EV Digital Invest AG

Germany - Financial Services

HAUCK AUFHÄUSER INVESTMENT BANKING

Buy (Initiation)

Price target: EUR 15.00

Price:	EUR 11.20	**Next result:**	Q2 ´22 tba.
Bloomberg:	ENGL GR	**Market cap:**	EUR 50.8 m
Reuters:	ENGL.DE	**Enterprise Value:**	EUR 46.7 m

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Digital real estate investing platform: Quality leader on the rise

EV Digital Invest AG ("EVDI") is among the first mover and quality leader in the field of digital real estate investing. The company provides alternative financing to real estate developers in the form of mezzanine loans. These loans are then forwarded to the online investment community via EVDI´s **unique digital crowd-investing platform**.

By offering real estate development projects (€ 1-6m for 6-36 months), located mostly in Germany´s A-locations, EVDI is unlocking an **attractive yield asset class** (4-7% p.a.) for retail investors, otherwise unavailable for them.

While the **"Engel & Völkers" network** is helping to source real estate developers and projects, the brand with its **outstanding brand awareness** is helping them to win new retail investors. That, paired with **fully digitalized processes** and a **best-in-class risk management** makes EVDI the quality leader (64 projects / 0 defaults / € 152m funded volume) and go-to marketplace in the German digital real estate investing industry.

Elevated marketing investments combined with the planned **regional expansion to other European countries** such as Spain and Austria should **drive the active customer growth** (eHAIB 52% CAGR2021-25E to 48k). New product features such as **whole/senior loans**, **Auto Invest** (automated invest in pre-defined projects) and **smart contracts** should also pay off in increased customer growth. Moreover, CLV should grow to levels of > € 1,800 (vs c. € 110 CAC) leading to a **sales CAGR2021-25E of 56% to € 27m in FY´25E**.

Considering the solid CLV/CAC ratio of >15x, intensifying investments into marketing and personnel in the short term should be value accretive. Going forward, EBIT **margins are set to reach levels of 30%+** by FY´27E, with further upside, thanks to remarkable *incremental* margins of >55% driven by **platform scalability.**

Tailwind for internationalization plans should come from the recently passed European crowdfunding service provider (ECSP) regime that harmonizes regulations on European level **easing cross-border operation**.

On the back of the differentiated and scalable platform approach and a large total addressable market full of investors desperate for yield, EVDI is facing bright growth prospects.

Initiate with BUY, PT € 15.00 based on DCF.

Y/E 31.12 (EUR m)	2019	2020	2021	2022E	2023E	2024E	2025E
Sales	1.7	3.1	4.4	8.5	14.5	21.0	26.6
Sales growth	n/a	81 %	40 %	94 %	72 %	45 %	26 %
EBITDA	-1.0	-1.0	0.0	-5.2	0.4	2.9	6.0
EBIT	-1.1	-1.0	0.0	-5.2	0.4	2.9	6.0
Net income	-1.2	-1.2	0.0	-5.2	0.4	2.7	5.4
Net debt	2.4	-0.3	-4.3	-4.1	-3.2	-4.4	-8.7
Net gearing	9.1 %	-78.0 %	-91.9 %	-80.8 %	-62.6 %	-59.2 %	-67.2 %
Net Debt/EBITDA	-2.3	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	-0.31	-0.30	0.01	-1.18	0.08	0.60	1.22
CPS	-0.16	-0.33	-0.06	-1.36	-0.17	0.31	0.97
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	81.3 %	87.0 %	91.5 %	66.2 %	71.0 %	70.9 %	71.4 %
EBITDA margin	-60.4 %	-31.8 %	1.1 %	-61.8 %	2.5 %	13.7 %	22.8 %
EBIT margin	-61.5 %	-32.6 %	0.6 %	-61.8 %	2.5 %	13.7 %	22.8 %
ROCE	n/a	119.3 %	0.9 %	-157.6 %	15.2 %	77.2 %	120.2 %
EV/sales	27.9	14.5	9.5	5.5	3.3	2.2	1.6
EV/EBITDA	-46.1	-45.8	837.2	-8.9	133.5	16.1	7.0
EV/EBIT	-45.3	-44.7	1,576.7	-8.9	133.5	16.1	7.0
PER	-37.3	-38.2	1,277.1	-9.7	142.3	19.2	9.3
Adjusted FCF yield	-2.2 %	-2.2 %	0.1 %	-11.3 %	0.7 %	5.7 %	12.9 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 08.06.2022

Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 13.98 / 9.20

Price/Book Ratio: 9.0

Relative performance (SDAX):

3 months	-
6 months	-
12 months	-

Changes in estimates

		Sales	EBIT	EPS
2022	*old:*	8.5	-5.2	-1.18
	Δ	-	-	-
2023	*old:*	14.5	0.4	0.08
	Δ	-	-	-
2024	*old:*	21.0	2.9	0.60
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	4.2
Authorised capital: (in € m)	-
Book value per share: (in €)	1.2
Ø trading volume: (12 months)	-

Major shareholders:

VdZ Berlin	83.9 %
Freefloat	10.1 %
Management	6.0 %

Company description:
German digital real estate investing platform offering financing to real estate companies and investments to private clients.

Please refer to important disclosures at the end of the report

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Introducing Engel & Völkers Digital Invest

- EVDI is among the **first mover in the digital crowd investing space for private real estate**, previously only available to institutional players.

- **Its recipe for success** includes (1) an exclusive network of owner-led property developers from the Engel & Völkers network granting deal access and (2) its digital approach yielding the benefit of speed and simplicity

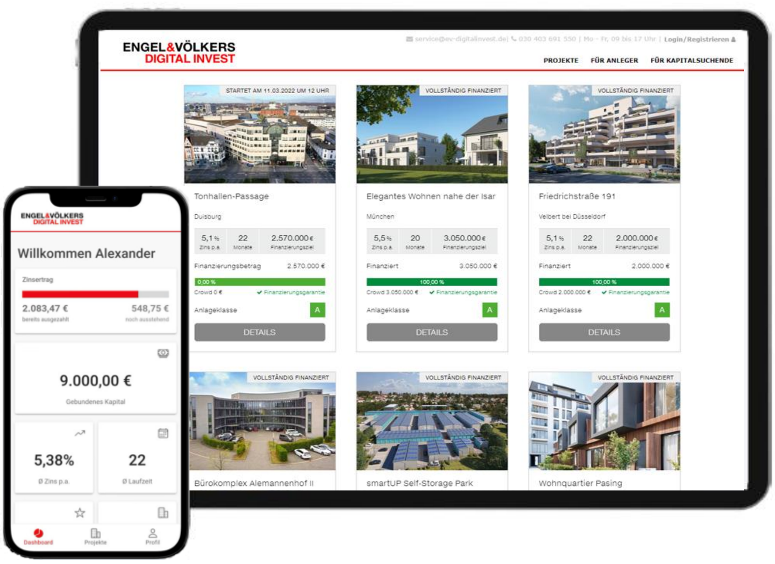
- **EVDI provides value-add** to both, project developers and the investment community. The former receive financing on short notice, securing their project. The latter get access to otherwise unavailable high-yield fixed income investments.

- **Flywheel effect in full swing**: A larger platform means better financing conditions resulting in a higher probability of winning new business. Larger scale should be the primary driver for quality and growth going forward.

EVDI is among the first mover and quality leader in the field of digital real estate investing. The company provides alternative financing to real estate developers in form of mezzanine loans. *NB: Mezzanine is a form of financing i.a. used by real estate companies to cover the gap between the equity they have on hand and the senior debt they have taken on.* These loans are then forwarded to the retail investment community via EVDI´s **unique digital crowd-investing platform** that is unmet by competition.

With this, EVDI provides its investment community **digital access to high-yield** (c. 4-7%) **and off-market real estate investments**, which are typically only available to institutional players. This is a **strong value proposition** in today's world of negative interest rates, where higher yielding investment opportunities without excessive risk have scarcity value.

Leading German digital crowd-investing platform



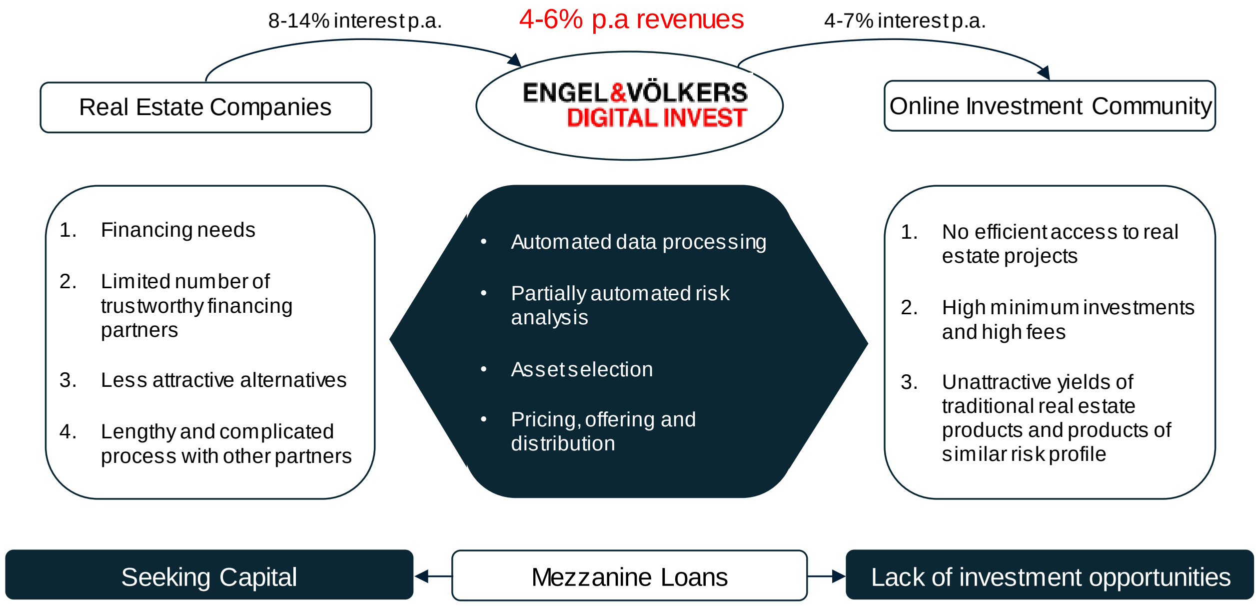
Source: Company data, HAIB

A wholly-owned subsidiary (*EV Digital Invest Strukturierungs-GmbH*), acts as pre-financing lender for the Real Estate Company. The money for the pre-financing is coming from a loan facility (*of > € 37.5m as of the date of the Prospectus. On 30th of April it will contractually be reduced to € 34.5m*) provided by institutional partners out of the Engel & Völkers network. Once the Real

Estate Company has received the financing, EVDI is marketing the loan to its investment community via its platform and is organizing the funding. The proceeds from the funding are used to repay the subordinated loans for the pre-financing granted by the institutional partners. The institutional partners basically bridge the proceeds from the investment community for 4-6 weeks on average.

While the real estate companies are paying c. 8-14% in interest fees, the online investment community is only receiving 4-7% p.a. The average spread of 4-6% p.a. on the loan volume represents the revenue of EVDI.

Connecting capital seeking real estate companies with investors online



Source: Company data, HAIB

EVDI´s investment community comprises retail investors with above-average income and wealth as well as high net worth individuals (HNWI) that are **all in search of yield**. EVDI offers these investors a broad variety of real estate investments featuring financing volumes of € 1-6m (€ 2.4m on avg) and financing terms of 6-36 months (20 months on avg).

In order to keep the investment barrier for beginners low, the minimum investment is only € 100. Furthermore, this low hurdle brings direct real-estate investments to the mass market.

While investments cannot be withdrawn during the duration of the loan, EVDI is looking to soon establish a **secondary marketplace** where investments can be bought and sold, providing desirable liquidity.

EVDI´s current regional focus is Germany (90% of sales, eHAIB) but it plans to **expand its scalable real estate platform to other attractive regions** in Europe. In accordance with this strategy, the company has already funded projects in Spain. Still, the real estate investments focus is mostly on A-cities in the DACH region, but EVDI may also be active in B-cities in the DACH region if the profile is sufficiently attractive.

A look at recent projects

Location	Loan volume
Duisburg	€ 2.57m
Loan term	**Interest**
22 months	5.1% p.a.

Location	Loan volume
Munich	€ 3.05m
Loan term	**Interest**
20 months	5.5% p.a.

Location	Loan volume
Duesseldorf	€ 2.00m
Loan term	**Interest**
22 months	5.1% p.a.

Location	Loan volume
Berlin	€ 2.40m
Loan term	**Interest**
24 months	5.6% p.a.

Location	Loan volume
Hamburg	€ 1.90m
Loan term	**Interest**
31 months	5.6% p.a.

Location	Loan volume
Palma de Mallorca	€ 2.13m
Loan term	**Interest**
14 months	5.8% p.a.

Source: Company data, HAIB

The management team consists of the two Co-CEOs Marc Laubenheimer and Tobias Barten who founded Engel & Völkers Digital Invest in 2017, set up a profitable business line and have been growing steadily ever since. Now both aim to accelerate growth via external funding.

The Management Board

Marc Laubenheimer – Co-CEO

Responsible for Finance & Legal, Risk, Technology and HR & Operations

Over 11 years of experience in senior leadership positions in banking and asset management

DWS Deutsche Bank

Tobias Barten – Co-CEO

Responsible for Sales, Campaign Mgmt., Relationship Mgmt. E&V Network and Research

Over 17 years of experience in senior leadership positions in banking and finance

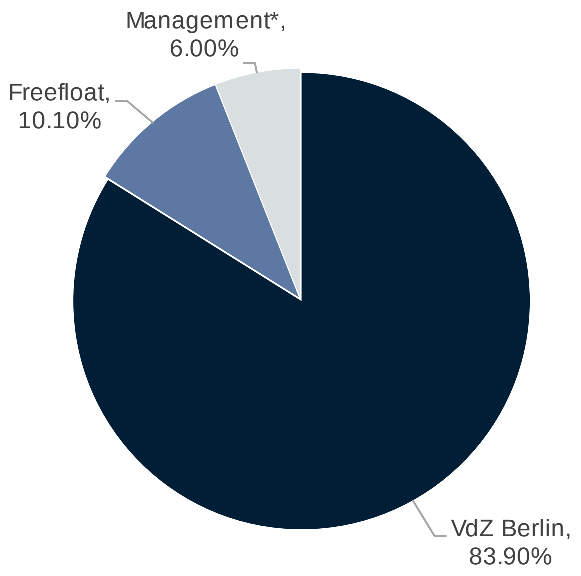
apoBank Bank der Gesundheit oaklet

Source: Company data, HAIB

The team looks well equipped for this task, having previously worked in different senior positions for more than 10 years in the banking and asset management industry.

Importantly, both managers have skin in the game demonstrating their commitment and incentive. They own a combined equity stake in EVDI of 5.0% post IPO. Neither of them sold shares in the potential IPO. Both managers as well as the main shareholder Versorgungswerk der Zahnärztekammer Berlin have agreed on a 12-month lock-up.

Shareholder Structure post IPO



*Source: Company data, HAIB; *) incl. Executive Directors*

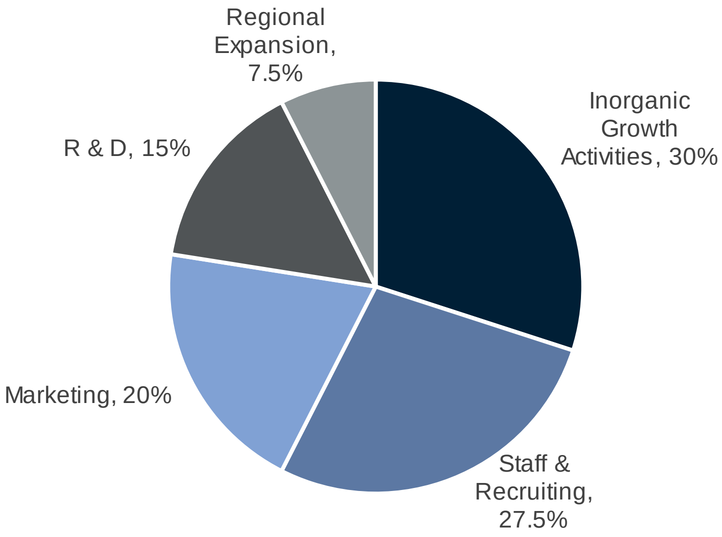
The Supervisory Board has four members. Two members, Ralf Wohltmann and Ingo Rellermeier are representatives of VZB, with Ralf Wohltmann elected as Chairman. The further two members are Tim Otto (Investment Manager at FOX Beteiligungen GmbH) and Adrian Lösche (Managing Partner of CapitalWave GmbH).

Primary IPO proceeds of € 6.3m are mostly earmarked for organic and inorganic growth investments. In detail:

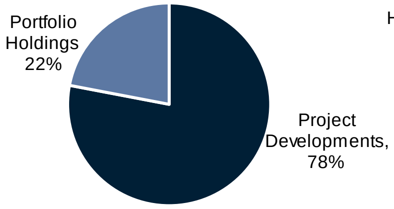
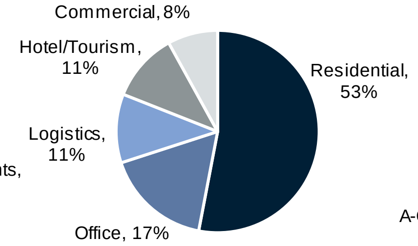
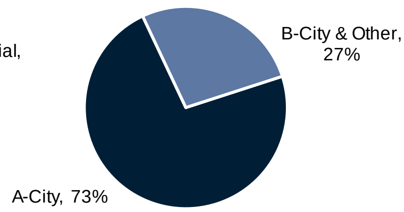
- **Investment into its technology backbone** and **online investment platform** (approximately 10% - 20% of the net proceeds),
- **Acceleration of marketing initiatives** and sales activities (approximately 15% - 25% of the net proceeds),
- **Expansion of the regional footprint** in the Spanish market and potentially enter the Austrian market (approximately 5% - 10% of the net proceeds),
- **Investment into recruitment initiatives** and to grow its staff capacities (approximately 25% - 35% of the net proceeds) and
- **Investment into inorganic growth activities** (approximately 25% - 35% of the net proceeds).

Until the respective proceeds will be used for the aforementioned purposes they are expected to be used as **pre- and co-financing deposits** and thereby to generate interest.

Use of proceeds



Source: Company data, HAIB

	Engel & Völkers Digital Invest
Company	**Among the first mover for a digital crowd investing platform**, which gives investors **access to off-market real estate investments**, previously only available to institutional investors. EVDI offers **alternative financing to real-estate developers** and then forward the respective loans to its investment community **via its digital platform.** The company has the goal of becoming one of the **leading Real Estate Fintechs in Europe.**
Customer	The **investment community** consists of retail investors, that can be characterized as professionals with over average income and wealth, that are brand and quality conscious and open to innovation. Furthermore the customers are loyal and sticky once won as customer, with **8 investments per active customer** on average. On the real estate developers side, EVDI is working together with c. 40 real estate companies which are oftentimes local champions focused on German A-cities e.g. Hamburg, Munich and Berlin.
Key metrics	Founded in 2017, EVDI has established a **solid track record**: It has deployed € 152m of capital across 64 projects (implying an average volume per project of € 2.5m) and more than doubled its retail customer base since 2019.
Adressable market	**The adressable market** is large, comprising approx. € 800bn construction value p.a. in Europe on the real estate developer side. Even better, the global digtal real-estate investing market is expected to grow 58% p.a. to € 870bn in 2027E. On the retail customer side, € 4tn investable adressable wealth is held by private wealth individuals in Western Europe alone. **Key growth drivers** include the demand for alternative real estate financing, the thirst for yield and the digitization trend. While currently active in Germany and partially in Spain, offering private debt for mezzanine real estate development projects, EVDI is working on expanding its product range (e.g. senior / whole loans and secondary market for property investments), co-investor base and geographic reach (e.g. Spain and Austria).
Sales ´22E (€ m)	**8.5**
Sales ´25E (€ m)	**26.6**
Metrics (mid-2021)	**PROJECT TYPE**  **ASSET TYPE**  **LOCATION (% LOAN VOLUME)** 
Competitors	**EVDI has a tight focus on smaller projects with a high quality.** Rivals include debt funds, banks and other crowdfunding platforms. However, debt funds and banks typically have a focus on larger projects and debt ranking more senior to mezzanine. Other crowdfunding companies have a stronger focus on lower product quality and are less digitital. Empira, DWS, Union Investment, Home Rocket, Patrizia, Commerz Real, Bergfürst, Linus, Merkur Privatbank, Pegasus Capital Partners, zinsbaustein.de, Volksbanken Raiffeisenbanken, HFS, Exporo, Estateguru, Sparkasse
EBIT ´22E (€ m)	**-5.2**
EBIT margin ´22E	**-62%**
EBIT ´25E (€ m)	**6.0**
EBIT margin ´25E	**23%**

Source: Company data, HAIB

Competitive Quality

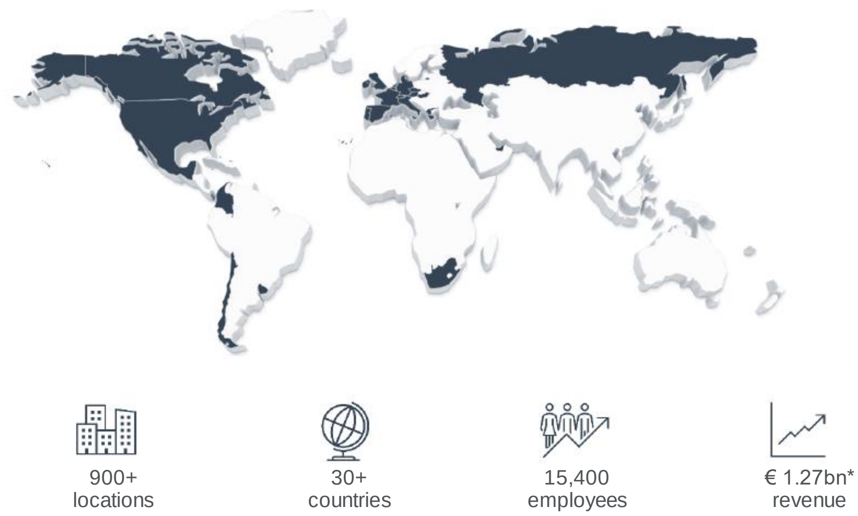
- **The exclusive sourcing of new real estate companies and projects** from the Engel & Völkers network is a key advantage over competitors.
- **Using the globally known premium brand Engel & Völkers** is projecting the associated values trust, exclusivity and solidity onto EVDI.
- **EVDI is the quality leader in the German real estate investing industry,** thanks to best-in-class risk management.
- Fully digitalized services and a superior user experience, should help EVDI to disproportionally benefit from the ongoing shift towards online investments in the real estate investing market with mostly analog competitors.

Engel & Völkers Digital Invest (EVDI) offers a **digital real-estate investing platform**, bringing together real estate companies looking for financing and investors looking for yield. EVDI is providing the pre-financing (backed by institutional partners), and is doing the risk analysis and due diligence before offering the project on the platform and market it to its investment community. Its growth record since founding in 2017 (€ 152m financed / 64 projects as of FY21) suggests that EVDI is **successful in attracting real estate companies and retail investors** thanks to the high degree of **digitalization**, the excellent risk management securing **product quality** and the solid **brand recognition**.

Engel & Völkers – Benefiting from a globally recognized premium brand

The premium brand "Engel & Völkers" is present in around 900 locations and more than 30 countries around the world carrying core values such as **trust, exclusivity and solidity**. Especially in Germany, where the company has its roots, the brand is well known: According to a survey of YouGov from 2018, brand recognition is highest in the German real estate industry reaching 32%. Engel & Völkers Digital Invest as a license partner of Engel & Völkers is clearly **benefitting from the brand and the network**.

Engel & Völkers – Worldwide brand recognition



*Source: Company data, HAIB; *) Total brand commission sales*

Large existing network

Founded as a spin-off from Engel & Völkers, EVDI is still able to **use the large network of real estate project clients of Engel & Völkers** to source new real estate companies. This existing network is another key advantage and differentiation against peers. Existing real estate investing platforms that are in the market for years are still struggling to find new projects due to the lack of network.

The brand of Engel & Völkers does not only aid in the process of finding new partners on the real estate development side of the business, it is additionally beneficial when it comes to attracting new retail investors and enlarging the investment community. **The trust, exclusivity and solidity that is associated with the brand Engel & Völkers is also associated with EVDI**.

Differentiation: It´s all about speed and quality

EVDI is a front-runner when it comes to the **degree of digitalization**, enabling best-in-class **speed of financing approvals** and flawless **quality of approved projects**.

Digitalization: The need for speed

The German real estate investing industry is still a largely analog world, which the COVID pandemic revealed once more: Offline stores of many players were closed and analog processes were disrupted by lock-downs. In contrast, EVDI is an early mover offering **fully digitalized processes** with **high convenience for users, intuitive in app navigation, 'in-real-time' operations,** and **fast decision-making**. All services on both sides, the real estate company side as well as the retail investor side, are **paperless** and **encrypted**. With its fully digitalized services and its superior user experience, EVDI should disproportionally benefit from the ongoing shift towards online strengthening EVDI´s market position in the real estate investing market compared to other, mostly analog and less efficient, players.

Compared to most regional banks that are still representing the main competition for real-estate companies, EVDI is able to provide a **final approval for a project financing after 4-6 weeks** on average. Established and mostly analog regional banks often need up to six months to fully finance a project. In times of an increasingly fast-paced world, this is a decisive advantage of EVDI.

On the investors side, EVDI and other real estate investing platforms are competing against traditional investment opportunities for retail investors such as closed-end real-estate mutual funds that are also operating (1) on rather low digitalization levels and (2) providing an average annual return of only 1.5% (vs EVDI projects: 4-7%).

Easy and efficient: Real estate financing in five steps

1	2	3	4	5
Financing Request	**Due Diligence**	**Going Live & Funding**	**Loan Period**	**Project Completion**
From project developer, portfolio manager, the network and from banks	Internal and external due diligence in four key areas	Publishing, marketing and funding of the projects	Monitoring, Interest payments, status updates for the investors	Payback of nominal payment; release of securities
1-3 days	*4-6 weeks*	*Minutes to days*	*0.5-3 years*	*After c. 2 years on avg*

Source: Company data, HAIB

The high degree of digitalization is enabling EVDI to fund the offered projects within minutes to days. On a cumulative base, **all 20 projects that were executed in 2021, were fully funded in only 12h** in total. Furthermore, EVDI recently set a **new record when a project was funded within only 127 seconds** (> € 3m funded volume). Both stats impressively indicate the exceptional demand for EVDI´s offering

Outstanding risk management to secure highest project quality

Another key differentiator compared to other retail real estate investing platforms is the **high quality of the projects thanks to outstanding risk management including a very thorough due diligence**: Every project is screened internally as well as by renowned external partners. Hence, it is unsurprising that until today **none of the 64 projects have defaulted**. The four key areas of the due diligence are:

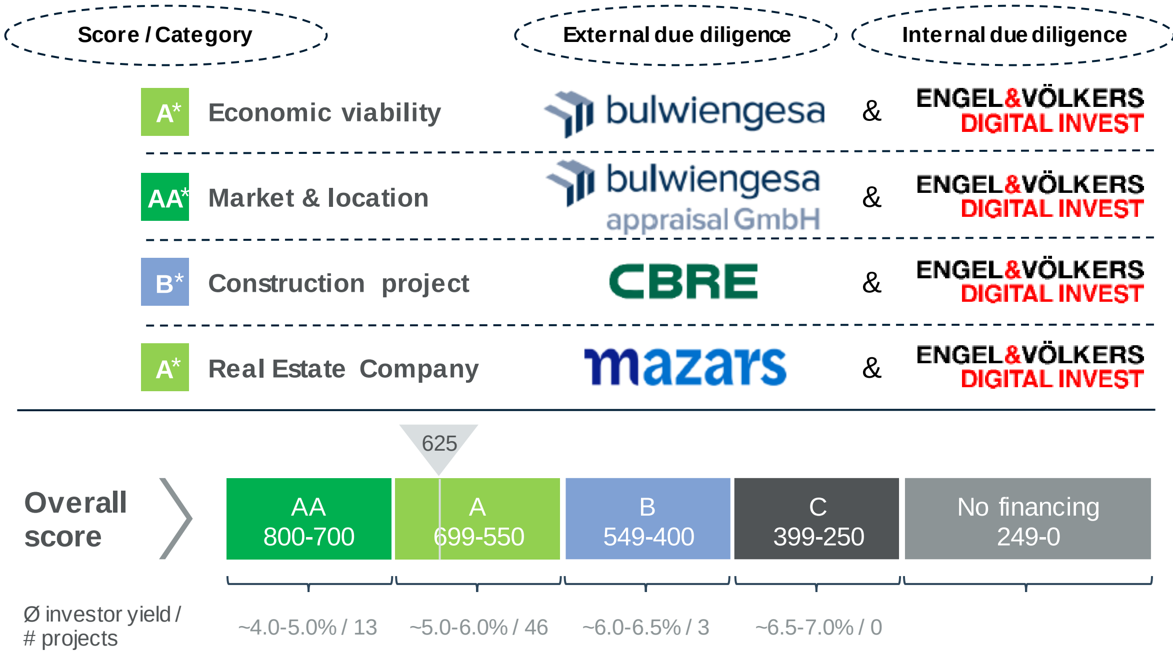
1) **Economic viability**: The external agency **bulwiengesa** is screening construction costs and times, the incidental acquisition costs, the financing costs, sales and marketing costs as well as sales prices

2) **Markets and location:** The macro- and micro economical characteristics as well as the infrastructure and the regional real-estate market are evaluated by **bulwiengesa appraisal GmbH**. Due to EVDI´s focus on A- and B-cities, historic projects we would expect EVDI to reach high scores in the area

3) **Construction project:** Here the project itself is checked. This includes the property, the land register extract, the site and floor plan, the soil report, building specifications, area calculations as well as building application and related permissions. The external partner in this area is **CBRE,** one of the "Big Four" commercial real estate services companies in the world.

4) **Real Estate Company:** The last focus area of the due diligence is the real estate company behind the project. Here on the one hand, the experience, the track record and the quality of the management are checked. On the other hand, the financial situation, including the creditworthiness, potential tax risks and the general quality of controlling and documentation are checked. Here **mazars** is the external partner. EVDI is working together only with premium real estate companies, hence we would expect high scores in this area.

Outstanding internal & external due diligence reduces risk significantly



*Source: Company data, HAIB; *) Exemplary Rating*

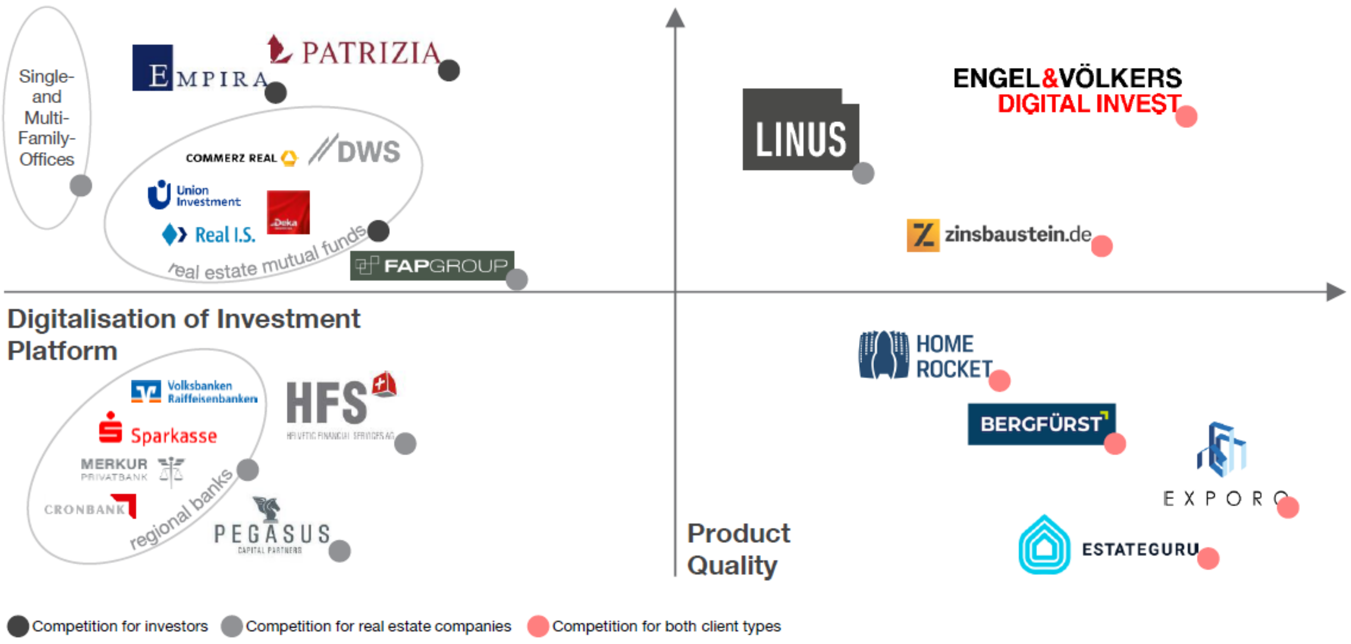
The resulting overall scorecard is an internal rating system that is linked to comparable ratings in the industry. Overall, 21% of all projects received an overall “AA” rating. **The vast majority of funded projects (74%) received an overall “A” rating** and only 5% received an overall “B” rating. **The average score among all projects is 625 out of 800**. This high average score implies a high number of projects that were rejected despite likely higher fees.

In contrast to EVDI, many other investment platforms are less restrictive on the risk management end of the business and instead are more focused on potential higher returns. This consequently results in higher risks and higher default rates. Prominent example is currently the market leader Exporo, where, according to “finanz-szene“ (leading German banking and finance newsletter), the payback of up to 18 projects is already delayed (see “Theme”).

Digital and quality leader

Putting the two pieces together, EVDI is both, **(1) the digitalization leader** compared to many other established real estate companies and **(2) the product quality leader** against other digital platform competitors.

Competitive Environment



Source: Company data, HAIB

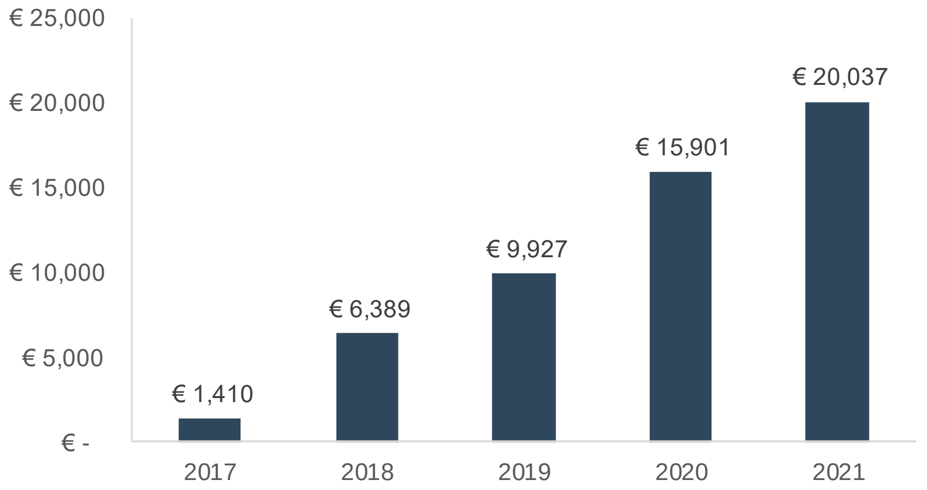
Value & Perception

Surely, the high brand recognition of Engel & Völkers is a key element of EVDI´s perception and value among customers. Still, it is not the only element. The **high customer loyalty** as well as the **constantly increasing average invest per active customer** clearly prove that customers perceive and value EVDI´s real estate investing platform and the high quality projects:

- **EVDI´s customers are showing a strong dedication and loyalty** with 8 investments per active customer on average over the customer lifetime (eHAIB: Currently two years). Note: Active customer are fully registered customers with at least one investment.

- **The average investment per active customer increased at 94% CAGR2017-21** from c. € 1,400 per active customer to c. € 20,000 in 2021, mostly because of growing trust in EVDI and thus increasing comfort in placing higher orders.

Growing average invest per active customer



Source: Company data, HAIB

Business Quality: Best in class customer acquisition metrics

EVDI has been successful in converting the brand recognition and value perception of the platform and the project quality into strong business quality, reflected in an **excellent Customer Lifetime Value to Customer Acquisition Cost ratio of currently 19x**. Indeed, the company is in the enviable position of recouping the customer acquisition costs already with the first investment of the customers. Going forward we expect the **CLV to CAC to remain stable.** Higher average investments per project compensate for lower expected average margins resulting from whole/senior loans.

A closer look reveals the main drivers behind CAC and CLV:

1) Customer Acquisition Cost (CAC)

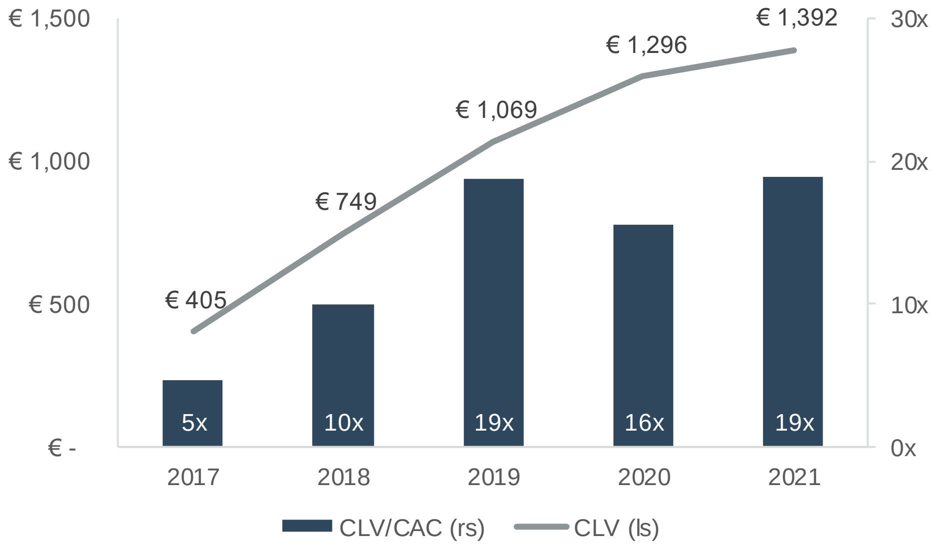
The customer acquisition cost of € 74 (as of FY21) compares favorably to peers (eHAIB: > € 500) by **virtue of efficient marketing.** Apart from **the strong brand recognition** and the very positive word of mouth, the clear focus on efficient performance marketing is the key for attractive CAC.

2) Customer Lifetime Value (CLV)

The constantly increasing customer lifetime value is mainly a function of:

- **Growing number of project investments per customer** resulting from gained trust following fully repaid initial investments.
- **Growing average amounts per investment** after initial “trial” investments with relatively low volumes.
- **Low churn rates** thanks to high customer satisfaction rates as a result of successful project execution with attractive yields.

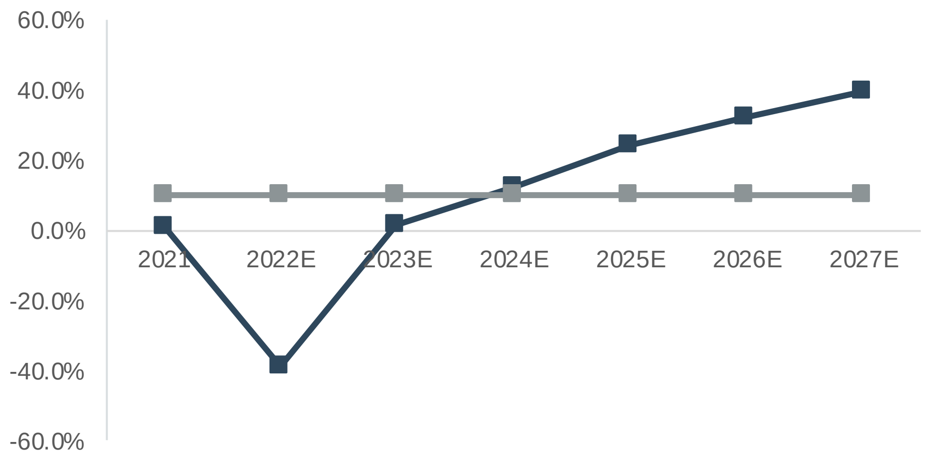
Increasing customer profitability



Source: Company data, HAIB

Ultimately, the attractive CAC/CLTV ratio paired with sound growth prospects should be the key driver for appealing **ROCEs of >40% in a steady state**.

ROCE* vs WACC

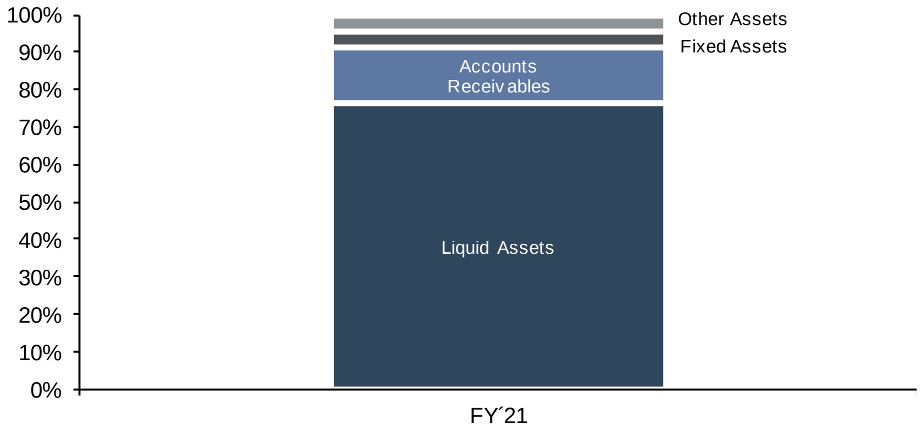


Source: Company data, HAIB
**) Capital Employed adjusted for net debt in ´24E ff*

On top, the capital light platform business is highly **cash generating** with a **cash conversion rate >1.1**.

At a glance: Balance sheet, Capital Needs, Capital Turn

Balance Sheet – Assets (pre-IPO)



Source: Company data, HAIB

Liquid Assets dominate the balance sheet, amounting to € 4.1m, which represents more than 76% of the total assets. The cash is mostly coming from additional paid-in capital of € 4.0m in 2021 to prepare the potential IPO and cover expected ramp-up cost pre-IPO.

Accounts receivables stood at € 0.8m or 15% of total assets as of FY´21. When projects are fully funded, the project companies are paying regular interest coupons. The next interest payments is always stated as accounts receivables. This figure is a rolling figure and should increase with increasing number of funded projects.

Fixed assets of only € 0.2m or 5% of total assets consist mainly of minority stakes in other companies and related lendings.

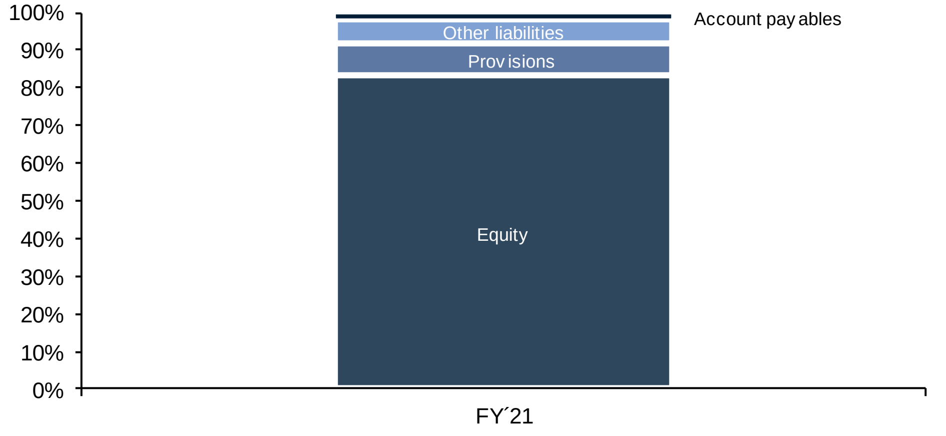
The business model does not require substantial property, plant and equipment (0.074m in FY´21) as the digital platform is set up as a web service. The position thus includes mostly office equipment.

EVDI is largely financed vie equity. The Equity ratio of 83% or € 4.5m (FY´21) reflects the healthy nature of the balance sheet even prior to the IPO.

Provisions of € 0.5m account for c. 8% of total liabilities and reflect among others accruals for personnel expenses and auditing.

Other liabilities of € 0.4m represents 7% of total liabilities and consist of tax liabilities and personnel liabilities.

Balance sheet – Liabilities (pre-IPO)

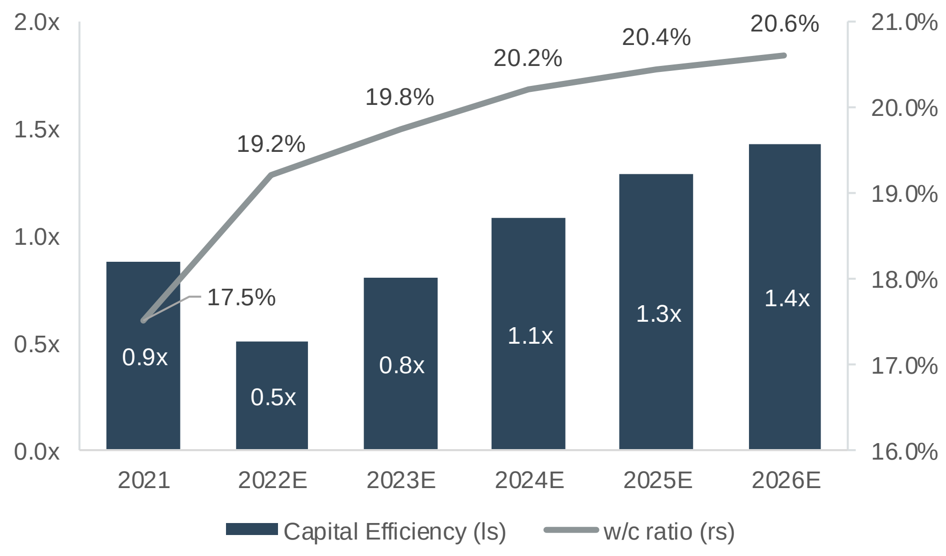


Source: Company data, HAIB

EVDI is running a capital light business model, hence the working capital ratio should remain at a level of 20% of sales going forward. Key driver is accounts receivables that should increase in proportion with the ramp up of project funding.

Capital efficiency is seen to return to levels of >1x in the mid-term driven by the expected ramp up of sales from 2022E onwards. The expected drop in 2022E is reflecting a distortion through potential proceeds (eHAIB € 6.9m) from IPO that should be put to productive use in the following years.

Capital Efficiency and w/c ratio (pre IPO)



Source: Company data, HAIB
Capital Efficiency = Sales divided by Capital Employed (adj. for net debt in ´24E ff)

Growth

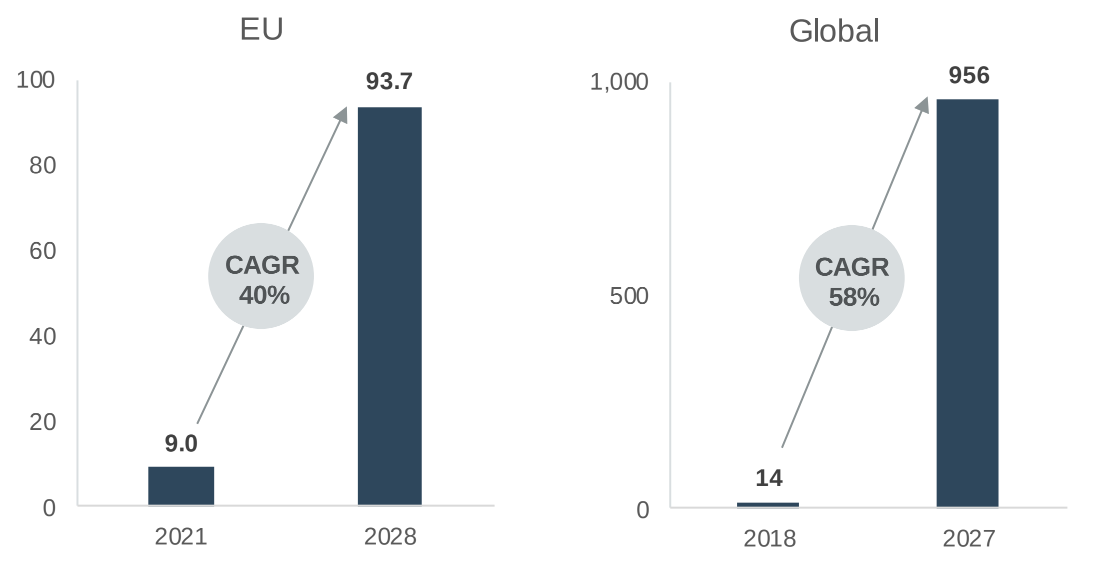
- **Vast growth potential in the German digital real estate market,** driven by the low yield environment, a booming real estate market and ongoing digitalization
- **Strong growth of active customer base** on the back of the forceful expansion into other European markets, new product features and intensified marketing
- **EBITDA looks set to grow disproportionally** thanks to the strong scalability of the platform business

Dynamically growing market provides a healthy backdrop

The European real estate market is **huge and growing** (€ 800bn construction value in 2020 / 7% growth rate p.a.), especially in A- and B-cities, which are EVDI´s focus markets. With the strong market growth, **real estate companies´ demand for fast and flexible financing solutions** is rising quickly.

Positively for EVDI, the European real estate crowdfunding market already has a size of c. € 9bn in financing volume and even more importantly, it is expected to grow disproportionately at 40% CAGR2021-28E to € 94bn. Even better, between 2017 and 2021 EVDI was able to capture significant market share in Europe's second biggest real estate crowdfunding market Germany, now having a total market share of c. 22% (vs c. 3% in 2017) in Germany.

Real Estate Crowdfunding Market Growth (in € bn)



Source: finance monthly, fnfresearch, HAIB

Reasons for the strong growth of the digital real estate crowdfunding markets are:

(1) **the low yield environment** that is pushing more and more retail investors into alternative assets such as real estate debt,

(2) **a booming real estate market** raising demand for real estate project financing on the project companies side.

(3) **ongoing digitalization** of investors and project companies looking for digitalized financing and investing solutions.

On its platform, EVDI is satisfying both sides by offering financing for real estate project companies as well as high yield real estate investments to retail investors. With that, EVDI is strongly benefitting from the exponential market growth, which is reflected in the already **realized 64 real estate projects** (53% residential, 17% office and 29% others) with a total volume of € 152m.

Multiple levers to accelerate the growth trajectory

With its unique real estate investing platform, fast execution and strong track record, EVDI looks well on track to become the **leading digital real estate investing platform** in Germany and Europe. We expect growth to accelerate going forward driven by:

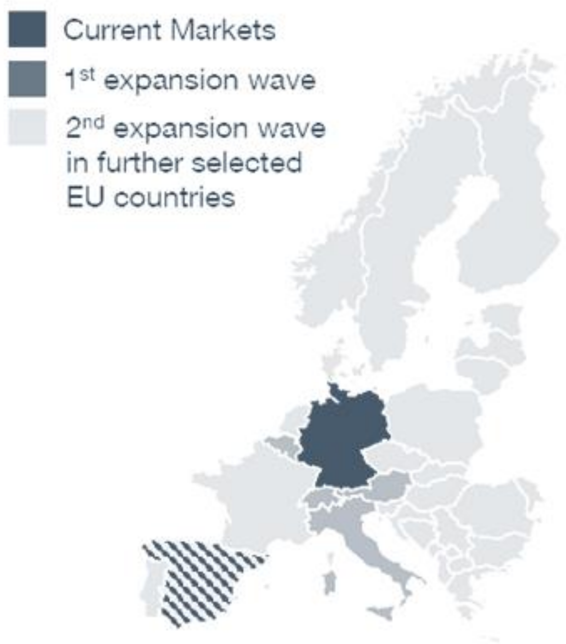
- **European roll-out**
- **Launch of new products and technology**
- **Ramp-up of marketing investments**

European roll-out ahead

On the real estate developer side, EVDI is already active in Spain occasionally (four fully funded projects in Madrid and three in Mallorca). In the coming year, the company plans to further **penetrate the Spanish market and additionally roll out its business to Austria** in a first expansion wave. Remaining Western European countries should follow in the next couple of years.

Belgium, Switzerland, Austria and Italy are **natural expansion targets** in light of similar population characteristics and the proximity to Germany, indicating **large addressable markets.**

Forceful European Expansion to drive growth



Source: Company data, HAIB

The regional expansion should **unlock access to additional project developers and new retail investors** while offering cross-selling opportunities (i.e. Austrian customers may be interested in German real estate projects and vice versa), all of which should serve to **accelerate growth going forward**.

Importantly, the expansion should be capital-light, considering EVDI relies on IT hosting and has a scalable technology platform. Also, the company will not necessarily need to set up local offices. Rather the regional expansion is seen to involve only two key measures:

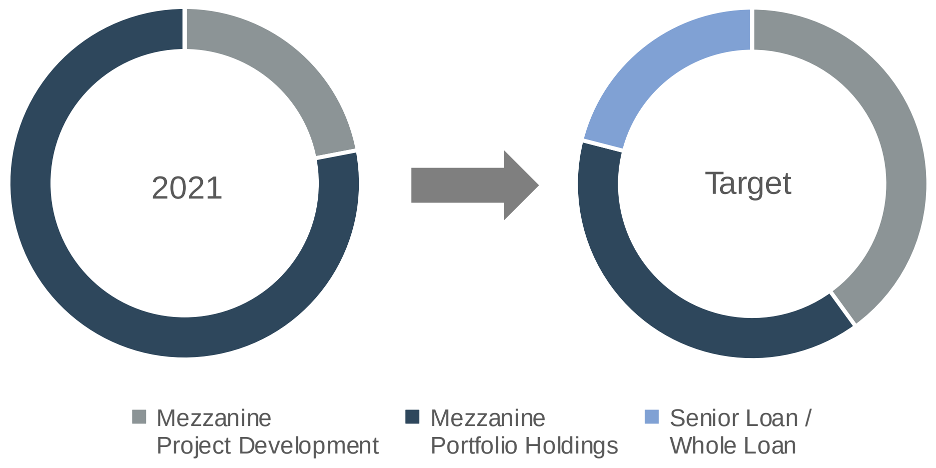
- Translation of the website and the project offerings and hiring native speakers for customer service
- Investing into performance marketing to drive customer wins

New Products to come

EVDI is not only planning to expand its business regionally, but also to broaden its product universe. The initiatives that are planned are the introduction of **whole loans and senior loans**, the launch of a **secondary market** for real estate investments as well as an **Auto Invest** function and **smart contracts**:

1) **Whole/Senior loans:** While currently only offering the mezzanine tranche of real estate projects, EVDI plans to **enlarge the product portfolio by whole loans as well as senior tranches**. Most importantly, the interest fees for whole loans and senior tranches are lower than the interest fees for the mezzanine tranche. Still, the volumes are much higher and should compensate for lower margins: The mezzanine tranche accounts only for some 15-20% of a project while the senior trance represents some 70%.

Whole Loans / Senior Loans to become part of the portfolio mix



Source: Company data, HAIB

2) **Secondary Market:** In order to reduce entry barriers for retail investors, EVDI plans to introduce a **secondary market for real estate investments** where investors can trade their real estate assets. Non-existing liquidity of the real estate investments during the commitment period of up to three years still present a material hurdle to invest for many potential clients.

3) **Auto Invest:** With the Auto Invest function retail investors can set a fixed amount that they would like to invest in the next suitable project. To only auto invest into suitable projects, the customer can pre-define project characteristics such as region, type, return and other.

The Auto Invest function is going to be beneficial for both: The **customer gets a preferred and automated access** to suitable new projects while EVDI is able to coordinate project fundings and marketing efforts much better. Furthermore, EVDI can select projects from the real estate developers in a much more targeted manner as the company knows exactly how much will be automatically funded.

4) Smart Contracts: The planned introduction of blockchain based smart contracts for real estate investment projects should

- **Increase the maximum size of the project stake** that can be funded by the investment community from € 6m to € 8m due to a shift of regulation regimes from European Crowdfunding Service Provider regime (ECSP) to "Wertpapierprospektgesetz" (WpPG).
- Improve (1) the **security** since smart contracts are tamper-proofed, (2) **speed** – underlying processes need minutes instead of weeks and (3) **tradability** – trading of smart contracts is more efficient, and cheaper

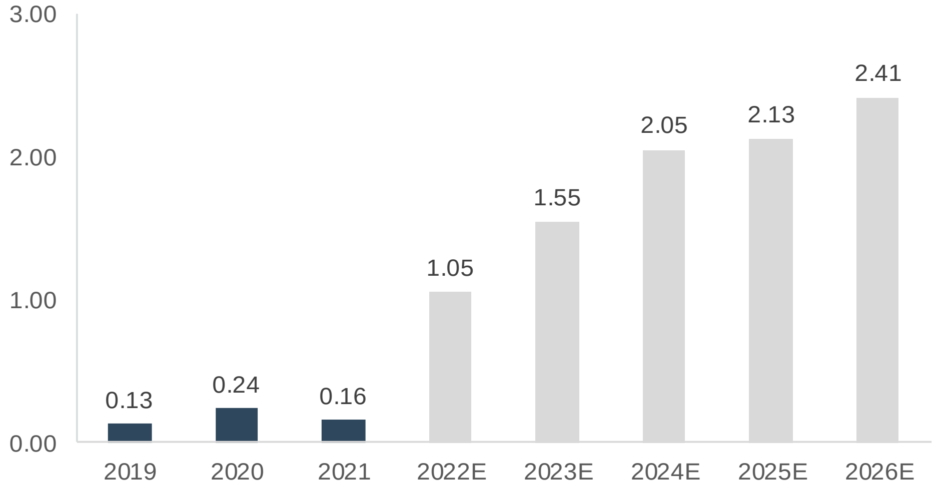
The initiatives on the product side should make EVDI´s offering more attractive to a **broader group of clients**. While whole loans and senior loans should attract more risk averse retail customers, smart contracts that can be stored in digital wallets should attract the next generation of investors. The secondary market is a new feature aimed at dissolving fears of being locked into the investments. Ultimately, Auto Invest should increase customer loyalty, customer activity as well as customer lifetime value.

Ramp-up marketing investments

In order to market the coming new product features as well as the regional expansion, the marketing investments are expected to rise over the next years to € 2.4m in FY´26E from € 0.2m in FY´21.

We expect EVDI to use **20% of the potential IPO proceeds** for marketing.

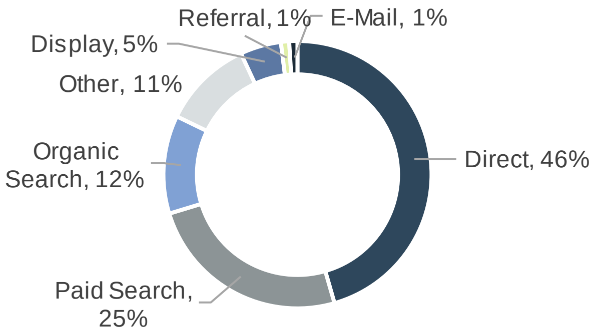
Ramp-up of marketing spending



Source: Company data, HAIB

EVDI is expected to focus on performance marketing, since the **brand awareness of the brand "Engel & Völkers" is already outstanding**. This should keep the CAC rather constant even during the ramp-up of marketing. Preferred channels for the performance marketing are direct marketing, paid searches, organic searches and other channels, including displays and referrals.

Marketing channel mix

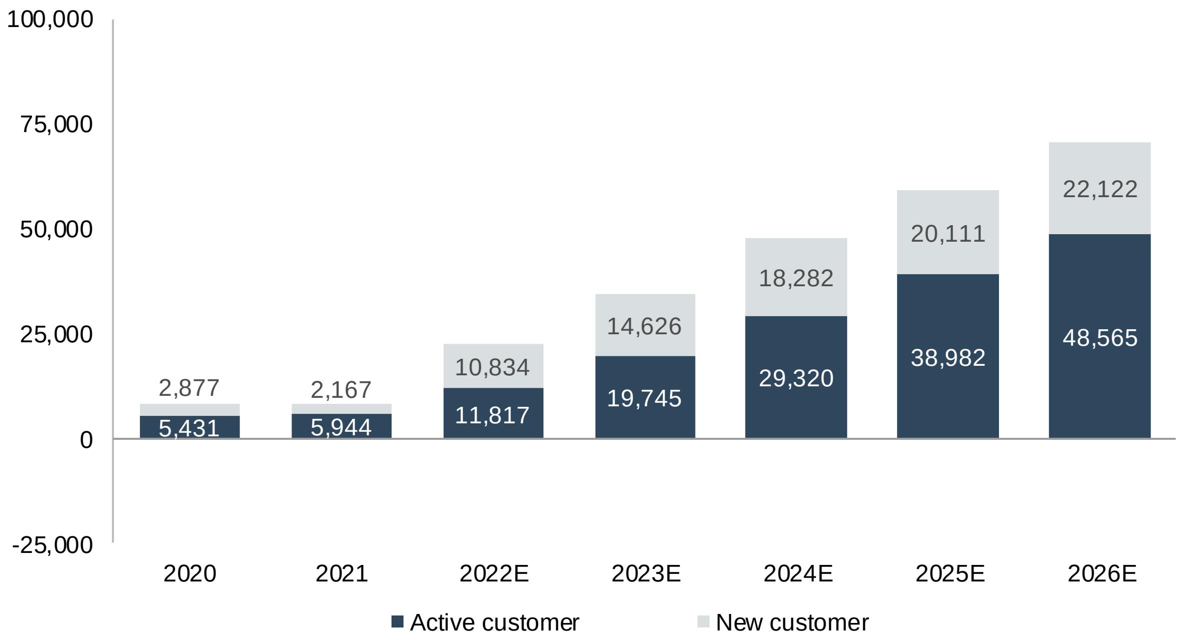


Source: Company data, HAIB

Worth highlighting is that **direct marketing and organic searches show lowest drop-off rate/abandonment rate during online sessions** (17% and 26%), while displays and paid searches show the highest drop-rate (67% and 51%). The **conversion rates are overall really strong**, fluctuating between 16-30% conversion from direct marketing between 13-35% from SEA and between 8-17%from SEO.

On the back of sensible marketing investments, active customer growth should accelerate to **52% CAGR2021-26E reaching 48,000 active customers** in 2026E, up from c. 6,000 end of 2021.

Increasing customer base thanks to increasing customer wins and low churn rates

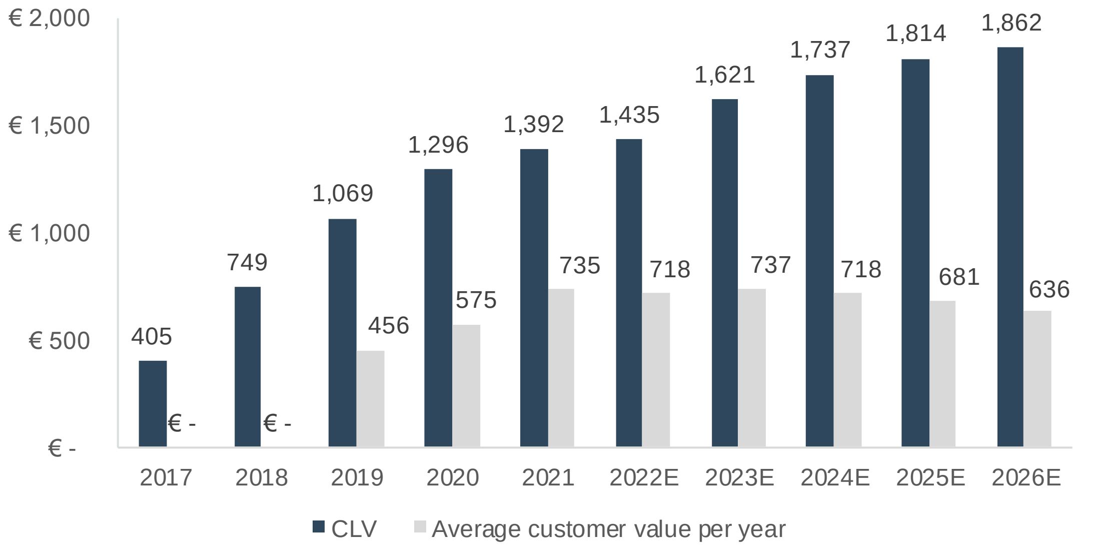


Source: Company data, HAIB

The average customer value per year was at € 735 end of last year and should also remain rather constant, given a **slightly growing average investment per active customer per year** (by 3% p.a. to 10.772 in FY26E) and **only slight decline of the margin from 8% in 2021 to 6% in 2026E.** The margin decline is mainly driven by the expected increasing share of whole loans / senior loans that should bring more volume but lower margins.

Overall, increasing customer lifetime should grow **customer lifetime value by 6% p.a. to € 1,862 in FY26E**.

High and increasing customer lifetime value



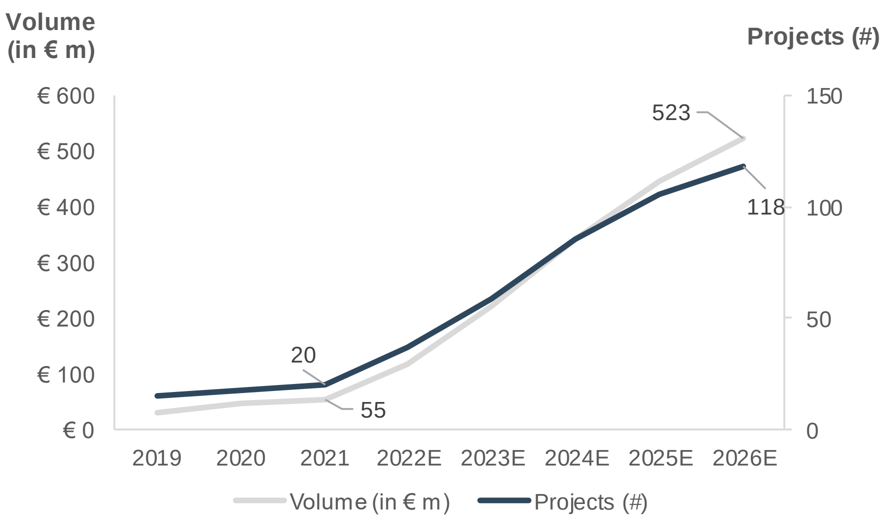
Source: Company data, HAIB

Growing number of projects to fuel volumes

The anticipated new customer growth should enable financing a significantly larger number of projects, which can be sourced from the E&V project developer network.

As a result, we expect the annual number of **funded projects to increase by 43% p.a. to 118 in 2026E**, in comparison to 20 in 2021. Assuming increasing average volumes per project (€ 4.4m in 2026E vs € 2.8m in 2021), driven by higher average volumes of whole loans and senior loans, the overall annually **funded volume is expected to jump by 57% p.a. to € 523m in FY26E**, up from € 55m in ´21.

Growing number of real estate project is driving volumes



Source: Company data, HAIB

Dynamic sales growth of 47% p.a. expected

Rapid growth in the number and volume of projects should by far overcompensate the gradual decline in average margins, caused by a higher share of senior / whole loans with a lower margin profile. Hence, sales are seen to grow very dynamically at **47% CAGR 2021-26E to € 31m in 2026E**, up from € 4.4m in 2021.

Scalability to enable steady state EBIT margins of 30% with further upside

Higher marketing investments and the ramp-up of personnel expenses should burden EBIT in the short-term, but in the long run the highly scalable business model is seen to drive down expense ratios relatively to sales, resulting in steady state **EBIT margins in excess of 30%**, in our view. Key drivers:

- Costs of sales (costs that are mainly directly related to the funding of projects such as costs for due diligence) should slightly decrease following process efficiency improvements, resulting in **sustainable gross profit margins north of 70%.**

- **Declining personnel expenses relative to sales**: In order to prepare the expansion and lay the ground for the stellar growth, we expect personnel to ramp-up in the short-term (up to 89 employees in 2023E from 37 in 2021). Driven by the high scalability of the platform business, we nevertheless expect **personnel expenses to decrease** from 55% relative to sales in 2022E to <30% in the long run.

- **Marketing spending to decline relative to sales:** Despite the ramp-up of marketing spending from € 0.2m in 2021 to € 1.1m in 2022E in order to fuel the forceful expansion and the customer ramp-up, the marketing spending relative to sales looks set to decline. Relative to sales, marketing spending should decline to 8% in 2025E, coming from 12% in 2022E. This indicates two things, (1) the recouping of CAC with the first project funding (CAC € 74 vs € 184 avg CLV per project) and (2) customers are funding more than one project (8 on avg as of ´21).

- **Declining other operating expenses**, **relatively to sales**: We expect to see strong synergy effects going forward regarding the legal & consulting fees that is the key driver of other OPEX. Still, on the back of expenses related to the IPO, the listing and an employee participation program, other OPEX should jump to 58% of sales in 2022E (€ 4.9m), before decreasing to steady state levels of <10% of sales in 2025E.

Due to the nature of the business, no D&A´s or financial expenses worth mentioning are expected going forward.

Tax expenses are not expected before the operational break-even. Once, the break-even is reached, accrued tax losses (eHAIB: € 3.5m) can be realized. From 2027 onwards we expect a normalized tax rate of 30%.

Thanks to a highly scalable business model that leads to declining personnel and operating expense ratios, **EBITDA margins of around 30% should be well in reach.**

Engel & Völkers Digital Invest - P&L							
in € m	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**	**2025E**
Total Sales	**1.7**	**3.1**	**4.4**	**8.5**	**14.5**	**21.0**	**26.6**
yoy in %		*81%*	*40%*	*94%*	*72%*	*45%*	*26%*
Projects (#)	*15*	*18*	*20*	*37*	*59*	*86*	*106*
yoy in %		*20%*	*11%*	*85%*	*59%*	*46%*	*23%*
Sales per project	*0.12*	*0.17*	*0.22*	*0.23*	*0.25*	*0.24*	*0.25*
yoy in %		*51%*	*26%*	*5%*	*8%*	*-1%*	*2%*
Volume	*30*	*47*	*55*	*117*	*222*	*344*	*448*
yoy in %		*59%*	*18%*	*112%*	*89%*	*55%*	*30%*
Avg. Volume per project	*2.0*	*2.6*	*2.8*	*3.2*	*3.8*	*4.0*	*4.2*
yoy in %		*32%*	*6%*	*14%*	*19%*	*6%*	*6%*
Cost of Sales	0.3	0.4	0.4	2.9	4.2	6.1	7.6
in % of sales	*18.7%*	*13.0%*	*8.5%*	*33.8%*	*29.0%*	*29.1%*	*28.6%*
Gross Profit	**1.4**	**2.7**	**4.0**	**5.6**	**10.3**	**14.9**	**19.0**
in % of sales	*81.3%*	*87.0%*	*91.5%*	*66.2%*	*71.0%*	*70.9%*	*71.4%*
S&M expenses	0.1	0.2	0.2	1.1	1.5	2.1	2.1
in % of sales	*7.6%*	*7.7%*	*3.7%*	*12.4%*	*10.6%*	*9.8%*	*8.0%*
G&A expenses	1.4	2.0	2.3	4.9	6.5	7.5	8.2
in % of sales	*80.4%*	*64.4%*	*53.4%*	*57.7%*	*44.4%*	*35.6%*	*30.8%*
Other operating expenses	0.9	1.5	1.5	4.9	2.0	2.5	2.6
in % of sales	*53.7%*	*46.7%*	*33.2%*	*57.9%*	*13.5%*	*11.9%*	*9.9%*
EBITDA	**-1.0**	**-1.0**	**0.0**	**-5.2**	**0.4**	**2.9**	**6.0**
EBITDA margin	*-60%*	*-32%*	*-2%*	*-62%*	*2%*	*14%*	*23%*
D&A	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of sales	*1.0%*	*0.8%*	*0.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Financial result	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0
in % of sales	*-9.5%*	*-5.8%*	*0.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Tax expenses	0.0	0.0	0.0	0.0	0.0	0.2	0.6
Tax rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*7.8%*	*10.0%*
Net Income	**-1.2**	**-1.2**	**0.0**	**-5.2**	**0.4**	**2.7**	**5.4**
Net Income margin	*-71%*	*-38%*	*1%*	*-62%*	*2%*	*13%*	*20%*

Source: Company data, HAIB est

Valuation

The different valuation methods yield a fair equity value of at least € 15 per share

- The DCF model indicates a fair equity value of € 15 per share
- A peer group points toward an average fair equity value of € 18

We base our valuation models for EVDI on the estimates described above.

In order to derive a valuation for EVDI, the following valuation models were used:

- **DCF:** The DCF model derives an implied fair value of € 15 per share at a 27.5% terminal year EBIT margin as well as a 2.5% terminal year growth rate.
- **Peer Group:** The peer group valuation is based on EV/Sales multiples of a selection of listed platform businesses for 2023-2024. The derived fair equity value ranges from € 15 to € 21 per share with an average of € 18 per share.

DCF valuation

The DCF valuation derives an **implied fair equity value of € 15 per share** for EVDI with the terminal value accounting for 68% of the total value.

The high terminal value reflects an elevated cost base in the short-term to penetrate the German market and expand the business to other European countries. In the mid- to long-term, we expect **EVDI to reach profitability levels of around 30%.**

The key model assumptions of the model are as follows:

- **Terminal EBIT margin of 27.5%:** The terminal year EBIT margin of 27.5% compares to a EBIT margin of around zero in 2021, but is still at the lower end of the sustainable EBIT margin range of 27.5-32.5% which EVDI is expected to achieve thanks to the highly scalable business model after the fade out of ramp-up costs.
- **Terminal year growth rate of 2.5%:** Mid-term growth rate is still seen at a dynamic 16% (2024-28E) as EVDI should continue to capture market share. A terminal growth rate of 2.5% is in-line with our assumptions for the long term growth rate of the overall real estate market.
- **WACC:** The WACC is made up of a 1.5% risk free rate, 6% risk premium, 1.5x beta and 4% cost of borrowing.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-5.2	0.4	2.7	5.4	7.5	7.5	8.7	9.4	8.4
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-1.0	-1.2	-1.3	-1.1	-0.9	-0.8	-0.7	-0.6	-0.6
Increase/decrease in long-term provisions and accruals	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Capex	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow	**0.2**	**-0.8**	**1.4**	**4.4**	**6.7**	**6.8**	**8.1**	**8.9**	**7.9**
Present value	0.2	-0.7	1.1	3.1	4.2	3.9	4.2	4.2	42.9
WACC	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

DCF derived from	
Total present value	63
thereof terminal value	68%
Net debt (net cash) at start of year	-4
Financial assets	0
Provisions and off balance sheet debt	0
Equity value	67
No. of shares outstanding	4.5
Discounted cash flow per share	**15.1**
upside/(downside)	**32%**
Share price	**11.42**

DCF avg. growth and earnings assumptions	
Short term growth (2022-2024)	57.5%
Medium term growth (2024 - 2028)	16.0%
Long term growth (2029 - infinity)	2.5%
Terminal year EBT margin	27.5%

WACC derived from	
Cost of borrowings before taxes	4.0%
Tax rate	30.0%
Cost of borrowings after taxes	4.0%
Required return on invested capital	10.5%
Risk premium	6.0%
Risk-free rate	1.5%
Beta	1.5

Sensitivity analysis DCF

WACC	Long term growth: 1.5%	2.0%	2.5%	3.0%	3.5%
12.5%	12	13	13	14	14
11.5%	13	14	14	15	15
10.5%	14	14	15	16	17
9.5%	15	16	16	17	18
8.5%	16	17	18	20	21

Sensitivity analysis DCF

WACC	EBT margin terminal year: 22.5%	25.0%	27.5%	30.0%	32.5%
12.5%	12	12	13	14	15
11.5%	12	13	14	15	16
10.5%	13	14	15	16	17
9.5%	14	15	16	18	19
8.5%	16	17	18	20	21

Source: Company data, HAIB

Peer Group Valuation

Our peer group valuation derives an average **implied fair equity value of € 18 per share** within a range of € 15 to € 21 per share based on EV/sales multiples for 2023E and 2024E of EVDI´s peers and similar listed platform businesses. Given the strong expected sales growth of EVDI (67% CAGR2021-24E) and the high scalability of the business model, the EBIT based valuation multiple for 2024 indicates a valuation of € 10 per share assuming only 14% EBIT margin of EVDI in 2024E. A sustainable EBIT margin of ~30% would provide upside to our peer group valuation. Since many peers are not yet profitable, we nevertheless focus on EV/sales multiple.

Implied Fair Equity Value – EVDI

Implied Fair Value	EV/Sales 2022E	EV/Sales 2023E	EV/Sales 2024E	EV/EBIT 2022E	EV/EBIT 2023E	EV/EBIT 2024E
Fair EV	47	63	89	n.a.	n.a.	64
Net Debt	-4	-3	-4	-4	-3	-4
Provisions	0	0	0	0	0	0
NOSH	4	4	4	4	4	4
Implied FV per share	**11**	**15**	**21**	**n.a.**	**n.a.**	**15**

Source: HAIB est.

The peer group includes a wide range of platform businesses including LINUS Digital Finance which is in our view the closest listed peer, trading at around 13x EV/Sales ´21E.

Importantly, EVDI is expected to show elevated personnel expenses and other OPEX in order to set the base to further ramp-up the business and ultimately outgrow the peers (sales growth at 67% vs 28% CAGR2022-24E).

Moreover, the peer group additionally provides an indication of how profitable such a scalable platform business could be after reaching the break-even. The average peer EBIT margin for 2024E of ~30% is in line with our expectation of a sustainable EBIT margin of EVDI.

The peer group consists of a group of platform businesses that trade at on **average EV/Sales ´23/24E of 4.3x.**

The peer group comprises:

Hypoport (Sales FY´21E: € 443m, Market cap: € 1,600m) – Hypoport is a German fintech company focusing on the brokerage of financial services in the mortgage and insurance industry via its digital platform. The company is only active in Germany. It is listed on the Frankfurt Stock Exchange and is a constituent of the MDAX.

LINUS Digital Finance (Sales FY´21E: € 11.0m, Market cap: € 120m) – LINUS is operating a digital real estate platform through which private and semi-professional investors get access to a high-yield asset class. Linus is active in Germany and headquartered in Berlin, with a hub in London. The company is listed on the Frankfurt Stock Exchange in the Open Market.

Creditshelf (Sales FY´21E: € 7.3m, Market cap: € 46m) – Creditshelf is operating a digital SME lending platform through which German SMEs get access to unsecured credit and institutional investors get access to SME loans. The company is headquartered in Frankfurt and provides services only in Germany. It is listed on the Frankfurt stock exchange in the Open Market.

Realty Income (Sales FY´21E: USD 1,982m, Market cap: USD 40,373m) – Realty Income Corporation is a real estate investment trust that invests in free-standing, single-tenant commercial properties in the United States, Spain and the United Kingdom that are subject to NNN Leases. The company is organized in Maryland with its headquarters in San Diego, California. The company is listed on the New York Stock Exchange and is a constituent of the S&P500.

Affirm Holding (Sales FY´21E: USD 831m, Market cap: USD 5,279m) – Affirm operates as a financial lender of installment loans for consumers to use at the point of sale to finance a purchase and is Amazon´s exclusive BNPL partner in the US. The company was founded in 2012, among others by Levchin, one of the co-founders of PayPal. The company is headquartered in San Francisco and is listed in the Nasdaq.

American Campus (Sales FY´21E: USD 907m, Market cap: USD 9,029m) – American Campus Communities, Inc. is the largest developer, owner and manager of student housing communities in the United States. The company works with universities to develop, manage and finance on-campus communities by creating customized solutions to fit the university's needs. It is founded in 1993 with headquarter in Austin. American Campus is listed on the New York Stock Exchange and is constituent of the S&P400.

Digital platform businesses – Peers

Peers	FX	Price	Market Cap (m)	EBIT-margin (2024E)	Sales CAGR 2021-24E
Hypoport	EUR	247.80	1,600	13%	16%
Linus	EUR	18.00	120	44%	43%
Creditshelf	EUR	33.00	46	8%	26%
Reality Income	USD	67.11	40,373	45%	26%
Affirm Holding	USD	23.33	5,279	n.a.	48%
American Campus	USD	64.73	9,029	26%	7%
EVDI				**14%**	**69%**

Source: Market Map, HAIB est.

Digital platform businesses - Peers

Peers	EV/Sales			EV/EBIT		
	2022E	2023E	2024E	2022E	2023E	2024E
Hypoport	2.9x	2.5x	2.2x	27.4x	22.1x	16.9x
Linus	5.2x	3.7x	4.9x	n.a.	n.a.	11.3x
Creditshelf	6.5x	3.5x	3.8x	n.a.	n.a.	45.8x
Realty Income	10.2x	9.1x	8.0x	20.3x	18.7x	17.6x
Affirm Holding	2.5x	1.8x	1.3x	n.a.	n.a.	n.a.
American Campus	5.7x	5.5x	5.3x	27.0x	23.0x	20.0x
Mean	***5.5x***	***4.4x***	***4.2x***	***24.9x***	***21.3x***	***22.3x***

Source: Market Map, HAIB est.

Theme

- **Favorable regulatory environment** – The EU is actively supporting European crowdfunding service providers with uniform regimes on European level
- **Struggling German real estate crowdfunding market leader Exporo unlocks customer growth potential for peers such as EVDI**

Tailwinds from EU Swarm financing Regulation

In November last year, the German parliament transposed the **new regulation for all European Crowdfunding Service Providers** (ECSPs) into national law. The ECSP regulation is designed to formalize service provisions for crowdfunding across the EU market, while widening the pool of potential investors. As things stood, **crowdfunding regulations were largely at the discretion of each member state**. For example, in Germany, crowdfunding and peer-to-peer (P2P) platforms are a part of the "Gray Capital Market", meaning they are not under the control or supervision of the Federal Supervisor of the Financial Sector (BaFin). However, in the United Kingdom, the Financial Conduct Authority (FCA) plays a very active role in the regulation of crowdfunding investments, and platforms are forced to be registered and in compliance in order to operate.

The fragmentation of rules amongst the EU countries and a lack of clarification on passport rights have made cross-border crowdfunding difficult and costly to do. However, **with the new legislation riskless cross-border real estate crowdfunding becomes reality**. With platforms in different countries all operating under the same rules, the future looks bright for EVDI and its peers.

The key changes that came with the new legislation are:

- **A key investment information sheet** must be offered for each crowdfunding by the real estate crowdfunding project owners.
- **ECSPs have duty to avoid and prevent any conflict of interest** according to the new detailed conduct business obligations.
- **Raising up to € 5m, calculated over a 12-month period** is allowed with the new rules applicable for all real estate crowdfunding platforms.
- **A uniform authorization and passporting process** is established for all real estate crowdfunding platforms in the EU27,

In our view, both, **crowdfunding platforms and investors will benefit from the European standardization** and from the new additional protections due to increased transparency and trust in the industry.

Especially for EVDI, with concrete plans to expand its business into other countries, the changes came just at the right time. A uniform passporting and authorization process should definitely ease the expansion.

Struggling market leader in Germany unlocks customer growth potential

The market-leading real estate crowd platform Exporo is obviously having **problems with several funding projects**. The question is whether these are isolated cases or rather a **systemic problem at Exporo**. The decisive factor is likely to be how large Exporo's default rate really is and how high it will become.

In our view, it is clearly the result of **taking higher risks in order to receive higher fees** when choosing suitable real estate projects. That, paired with a less thorough due diligence leads to **projects defaults** that we are currently seeing at Exporo.

Needless to say, **that EVDI as the quality leader in the market has established the highest standards** in the industry when it comes to the due diligence and selection of new projects. Zero defaulted projects (out of 64) are a proof of the high quality risk management of EVDI.

The consequence of Exporo´s shortfall is that **customers as well as serious project developers are seen to leave Exporo** as quick as possible. This is good news for EVDI, since it should be easy to convince both of the quality of EVDI. These **unplanned potential customer wins should further fuel EVDI´s topline**.

Company Background

- **History and Milestones**
- **Products & Business Model**
- **Management and Supervisory Board**
- **Shareholder Structure**
- **Investment Risks**

History and Milestones

In 2017, Marc Laubenheimer and Tobias Barten founded Engel & Völkers Digital Invest as a spin-off from Engel & Völkers Capital together with Kapilendo in order to build a leading platform for digital real estate investing that offers real estate developers flexibility and the retail investment community attractive investment opportunities. The platform launch and the funding of the first project took already place in the very first year.

During 2018, the investment community and number of funded real estate projects constantly grew. Mid 2019, EVDI closed the first successful project funding outside of Germany. In 2020, the EVDI app was launched. As of today, EVDI funded more than 64 projects with > € 152m total investments.

Milestones

2017 – Go-live
Launch of the new platform and first project funding

2018 – Ramping up the crowd
10 fully funded projects and constantly growing investment community

2019 – Internationalization
First project outside of Germany fully funded

2020 – Launch of App
Development and launch of new app

Source: Company data, HAIB

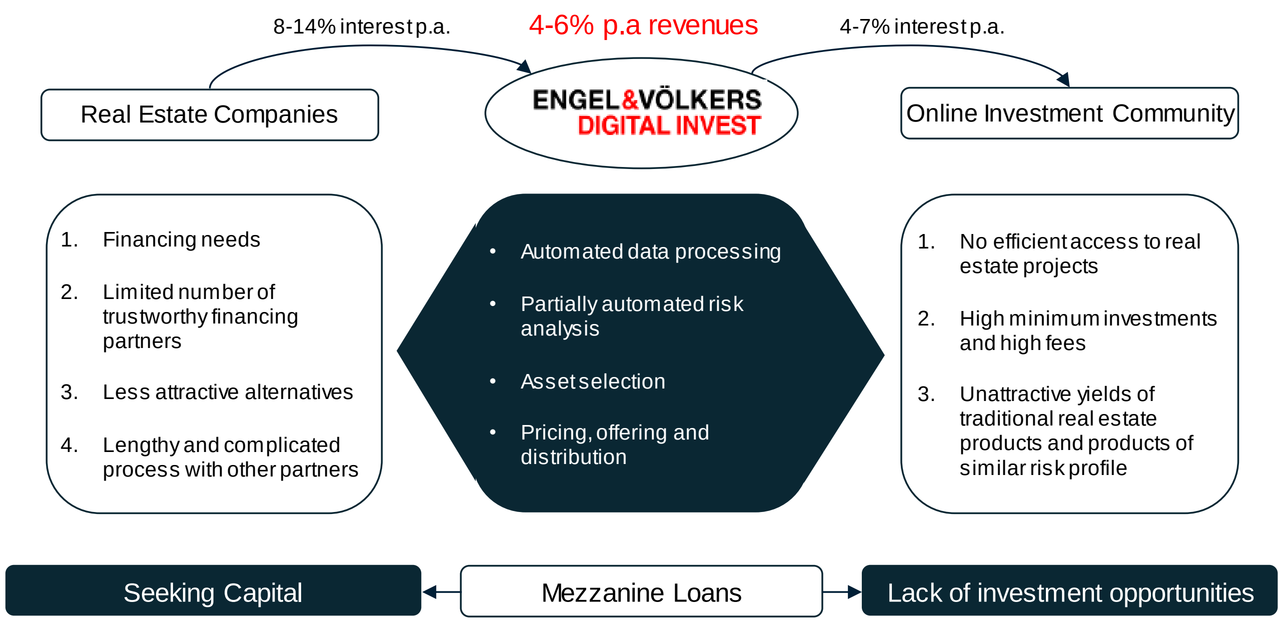
Products & Business Model

EVDI is a platform for digital real estate investing in Germany. It provides alternative financing to real estate companies in form of mezzanine loans. These loans are offered, marketed and forwarded to the retail investment community via the **digital crowd-investing platform**.

Explained in greater detail, a wholly-owned subsidiary (*EV Digital Invest Strukturierungs-GmbH*), acts as pre-financing lender for the Real Estate Company. The money for the pre-financing is coming from a revolving credit facility (*of € 37.5m as of the date of the prospectus; on 30th April 2022, the loan facility will contractually be reduced to € 34.5m*) provided by institutional partners out of the Engel & Völkers network. Once the Real Estate Company has received the financing, EVDI is marketing the loan to its investment community via its platform and is organizing the funding. The proceeds from the funding are used to repay the subordinated loans for the pre-financing granted by the institutional partners. The institutional partners basically bridge the proceeds from the investment community for 4-6 weeks on average.

For the financing, EVDI is receiving an average interest fee of 8-14% p.a. The company forward 4-7% of interest fees to the investment community and keeps 4-6% on average that represents the topline of the company.

Connecting real estate companies with investors online



Source: Company data, HAIB

Management

Marc Laubenheimer

Co-CEO

Marc Laubenheimer is responsible for Finance & Legal, Risk, Technology as well as for Human Resources and Operations. He began his career at Deutsche Bank and looks back at more than ten years of experience in the financial services sector.

Marc graduated in Business Administration (M.Sc.) at the Catholic University of Eichstätt-Ingolstadt and worked as Vice President for Deutsche Bank and DWS.

Tobias Barten

Co-CEO

Tobias Barten is responsible for Sales, Campaign Management, Relationship Management E&V Network and Research. Tobias began his career at SEB as Product Manager, worked as Sales Director for Engel & Völkers Capital and was Director Alternative Investments at Oaklet. In total, he looks back at more than 17 years of experience in the financial sector before founding EVDI.

Tobias holds a Bachelor in Finance and Management (B.Sc.) of the Frankfurt School of Finance & Management.

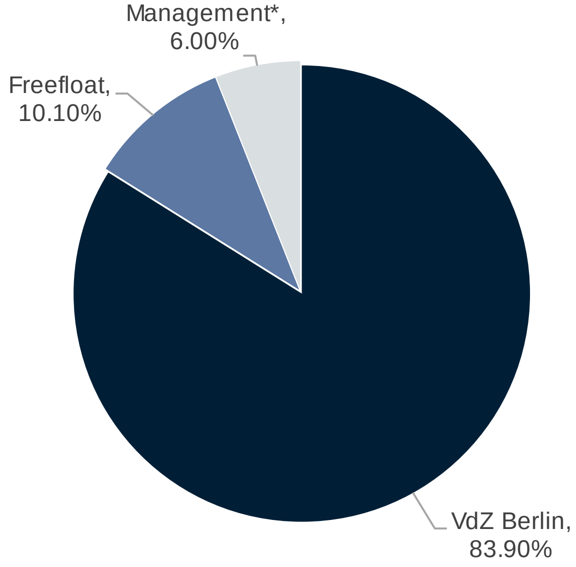
Supervisory Board

The supervisory Board comprises four people, of which two are independent. Both Ralf Wohltmann and Ingo Rellermeier are representatives of VZB, with Ralf Wohltmann elected as Chairman. The other two independent managers are Tim Otto (Investment Manager at FOX Beteiligungen GmbH) and Adrian Lösche (Managing Partner of CapitalWave GmbH).

Shareholder Structure

After the capital increase as part of the IPO, 4.45m shares are outstanding, held by "Versorgungswerk der Zahnärztekammer Berlin K.d.ö.R." (83.9%), the Management Board (5.0%) as well as other Executive Directors of EVDI (1.0%). All shares of the management and VdZ Berlin are locked for 12 months.

Shareholder structure post-IPO (4,450,000 shares)



*Source: Company data, HAIB, *) incl. Executive Directors*

Investment Risks

As with any investment, there are certain risks associated with investing in Engel & Völkers Digital Invest. The key investment risks, in our view are:

- **Market risk**: Negative developments in global and local economic conditions as well as rising interest rates could adversely affect the value of and the demand for real-estate financing.
- **Execution risk**: EVDI is aiming to deliver dynamic growth on the back of the expansion to other countries, the launch of new products, hiring personnel, managing customer relationships and expanding corporate structures. Failure in executing these key tasks could adversely affect EVDI´s growth strategy.
- **Technology risk**: EVDI is a technology provider with a leading platform for the marketing and funding of real estate projects. New innovative technologies could change the situation and adversely affect EVDI´s success in the market.
- **Capital Market risk:** Disruptions on the capital markets moreover could come with notable share price movements, which can be unrelated to the operational performance of the company.

Financials

Profit and loss (EUR m)	2019	2020	2021	2022E	2023E	2024E	2025E
Sales	**1.7**	**3.1**	**4.4**	**8.5**	**14.5**	**21.0**	**26.6**
Sales growth	*n/a*	*80.8 %*	*39.9 %*	*94.1 %*	*71.5 %*	*44.6 %*	*26.2 %*
Cost of sales	0.3	0.4	0.4	2.9	4.2	6.1	7.6
Gross profit	**1.4**	**2.7**	**4.0**	**5.6**	**10.3**	**14.9**	**19.0**
Sales and marketing	0.1	0.2	0.2	1.1	1.5	2.1	2.1
General and administration	1.4	2.0	2.3	4.9	6.5	7.5	8.2
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Other operating expenses	0.9	1.5	1.6	4.9	2.0	2.5	2.6
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**-1.0**	**-1.0**	**0.0**	**-5.2**	**0.4**	**2.9**	**6.0**
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	**-1.1**	**-1.0**	**0.0**	**-5.2**	**0.4**	**2.9**	**6.0**
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
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	**-1.1**	**-1.0**	**0.0**	**-5.2**	**0.4**	**2.9**	**6.0**
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	**-1.2**	**-1.2**	**0.0**	**-5.2**	**0.4**	**2.9**	**6.0**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**-1.2**	**-1.2**	**0.0**	**-5.2**	**0.4**	**2.9**	**6.0**
Taxes	0.0	0.0	0.0	0.0	0.0	0.2	0.6
Net income from continuing operations	**-1.2**	**-1.2**	**0.0**	**-5.2**	**0.4**	**2.7**	**5.4**
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**-1.2**	**-1.2**	**0.0**	**-5.2**	**0.4**	**2.7**	**5.4**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	**-1.2**	**-1.2**	**0.0**	**-5.2**	**0.4**	**2.7**	**5.4**
Average number of shares	4.0	4.0	4.0	4.2	4.5	4.5	4.5
EPS reported	**-0.31**	**-0.30**	**0.01**	**-1.24**	**0.08**	**0.60**	**1.22**

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E	2025E
Sales	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Cost of sales	18.7 %	13.0 %	8.5 %	33.8 %	29.0 %	29.1 %	28.6 %
Gross profit	**81.3 %**	**87.0 %**	**91.5 %**	**66.2 %**	**71.0 %**	**70.9 %**	**71.4 %**
Sales and marketing	7.6 %	7.7 %	3.7 %	12.4 %	10.6 %	9.8 %	8.0 %
General and administration	80.4 %	64.4 %	53.4 %	57.7 %	44.4 %	35.6 %	30.8 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	0.8 %	2.2 %	2.8 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating expenses	54.5 %	48.9 %	36.1 %	57.9 %	13.5 %	11.9 %	9.9 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	**neg.**	**neg.**	**1.1 %**	**neg.**	**2.5 %**	**13.7 %**	**22.8 %**
Depreciation	1.0 %	0.8 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITA	**neg.**	**neg.**	**0.6 %**	**neg.**	**2.5 %**	**13.7 %**	**22.8 %**
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 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	**neg.**	**neg.**	**0.6 %**	**neg.**	**2.5 %**	**13.7 %**	**22.8 %**
Interest income	0.0 %	0.0 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	9.5 %	5.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Recurring pretax income from continuing operations	**neg.**	**neg.**	**0.8 %**	**neg.**	**2.5 %**	**13.7 %**	**22.8 %**
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	**neg.**	**neg.**	**0.8 %**	**neg.**	**2.5 %**	**13.7 %**	**22.8 %**
Tax rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	7.8 %	10.0 %
Net income from continuing operations	**neg.**	**neg.**	**0.8 %**	**neg.**	**2.5 %**	**12.6 %**	**20.5 %**
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	**neg.**	**neg.**	**0.8 %**	**neg.**	**2.5 %**	**12.6 %**	**20.5 %**
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	**neg.**	**neg.**	**0.8 %**	**neg.**	**2.5 %**	**12.6 %**	**20.5 %**

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E	2025E
Intangible assets	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Property, plant and equipment	0.0	0.1	0.1	0.1	0.1	0.0	0.0
Financial assets	0.2	0.2	0.2	0.0	0.0	0.0	0.0
FIXED ASSETS	**0.2**	**0.3**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**
Inventories	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Accounts receivable	0.0	0.3	0.8	1.9	3.2	4.6	5.8
Other current assets	0.0	0.1	0.2	0.2	0.2	0.2	0.2
Liquid assets	0.2	0.4	4.1	4.5	3.7	5.1	9.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	0.3	0.8	5.1	6.6	7.2	10.0	15.5
TOTAL ASSETS	**0.5**	**1.0**	**5.4**	**6.7**	**7.2**	**10.0**	**15.6**
SHAREHOLDERS EQUITY	-2.4	0.5	4.5	5.5	5.9	8.5	14.0
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.1	0.2	0.5	0.3	0.3	0.3	0.3
Non-current liabilities	**0.1**	**0.2**	**0.5**	**0.3**	**0.3**	**0.3**	**0.3**
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.3	0.3	0.1	0.4	0.4	0.5	0.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	2.6	0.0	0.0	0.2	0.2	0.3	0.4
Deferred taxes	0.0	0.1	0.2	0.2	0.2	0.3	0.3
Deferred income	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Current liabilities	**2.9**	**0.4**	**0.4**	**0.9**	**1.0**	**1.2**	**1.3**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**0.5**	**1.0**	**5.4**	**6.6**	**7.2**	**10.0**	**15.6**

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E	2025E
Intangible assets	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Property, plant and equipment	2.5 %	7.4 %	1.4 %	1.0 %	0.7 %	0.4 %	0.2 %
Financial assets	32.9 %	17.0 %	3.3 %	0.3 %	0.3 %	0.2 %	0.1 %
FIXED ASSETS	**35.4 %**	**24.4 %**	**4.6 %**	**1.3 %**	**1.0 %**	**0.6 %**	**0.3 %**
Inventories	1.5 %	0.3 %	0.0 %	0.8 %	0.7 %	0.5 %	0.3 %
Accounts receivable	7.3 %	33.3 %	14.5 %	28.0 %	44.2 %	46.0 %	37.4 %
Other current assets	8.6 %	7.1 %	3.9 %	3.3 %	3.2 %	2.4 %	1.6 %
Liquid assets	41.6 %	34.3 %	76.5 %	67.1 %	51.0 %	50.4 %	60.3 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	2.2 %	0.6 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	61.1 %	75.6 %	95.4 %	99.2 %	99.1 %	99.4 %	99.6 %
TOTAL ASSETS	**96.4 %**	**100.0 %**	**100.0 %**	**100.5 %**	**100.1 %**	**100.0 %**	**99.9 %**
SHAREHOLDERS EQUITY	neg.	44.0 %	83.2 %	83.1 %	81.5 %	85.2 %	89.7 %
MINORITY INTEREST	3.6 %	0.0 %	0.3 %	0.2 %	0.2 %	0.2 %	0.1 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	20.1 %	15.7 %	8.4 %	3.8 %	4.1 %	3.2 %	2.1 %
Non-current liabilities	**20.1 %**	**15.7 %**	**8.4 %**	**3.8 %**	**4.1 %**	**3.2 %**	**2.1 %**
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	54.0 %	29.0 %	1.8 %	5.4 %	6.2 %	4.9 %	3.3 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	479.9 %	3.8 %	0.3 %	2.5 %	3.3 %	3.1 %	2.3 %
Deferred taxes	0.0 %	5.3 %	4.2 %	3.6 %	3.4 %	2.6 %	1.8 %
Deferred income	0.0 %	2.1 %	1.7 %	1.4 %	1.3 %	0.9 %	0.6 %
Current liabilities	**534.0 %**	**40.2 %**	**8.1 %**	**12.8 %**	**14.2 %**	**11.5 %**	**8.0 %**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2019	2020	2021	2022E	2023E	2024E	2025E
Net profit/loss	-1.2	-1.2	0.0	-5.2	0.4	2.7	5.4
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
Others	0.2	0.1	0.3	0.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-1.0	-1.1	0.4	-5.0	0.4	2.7	5.5
Increase/decrease in inventory	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.1	-0.3	-0.6	-1.1	-1.3	-1.4	-1.2
Increase/decrease in accounts payable	0.3	0.0	0.0	0.2	0.2	0.1	0.1
Increase/decrease in other working capital positions	0.0	0.2	0.0	-0.1	0.0	0.0	0.0
Increase/decrease in working capital	0.3	-0.2	-0.6	-1.0	-1.2	-1.3	-1.1
Cash flow from operating activities	**-0.6**	**-1.3**	**-0.2**	**-6.0**	**-0.7**	**1.4**	**4.4**
CAPEX	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.2	0.0	0.0	-0.2	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-0.2**	**-0.1**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**
Cash flow before financing	-0.8	-1.4	-0.2	-6.0	-0.8	1.4	4.3
Increase/decrease in debt position	1.1	-2.4	0.0	0.0	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	4.1	4.0	6.3	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**1.0**	**1.5**	**4.0**	**6.3**	**0.0**	**0.0**	**0.0**
Increase/decrease in liquid assets	0.1	0.1	3.8	0.3	-0.8	1.4	4.3
Liquid assets at end of period	**0.2**	**0.4**	**4.1**	**4.5**	**3.7**	**5.1**	**9.4**

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2019	2020	2021	2022E	2023E	2024E	2025E
Domestic	0.0	3.1	4.4	8.5	14.5	21.0	26.6
yoy change	n/a	n/a	39.9 %	94.1 %	71.5 %	44.6 %	26.2 %
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	**0.0**	**3.1**	**4.4**	**8.5**	**14.5**	**21.0**	**26.6**
yoy change	n/a	n/a	39.9 %	94.1 %	71.5 %	44.6 %	26.2 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2019	2020	2021	2022E	2023E	2024E	2025E
P&L growth analysis							
Sales growth	n/a	80.8 %	39.9 %	94.1 %	71.5 %	44.6 %	26.2 %
EBITDA growth	n/a	-4.9 %	-105.0 %	-	-106.8 %	705.6 %	110.1 %
EBIT growth	n/a	-4.2 %	-102.6 %	-	-106.8 %	705.6 %	110.1 %
EPS growth	n/a	-2.4 %	-103.0 %	-	-106.5 %	642.5 %	105.2 %
Efficiency							
Total operating costs / sales	141.7 %	118.8 %	90.3 %	128.0 %	68.6 %	57.2 %	48.7 %
Sales per employee	n/a	132.9	138.7	158.5	180.7	225.1	263.0
EBITDA per employee	n/a	-42.2	1.6	-98.0	4.4	30.8	59.8
Balance sheet analysis							
Avg. working capital / sales	neg.	neg.	9.3 %	14.1 %	15.5 %	16.9 %	18.2 %
Inventory turnover (sales/inventory)	221.3	1,003.6	1,003.6	1,003.6	1,003.6	1,003.6	1,003.6
Trade debtors in days of sales	8.2	40.1	65.5	80.0	80.0	80.0	80.0
A/P turnover [(A/P*365)/sales]	326.1	35.0	36.7	36.7	36.7	36.7	36.7
Cash conversion cycle (days)	-309.1	-225.8	n/a	40.5	45.8	53.8	57.4
Cash flow analysis							
Free cash flow	-0.6	-1.4	-0.2	-6.1	-0.8	1.4	4.3
Free cash flow/sales	-37.6 %	-43.8 %	-5.2 %	-72.2 %	-5.4 %	6.5 %	16.4 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	51.7 %	79.9 %
Capex / depn	1103.1 %	357.0 %	91.4 %	-332.7 %	143.0 %	75.7 %	50.5 %
Capex / maintenance capex	0.0 %	0.0 %	62.5 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / sales	11.5 %	2.8 %	0.5 %	-0.9 %	0.2 %	0.1 %	0.0 %
Security							
Net debt	2.4	-0.3	-4.3	-4.1	-3.2	-4.4	-8.7
Net Debt/EBITDA	-2.3	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	0.0	0.0	999.0	999.0	999.0	999.0	999.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	-0.7	5.1	0.9	5.0	4.8	4.8	4.7
Operating assets turnover	-7.5	25.3	5.8	5.3	5.1	5.0	4.9
Plant turnover	127.9	41.0	58.8	127.7	281.6	548.9	943.1
Inventory turnover (sales/inventory)	221.3	1,003.6	1,003.6	1,003.6	1,003.6	1,003.6	1,003.6
Returns							
ROCE	n/a	119.3 %	0.9 %	-157.6 %	15.2 %	77.2 %	120.2 %
ROE	50.1 %	-263.7 %	0.8 %	-94.9 %	6.1 %	31.1 %	38.9 %
Other							
Interest paid / avg. debt	n/a	n/a	0.0 %	0.0 %	n/a	n/a	n/a
No. employees (average)	0	24	32	54	81	94	101
Number of shares	4.0	4.0	4.0	4.2	4.5	4.5	4.5
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.31	-0.30	0.01	-1.24	0.08	0.60	1.22
Valuation ratios							
P/BV	-18.7	100.7	10.2	9.2	8.6	6.0	3.6
EV/sales	27.9	14.5	9.5	5.5	3.3	2.2	1.6
EV/EBITDA	-46.1	-45.8	837.2	-8.9	133.5	16.1	7.0
EV/EBITA	-45.3	-44.7	1576.7	-8.9	133.5	16.1	7.0
EV/EBIT	-45.3	-44.7	1576.7	-8.9	133.5	16.1	7.0
EV/FCF	-74.0	-33.2	-181.1	-7.6	-61.2	33.9	9.7
Adjusted FCF yield	-2.2 %	-2.2 %	0.1 %	-11.3 %	0.7 %	5.7 %	12.9 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

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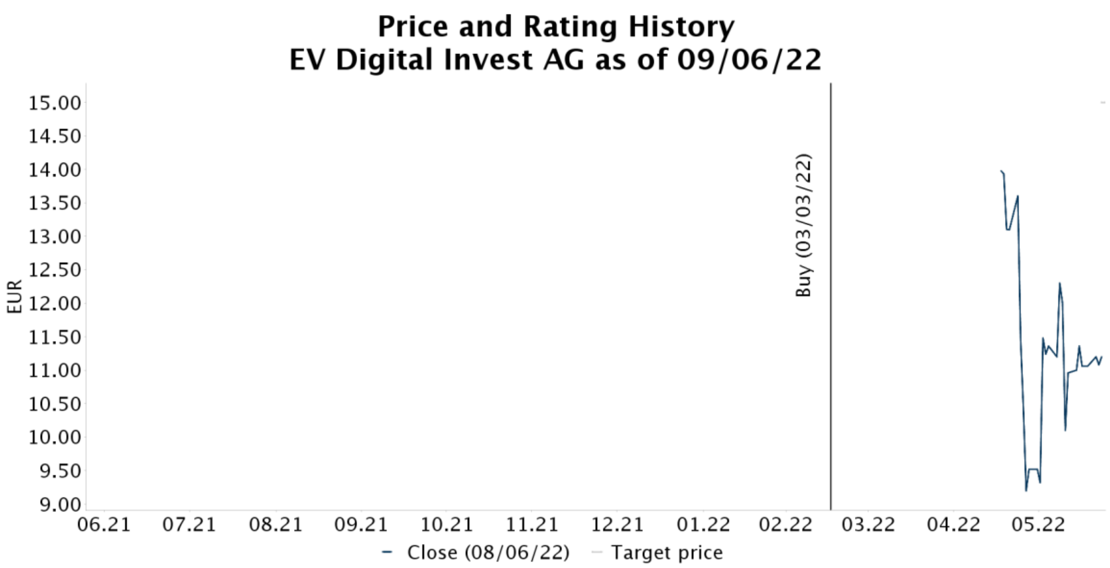

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