

Details of the capital increase announced

Mutares published details for the already announced capital increase. The company targets to achieve gross proceeds of up to EUR 100m through the issue of EUR 5.14m new shares, which corresponds to 33% increase of the outstanding shares. The subscription price at EUR 19.50 per share implies a discount of ~27%. The subscription ratio is set to 3:1. The volume of the capital increase is higher than we would have expected. However, it also indicates that Mutares has a promising pipeline of potential targets in which the company can invest. In a result of the capital increase, we expect a significant acceleration of further acquisitions. We also expect Mutares to acquire larger companies, which should have higher risks, if things go wrong, but should also have significantly higher value enhancement potential. With a target price of EUR 30, we rate the shares a Buy.

- ▶ The Management Board, which in total holds ~41% of the shares agreed to subscribe of ~20% of the new shares.
- ▶ As expected, the new shares are dividend entitled from 1 January 2021.

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