03 March 2021

INFORMATION ON DERIVING THE REFERENCE PRICE

The listing takes place exclusively on the basis of the reference price determined by the company itself and communicated to the stock exchange for the listing. The reference price proposed by the company is EUR 5.00 per share.

Derivation of the reference price for inclusion in trading (min. EUR 1) from the enterprise value for each equity

The reference price for inclusion in trading is derived using an income approach, i.e. DCF method based on the WACC approach. This is based on an independent valuation of the management business case, which covers the years 2020 to 2030 and comprises an integrated balance sheet, income statement and cash flow statement.

This led to an estimated equity value of approximately EUR 30.8 million, as of the technical valuation date 31 December 2019. This was then compounded at the cost of equity to the valuation date 30 April 2020 and resulted in an estimated equity value as of 30 April 2020 of approximately EUR 31.7 million.

The company has no debt, and therefore has both a DCF-derived equity value and enterprise value of EUR 31.7 million. Based on a share count of 6,336,923 shares, this equates to a reference price of EUR 5.00 per share.

Further details on the valuation methodology and calculation parameters are included below.

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ENTERPRISE VALUE – Valuation Methodology and Calculation Parameters

Description of the method applied to determine enterprise value

The company has been valued in accordance with the professional guidelines for "Principles for the Performance of Business Valuations" ("IDW S1") issued by the FAUB ("Fachausschuss für Unternehmensbewertung und Betriebswirtschaft") of the IDW (Institut der Wirtschaftsprüfer in Deutschland), the institute of Public auditors in Germany on April 2, 2008, as far as reasonable and applicable, as well as prevailing theory and practice.

According to IDW S1, an objectified business value is an inter-subjectively verifiable value of future earnings from the viewpoint of a shareholder. This arises if the business is continued on the basis of the current business plan by taking into account all realistic future expectations in the context of market opportunities, market risks, the business' financial possibilities and other influencing factors.

In line with prevailing theory and assumptions as well as IDW S1, our valuation is based on an income approach and a plausibility assessment was conducted based on a multiple approach. We used the latest available audited financial statements, i.e. as of 31 December 2019, as the starting point for our valuation. We commissioned an independent valuation of the management business plan which covers the years 2020 to 2030 and comprises an integrated balance sheet, income statement and cash flow statement.

The plausibility of our business plan was independently assessed, based on the latest customer numbers and peer group and market data. Based on this, it was concluded that the business plan meets all formal and material requirements for a business valuation.

Furthermore, our valuation is based on a going concern value and the assumption that XB continues to operate under its current business model and business strategy as of the valuation date.

Indication of the calculation parameters on which the enterprise value is based and the rationale for the assumptions regarding the calculation parameters applied

The valuation, in line with IDW S1, applied an income approach, i.e. DCF method based on the WACC approach.

In a first step, we estimated the free cash flows for the detailed planning phase based on our business plan.

For the terminal year we assumed a sustainable growth rate of 1.0% and an EBITDA margin at the peer group median of 20.8% and so derived the free cash flow projections for the management case.

We estimated the weighted average cost of capital based on the following parameters:

- risk-free rate of 0.00%
- equity risk premium of 8.00%
- beta factor (unlevered) of 0.973
- country risk premium of 0.63% and volatility adjustment factor of 1.23
- inflation spread of 0.30%
- tax rate of 10.0%

The company has no debt over the business plan period.

Based on these assumptions, we applied a weighted average cost of capital (WACC) of approx. 8.86%.

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Board

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Board

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