

Cyxone AB

Sweden / Biotechnology
 Nasdaq First North
 Bloomberg: CYXO SS
 ISIN: SE0007815428

9M/18
 Results

RATING
BUY

PRICE TARGET
SEK 13.50

Return Potential 520.7%
 Risk Rating Speculative

9M/18 RESULTS IN LINE WITH OUR ESTIMATES

Cyxone published 9M/18 results which were roughly in line with our expectations. EBIT came in at SEK-10.9m – in line with our estimate of SEK-10.7m (9M/17: SEK-5.6m). Preparations for the next steps in the two main R&D programmes, Rabeximod for rheumatoid arthritis (RA) and T20K for multiple sclerosis (MS), are progressing as anticipated. Considering that the company successfully raised SEK44.3m (USD5.0m) on 26 October, we believe sufficient financing for the Phase IIb study of Rabeximod is in place. Based on unchanged estimates, we reiterate our price target of SEK13.50 and our Buy rating.

Planning for Rabeximod's Phase IIb study in moderate to severe RA is underway The recent capital increase amounting to SEK44.3m secured the funding required for the study. In preparation for the phase IIb trial, the company will also carry out animal studies. These will last 6 months and will investigate toxicity during long term treatment.

Cyxone has selected the clinical site that will carry out the drug candidate T20K's first-in-human phase I study for the treatment of MS The clinical site is located in Western Europe and has been carefully selected. The application to the European Medicines Agency (EMA) for the first-in-human investigational new drug (IND) application should take place soon. The company recently successfully finalised the preclinical toxicology studies in animals (rats and dogs). All three doses of 0.01, 0.1 and 0.6 mg/kg proved safe and showed no signs of systemic or organ-specific toxicity, thereby paving the way for studies in humans.

9M/18 Sales, EBIT and net income roughly as projected Cyxone generated no sales and achieved EBIT of SEK-10.9m (FBe: SEK-10.7m; 9M/17: SEK-5.6m), roughly in line with our expectations. Net income for the period amounted to SEK-10.9m (FBe: SEK-10.7m; 9M/17: SEK-5.6m).

(p.t.o)

FINANCIAL HISTORY & PROJECTIONS

| | 2016 | 2017 | 2018E | 2019E | 2020E | 2021E |
|-----------------------|-------|---------|--------|--------|--------|---------|
| Revenue (SEK m) | 0.02 | 0.00 | 0.00 | 0.00 | 89.00 | 0.00 |
| Y-o-y growth | n.a. | -100.0% | n.a. | n.a. | n.a. | -100.0% |
| EBIT (SEK m) | -4.16 | -8.82 | -13.92 | -18.29 | 65.89 | -29.27 |
| EBIT margin | n.a. | n.a. | n.a. | n.a. | 74.0% | n.a. |
| Net income (SEK m) | -4.16 | -8.82 | -13.91 | -18.26 | 65.93 | -29.24 |
| EPS (diluted) (SEK) | -0.32 | -0.50 | -0.62 | -0.43 | 1.37 | -0.55 |
| DPS (SEK) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FCF (SEKm) | -5.40 | -11.37 | -35.36 | -43.87 | 38.11 | -55.04 |
| Net gearing | n.a. | n.a. | n.a. | -51.0% | -53.6% | -25.6% |
| Liquid assets (SEK m) | 21.60 | 33.36 | 33.96 | 52.92 | 91.03 | 36.00 |

RISKS

Risks include, but are not limited to development, regulatory, competition and financing risks.

COMPANY PROFILE

Cyxone AB is Swedish biotech company focused on the research and development of new drugs to treat autoimmune diseases. The company's proprietary discovery technology is generating drug candidates which belong to a new class of drugs called Cyclotides. Cyxone currently has two drugs in late preclinical and phase II clinical trials to treat multiple sclerosis and rheumatoid arthritis.

MARKET DATA

As of 30 Nov 2018

| | |
|-------------------------|------------------|
| Closing Price | SEK 2.17 |
| Shares outstanding | 37.46m |
| Market Capitalisation | SEK 81.47m |
| 52-week Range | SEK 2.08 / 11.97 |
| Avg. Volume (12 Months) | 99,830 |

| Multiples | 2017 | 2018E | 2019E |
|------------|------|-------|-------|
| P/E | n.a. | n.a. | n.a. |
| EV/Sales | n.a. | n.a. | n.a. |
| EV/EBIT | n.a. | n.a. | n.a. |
| Div. Yield | 0.0% | 0.0% | 0.0% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2018

| | |
|----------------------|------------|
| Liquid Assets | SEK 10.48m |
| Current Assets | SEK 12.12m |
| Intangible Assets | SEK 30.81m |
| Total Assets | SEK 42.93m |
| Current Liabilities | SEK 4.00m |
| Shareholders' Equity | SEK 38.93m |

SHAREHOLDERS

| | |
|----------------------------|-------|
| Accequa AB | 30.2% |
| OxyPharma AB | 9.7% |
| Avanza Pension | 3.5% |
| Nordnet Pensionsförsäkring | 3.2% |
| Others | 53.4% |


Figure 1: P&L 9M/18 reported figures vs. FB estimates and 9M/17 (KPIs)

| All figures in SEK '000 | 9M/18 | 9M/18E | Delta | 9M/17 | Delta |
|-------------------------|---------|---------|-------|--------|-------|
| Revenue | 0 | 0 | - | 32 | - |
| Operating income (EBIT) | -10,889 | -10,700 | - | -5,579 | - |
| margin | neg. | neg. | | neg. | |
| Net income / loss | -10,893 | -10,702 | - | -5,593 | - |
| margin | neg. | neg. | | neg. | |

Source: First Berlin Equity Research, Cyxone AB

Cash position at SEK10.5m (FY/17: SEK33.5m) Following the recent capital increase, Cyxone is well financed to bring Rabeximod and T20K through Phase IIb and Phase I respectively. Cyxone capitalises development expenses and the corresponding balance sheet position increased to SEK24.6m (FY/17: SEK6.6m). This increase chiefly reflects the development activity carried out with T20K.

VALUATION MODEL

Buy recommendation and SEK13.50 price target reiterated Given the progress achieved so far, such as the agreement with a leading MS centre in western Europe to carry out the Phase I trial on T20K, and the securing of financing for Rabeximod's Phase IIb trial, we believe Cyxone is on track to carry out further development on the main drug candidates Rabeximod and T20K. Our financial forecasts remain unchanged. We reiterate our Buy recommendation and SEK13.50 price target. For further details on the company we refer investors to our comprehensive initiating coverage report published on 30 October.

Table 1: "Sum-of-the-parts" valuation model

| Compound | Project ¹⁾ | Present Value (SEKM) | Patient Pop (K) | Treatment Cost (SEK) | Market Size (SEKM) | Market Share (%) | Peak Sales (SEKM) | PACME Margin ²⁾ (%) | Discount Factor (%) | Patent Life ³⁾ (years) | Time to Market (years) |
|-----------------------------|-----------------------|----------------------|-----------------|----------------------|--------------------|------------------|-------------------|--------------------------------|---------------------|-----------------------------------|------------------------|
| Rabeximod | RA | SEK 483.9M | 470K | 106,800 | 50,196.0M | 9% | 8,461.5M | 16% | 21.5% | 9 | 5 |
| T20K | MS | SEK 218.3M | 850K | 213,600 | 181,560.0M | 5% | 12,711.4M | 18% | 21.5% | 9 | 7 |
| PACME PV | | SEK 702.1M | | | 231,756.0M | | 21,172.8M | | | | |
| Costs PV ⁴⁾ | | SEK 173.1M | | | | | | | | | |
| NPV | | SEK 529.1M | | | | | | | | | |
| Milestones PV | | SEK 83.2M | | | | | | | | | |
| Net cash (pro-forma) | | SEK 96.9M | | | | | | | | | |
| Fair Value | | SEK 709.2M | | | | | | | | | |
| Share Count (fully diluted) | | 52,544K | | | | | | | | | |
| Price Target | | SEK 13.50 | | | | | | | | | |

Source: First Berlin Equity Research



INCOME STATEMENT

| All figures in SEK '000 | 2016 | 2017 | 2018E | 2019E | 2020E | 2021E |
|---|---------------|---------------|----------------|----------------|---------------|----------------|
| Revenue | 21 | 0 | 0 | 0 | 0 | 0 |
| Upfront & milestone payments | 0 | 0 | 0 | 0 | 89,000 | 0 |
| Total revenue | 21 | 0 | 0 | 0 | 89,000 | 0 |
| Personnel Costs | 1,318 | 2,287 | 1,800 | 2,520 | 2,600 | 2,600 |
| Other external costs | 2,862 | 6,515 | 12,100 | 15,730 | 20,449 | 26,584 |
| Depreciation & Amortization | 0 | 22 | 22 | 35 | 56 | 90 |
| Operating income (EBIT) | -4,159 | -8,824 | -13,922 | -18,285 | 65,895 | -29,274 |
| Net financial result | -3 | 0 | 17 | 22 | 36 | 32 |
| Pre-tax income (EBT) | -4,162 | -8,824 | -13,905 | -18,263 | 65,931 | -29,241 |
| Income taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income / loss | -4,162 | -8,824 | -13,905 | -18,263 | 65,931 | -29,241 |
| Diluted EPS | -0.32 | -0.50 | -0.62 | -0.43 | 1.37 | -0.55 |
| Ratios | | | | | | |
| EBIT-Margin on total revenue | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBITDA margin on total revenue | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net Margin on total revenue | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Expenses as % of Revenues | | | | | | |
| Personnel Costs | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other external costs | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Y-Y Growth | | | | | | |
| Total revenue | n.m. | -100.0% | n.a. | n.a. | n.a. | n.a. |
| Operating income | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net income/ loss | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |



BALANCE SHEET

| All figures in SEK '000 | 2016 | 2017 | 2018E | 2019E | 2020E | 2021E |
|---|---------------|---------------|---------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Current Assets, Total | 21,964 | 33,499 | 34,184 | 53,173 | 91,309 | 36,300 |
| Cash and Cash Equivalents | 21,598 | 33,357 | 33,956 | 52,923 | 91,034 | 35,998 |
| Accounts Receivable | 366 | 142 | 227 | 250 | 275 | 302 |
| Non-Current Assets, Total | 1,597 | 7,565 | 27,941 | 54,332 | 82,859 | 109,502 |
| Capitalised development costs | 753 | 6,554 | 26,554 | 52,554 | 80,554 | 106,554 |
| Other intangibles (patents, licenses) | 844 | 1,011 | 1,387 | 1,778 | 2,305 | 2,948 |
| Total Assets | 23,561 | 41,064 | 62,124 | 107,505 | 174,167 | 145,802 |
| Shareholders' Equity & Debt | | | | | | |
| Current Liabilities, Total | 730 | 3,932 | 2,940 | 3,747 | 4,479 | 5,355 |
| Accounts Payable | 398 | 3,079 | 1,600 | 1,920 | 2,304 | 2,765 |
| Other current liabilities | 332 | 853 | 1,340 | 1,827 | 2,175 | 2,590 |
| Longterm Liabilities, Total | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders Equity | 22,831 | 37,132 | 59,184 | 103,757 | 169,688 | 140,447 |
| Total Consolidated Equity and Debt | 23,561 | 41,064 | 62,124 | 107,505 | 174,167 | 145,802 |
| Ratios | | | | | | |
| Current ratio (x) | 30.09 | 8.52 | 11.63 | 14.19 | 20.39 | 6.78 |
| Quick ratio (x) | 30.09 | 8.52 | 11.63 | 14.19 | 20.39 | 6.78 |
| Net gearing | n.a. | n.a. | n.a. | -51.0% | -53.6% | -25.6% |
| Book value per share (€) | 1.77 | 2.09 | 2.63 | 2.43 | 3.53 | 2.63 |
| Net debt | -21,598 | -33,357 | -33,956 | -52,923 | -91,034 | -35,998 |
| Equity ratio | 96.9% | 90.4% | 95.3% | 96.5% | 97.4% | 96.3% |



CASH FLOW STATEMENT

| All figures in SEK '000 | 2016 | 2017 | 2018E | 2019E | 2020E | 2021E |
|---------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Net income | -4,162 | -8,824 | -13,905 | -18,263 | 65,931 | -29,241 |
| Interest, net | 3 | 0 | -17 | -22 | -36 | -32 |
| Tax provision | 0 | 0 | 0 | 0 | 0 | 0 |
| EBIT | -4,159 | -8,824 | -13,922 | -18,285 | 65,895 | -29,274 |
| Depreciation and amortization | 0 | 22 | 22 | 35 | 56 | 90 |
| EBITDA | -4,159 | -8,802 | -13,900 | -18,250 | 65,951 | -29,184 |
| Changes in Working Capital | 366 | 3,426 | -1,077 | 785 | 707 | 849 |
| Cash interest net | -3 | 0 | 17 | 22 | 36 | 32 |
| Other Adjustments | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating cash flow | -3,796 | -5,376 | -14,960 | -17,444 | 66,694 | -28,303 |
| CapEx | -1,599 | -5,990 | -20,398 | -26,426 | -28,583 | -26,733 |
| Free cash flow | -5,395 | -11,366 | -35,358 | -43,870 | 38,111 | -55,036 |
| Cash flow from investing | -1,599 | -5,990 | -20,398 | -26,426 | -28,583 | -26,733 |
| Debt Financing, net | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity Financing, net | 26,993 | 23,125 | 35,958 | 62,836 | 0 | 0 |
| Cash flow from financing | 26,993 | 23,125 | 35,958 | 62,836 | 0 | 0 |
| Net cash flows | 21,598 | 11,759 | 599 | 18,966 | 38,111 | -55,036 |
| Cash, start of the year | 0 | 21,598 | 33,357 | 33,956 | 52,923 | 91,034 |
| Cash, end of the year | 21,598 | 33,357 | 33,956 | 52,923 | 91,034 | 35,998 |

Y-Y Growth

| | | | | | | |
|--------------------|------|------|------|------|------|------|
| Operating Cashflow | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Free cashflow | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBITDA/share | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|----------------|---------------------|----------------------------|----------------|--------------|
| Initial Report | 30 October 2018 | SEK2.09 | Buy | SEK13.50 |
| ... | ↓ | ↓ | ↓ | ↓ |
| 2 | Today | SEK2.17 | Buy | SEK13.50 |

Authored by: Christian Orquera, Analyst

Company responsible for preparation:

First Berlin Equity Research GmbH

Mohrenstraße 34
10117 Berlin

Tel. +49 30 80 93 96 93 Fax +49 (0)30 - 80 93 96 87

info@firstberlin.com

www.firstberlin.com

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

Copyright© 2018 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 34B OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO 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 THE GERMAN ORDINANCE ON THE ANALYSIS OF FINANCIAL INSTRUMENTS [FINANV]

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular the German Securities Trading Act [WpHG], Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and the German Ordinance on the Analysis of Financial Instruments [FinAnV] 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 Section 34b Paragraph 1 of the German Securities Trading Act [WpHG] and Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) financial analyses may only be passed on or publicly distributed if circumstances or relations which may cause conflicts of interest among the authors, the legal entities responsible for such preparation or companies associated with them are disclosed along with the financial analysis.

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] (2ND FIMANOG) OF 23 JUNE 2017, 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.

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

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt

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, Canada and/or the United Kingdom (Great Britain).