 1.5 x | 1.4 x | 162.0 x | 162.0 x |
| P / E adj. | | 4.9 x | n.a. | n.a. | 1.5 x | 1.4 x | 162.0 x | 162.0 x |
| FCF Potential Yield | | -3.9 % | -11.7 % | -22.6 % | 4.5 % | 5.2 % | 2.1 % | 2.2 % |
| Net Debt | | -0.7 | -0.3 | 0.0 | 0.0 | -146.7 | -150.3 | -151.7 |
| ROCE (NOPAT) | | n.a. | n.a. | n.a. | 12.3 % | 24.8 % | 8.5 % | 9.7 % |
| Guidance: | Net income between EUR 135m and 146m | | | | | | | |

Sales development in EUR m



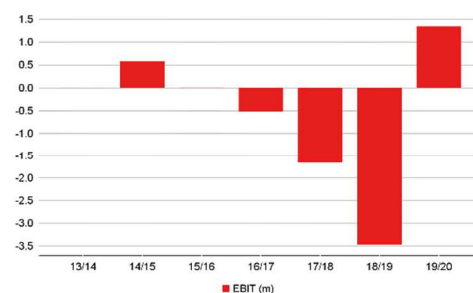
Source: Warburg Research

Valuation contributors in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

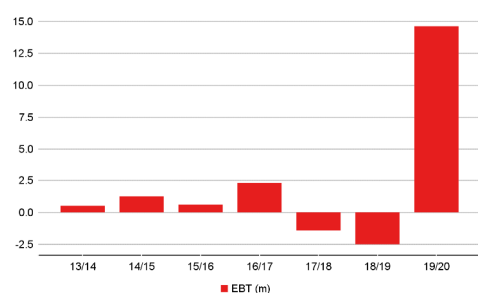
Company Background

- sino is a high end online brokerage company, specializing on providing services to heavy traders.
- The trading software tool MX-PRO is especially designed to fulfill the needs of heavy traders providing extraordinary high stability.
- In addition to common product offerings, such as stocks, bonds, futures, derivatives, ETFs, funds and forex, sino also grants access to IPOs and the ability to short-sale securities.
- The very experienced management team is actively contributing to the development of the industry with investments in the fintech startups Trade Republic and Quinn Technologies.

Competitive Quality

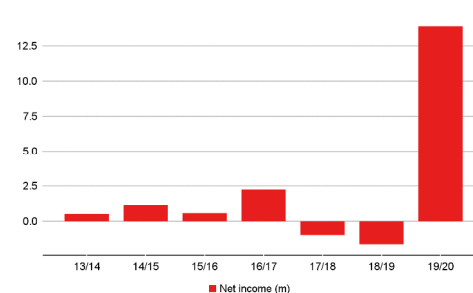
- High end trading platform provides extended scale of services through customizable software tools with access to a greater variety of financial products than usual brokerage businesses.
- sino operates in the niche market of heavy traders with few competitors and considerable entry barriers due to the loyalty of the customer base.
- The strong software and trading partners, HSBC Trinkaus and tick Trading Software, support sino through banking and operational frameworks.
- With the outsourcing of the IT and technical settlements to third-parties, sino is able to keep a lean corporate structure.
- Attractive shareholdings in Trade Republic, tick Trading Software and Quinn Technologies add significant value.

EBT development in EUR m



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model

| Figures in EUR m | Detailed forecast period | | | Transitional period | | | | | | | | | | Term. Value |
|-----------------------------|--------------------------|---------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
| | 20/21e | 21/22e | 22/23e | 23/24e | 24/25e | 25/26e | 26/27e | 27/28e | 28/29e | 29/30e | 30/31e | 31/32e | 32/33e | |
| Sales | 11.7 | 6.3 | 6.3 | 6.4 | 6.5 | 6.6 | 6.7 | 6.8 | 6.9 | 7.0 | 7.2 | 7.3 | 7.4 | |
| Sales change | 37.4 % | -46.4 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % | 1.5 % |
| EBIT | 3.7 | 1.4 | 1.5 | 1.5 | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 | 1.8 | 1.8 | 1.8 | 1.8 | |
| EBIT-margin | 31.3 % | 23.0 % | 22.9 % | 23.0 % | 24.0 % | 25.0 % | 25.0 % | 25.0 % | 25.0 % | 25.0 % | 25.0 % | 25.0 % | 25.0 % | |
| Tax rate (EBT) | 0.8 % | 30.0 % | 30.0 % | 32.0 % | 32.0 % | 32.0 % | 32.0 % | 32.0 % | 32.0 % | 32.0 % | 32.0 % | 32.0 % | 32.0 % | |
| NOPAT | 3.6 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | |
| Depreciation | 0.5 | 0.3 | 0.3 | 0.3 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| in % of Sales | 4.0 % | 4.0 % | 4.0 % | 4.0 % | 3.0 % | 2.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | |
| Changes in provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Change in Liquidity from | | | | | | | | | | | | | | |
| - Working Capital | -2.9 | -2.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Capex | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| Capex in % of Sales | 0.9 % | 1.7 % | 1.7 % | 2.0 % | 2.0 % | 2.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | |
| Other | -13.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Free Cash Flow (WACC Model) | 20.8 | 3.4 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1 |
| PV of FCF | 19.7 | 2.9 | 0.9 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 5 |
| share of PVs | 68.83 % | | | 16.59 % | | | | | | | | | | 14.58 % |

Model parameter

| | | | |
|--------------------------|---------------|---------------------|-------------|
| Derivation of WACC: | | Derivation of Beta: | |
| Debt ratio | 0.00 % | Financial Strength | 1.20 |
| Cost of debt (after tax) | 4.2 % | Liquidity (share) | 1.50 |
| Market return | 7.00 % | Cyclicality | 1.40 |
| Risk free rate | 1.50 % | Transparency | 1.60 |
| | | Others | 1.50 |
| WACC | 9.42 % | Beta | 1.44 |

Valuation (m)

| | | | |
|----------------------------|-----------|------------------------------|--------------|
| Present values 2032/33e | 29 | | |
| Terminal Value | 5 | | |
| Financial liabilities | 0 | | |
| Pension liabilities | 0 | | |
| Hybrid capital | 0 | | |
| Minority interest | 0 | | |
| Market val. of investments | 9 | | |
| Liquidity | 6 | No. of shares (m) | 2.3 |
| Equity Value | 50 | Value per share (EUR) | 21.39 |

Sensitivity Value per Share (EUR)

| Beta | WACC | Terminal Growth | | | | | | | Beta | WACC | Delta EBIT-margin | | | | | | |
|------|--------|-----------------|--------|--------|--------|--------|--------|--------|------|--------|-------------------|---------|---------|---------|---------|---------|---------|
| | | 0.75 % | 1.00 % | 1.25 % | 1.50 % | 1.75 % | 2.00 % | 2.25 % | | | -1.5 pp | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp |
| 1.62 | 10.4 % | 20.58 | 20.62 | 20.67 | 20.71 | 20.76 | 20.81 | 20.87 | 1.62 | 10.4 % | 20.35 | 20.47 | 20.59 | 20.71 | 20.83 | 20.95 | 21.07 |
| 1.53 | 9.9 % | 20.88 | 20.93 | 20.98 | 21.03 | 21.09 | 21.15 | 21.22 | 1.53 | 9.9 % | 20.65 | 20.78 | 20.91 | 21.03 | 21.16 | 21.28 | 21.41 |
| 1.49 | 9.7 % | 21.04 | 21.09 | 21.15 | 21.21 | 21.27 | 21.34 | 21.41 | 1.49 | 9.7 % | 20.82 | 20.95 | 21.08 | 21.21 | 21.33 | 21.46 | 21.59 |
| 1.44 | 9.4 % | 21.20 | 21.26 | 21.32 | 21.39 | 21.46 | 21.53 | 21.61 | 1.44 | 9.4 % | 20.99 | 21.12 | 21.25 | 21.39 | 21.52 | 21.65 | 21.79 |
| 1.39 | 9.2 % | 21.38 | 21.44 | 21.51 | 21.58 | 21.66 | 21.74 | 21.83 | 1.39 | 9.2 % | 21.17 | 21.31 | 21.44 | 21.58 | 21.72 | 21.85 | 21.99 |
| 1.35 | 8.9 % | 21.57 | 21.63 | 21.71 | 21.79 | 21.87 | 21.96 | 22.06 | 1.35 | 8.9 % | 21.37 | 21.51 | 21.65 | 21.79 | 21.93 | 22.07 | 22.21 |
| 1.26 | 8.4 % | 21.97 | 22.06 | 22.14 | 22.24 | 22.34 | 22.45 | 22.57 | 1.26 | 8.4 % | 21.79 | 21.94 | 22.09 | 22.24 | 22.39 | 22.54 | 22.69 |

- Strong top-line growth in 2021 is triggered by a favourable market environment
- A normalisation is assumed thereafter, resulting in declining revenues in 2022e

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

| in EUR m | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e | |
|---|---------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Net Income before minorities | 2.2 | -1.0 | -1.6 | 13.9 | 143.4 | 1.3 | 1.3 | |
| + Depreciation + Amortisation | 0.2 | 0.3 | 0.4 | 0.3 | 0.5 | 0.3 | 0.3 | |
| - Net Interest Income | 2.8 | 0.3 | 1.0 | 13.3 | 140.9 | 0.4 | 0.4 | |
| - Maintenance Capex | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| + Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| = Free Cash Flow Potential | -0.4 | -1.0 | -2.2 | 0.9 | 3.0 | 1.2 | 1.2 | |
| FCF Potential Yield (on market EV) | -3.9 % | -11.7 % | -22.6 % | 4.5 % | 5.2 % | 2.1 % | 2.2 % | |
| WACC | 9.42 % | 9.42 % | 9.42 % | 9.42 % | 9.42 % | 9.42 % | 9.42 % | |
| = Enterprise Value (EV) | 10.2 | 8.2 | 9.9 | 20.2 | 57.9 | 54.3 | 52.8 | |
| = Fair Enterprise Value | n.a. | n.a. | n.a. | 9.7 | 32.1 | 12.2 | 12.4 | |
| - Net Debt (Cash) | 0.0 | 0.0 | 0.0 | 0.0 | -146.7 | -150.3 | -151.7 | |
| - Pension Liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Market value of minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| + Market value of investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| = Fair Market Capitalisation | n.a. | n.a. | n.a. | 9.7 | 178.8 | 162.5 | 164.1 | |
| Number of shares, average | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | |
| = Fair value per share (EUR) | n.a. | n.a. | n.a. | 4.14 | 76.48 | 69.52 | 70.18 | |
| premium (-) / discount (+) in % | | | | | -12.6 % | -20.5 % | -19.8 % | |
| Sensitivity Fair value per Share (EUR) | | | | | | | | |
| | 12.42 % | n.a. | n.a. | n.a. | 3.14 | 73.16 | 68.26 | 68.91 |
| | 11.42 % | n.a. | n.a. | n.a. | 3.42 | 74.08 | 68.60 | 69.26 |
| | 10.42 % | n.a. | n.a. | n.a. | 3.74 | 75.16 | 69.02 | 69.68 |
| WACC | 9.42 % | n.a. | n.a. | n.a. | 4.14 | 76.48 | 69.52 | 70.18 |
| | 8.42 % | n.a. | n.a. | n.a. | 4.63 | 78.11 | 70.14 | 70.81 |
| | 7.42 % | n.a. | n.a. | n.a. | 5.26 | 80.18 | 70.93 | 71.61 |
| | 6.42 % | n.a. | n.a. | n.a. | 6.07 | 82.90 | 71.97 | 72.66 |

Valuation

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|-------------------------------------|---------|---------|---------|---------|----------|----------|----------|
| Price / Book | 1.9 x | 1.2 x | 2.2 x | 1.2 x | 1.3 x | 1.3 x | 1.3 x |
| Book value per share ex intangibles | 2.30 | 2.63 | 1.72 | 6.83 | 68.18 | 68.68 | 69.17 |
| EV / Sales | 2.0 x | 1.6 x | 2.1 x | 2.4 x | 5.0 x | 8.7 x | 8.3 x |
| EV / EBITDA | n.a. | n.a. | n.a. | 12.4 x | 14.0 x | 32.1 x | 31.0 x |
| EV / EBIT | n.a. | n.a. | n.a. | 15.0 x | 15.8 x | 37.7 x | 36.4 x |
| EV / EBIT adj.* | n.a. | n.a. | n.a. | 15.0 x | 15.8 x | 37.7 x | 36.4 x |
| P / FCF | n.a. | n.a. | n.a. | 2.6 x | 1.4 x | 56.9 x | 145.1 x |
| P / E | 4.9 x | n.a. | n.a. | 1.5 x | 1.4 x | 162.0 x | 162.0 x |
| P / E adj.* | 4.9 x | n.a. | n.a. | 1.5 x | 1.4 x | 162.0 x | 162.0 x |
| Dividend Yield | 2.1 % | n.a. | 15.0 % | 33.7 % | n.a. | n.a. | n.a. |
| FCF Potential Yield (on market EV) | -3.9 % | -11.7 % | -22.6 % | 4.5 % | 5.2 % | 2.1 % | 2.2 % |

*Adjustments made for: -

Consolidated profit & loss

| In EUR m | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|--|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|
| Sales | 5.0 | 5.3 | 4.7 | 8.5 | 11.7 | 6.3 | 6.3 |
| Change Sales yoy | 6.8 % | 5.8 % | -11.1 % | 82.0 % | 37.4 % | -46.4 % | 1.5 % |
| Increase / decrease in inventory | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Own work capitalised | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Sales | 5.0 | 5.3 | 4.7 | 8.5 | 11.7 | 6.3 | 6.3 |
| Material expenses | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gross profit | 5.0 | 5.3 | 4.5 | 8.5 | 11.7 | 6.3 | 6.3 |
| <i>Gross profit margin</i> | <i>100.0 %</i> | <i>100.0 %</i> | <i>95.8 %</i> | <i>100.0 %</i> | <i>100.0 %</i> | <i>100.0 %</i> | <i>100.0 %</i> |
| Personnel expenses | 1.8 | 2.6 | 2.9 | 2.7 | 2.8 | 2.1 | 2.1 |
| Other operating income | 0.5 | 0.5 | 0.5 | 0.3 | 0.5 | 0.5 | 0.5 |
| Other operating expenses | 4.0 | 4.6 | 5.1 | 4.5 | 5.3 | 3.0 | 3.0 |
| Unfrequent items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | -0.3 | -1.4 | -3.1 | 1.6 | 4.1 | 1.7 | 1.7 |
| <i>Margin</i> | <i>-6.9 %</i> | <i>-26.6 %</i> | <i>-66.6 %</i> | <i>19.2 %</i> | <i>35.3 %</i> | <i>27.0 %</i> | <i>26.9 %</i> |
| Depreciation of fixed assets | 0.2 | 0.3 | 0.4 | 0.3 | 0.5 | 0.3 | 0.3 |
| EBITA | -0.5 | -1.7 | -3.5 | 1.3 | 3.7 | 1.4 | 1.5 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Goodwill amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | -0.5 | -1.7 | -3.5 | 1.3 | 3.7 | 1.4 | 1.5 |
| <i>Margin</i> | <i>-10.4 %</i> | <i>-31.6 %</i> | <i>-74.3 %</i> | <i>15.8 %</i> | <i>31.3 %</i> | <i>23.0 %</i> | <i>22.9 %</i> |
| EBIT adj. | -0.5 | -1.7 | -3.5 | 1.3 | 3.7 | 1.4 | 1.5 |
| Interest income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other financial income (loss) | 3.3 | 0.6 | 1.2 | 13.3 | 141.0 | 0.5 | 0.5 |
| EBT | 2.3 | -1.4 | -2.5 | 14.6 | 144.5 | 1.8 | 1.8 |
| <i>Margin</i> | <i>46.3 %</i> | <i>-26.8 %</i> | <i>-53.1 %</i> | <i>172.1 %</i> | <i>1237.7 %</i> | <i>28.6 %</i> | <i>28.4 %</i> |
| Total taxes | 0.1 | -0.4 | -0.9 | 0.7 | 1.1 | 0.5 | 0.5 |
| Net income from continuing operations | 2.2 | -1.0 | -1.6 | 13.9 | 143.4 | 1.3 | 1.3 |
| Income from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income before minorities | 2.2 | -1.0 | -1.6 | 13.9 | 143.4 | 1.3 | 1.3 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | 2.2 | -1.0 | -1.6 | 13.9 | 143.4 | 1.3 | 1.3 |
| <i>Margin</i> | <i>45.2 %</i> | <i>-18.5 %</i> | <i>-34.7 %</i> | <i>163.6 %</i> | <i>1228.3 %</i> | <i>20.0 %</i> | <i>19.9 %</i> |
| Number of shares, average | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| EPS | 0.96 | -0.42 | -0.69 | 5.95 | 61.35 | 0.54 | 0.54 |
| EPS adj. | 0.96 | -0.42 | -0.69 | 5.95 | 61.35 | 0.54 | 0.54 |

*Adjustments made for:

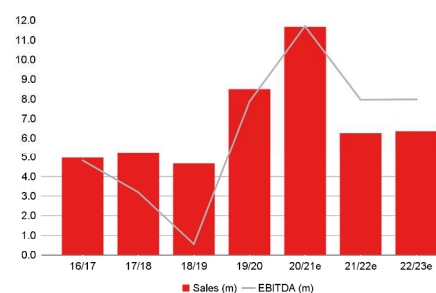
Guidance: Net income between EUR 135m and 146m

Financial Ratios

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|-------------------------------|---------|---------|---------|---------|----------|----------|----------|
| Total Operating Costs / Sales | 106.9 % | 126.6 % | 166.6 % | 80.8 % | 64.7 % | 73.0 % | 73.1 % |
| Operating Leverage | n.a. | 38.4 x | -9.8 x | n.a. | 4.6 x | 1.3 x | 0.7 x |
| EBITDA / Interest expenses | n.m. | n.m. | n.m. | 331.7 x | n.a. | n.a. | n.a. |
| Tax rate (EBT) | 2.5 % | 31.0 % | 34.7 % | 4.9 % | 0.8 % | 30.0 % | 30.0 % |
| Dividend Payout Ratio | 10.4 % | 0.0 % | n.m. | 49.1 % | 0.0 % | 0.0 % | 0.0 % |
| Sales per Employee | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

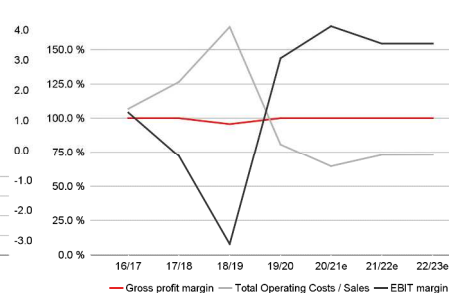
Sales, EBITDA

in EUR m

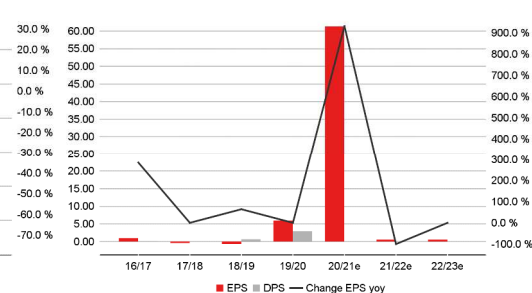


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

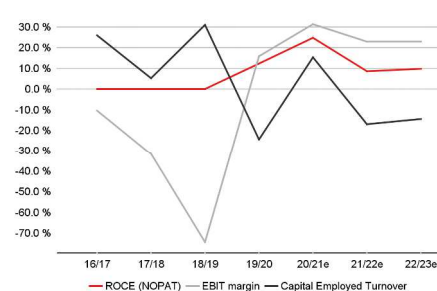
Consolidated balance sheet

| In EUR m | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|---|------------|------------|------------|-------------|--------------|--------------|--------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 0.3 | 0.7 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 |
| thereof other intangible assets | 0.2 | 0.5 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 |
| thereof Goodwill | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Property, plant and equipment | 0.3 | 0.4 | 0.3 | 0.2 | -0.1 | -0.3 | -0.4 |
| Financial assets | 0.6 | 0.6 | 2.5 | 9.4 | 9.3 | 9.3 | 9.2 |
| Other long-term assets | 0.4 | 0.3 | 0.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| Fixed assets | 1.6 | 2.0 | 3.6 | 11.2 | 10.8 | 10.6 | 10.4 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts receivable | 4.6 | 5.4 | 1.9 | 7.7 | 4.8 | 2.6 | 2.6 |
| Liquid assets | 0.7 | 0.3 | 0.0 | 0.0 | 146.7 | 150.3 | 151.7 |
| Other short-term assets | 0.1 | 0.8 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current assets | 5.4 | 6.4 | 2.0 | 7.9 | 151.6 | 153.0 | 154.4 |
| Total Assets | 7.0 | 8.4 | 5.6 | 19.1 | 162.4 | 163.6 | 164.8 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| Capital reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Retained earnings | 0.2 | 0.2 | 0.2 | 1.4 | 144.8 | 146.0 | 147.3 |
| Other equity components | 3.1 | 4.2 | 1.9 | 12.5 | 12.5 | 12.4 | 12.3 |
| Shareholders' equity | 5.7 | 6.8 | 4.5 | 16.3 | 159.7 | 160.8 | 162.0 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total equity | 5.7 | 6.8 | 4.5 | 16.3 | 159.7 | 160.8 | 162.0 |
| Provisions | 0.8 | 0.7 | 0.6 | 1.5 | 1.5 | 1.5 | 1.5 |
| thereof provisions for pensions and similar obligations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial liabilities (total) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Short-term financial liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts payable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other liabilities | 0.5 | 0.8 | 0.5 | 1.3 | 1.3 | 1.3 | 1.3 |
| Liabilities | 1.3 | 1.5 | 1.1 | 2.8 | 2.8 | 2.8 | 2.8 |
| Total liabilities and shareholders' equity | 7.0 | 8.4 | 5.6 | 19.1 | 162.4 | 163.6 | 164.8 |

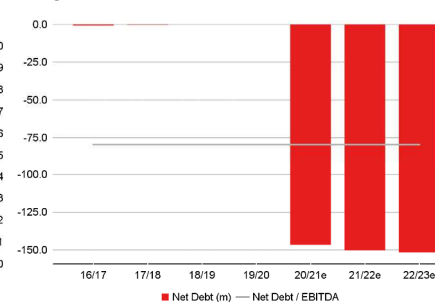
Financial Ratios

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|---|---------|---------|---------|---------|----------|----------|----------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | 1.0 x | 0.9 x | 2.1 x | 1.1 x | 2.5 x | 2.7 x | 2.9 x |
| Capital Employed Turnover | 1.0 x | 0.8 x | 1.0 x | 0.5 x | 0.9 x | 0.6 x | 0.6 x |
| ROA | 136.8 % | -47.8 % | -45.2 % | 124.2 % | 1329.5 % | 11.8 % | 12.1 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | n.a. | n.a. | n.a. | 12.3 % | 24.8 % | 8.5 % | 9.7 % |
| ROE | 46.2 % | -15.5 % | -28.7 % | 134.0 % | 163.0 % | 0.8 % | 0.8 % |
| Adj. ROE | 46.2 % | -15.5 % | -28.7 % | 134.0 % | 163.0 % | 0.8 % | 0.8 % |
| Balance sheet quality | | | | | | | |
| Net Debt | -0.7 | -0.3 | 0.0 | 0.0 | -146.7 | -150.3 | -151.7 |
| Net Financial Debt | -0.7 | -0.3 | 0.0 | 0.0 | -146.7 | -150.3 | -151.7 |
| Net Gearing | -12.7 % | -3.8 % | -0.2 % | -0.1 % | -91.9 % | -93.4 % | -93.6 % |
| Net Fin. Debt / EBITDA | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Book Value / Share | 2.4 | 2.9 | 1.9 | 7.0 | 68.3 | 68.8 | 69.3 |
| Book value per share ex intangibles | 2.3 | 2.6 | 1.7 | 6.8 | 68.2 | 68.7 | 69.2 |

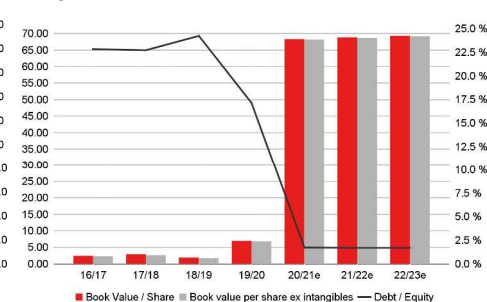
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

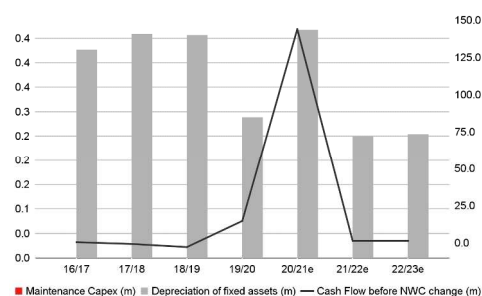
| In EUR m | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|--|-------------|-------------|-------------|-------------|--------------|-------------|-------------|
| Net income | 2.2 | -1.0 | -1.6 | 13.9 | 143.4 | 1.3 | 1.3 |
| Depreciation of fixed assets | 0.4 | 0.5 | 0.5 | 0.3 | 0.5 | 0.3 | 0.3 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in long-term provisions | 0.1 | -0.2 | 0.2 | 0.6 | 0.0 | 0.0 | 0.0 |
| Other non-cash income and expenses | -2.4 | -0.1 | -1.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash Flow before NWC change | 0.4 | -0.8 | -2.7 | 14.8 | 143.9 | 1.5 | 1.5 |
| Increase / decrease in inventory | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in accounts receivable | -0.2 | 0.2 | 0.4 | -0.1 | 2.9 | 2.2 | 0.0 |
| Increase / decrease in accounts payable | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in other working capital positions | -0.5 | 0.4 | -0.1 | -6.9 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in working capital (total) | -0.8 | 0.6 | 0.7 | -6.9 | 2.9 | 2.2 | 0.0 |
| Net cash provided by operating activities [1] | -0.4 | -0.1 | -2.0 | 7.9 | 146.8 | 3.7 | 1.5 |
| Investments in intangible assets | -0.1 | -0.5 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in property, plant and equipment | -0.2 | -0.2 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| Payments for acquisitions | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Financial investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 2.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash provided by investing activities [2] | 2.4 | -0.7 | -0.4 | -0.1 | -0.1 | -0.1 | -0.1 |
| Change in financial liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends paid | -0.6 | -0.2 | 0.0 | -2.1 | 0.0 | 0.0 | 0.0 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 2.3 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash provided by financing activities [3] | -0.6 | 2.1 | 2.5 | -2.1 | 0.0 | 0.0 | 0.0 |
| Change in liquid funds [1]+[2]+[3] | 1.4 | 1.3 | 0.1 | 5.7 | 146.7 | 3.6 | 1.4 |
| Effects of exchange-rate changes on cash | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalent at end of period | 1.4 | 1.3 | 0.1 | 6.4 | 146.7 | 150.3 | 151.7 |

Financial Ratios

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21e | 2021/22e | 2022/23e |
|--------------------------------------|-----------|-----------|------------|-----------|----------|----------|----------|
| Cash Flow | | | | | | | |
| FCF | -0.7 | -0.9 | -2.4 | 7.7 | 146.7 | 3.6 | 1.4 |
| Free Cash Flow / Sales | -13.7 % | -16.2 % | -50.8 % | 90.9 % | 1256.3 % | 57.5 % | 22.2 % |
| Free Cash Flow Potential | -0.4 | -1.0 | -2.2 | 0.9 | 3.0 | 1.2 | 1.2 |
| Free Cash Flow / Net Profit | -30.4 % | 87.8 % | 146.3 % | 55.5 % | 102.3 % | 287.3 % | 111.7 % |
| Interest Received / Avg. Cash | 0.5 % | 0.1 % | 0.5 % | 33.3 % | 0.0 % | 0.0 % | 0.0 % |
| Interest Paid / Avg. Debt | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Management of Funds | | | | | | | |
| Investment ratio | 5.9 % | 13.7 % | 8.6 % | 1.2 % | 0.9 % | 1.7 % | 1.7 % |
| Maint. Capex / Sales | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Capex / Dep | 168.7 % | 274.0 % | 111.6 % | 36.8 % | 22.7 % | 42.3 % | 41.7 % |
| Avg. Working Capital / Sales | 77.3 % | 94.6 % | 77.8 % | 56.5 % | 53.5 % | 59.1 % | 41.0 % |
| Trade Debtors / Trade Creditors | 32575.2 % | 34370.0 % | 103903.5 % | 22554.0 % | n.a. | n.a. | n.a. |
| Inventory Turnover | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Receivables collection period (days) | 338 | 373 | 149 | 332 | 150 | 152 | 149 |
| Payables payment period (days) | n.a. | n.a. | 3 | n.a. | n.a. | n.a. | n.a. |
| Cash conversion cycle (Days) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

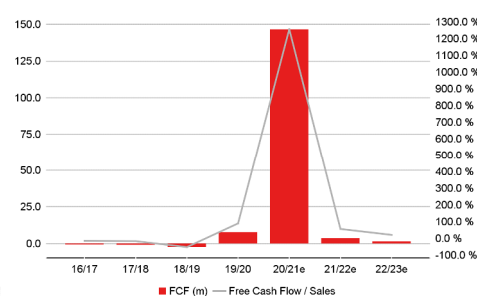
CAPEX and Cash Flow

in EUR m



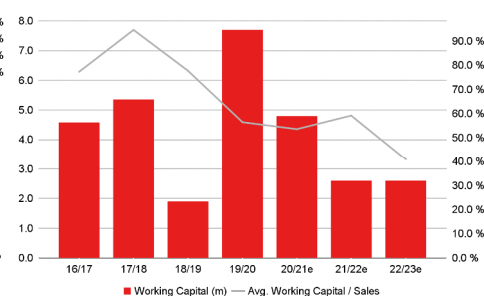
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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|---------|------------|---|
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| | | |
|-----|--------------------------|---|
| -B- | Buy: | The price of the analysed financial instrument is expected to rise over the next 12 months. |
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WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 150 | 70 |
| Hold | 54 | 25 |
| Sell | 5 | 2 |
| Rating suspended | 5 | 2 |
| Total | 214 | 100 |

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 44 | 90 |
| Hold | 2 | 4 |
| Sell | 0 | 0 |
| Rating suspended | 3 | 6 |
| Total | 49 | 100 |

PRICE AND RATING HISTORY SINO AS OF 21.05.2021



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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