

| | | | |
|--|--|---|---|
| <p>Buy</p> <p>EUR 24.40</p> <p>Price EUR 14.40</p> <p>Upside 69.4 %</p> | <p>Value Indicators: EUR</p> <p>SotP: 24.44</p> | <p>Warburg ESG Risk Score: 2.5</p> <p>ESG Score (MSCI based): 3.0</p> <p>Balance Sheet Score: 2.5</p> <p>Market Liquidity Score: 2.0</p> | <p>Description:</p> <p>Project developer and operator of renewable energy parks.</p> |
| | <p>Market Snapshot: EUR m</p> <p>Market cap: 1,098.7</p> <p>No. of shares (m): 76.3</p> <p>EV: 1,752.5</p> <p>Freefloat MC: 292.3</p> <p>Ø Trad. Vol. (30d): 1.03 m</p> | <p>Shareholders:</p> <p>Freefloat 26.60 %</p> <p>MSIP 44.20 %</p> <p>Active ownership fund SCS 11.99 %</p> <p>ENKRAFT 4.96 %</p> <p>Samson Rock 7.93 %</p> | <p>Key Figures (WRE): 2024e</p> <p>Beta: 1.4</p> <p>Price / Book: 5.6 x</p> <p>Equity Ratio: 18 %</p> <p>Net Fin. Debt / EBITDA: 13.4 x</p> <p>Net Debt / EBITDA: 13.4 x</p> |

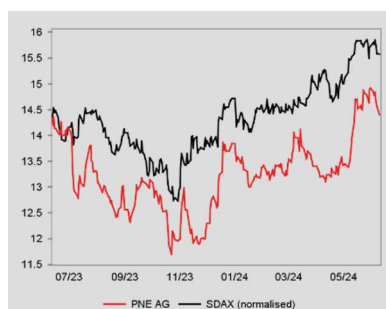
Successful divestment of US business unit

PNE has announced the sale of its US business to Lotus Infrastructure Partners, including its US entity and >3GW US pipeline. Even though the purchase price was not disclosed, we expect a direct down-payment of EUR 4-6m and further possible milestone payments of up to EUR 40m, depending on the future success of the included projects. The earn-out component has a term of five years, in which PNE might receive performance-related remuneration. However, PNE's margin generation will also profit from the lower operative cost basis, which we expect to amount to EUR 6-8m per year.

Rapid capacity expansion: PNE has made very good progress with the expansion of its in-house portfolio, which currently comprises 370MW of operating projects. Including the projects under construction, the roadmap to 750 MW is already visible. However, the adverse margin impact of new builds though, will still dominate the P&L in the next years, resulting in a detachment of the operative performance from the financial performance. We have revised our estimates for 2024-26 by applying the latest construction data and now factor in a faster portfolio expansion.

High M&A activity might pave the way for a new owner: With the takeover bids for Encavis, OX2 and Neoen, the public-to-private M&A activity in the renewable industry has been picking up significantly in 2024. Hence, we could imagine PNE's main shareholder, Morgan Stanley Infrastructure Partners, availing of the supportive market environment to explore a divestment of its 44% stake, which would trigger a mandatory takeover offer by a potential buyer. Based on recent transaction multiples applied to IPPs and developers, **a potential bid should range between EUR 18-22 per share.**

| Changes in Estimates: | | | | | | | Comment on Changes: | |
|-------------------------|-------------|---------|-------------|---------|-------------|-------|--|--|
| FY End: 31.12. in EUR m | 2024e (old) | + / - | 2025e (old) | + / - | 2026e (old) | + / - | | |
| Sales | 209.4 | 0.0 % | 225.2 | 0.0 % | 263.5 | 0.0 % | <ul style="list-style-type: none"> We have adjusted our estimates for negative pricing hours in Germany, the lower operative costs arising from the sale of the US entity and the down-payment for the US business. For now, our outlook does not consider any further milestone payments from the US. | |
| EBITDA | 50.0 | -2.2 % | 63.8 | -3.1 % | 82.7 | 1.2 % | | |
| EBIT | 4.3 | -25.5 % | 7.8 | -25.7 % | 14.5 | 6.9 % | | |



Rel. Performance vs SDAX:

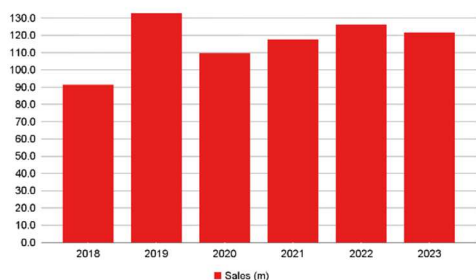
| | |
|---------------------|--------|
| 1 month: | 3.0 % |
| 6 months: | 1.9 % |
| Year to date: | -1.8 % |
| Trailing 12 months: | -6.8 % |

Company events:

| | |
|----------|----|
| 08.08.24 | Q2 |
| 07.11.24 | Q3 |

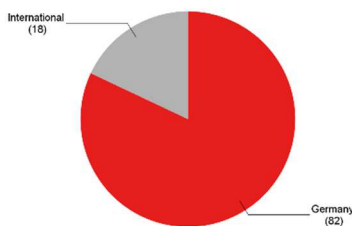
| FY End: 31.12. in EUR m | CAGR (23-26e) | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------|---------------|-----------------------------|---------|---------|---------|---------|---------|---------|
| Sales | 29.4 % | 109.7 | 117.7 | 126.2 | 121.5 | 209.4 | 225.2 | 263.5 |
| Change Sales yoy | | -17.4 % | 7.3 % | 7.2 % | -3.7 % | 72.3 % | 7.6 % | 17.0 % |
| Gross profit margin | | 68.5 % | 73.0 % | 79.7 % | 96.1 % | 58.2 % | 61.2 % | 62.0 % |
| EBITDA | 28.0 % | 26.4 | 32.7 | 35.4 | 39.9 | 48.9 | 61.8 | 83.7 |
| Margin | | 24.0 % | 27.8 % | 28.1 % | 32.8 % | 23.4 % | 27.4 % | 31.7 % |
| EBIT | 39.1 % | 8.2 | 9.3 | 6.2 | 5.7 | 3.2 | 5.8 | 15.5 |
| Margin | | 7.5 % | 7.9 % | 4.9 % | 4.7 % | 1.5 % | 2.6 % | 5.9 % |
| Net income | - | 1.6 | 25.1 | 14.9 | -9.6 | -11.4 | -10.2 | -2.6 |
| EPS | - | 0.02 | 0.33 | 0.20 | -0.13 | -0.15 | -0.13 | -0.03 |
| EPS diluted | - | 0.02 | 0.33 | 0.20 | -0.13 | -0.15 | -0.13 | -0.03 |
| DPS | 0.0 % | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 |
| Dividend Yield | | 0.8 % | 0.5 % | 0.3 % | 0.3 % | 0.3 % | 0.3 % | 0.3 % |
| FCFPS | | -1.09 | -1.17 | -1.37 | -2.51 | 0.45 | 0.60 | 0.86 |
| FCF / Market cap | | -20.5 % | -15.4 % | -9.5 % | -17.6 % | 3.1 % | 4.2 % | 6.0 % |
| EV / Sales | | 6.1 x | 8.1 x | 12.3 x | 14.6 x | 8.4 x | 7.6 x | 6.3 x |
| EV / EBITDA | | 25.3 x | 29.0 x | 43.9 x | 44.4 x | 35.8 x | 27.7 x | 19.7 x |
| EV / EBIT | | 81.5 x | 102.4 x | 251.6 x | 308.7 x | 544.7 x | 295.5 x | 106.6 x |
| P / E | | 265.6 x | 23.0 x | 72.2 x | n.a. | n.a. | n.a. | n.a. |
| FCF Potential Yield | | 3.3 % | 4.9 % | 1.1 % | 1.8 % | 2.5 % | 3.3 % | 4.6 % |
| Net Debt | | 260.5 | 368.8 | 451.2 | 685.1 | 653.8 | 611.0 | 548.5 |
| ROCE (NOPAT) | | n.a. | 14.4 % | 0.6 % | 0.7 % | 0.3 % | 0.6 % | 1.6 % |
| Guidance: | | PNE 2024: EBITDA EUR 40-50m | | | | | | |

Sales development
in EUR m



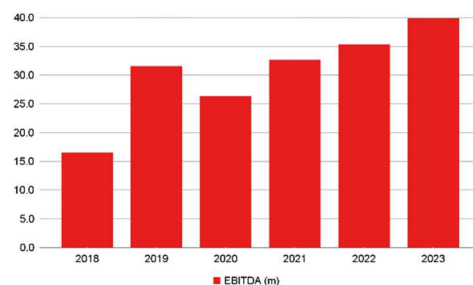
Source: Warburg Research

Project sales by regions
2023; in %



Source: Warburg Research

EBITDA development
in EUR m



Source: Warburg Research

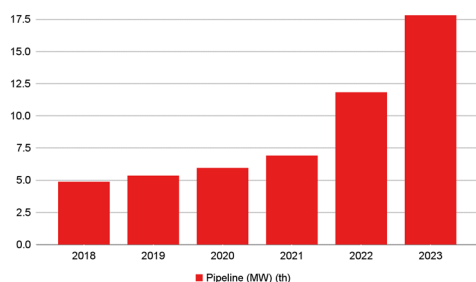
Company Background

- PNE (formerly PNE Wind) is a wind farm project developer based in Cuxhaven. It is active in both the onshore and offshore markets and as an Independent Power Producer (IPP).
- In the onshore sector PNE develops, constructs and sells wind farms to utilities and infrastructure funds. In addition, PNE remains owner of some of the projects.
- Outside of its domestic market, the PNE group is active in France, South Africa, Turkey, USA and Canada etc. In the international markets the company has over 17.6 GW in development and in Germany >2.5 GW.
- In the offshore sector, the company develops and sells the development rights prior to construction. The company has sold eight offshore projects in total – four of which are already in operation.
- PNE remains the owner of some of the wind farms. Currently, the company owns 370 MW of onshore wind capacity and aims to reach 1.5 GW by 2027.

Competitive Quality

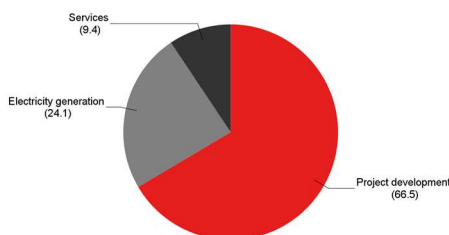
- PNE's core skills lie in the development, project management, realization and financing of wind farms and their management, or sale with subsequent service.
- PNE's strengths lie in the development and sale of wind farms even in difficult market conditions, supported by its onshore and offshore track record.
- PNE has a competitive advantage in serving every step of the value chain. It also benefits from the cooperation with strong partners such as Allianz Global Investors Orstedt (DONG Energy), Brookfield and STEAG.
- PNE is well managed by a very experienced team led by CEO Markus Lesser
- In 2020, PNE decided to extend its activities by the operation of a renewable energy portfolio. The company aims to build-up a 1.5 GW portfolio by 2027.

Pipeline
in GW



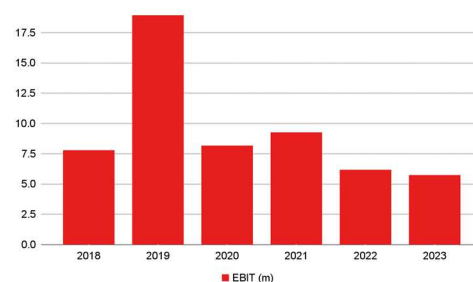
Source: Warburg Research

Sales by segments
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

Sum of the parts

| Business unit | Enterprise value (mEUR) | EV / share | % of total EV | Applied WACC |
|-------------------------|-------------------------|--------------|----------------|----------------|
| Project development | 1.169,85 | 15,32 | 50,38% | Multiple based |
| Power generation | 981,52 | 12,86 | 42,27% | 3,38% |
| Services | 170,91 | 2,24 | 7,36% | 5,79% |
| Total value | 2.322,29 | 30,42 | 100,00% | |
| - Financial liabilities | 572,81 | | | |
| - Pension provisions | 0,00 | | | |
| - Hybrid capital | 0,00 | | | |
| - Minority interest | -5,59 | | | |
| + Liquid assets | 121,58 | | | |
| Equity value | 1.865,47 | | | |
| No. of shares | 76,34 | | | |
| Value per share | 24,44 | | | |

- We value PNE based on a SotP approach
- For the project development segment we apply a multiple-based valuation approach
- The power generation and service segment are valued based on a DCF-model
- This approach reflects the diversity of PNE's business units and differences in risk profile.
- Especially the different capital costs for each segment can be differentiated adequately.

-
- We value PNE on a SotP approach. For project development, we employ a multiple-based valuation approach.
 - For power generation and services, we apply a separate DCF-model.
 - This approach reflects the diversity of PNE's business units and differences in risk profile.
 - Especially the different capital costs for each segment can be differentiated adequately.
-

| Valuation | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Price / Book | 2.0 x | 2.5 x | 4.6 x | 5.1 x | 5.6 x | 6.0 x | 6.2 x |
| Book value per share ex intangibles | 1.88 | 2.17 | 2.27 | 1.92 | 1.73 | 1.56 | 1.49 |
| EV / Sales | 6.1 x | 8.1 x | 12.3 x | 14.6 x | 8.4 x | 7.6 x | 6.3 x |
| EV / EBITDA | 25.3 x | 29.0 x | 43.9 x | 44.4 x | 35.8 x | 27.7 x | 19.7 x |
| EV / EBIT | 81.5 x | 102.4 x | 251.6 x | 308.7 x | 544.7 x | 295.5 x | 106.6 x |
| EV / EBIT adj.* | 81.5 x | 102.4 x | 251.6 x | 308.7 x | 544.7 x | 295.5 x | 106.6 x |
| P / FCF | n.a. | n.a. | n.a. | n.a. | 32.0 x | 24.0 x | 16.8 x |
| P / E | 265.6 x | 23.0 x | 72.2 x | n.a. | n.a. | n.a. | n.a. |
| P / E adj.* | 265.6 x | 23.0 x | 72.2 x | n.a. | n.a. | n.a. | n.a. |
| Dividend Yield | 0.8 % | 0.5 % | 0.3 % | 0.3 % | 0.3 % | 0.3 % | 0.3 % |
| FCF Potential Yield (on market EV) | 3.3 % | 4.9 % | 1.1 % | 1.8 % | 2.5 % | 3.3 % | 4.6 % |

*Adjustments made for: -

| Company Specific Items | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|------------------------|-------|-------|--------|--------|-------|-------|-------|
| Pipeline (MW) | 5,953 | 6,916 | 11,833 | 17,818 | n.a. | n.a. | n.a. |

Consolidated profit & loss

| In EUR m | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Sales | 109.7 | 117.7 | 126.2 | 121.5 | 209.4 | 225.2 | 263.5 |
| Change Sales yoy | -17.4 % | 7.3 % | 7.2 % | -3.7 % | 72.3 % | 7.6 % | 17.0 % |
| Increase / decrease in inventory | 38.2 | 129.8 | 111.7 | 136.4 | 31.4 | 33.8 | 26.4 |
| Own work capitalised | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Sales | 147.9 | 247.5 | 237.8 | 257.9 | 240.8 | 259.0 | 289.9 |
| Material expenses | 72.7 | 161.6 | 137.3 | 141.1 | 119.0 | 121.1 | 126.5 |
| Gross profit | 75.2 | 86.0 | 100.5 | 116.8 | 121.8 | 137.8 | 163.4 |
| <i>Gross profit margin</i> | <i>68.5 %</i> | <i>73.0 %</i> | <i>79.7 %</i> | <i>96.1 %</i> | <i>58.2 %</i> | <i>61.2 %</i> | <i>62.0 %</i> |
| Personnel expenses | 35.1 | 38.5 | 42.6 | 51.8 | 44.0 | 45.0 | 45.0 |
| Other operating income | 3.8 | 4.5 | 5.5 | 9.9 | 0.0 | 0.0 | 0.0 |
| Other operating expenses | 17.6 | 19.3 | 28.1 | 35.1 | 28.9 | 31.1 | 34.8 |
| Unfrequent items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | 26.4 | 32.7 | 35.4 | 39.9 | 48.9 | 61.8 | 83.7 |
| <i>Margin</i> | <i>24.0 %</i> | <i>27.8 %</i> | <i>28.1 %</i> | <i>32.8 %</i> | <i>23.4 %</i> | <i>27.4 %</i> | <i>31.7 %</i> |
| Depreciation of fixed assets | 18.2 | 23.4 | 29.2 | 34.2 | 45.7 | 56.0 | 68.2 |
| EBITA | 8.2 | 9.3 | 6.2 | 5.7 | 3.2 | 5.8 | 15.5 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Goodwill amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 8.2 | 9.3 | 6.2 | 5.7 | 3.2 | 5.8 | 15.5 |
| <i>Margin</i> | <i>7.5 %</i> | <i>7.9 %</i> | <i>4.9 %</i> | <i>4.7 %</i> | <i>1.5 %</i> | <i>2.6 %</i> | <i>5.9 %</i> |
| EBIT adj. | 8.2 | 9.3 | 6.2 | 5.7 | 3.2 | 5.8 | 15.5 |
| Interest income | 0.3 | 4.4 | 33.8 | 11.9 | 0.6 | 0.6 | 0.6 |
| Interest expenses | 11.2 | 10.8 | 16.2 | 26.3 | 18.5 | 19.5 | 19.5 |
| Other financial income (loss) | 0.1 | 0.1 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| EBT | -2.7 | 3.0 | 23.9 | -8.6 | -14.6 | -13.0 | -3.3 |
| <i>Margin</i> | <i>-2.5 %</i> | <i>2.6 %</i> | <i>18.9 %</i> | <i>-7.1 %</i> | <i>-7.0 %</i> | <i>-5.8 %</i> | <i>-1.3 %</i> |
| Total taxes | -3.6 | -21.6 | 9.8 | -0.4 | -3.2 | -2.9 | -0.7 |
| Net income from continuing operations | 0.9 | 24.7 | 14.1 | -8.2 | -11.4 | -10.2 | -2.6 |
| Income from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income before minorities | 0.9 | 24.7 | 14.1 | -8.2 | -11.4 | -10.2 | -2.6 |
| Minority interest | -0.7 | -0.5 | -0.8 | 1.4 | 0.0 | 0.0 | 0.0 |
| Net income | 1.6 | 25.1 | 14.9 | -9.6 | -11.4 | -10.2 | -2.6 |
| <i>Margin</i> | <i>1.5 %</i> | <i>21.3 %</i> | <i>11.8 %</i> | <i>-7.9 %</i> | <i>-5.4 %</i> | <i>-4.5 %</i> | <i>-1.0 %</i> |
| Number of shares, average | 76.3 | 76.3 | 76.3 | 76.3 | 76.3 | 76.3 | 76.3 |
| EPS | 0.02 | 0.33 | 0.20 | -0.13 | -0.15 | -0.13 | -0.03 |
| EPS adj. | 0.02 | 0.33 | 0.20 | -0.13 | -0.15 | -0.13 | -0.03 |

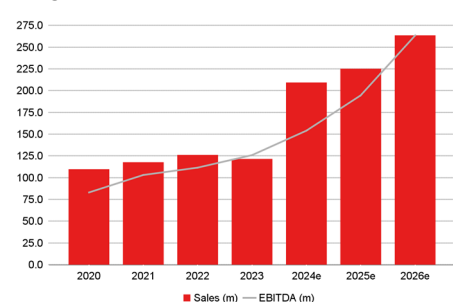
*Adjustments made for:

Guidance: PNE 2024: EBITDA EUR 40-50m

Financial Ratios

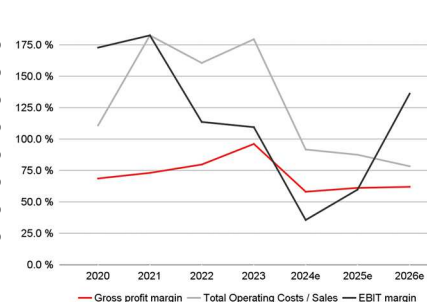
| | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------|---------|----------|---------|---------|---------|---------|---------|
| Total Operating Costs / Sales | 110.8 % | 182.5 % | 160.5 % | 179.3 % | 91.6 % | 87.6 % | 78.3 % |
| Operating Leverage | 3.3 x | 1.8 x | -4.7 x | 1.9 x | -0.6 x | 10.5 x | 9.8 x |
| EBITDA / Interest expenses | 2.4 x | 3.0 x | 2.2 x | 1.5 x | 2.6 x | 3.2 x | 4.3 x |
| Tax rate (EBT) | 133.4 % | -714.8 % | 40.9 % | 4.9 % | 22.0 % | 22.0 % | 22.0 % |
| Dividend Payout Ratio | 337.8 % | 12.4 % | 21.7 % | n.m. | n.m. | n.m. | n.m. |
| Sales per Employee | 281,254 | 301,867 | 323,515 | 311,626 | 536,804 | 577,443 | 675,752 |

Sales, EBITDA
in EUR m



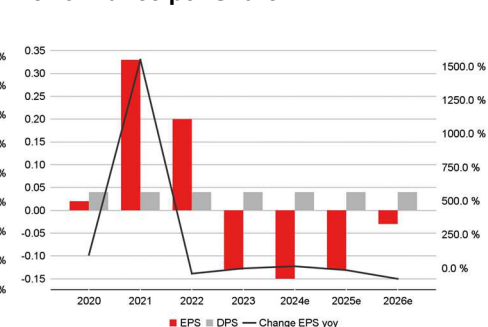
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

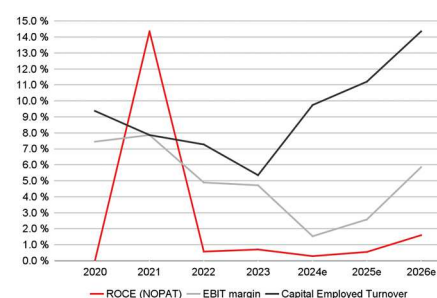
Consolidated balance sheet

| In EUR m | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|---|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 64.3 | 64.0 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 |
| thereof other intangible assets | 1.0 | 0.7 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| thereof Goodwill | 63.3 | 63.3 | 64.4 | 64.4 | 64.4 | 64.4 | 64.4 |
| Property, plant and equipment | 176.3 | 273.5 | 353.8 | 398.4 | 352.7 | 296.7 | 228.5 |
| Financial assets | 1.9 | 2.6 | 14.2 | 17.5 | 17.5 | 17.5 | 17.5 |
| Other long-term assets | 39.1 | 64.7 | 87.3 | 92.8 | 92.8 | 92.8 | 92.8 |
| Fixed assets | 281.7 | 404.8 | 520.2 | 573.6 | 527.9 | 471.9 | 403.7 |
| Inventories | 174.0 | 163.7 | 147.4 | 281.3 | 281.3 | 281.3 | 281.3 |
| Accounts receivable | 40.2 | 29.5 | 38.2 | 37.8 | 37.8 | 37.8 | 37.8 |
| Liquid assets | 111.6 | 149.6 | 121.6 | 90.4 | 121.7 | 164.4 | 227.0 |
| Other short-term assets | 56.3 | 79.4 | 93.0 | 118.6 | 118.6 | 118.6 | 118.6 |
| Current assets | 382.1 | 422.2 | 400.1 | 528.1 | 559.3 | 602.1 | 664.7 |
| Total Assets | 663.8 | 827.0 | 920.3 | 1,101.7 | 1,087.3 | 1,074.1 | 1,068.4 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 76.6 | 76.6 | 76.6 | 76.6 | 76.6 | 76.6 | 76.6 |
| Capital reserve | 83.0 | 83.0 | 83.0 | 83.0 | 83.0 | 83.0 | 83.0 |
| Retained earnings | 51.5 | 73.4 | 81.9 | 65.6 | 51.2 | 38.0 | 32.3 |
| Other equity components | -3.4 | -3.8 | -3.8 | -13.6 | -13.6 | -13.6 | -13.6 |
| Shareholders' equity | 207.6 | 229.2 | 237.7 | 211.6 | 197.1 | 183.9 | 178.3 |
| Minority interest | -7.1 | -7.4 | -5.6 | -3.4 | -3.4 | -3.4 | -3.4 |
| Total equity | 200.6 | 221.8 | 232.1 | 208.1 | 193.7 | 180.5 | 174.8 |
| Provisions | 5.3 | 7.5 | 10.4 | 13.5 | 13.5 | 13.5 | 13.5 |
| thereof provisions for pensions and similar obligations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial liabilities (total) | 372.1 | 518.4 | 572.8 | 775.5 | 775.5 | 775.5 | 775.5 |
| Short-term financial liabilities | 22.7 | 21.3 | 35.4 | 53.7 | 53.7 | 53.7 | 53.7 |
| Accounts payable | 31.4 | 34.4 | 44.6 | 59.7 | 59.7 | 59.7 | 59.7 |
| Other liabilities | 54.4 | 45.0 | 60.3 | 44.8 | 44.8 | 44.8 | 44.8 |
| Liabilities | 463.2 | 605.2 | 688.2 | 893.6 | 893.6 | 893.6 | 893.6 |
| Total liabilities and shareholders' equity | 663.8 | 827.0 | 920.3 | 1,101.7 | 1,087.3 | 1,074.1 | 1,068.4 |

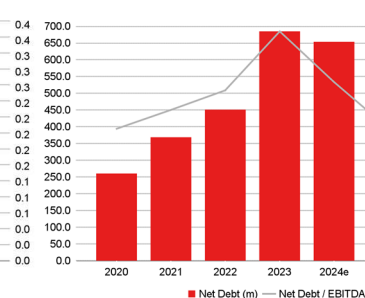
Financial Ratios

| | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|---|---------|----------|----------|----------|----------|---------|---------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | 0.3 x | 0.3 x | 0.3 x | 0.2 x | 0.3 x | 0.4 x | 0.5 x |
| Capital Employed Turnover | 0.2 x | 0.2 x | 0.2 x | 0.1 x | 0.2 x | 0.3 x | 0.4 x |
| ROA | 0.6 % | 6.2 % | 2.9 % | -1.7 % | -2.2 % | -2.2 % | -0.6 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | n.a. | 14.4 % | 0.6 % | 0.7 % | 0.3 % | 0.6 % | 1.6 % |
| ROE | 0.7 % | 11.5 % | 6.4 % | -4.3 % | -5.6 % | -5.3 % | -1.4 % |
| Adj. ROE | 0.7 % | 11.5 % | 6.4 % | -4.3 % | -5.6 % | -5.3 % | -1.4 % |
| Balance sheet quality | | | | | | | |
| Net Debt | 260.5 | 368.8 | 451.2 | 685.1 | 653.8 | 611.0 | 548.5 |
| Net Financial Debt | 260.5 | 368.8 | 451.2 | 685.1 | 653.8 | 611.0 | 548.5 |
| Net Gearing | 129.9 % | 166.3 % | 194.4 % | 329.1 % | 337.5 % | 338.5 % | 313.7 % |
| Net Fin. Debt / EBITDA | 987.7 % | 1128.5 % | 1274.7 % | 1716.1 % | 1337.3 % | 989.2 % | 655.7 % |
| Book Value / Share | 2.7 | 3.0 | 3.1 | 2.8 | 2.6 | 2.4 | 2.3 |
| Book value per share ex intangibles | 1.9 | 2.2 | 2.3 | 1.9 | 1.7 | 1.6 | 1.5 |

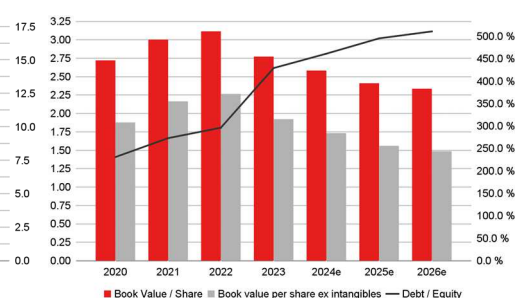
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

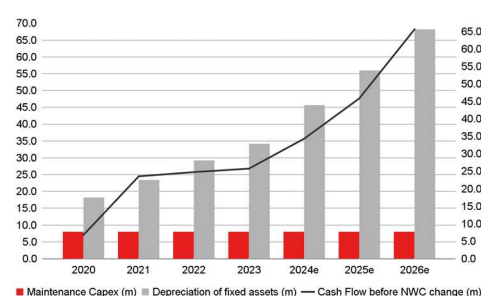
Consolidated cash flow statement

| In EUR m | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|--|---------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Net income | 0.9 | 24.7 | 14.1 | -8.2 | -11.4 | -10.2 | -2.6 |
| Depreciation of fixed assets | 18.2 | 23.4 | 29.2 | 34.2 | 45.7 | 56.0 | 68.2 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in long-term provisions | -3.8 | 2.2 | 3.1 | 3.1 | 0.0 | 0.0 | 0.0 |
| Other non-cash income and expenses | -8.5 | -26.7 | -21.7 | -3.4 | 0.0 | 0.0 | 0.0 |
| Cash Flow before NWC change | 6.8 | 23.6 | 24.7 | 25.7 | 34.3 | 45.8 | 65.6 |
| Increase / decrease in inventory | -118.3 | -85.4 | -39.2 | -232.6 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in accounts receivable | 6.3 | 41.5 | 20.2 | 14.6 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in accounts payable | 36.7 | 44.1 | -15.0 | 26.1 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in other working capital positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in working capital (total) | -75.3 | 0.2 | -33.9 | -191.9 | 0.0 | 0.0 | 0.0 |
| Net cash provided by operating activities [1] | -68.5 | 23.8 | -9.1 | -166.2 | 34.3 | 45.8 | 65.6 |
| Investments in intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in property, plant and equipment | -14.5 | -112.8 | -95.6 | -25.5 | 0.0 | 0.0 | 0.0 |
| Payments for acquisitions | 0.0 | 0.0 | -2.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial investments | 0.0 | 0.1 | 0.5 | 2.2 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 0.1 | 31.0 | 0.0 | 7.6 | 0.0 | 0.0 | 0.0 |
| Net cash provided by investing activities [2] | -14.4 | -82.0 | -98.1 | -20.1 | 0.0 | 0.0 | 0.0 |
| Change in financial liabilities | -24.5 | 115.0 | 85.3 | 161.2 | 0.0 | 0.0 | 0.0 |
| Dividends paid | -3.1 | -3.1 | -6.1 | -6.1 | -3.1 | -3.1 | -3.1 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash provided by financing activities [3] | -28.1 | 112.0 | 79.2 | 155.1 | -3.1 | -3.1 | -3.1 |
| Change in liquid funds [1]+[2]+[3] | -111.1 | 53.8 | -28.0 | -31.2 | 31.2 | 42.8 | 62.5 |
| Effects of exchange-rate changes on cash | -0.2 | -15.8 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalent at end of period | 0.6 | 149.6 | 121.4 | 90.4 | 121.7 | 164.4 | 227.0 |

Financial Ratios

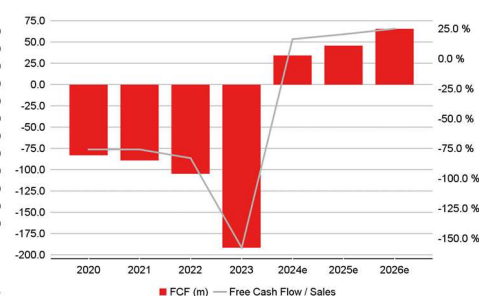
| | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|--------------------------------------|-----------|----------|----------|----------|----------|----------|-----------|
| Cash Flow | | | | | | | |
| FCF | -83.0 | -89.1 | -104.8 | -191.6 | 34.3 | 45.8 | 65.6 |
| Free Cash Flow / Sales | -75.7 % | -75.6 % | -83.1 % | -157.7 % | 16.4 % | 20.4 % | 24.9 % |
| Free Cash Flow Potential | 22.0 | 46.3 | 17.6 | 32.3 | 44.1 | 56.6 | 76.4 |
| Free Cash Flow / Net Profit | -5122.0 % | -354.4 % | -703.1 % | 2006.1 % | -301.6 % | -451.5 % | -2512.0 % |
| Interest Received / Avg. Cash | 0.2 % | 3.4 % | 24.9 % | 11.2 % | 0.6 % | 0.4 % | 0.3 % |
| Interest Paid / Avg. Debt | 3.6 % | 2.4 % | 3.0 % | 3.9 % | 2.4 % | 2.5 % | 2.5 % |
| Management of Funds | | | | | | | |
| Investment ratio | 13.2 % | 95.8 % | 75.8 % | 21.0 % | 0.0 % | 0.0 % | 0.0 % |
| Maint. Capex / Sales | 7.3 % | 6.8 % | 6.3 % | 6.6 % | 3.8 % | 3.6 % | 3.0 % |
| Capex / Dep | 79.8 % | 481.9 % | 327.3 % | 74.5 % | 0.0 % | 0.0 % | 0.0 % |
| Avg. Working Capital / Sales | 132.4 % | 145.1 % | 118.8 % | 164.7 % | 123.9 % | 115.2 % | 98.4 % |
| Trade Debtors / Trade Creditors | 128.1 % | 85.7 % | 85.6 % | 63.3 % | 63.3 % | 63.3 % | 63.3 % |
| Inventory Turnover | 0.4 x | 1.0 x | 0.9 x | 0.5 x | 0.4 x | 0.4 x | 0.4 x |
| Receivables collection period (days) | 134 | 91 | 110 | 114 | 66 | 61 | 52 |
| Payables payment period (days) | 157 | 78 | 118 | 155 | 183 | 180 | 172 |
| Cash conversion cycle (Days) | 850 | 384 | 384 | 687 | 746 | 729 | 692 |

CAPEX and Cash Flow
in EUR m



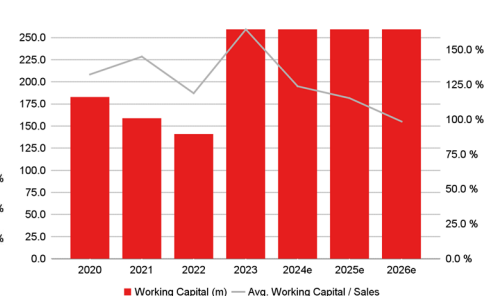
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

This report has been made accessible to the company analysed.

| Company | Disclosure | Link to the historical price targets and rating changes (last 12 months) |
|---------|------------|---|
| PNE AG | 5, 7 | https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0JBPG2.htm |

INVESTMENT RECOMMENDATION

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

| | | |
|-----|--------------------------|---|
| -B- | Buy: | The price of the analysed financial instrument is expected to rise over the next 12 months. |
| -H- | Hold: | The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months. |
| -S- | Sell: | The price of the analysed financial instrument is expected to fall over the next 12 months. |
| “-“ | Rating suspended: | The available information currently does not permit an evaluation of the company. |

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 143 | 70 |
| Hold | 46 | 22 |
| Sell | 9 | 4 |
| Rating suspended | 7 | 3 |
| Total | 205 | 100 |

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

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

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 46 | 79 |
| Hold | 9 | 16 |
| Sell | 0 | 0 |
| Rating suspended | 3 | 5 |
| Total | 58 | 100 |

PRICE AND RATING HISTORY PNE AG AS OF 11.06.2024



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

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Sander Brockow +49 40 309537-248
Industrials sbrockow@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Fabio Hölscher +49 40 309537-240
Automobiles, Car Suppliers fhoelscher@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate, Construction pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Hannes Müller +49 40 309537-255
Software, IT hmueller@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate, Telco sstippig@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Rudolf Alexander Michaelis +49 40 3282-2649
Germany rmichaelis@mmwarburg.com

Roman Alexander Niklas +49 69 5050-7412
Switzerland rniklas@mmwarburg.com

Antonia Möller +49 69 5050-7417
Roadshow/Marketing amoeller@mmwarburg.com

Charlotte Wernicke +49 40 3282-2669
Roadshow/Marketing cwernicke@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merkel +49 40 3282-2634
Head of Sales Trading omerkel@mmwarburg.com

Rico Müller +49 40 3282-2685
Sales Trading rmueller@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

DESIGNATED SPONSORING

Marcel Magiera +49 40 3282-2662
Designated Sponsoring mmagiera@mmwarburg.com

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

LSEG www.lseg.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com