Clean Logistics SE

Germany / Cleantech
Börse Frankfurt
Bloomberg: SD1 GR
ISIN: DE000A1YDAZ7

Update

RATING	**ADD**
PRICE TARGET	**€ 4.10**
Return Potential	22.8%
Risk Rating	High

CLEAN LOGISTICS IN FINANCIAL DIFFICULTIES

On 21 December 2022, Clean Logistics (CL) announced that the company is in a difficult financial situation that requires short-term action to ensure the company's viability. CL has therefore resolved to carry out a capital increase with subscription rights for shareholders by issuing up to 2.7 million new shares. The subscription price is €1.80 per share. The proceeds would thus be up to €4.9m. The company's major shareholders have declared their willingness to participate. In addition, the company's creditors have signalled that they are considering a debt-to-equity swap. At the end of December, Dirk Lehmann, previously Chairman of the Board of Directors and one of the two founders of Clean Logistics, resigned from the Board. Dirk Lehmann was the owner of E-Cap Mobility, in which CL acquired 75%. CFO Jürgen Akkermann had already resigned as a member of the Board of Directors and Managing Director at the beginning of December. Mr. Akkermann had only been appointed in September 2022. As part of a strategic realignment, CL has resold the Dutch truck manufacturer GINAF, which it acquired in July. This measure will reduce loan commitments and generate cash in the mid single-digit million euro range. In addition, CL now intends to implement the planned series production of zero-emission trucks via a strategic partner by increasing the use of contract manufacturing. We have significantly lowered our sales estimates for 2022 and subsequent years and increased our WACC estimate in view of the increased business risk. An updated DCF model yields a new price target of €4.1 (previously: €19.0). We see the planned capital increase at an issue price of €1.80 per share as an attractive opportunity for investors prepared to assume a certain degree of risk. Our recommendation remains Add.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€ m)	0.00	0.02	0.11	1.50	28.76	64.41
Y-o-y growth	n.a.	n.a.	364.3%	1304.5%	1817.5%	124.0%
EBIT (€ m)	0.00	0.00	-2.86	-12.36	-6.07	3.37
EBIT margin	0.0	-15.7%	-2677.6%	-823.8%	-21.1%	5.2%
Net income (€ m)	0.00	-0.01	-2.88	-12.76	-6.76	2.70
EPS (diluted) (€)	0.00	0.00	-0.51	-0.90	-0.38	0.13
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	0.00	-1.18	-3.02	-14.07	-11.42	-2.48
Net gearing	0.0	-806.8%	-5.1%	63.7%	25.8%	31.9%
Liquid assets (€ m)	0.00	0.21	1.44	0.03	4.27	0.79

RISKS

Main risks are: financing, procurement of key inputs, successful testing of the vehicle prototypes, setting up series production, attracting qualified personnel and increasing competition.

COMPANY PROFILE

Clean Logistics SE produces zero emission commercial vehicles based on a hydrogen fuel cell and a self-designed e-axle engine. The company converts vehicles from fossil fuel to clean drives and plans to enter series production of zero emission trucks and busses with a strategic partner.

MARKET DATA

As of 11 Jan 2023

Closing Price	€ 3.34
Shares outstanding	14.82m
Market Capitalisation	€ 49.52m
52-week Range	€ 2.72 / 17.80
Avg. Volume (12 Months)	5,889

Multiples	2021	2022E	2023E
P/E	n.a.	n.a.	n.a.
EV/Sales	314.5	22.4	1.2
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW

COMPANY DATA

As of 30 Jun 2022

Liquid Assets	€ 0.95m
Current Assets	€ 3.46m
Intangible Assets	€ 24.50m
Total Assets	€ 33.31m
Current Liabilities	€ 2.21m
Shareholders' Equity	€ 14.97m

SHAREHOLDERS

Höpen GmbH	34.2%
DGOC GmbH	13.9%
KIV Vermögen	17.0%
Sonstige Investoren	25.3%
Free Float	9.6%

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What has led to the difficult financial situation? In our model for 2022, we had assumed a cash capital increase (685,397 shares at €10 per share = €6.9m) and the raising of financial debt of €14m. In the first half of 2022, CL entered into a financing agreement for €11m, and the recently announced capital increase raises funds of up to €4.9m. Even if we assume that CL has fully utilised the funds from the €11m financing agreement and the announced capital increase raises the maximum amount, the total amount would be just under €16m, €5m below our assumption, which projected a total fundraising of just under €21m for 2022. CL is thus at least €5m short of our calculation, which would explain the difficult financial situation. CL was not able to acquire the necessary funds to finance the planned expansion of the business.

With the sale of GINAF, CL loses homologation and growth potential With the sale of Dutch truck manufacturer GINAF, which was only acquired in July, Clean Logistics will lose its status as an independent vehicle manufacturer (OEM) with the corresponding permit to self-produce vehicles in Europe (homologation) and the decades of know-how that GINAF has in heavy-duty transport, as well as GINAF's experience in the homologation of series-produced vehicles. CL will also no longer be able to use GINAF's annual production capacity of around 200 trucks. This is likely to result in significantly slower growth at CL.

Corporate strategy adjusted CL had previously planned to set up its own series production in 2023. To this end, 50 additional conversion sites were to be added to the existing 11 in a new production facility. We had originally planned capital expenditure of around €38m for this in 2022E & 2023E. Now CL has changed its strategy and plans to implement the targeted series production of zero-emission trucks via a strategic partner by increasing the use of contract manufacturing. Initial talks on this are at an early stage. We have therefore scaled back our investment planning significantly and assume an investment budget of under €10m for 2022E & 2023E. We also conservatively assume that the start of series production will be postponed to 2026, as talks with a potential strategic partner have just begun and the partner then will have to be trained.

H1 figures impacted by build-up and expansion of business model CL generated initial revenues of €0.4m. The development and expansion of the business model resulted in an operating loss of €-5.4m and a net result of €-5.5m (see figure 1). The main cost items were personnel expenses of €2.6m and other operating expenses of €2.3m. Depreciation and amortisation of €1.6m relate mainly to scheduled goodwill amortisation.

Figure 1: Reported figures versus forecasts

All figures in €m	H1/22A	H1/22E	Delta
Sales	0.4	0.1	292%
EBIT	-5.4	-5.1	-
margin	*n.m.*	*n.m.*	
Net income	-5.5	-5.1	-
margin	*n.m.*	*n.m.*	

Source: First Berlin Equity Research, Clean Logistics SE

Hydrogen truck "fyuriant" presented to the public In June 2022, CL presented its main product, the zero emission truck fyuriant to the public. The heavy-duty truck (40 t) is powered by an 80 kW hydrogen fuel cell and has a range of more than 500 km.

Major framework agreement with GP Joule provides solid basis for strong growth until 2027 In August 2022, CL concluded a framework agreement with JP Joule for the delivery of 5,000 hydrogen-powered trucks between 2023 and 2027. The value of the framework agreement is in the low single-digit billion euro range and provides CL with a solid basis for the planned strong growth.

CL announced grant from the German State of Lower Saxony in October 2022 For a planned development project for the years 2023 - 2025, Clean Logistics will receive a €7.1m grant from Lower Saxony. The project partner, the Institute for Mobile Machinery and Commercial Vehicles (IMN) at the Technical University of Brunswick receives €0.5m. The project has a budget of €13.1m. The execution of the project and the notice of approval are subject to the reservation that Clean Logistics SE finances the remaining project costs by equity or debt capital which has still to be raised. The aim of the project "Battery Electric Truck with H2 Range Extender" (BETH2REX) is to develop a novel electric vehicle concept for medium-duty trucks. Five prototypes of the medium-duty truck class with an electric drive concept equipped with a scalable hydrogen fuel cell system as a range extender or main energy source are to be developed and built. This type of vehicle can be used around the clock in urban and regional delivery transport thanks to its performance, emission-free drive and especially its low noise emissions. The vehicles are to be actively used and tested in delivery traffic for this purpose. In addition to the development of prototypes, CL will produce a concept for possible serial production. The seven figure grant shows that state institutions treat CL as a relevant player in the field of emission-free transport despite its newcomer status.

Further orders for CL in October 2022 Within the framework of the H2 logistics hub in Neumünster, Schleswig-Holstein, Clean Logistics will convert seven conventionally diesel-powered semi-trailer tractors (40-tonne trucks) to zero-emission hydrogen drives and deliver the trucks to the project partners in H1 2023. In addition, Clean Logistics has signed delivery contracts with two haulage companies for the delivery of three zero-emission trucks also scheduled for the first half of 2023. CL has thus received orders for a total of 12 vehicles, which were approved by the German Federal Ministry for Digital Affairs and Transport (BMDV) as part of the first call for funding under the Directive on the promotion of commercial vehicles with alternative, climate-friendly drives and associated refuelling and charging infrastructure (KsNI Directive). The orders show the high demand for CL's zero emission transport solutions. Adding the framework contract with GP Joule for 5,000 hydrogen trucks from 2023 - 2027, it is clear that demand is not the limiting factor. The decisive factor will be how fast the company can expand production capacity.

Failure to meet 2022 CO_2 reduction targets in the German transport sector proves justification for the Clean Logistics business model According to the think tank Agora Energiewende ("The Energy Transition in Germany. State of the Art 2022"), the German transport sector again failed to meet its climate target in 2022, as in the previous year. At 150 million tonnes of CO_2 equivalent, the sector's greenhouse gas emissions were significantly above the permitted value of 139 million tonnes of CO_2 equivalent and even 1% above the previous year's value of 148 million tonnes of CO_2 equivalent. The 2030 sector target is 85 million tonnes of CO_2 equivalent. Compared to the actual value in 2022, this means a decrease of 43% in only eight years. CL's business model, i.e. the conversion of heavy-duty diesel trucks and buses to hydrogen, can make a rapid and significant contribution to achieving the sector target. According to the study "Addressing the heavy duty climate problem" by Transport & Environment, heavy duty vehicles were responsible for 28% of the road transport greenhouse gas emissions in the EU in 2020, although they account for only 2% of the EU vehicle fleet.

Funding for climate-friendly commercial vehicles to be extended until 2026 On 15 December 2022, NOW Gmbh (National Organisation for Hydrogen and Fuel Cell Technology) announced in a press release that the Federal Ministry of Digital Affairs and Transport's (BMDV) Directive on the funding of commercial vehicles with alternative, climate-friendly drive systems and associated Fuelling and Charging Infrastructure (KsNI Directive) will be continued on a larger scale subject to renewed approval by the European Commission. The term of the funding programme will be extended from the end of 2024 to the end of 2026. This will improve planning security for users and manufacturers. In addition, the directive's total budget will be increased. The maximum amount of funding that can be approved for vehicles, infrastructure, and feasibility studies per applicant will increase from €15m to €25m. Clean Logistics will benefit from both the extension and budget increase. 330 projects with a total value of €190m were approved in the first funding call. A total of €158m was allocated for the purchase of 1,217 climate-friendly commercial vehicles with electric or hydrogen drives, 439 of which were trucks over 12 tonnes. 181 of these trucks are hydrogen-powered.

Revenue forecasts for 2022 and subsequent years lowered We have lowered our revenue forecasts for 2022 and subsequent years as we assume that the financial difficulties and CL's changed corporate strategy will significantly slow growth. Following the resale of GINAF, we expect revenue of only €1.5m in 2022E (H1/22: €0.4m). We have lowered our 2023E & 2024E revenue estimates by 50% and 70% respectively. For the current and the two following years we assume that Clean Logistics will work with the existing capacity (11 conversion sites). We conservatively expect execution of the outsourcing of series production from 2026E on. Compared to our previous forecasts, a much lower cost base results in a 2023 net loss, which is much lower despite the significantly lower revenue estimate. For 2024E, we project a positive EBIT (see figure 2). At the same time, we believe the strategy will lead to lower margins in the medium term, as the production margin is likely to be largely captured by the strategic partner. We now assume a long-term EBIT margin of 5.5% (previously: 9.1%).

Figure 2: Revisions to forecasts

		2022E			2023E			2024E	
All figures in €m	**Old**	**New**	**Delta**	**Old**	**New**	**Delta**	**Old**	**New**	**Delta**
Sales	6.4	1.5	-77%	57.0	28.8	-50%	218.2	64.4	-70%
EBIT	-13.7	-12.4	-	-15.8	-6.1	-	-5.8	3.4	-
margin	*-214.8%*	*-823.8%*		*-27.7%*	*-21.1%*		*-2.6%*	*5.2%*	
Net income	-12.7	-12.8	-	-15.1	-6.8	-	-7.1	2.7	-
margin	*-198.3%*	*-850.5%*		*-26.5%*	*-23.5%*		*-3.3%*	*4.2%*	
EPS (diluted)	-0.91	-0.90	-	-0.98	-0.38	-	-0.43	0.13	-

Source: First Berlin Equity Research, Clean Logistics SE

Financing model adjusted We had previously assumed that CL would issue approx. 685,000 shares at an issue price of €10.00 at the end of 2022, which would have led to a cash inflow of almost €6.9m. We now assume that the announced cash capital increase (up to 2.7m shares at €1.80 per share = up to €4.9m) will be successfully completed in January. We also assume that CL will complete another capital increase (2.7m shares at €4.00 per share = €10.8m) by the end of the year. This leads to a diluted share count of 20.2m by the end of 2023E (YE 2022: ca. 14.8m).

Recommendation remains Add at significantly lower price target Our updated DCF model now assumes a significantly higher WACC of 12.6% (previously: 10.7%) due to the increased corporate risk and the sharp rise in general interest rates. This and the reduced medium- and long-term EBIT margin assumptions lead to a significantly lower price target of €4.1 (previously: €19.0). We see the planned capital increase at €1.80 per share as an attractive opportunity for investors prepared to assume a certain degree of risk. Our rating remains Add.

VALUATION MODEL

DCF valuation model All figures in EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Net sales	**1,500**	**28,762**	**64,414**	**67,533**	**98,414**	**139,211**	**190,972**	**253,819**
NOPLAT	**-12,483**	**-6,206**	**3,227**	**3,094**	**3,441**	**6,251**	**7,446**	**10,400**
+ depreciation & amortisation	2,667	2,885	3,118	3,356	3,248	3,094	2,882	2,666
Net operating cash flow	-9,816	-3,321	6,345	6,450	6,688	9,345	10,328	13,066
- total investments (CAPEX and WC)	-3,975	-7,553	-8,296	-1,595	-4,269	-4,659	-5,932	-7,241
Capital expenditures	-4,600	-5,000	-5,000	-1,351	-1,378	-873	-1,128	-1,408
Working capital	625	-2,553	-3,296	-244	-2,892	-3,785	-4,804	-5,834
Free cash flows (FCF)	-13,792	-10,874	-1,952	4,856	2,419	4,687	4,396	5,824
PV of FCF's	**-13,792**	**-9,696**	**-1,545**	**3,414**	**1,510**	**2,599**	**2,164**	**2,547**

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	16,041
PV of FCFs in terminal period	50,817
Enterprise value (EV)	66,858
+ Net cash / - net debt (pro forma)	15,931
+ Investments / minority interests	-620
Shareholder value	82,170
Diluted number of shares (p. f.)	19,932
Fair value per share in EUR	4.12

Terminal growth:	3.0%
Terminal EBIT margin:	5.5%

WACC	12.6%
Cost of equity	18.7%
Pre-tax cost of debt	5.0%
Tax rate	30.0%
After-tax cost of debt	3.5%
Share of equity capital	60.0%
Share of debt capital	40.0%
Price target	4.10

Terminal growth rate

WACC	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%
9.6%	6.69	6.94	7.24	7.57	7.96	8.42	8.97
10.6%	5.49	5.67	5.86	6.08	6.33	6.62	6.95
11.6%	4.57	4.69	4.82	4.97	5.14	5.33	5.54
12.6%	3.84	3.92	4.02	4.12	4.24	4.37	4.51
13.6%	3.25	3.31	3.38	3.46	3.54	3.63	3.73
14.6%	2.77	2.82	2.87	2.92	2.98	3.05	3.12
15.6%	2.38	2.42	2.45	2.49	2.53	2.58	2.63

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

INCOME STATEMENT

All figures in EUR '000	2020A*	2021A	2022E	2023E	2024E	2025E
Revenues	**23**	**107**	**1,500**	**28,762**	**64,414**	**67,533**
Changes in inventories	0	16	0	0	0	0
Own work	0	137	300	0	0	0
Cost of goods sold	34	37	1,350	24,160	50,887	49,974
Gross profit (revenues ./. COGS)	**-11**	**70**	**150**	**4,602**	**13,527**	**17,559**
Personnel costs	166	575	5,164	5,680	7,380	8,120
Other operating income	541	16	283	1,860	4,700	2,100
Other operating expenses	367	1,794	5,259	3,970	4,360	4,800
EBITDA	**-4**	**-2,131**	**-9,690**	**-3,188**	**6,487**	**6,739**
Depreciation and amortisation	0	729	2,667	2,885	3,118	3,356
Operating income (EBIT)	**-4**	**-2,860**	**-12,357**	**-6,073**	**3,369**	**3,382**
Net financial result	-5	-6	-275	-550	-525	-500
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	**-8**	**-2,866**	**-12,632**	**-6,623**	**2,844**	**2,882**
Income taxes	0	9	126	132	142	288
Minority interests	0	0	0	0	0	0
Net income / loss	**-8**	**-2,875**	**-12,758**	**-6,756**	**2,702**	**2,594**
Diluted EPS (in €)	**0.00**	**-0.51**	**-0.90**	**-0.38**	**0.13**	**0.13**

Ratios						
Gross margin	-47.8%	65.6%	10.0%	16.0%	21.0%	26.0%
EBITDA margin on revenues	-15.7%	-1995.0%	-646.0%	-11.1%	10.1%	10.0%
EBIT margin on revenues	-15.7%	-2677.6%	-823.8%	-21.1%	5.2%	5.0%
Net margin on revenues	-35.2%	-2691.9%	-850.5%	-23.5%	4.2%	3.8%
Tax rate	0.0%	-0.3%	-1.0%	-2.0%	5.0%	10.0%
Expenses as % of revenues						
Personnel costs	723.0%	538.7%	344.3%	19.7%	11.5%	12.0%
Depreciation and amortisation	0.0%	682.6%	177.8%	10.0%	4.8%	5.0%
Other operating expenses	1597.0%	1680.0%	350.6%	13.8%	6.8%	7.1%
Y-Y Growth						
Revenues	n.a.	364.3%	1304.5%	1817.5%	124.0%	4.8%
Operating income	n.m.	n.m.	n.m.	n.m.	n.m.	0.4%
Net income/ loss	n.m.	n.m.	n.m.	n.m.	n.m.	-4.0%

**2020 figures reflect pre-merger Clean Logistics GmbH results.*

BALANCE SHEET

All figures in EUR '000	2020A*	2021A	2022E	2023E	2024E	2025E
Assets						
Current assets, total	**924**	**3,155**	**683**	**9,347**	**11,364**	**15,888**
Cash and cash equivalents	214	1,441	29	4,266	789	5,145
Short-term investments	0	0	0	0	0	0
Receivables	14	116	123	2,364	5,294	5,551
Inventories	696	1,197	129	2,317	4,880	4,792
Other current assets	0	401	401	401	401	401
Non-current assets, total	**889**	**29,231**	**31,165**	**33,279**	**35,162**	**33,156**
Property, plant & equipment	720	3,586	8,007	12,607	16,976	17,478
Goodwill & other intangibles	168	25,591	23,103	20,619	18,131	15,623
Rights-of-use assets	0	0	0	0	0	0
Other assets	0	54	54	54	54	54
Total assets	**1,813**	**32,386**	**31,848**	**42,627**	**46,525**	**49,044**
Shareholders' equity & debt						
Current liabilities, total	**108**	**4,149**	**3,714**	**16,588**	**7,785**	**17,710**
Short-term debt	0	0	0	11,000	0	10,000
Accounts payable	108	546	111	1,986	4,182	4,107
Current provisions	0	423	423	423	423	423
Other current liabilities	0	3,180	3,180	3,180	3,180	3,180
Long-term liabilities, total	**1,696**	**530**	**11,530**	**530**	**10,530**	**530**
Long-term debt	143	0	11,000	0	10,000	0
Leasing liabilities	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0
Other liabilities	1,553	530	530	530	530	530
Minority interests	**0**	**-620**	**-620**	**-620**	**-620**	**-620**
Shareholders' equity	**9**	**28,327**	**17,224**	**26,128**	**28,830**	**31,424**
Share capital	25	13,708	14,825	20,225	20,225	20,225
Capital reserve	0	9,615	17,643	27,903	27,903	27,903
Other reserves	0	0	0	0	0	0
Treasury stock	0	0	0	0	0	0
Loss carryforward / retained earnings	-15	-2,232	-22,480	-29,236	-26,534	-23,940
Total consolidated equity and debt	**1,813**	**32,386**	**31,848**	**42,627**	**46,525**	**49,044**
Ratios						
Current ratio (x)	8.56	0.76	0.18	0.56	1.46	0.90
Quick ratio (x)	2.11	0.47	0.15	0.42	0.83	0.63
Net debt	-71	-1,441	10,971	6,734	9,211	4,855
Net gearing	-806.8%	-5.1%	63.7%	25.8%	31.9%	15.5%
Equity ratio	0.5%	85.6%	52.1%	59.8%	60.6%	62.8%
Book value per share (in €)	n.m.	4.99	1.22	1.47	1.43	1.55
Return on equity (ROE)	-92.0%	-10.1%	-74.1%	-25.9%	9.4%	8.3%
Days of sales outstanding (DSO)	222.2	396.4	30.0	30.0	30.0	30.0
Days inventory outstanding	7,471.8	11,902.8	35.0	35.0	35.0	35.0
Days in payables (DIP)	1,159.4	5,433.2	30.0	30.0	30.0	30.0

**Historical figures reflect pre-merger Clean Logistics GmbH results.*

CASH FLOW STATEMENT

All figures in EUR '000	2020A*	2021A	2022E	2023E	2024E	2025E
EBIT	**-11**	**-2,860**	**-12,357**	**-6,073**	**3,369**	**3,382**
Depreciation and amortisation	7	729	2,667	2,885	3,118	3,356
EBITDA	**-4**	**-2,131**	**-9,690**	**-3,188**	**6,487**	**6,739**
Changes in w orking capital	-274	248	625	-2,553	-3,296	-244
Other adjustments	-5	344	-401	-682	-667	-788
Operating cash flow	**-282**	**-1,539**	**-9,467**	**-6,424**	**2,523**	**5,706**
Investments in PP&E	-721	-1,468	-4,600	-5,000	-5,000	-1,351
Investments in intangibles	-175	-14	0	0	0	0
Free cash flow	**-1,178**	**-3,021**	**-14,067**	**-11,424**	**-2,477**	**4,356**
Acquisitions & disposals, net	1,249	-2,500	-7,490	0	0	0
Other investments	0	-6	0	0	0	0
Investment cash flow	**353**	**-3,988**	**-12,090**	**-5,000**	**-5,000**	**-1,351**
Debt financing, net	143	0	11,000	0	-1,000	0
Equity financing, net	0	4,112	9,145	15,660	0	0
Dividends paid	0	0	0	0	0	0
Other financing	-1	-12	0	0	0	0
Financing cash flow	**142**	**4,100**	**20,145**	**15,660**	**-1,000**	**0**
FOREX & other effects	0	211	0	0	0	0
Net cash flows	**214**	**-1,216**	**-1,412**	**4,236**	**-3,477**	**4,356**
Cash, start of the year	0	2,657	1,441	29	4,266	789
Cash, end of the year	**2,657**	**1,441**	**29**	**4,266**	**789**	**5,145**
EBITDA/share (in €)	**0.00**	**-0.38**	**-0.69**	**-0.18**	**0.32**	**0.33**
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	126.2%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA/share	n.m.	n.m.	n.m.	n.m.	n.m.	3.9%

**2020 figures reflect pre-merger Clean Logistics GmbH results.*

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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.

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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	17 August 2022	€17.10	Add	€19.00
2...1	↓	↓	↓	↓
2	Today	€3.34	Add	€4.10

INVESTMENT HORIZON

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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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