

niiio finance group AG

Germany | Technology | MCap EUR 31.2m

30 June 2022

INITIATION



Unique platform model for asset & wealth management; Initiate BUY

What's it all about?

We initiate coverage of niiio finance group AG ("niiio") with a BUY recommendation and a PT of EUR 1.60 offering an upside potential of 66.7%. niiio is a unique European FinTech that offers a "one-stop-shop" solution along the entire asset and wealth management (AWM) value chain. With its broad product offering, niiio differentiates itself in a highly fragmented and likewise competitive market space. Two recent acquisitions are lifting niiio into a different sphere now offering the necessary size and scale in order to become a profitable player in this market. Its modular software architecture should further help niiio to grow, both organically and via further acquisitions. A committed and well incentivized management further appeals to the equity story.

BUY (INITIATION)

Target price	EUR 1.60 (na)
Current price	EUR 0.96
Up/downside	66.7%



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niiio finance group AG

Germany | Technology | MCap EUR 31.2m | EV EUR 29.1m

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Unique platform model for asset & wealth management; BUY

niiio is a FinTech that develops and distributes software solutions to banks and financial service providers under software as a service (SaaS) or licensed white label models. In a nutshell niiio differentiates by being one of the few "one-stop-shops" offering modular end-to-end software solutions along the entire value chain. Its product offering comprises a long list of products incl. automation of administrative tasks, robo advisory services, cloud computing or innovative blockchain technologies. All of these products have in common, that they are part of a modular platform strategy from which customers can "pick-and-mix", ultimately enabling them

- to **focus on core value creating tasks**
- to benefit from genuinely **lower costs** vs. inhouse solutions
- to **lower overall complexity** and ultimately
- to **keep up with a fast-changing regulatory framework**

niiio stands out with its nearly 20 years of technical experience and know-how in the field of asset & wealth management (AWM). Together with a capable, highly incentivized and well entrenched management team, niiio is pursuing its roll-up strategy of the still fragmented AWM FinTech space. A blue-chip client base gives evidence that niiio's offering is actually perceived and valued by clients.

Growth is driven by attractive organic growth rates of 15-20% p.a. backed by ever changing regulations, increasing need for automation and customers' imminent need to cut costs in order to compensate for structurally lower fees. Coupled with a history of well-chosen acquisitions, niiio has now grown into a sizable player. In fact, the latest acquisitions of PATRONAS and FIXHub significantly increase the potential addressable market to EUR 35bn (2028E) and are likely to lift sales by 2.5x in 2022. With no further acquisitions reflected in our model, increasing economies of scale look set to turn niiio (EBITDA) profitable in 2022. A large share of recurring revenues (90%) further appeals to the business quality and provides healthy visibility.

In our view, none of the above is adequately reflected in niiio's share price. We therefore initiate coverage with a BUY rating and a DCF-based PT of EUR 1.60. With increasing perception of being a SaaS company a "SaaS index"-based valuation would even yield >100% upside. Acquisitions could act as an additional catalyst.

niiio finance group	2019	2020	2021	2022E	2023E	2024E
Sales	2.1	2.3	2.4	7.9	9.1	10.5
<i>Growth yoy</i>	358.1%	12.3%	3.3%	230.0%	15.0%	15.0%
EBITDA	-0.6	0.0	-0.9	0.6	1.5	2.4
EBIT	-4.0	-2.1	-2.8	-1.5	-0.6	1.2
Net profit	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Net debt (net cash)	-0.9	-1.1	-2.1	4.3	3.0	0.8
Net debt/EBITDA	1.5x	-26.0x	2.5x	7.7x	1.9x	0.3x
EPS reported	-0.19	-0.10	-0.12	-0.05	-0.02	0.03
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	129.5%	116.9%	108.0%	90.0%	93.0%	94.0%
EBITDA margin	-28.9%	1.9%	-35.7%	7.0%	17.0%	23.0%
EBIT margin	-195.7%	-92.3%	-118.7%	-19.2%	-6.9%	11.6%
ROCE	-27.4%	-16.3%	-11.9%	-9.6%	-4.1%	8.8%
EV/EBITDA	-50.8x	695.1x	-34.0x	64.1x	22.1x	13.3x
EV/EBIT	-7.5x	-14.0x	-10.2x	-23.4x	-54.6x	26.4x
PER	-5.2x	-10.0x	-7.7x	-18.9x	-38.8x	30.1x
FCF yield	-4.7%	-1.5%	-2.8%	-20.4%	4.2%	7.1%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 1.87 / 0.80
Price/Book Ratio 2.2x

Ticker / Symbols

ISIN DE000A2G8332
WKN A2G833
Bloomberg NIIN:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	7,9	-1,5	-0,05
	Δ	0,0%	na	na
2023E	old	9,1	-0,6	-0,02
	Δ	0,0%	na	na
2024E	old	10,5	1,2	0,03
	Δ	0,0%	0,0	0,0%

Key share data

Number of shares: (in m pcs) 32.49
Book value per share: (in EUR) 0.44
Ø trading volume: (12 months) 10,000

Major shareholders

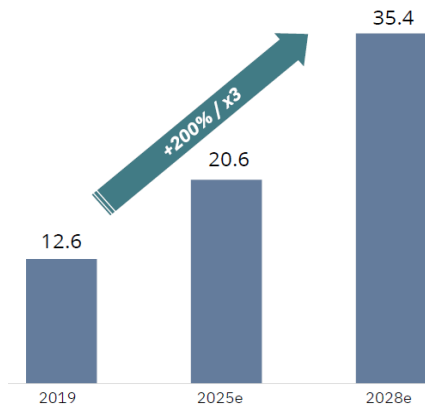
Management and Employees 24.5%
Deutsche Tech Ventures GmbH 35.7%
Volksbank BraWo 8.0%
Free Float 31.0%

Company description

niiio finance group is a FinTech company that develops and distributes software solutions to banks and financial service providers under software as a service (SaaS) or licensed white label models. The company's product portfolio comprises portfolio management systems, Robotic advisory tools and application program interface (API). It also develops a blockchain software solution. For all of its products, the company offers support and maintenance, as well as training for its customers.

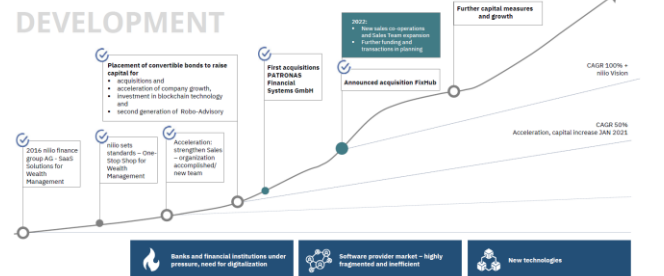
Investment case in six charts

European Wealth Tech Solution Market in EUR bn



Roadmap and Strategy

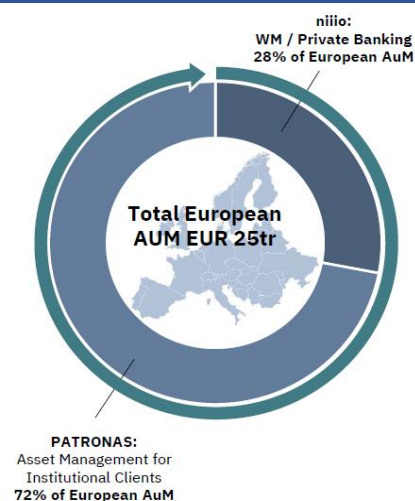
niio finance group roadmap and strategy



Cross-Selling and Internationalization



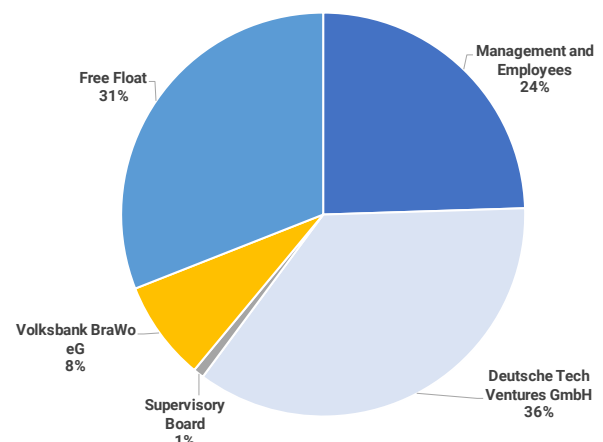
Expansion of Potential Market Size



Robo-Advisor Smaestro with Best Performance



Major shareholder



Source : Company data; AlsterResearch

Table of content

Investment case in six charts	3
Table of content	4
Company background	5
Quality	14
SWOT analysis	18
Growth	19
Planning assumptions	28
Theme	32
Risk factors	33
Valuation	35
Financials in six charts	43
Financials	44
Conflicts of interest	48
Important disclosures	49
Contacts	50

Company background

Products & Services

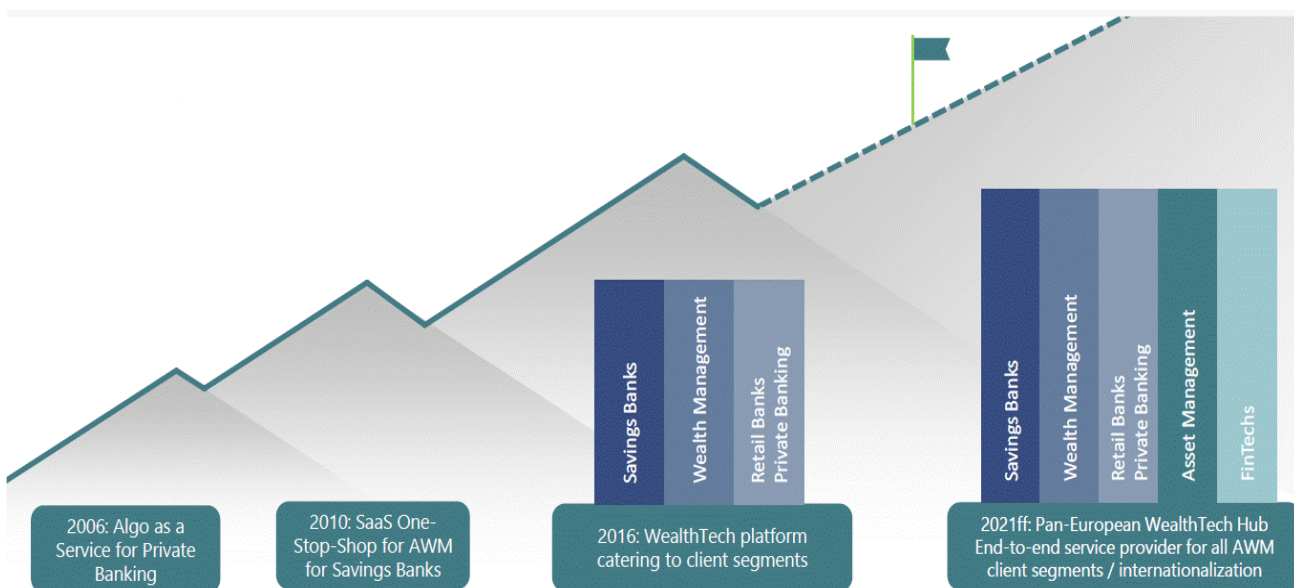
niiio finance group AG ("niiio") is a technology and software company specialising in software solutions for asset and wealth management (AWM) firms. The company provides cloud-based Software-as-a-Service (SaaS)-solutions and is becoming a one-stop-shop for many software services providing one comprehensive platform. SaaS is based on the principle that the software and the infrastructure are operated by the niiio group and can be used by the customer as a service by paying a monthly recurring fee.

The company was founded in 2006 and listed in 2016. niiio originally traded as meridio Vermögensverwaltung AG and was renamed niiio finance group AG in 2016.

It started in offering Algo as a Service for private banks in 2006 followed by SaaS One-Stop-Shop for AWM for savings banks in 2010. By 2016, niiio evolved to a WealthTech platform catering to wealth management firms, retail and private banks.

As of today, niiio is creating a scalable pan-European wealth tech platform by bundling technological innovations to enable asset and wealth managers to digitise their processes and optimally serve their clients flexibly and in a legally compliant manner.

Building a pan-European Tech Platform for Asset and Wealth Management



Source: Company data

The group has more than 80 employees worldwide, and has almost 20 years of technical know-how in the AWM space. The distribution of the products and solutions takes place in Görlitz, Dresden and Freiburg as well as via on-site support.

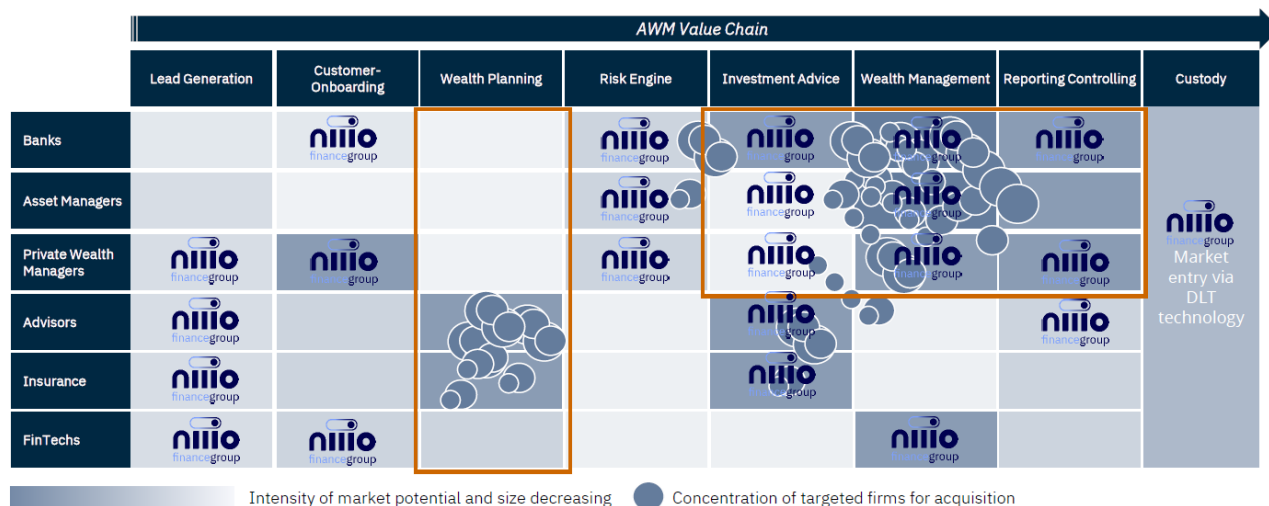
It is offering its services and solutions on a native private cloud platform. Cloud-native technologies enable companies to create and run scalable applications in private clouds, according to Microsoft. Micro-services and APIs are examples of this approach.

With Cloud Native, it's all about speed and agility. As business systems evolve from enabling business functions to becoming strategic transformational weapons that accelerate the speed and growth of businesses.

The playing field for niiio, i.e. the value chain of AWM is displayed below. The fields in light blue without the niiio logo, are the product groups and markets, which are growing strongly. The company intends to strengthen its position in these segments, mainly through acquisitions. niiio is in discussion with suitable candidates and may release a deal this year if an agreement can be reached.

The AWM value chain starts with **lead generation**, which is almost completely covered by niiio followed by **customer-onboarding** (opening of accounts, digitalization of contracts). Within **risk engine** niiio offers risk measurement and management tools.

Asset and Wealth Management Value Chain



Source: Company data

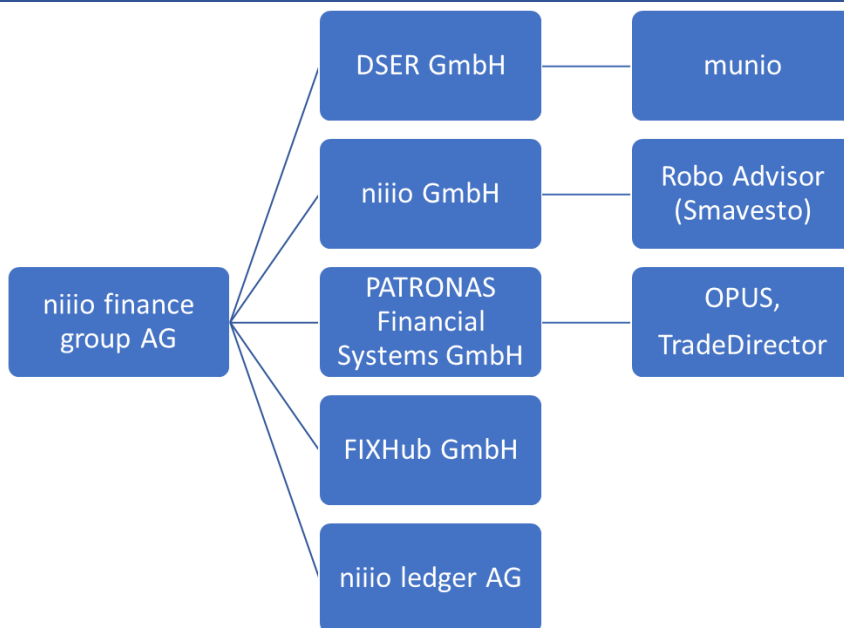
Structure

niiio finance group AG consists of the following group of companies:

- niiio GmbH,
- DSER GmbH,
- PATRONAS Financial Systems GmbH,
- FIXHub GmbH and
- niiio ledger AG

PATRONAS and FIXHub are the latest additions to the niiio family. FIX-Hub acquisition has been announced in 2022, but not closed yet.

niiio finance group AG: Structure



Source: Company data

DSER GmbH

The core product **munio** is the leading SaaS platform for digital wealth management and is used by over 50 banks and wealth managers throughout Germany.

Asset managers are subject to regulatory and procedural requirements that usually cost a lot of time. With the DSER's suite, asset managers can fully concentrate on the value-added part of their advisory services, and the software takes care of everything else automatically: documentation, performance reports and fee statements are quickly created and can be sent to their clients.

The end client suite provides clients with a full insight into all accounts and custody accounts, including those they do not manage themselves, and thanks to munio's integrated loss threshold monitoring, they are automatically informed about deviations in the portfolio.

As a credential, Vividam 70 is a global multi asset ESG fund offered by FiNet Asset Management based on DSER's munio software. Vividam 70 returned 3.9% since 1 January 2021 vs a fall of the MSCI World Index by 4.4%. While this outperformance of above 8PP is not directly attributable to the munio product, it shows that the automation of administrative tasks helps asset managers to concentrate on the value added part of their job, i.e. creating outperformance.

vividam 70 Fund Outperformance

☒ Dividenden und realisierte Gewinne inkludieren

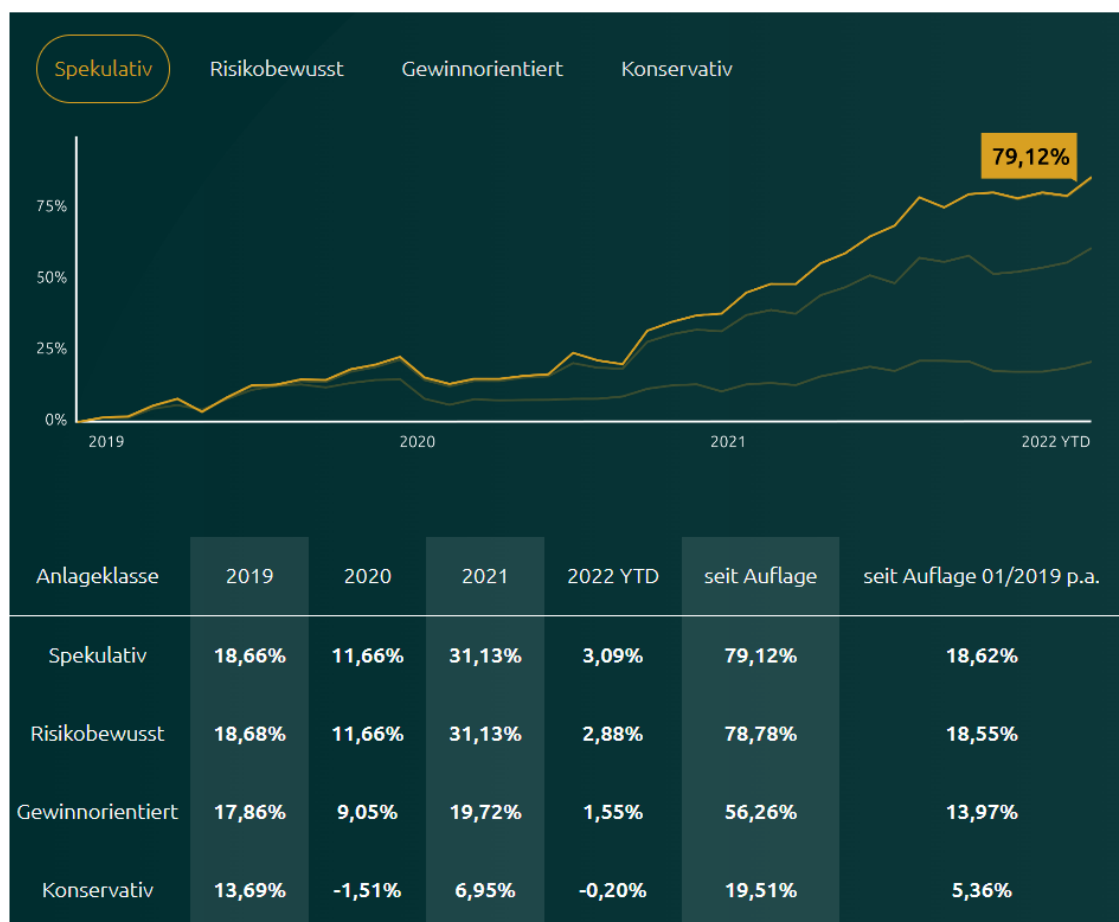


Source : <https://app.parqet.com/p/61921ac5d631be0bfb0e98bc?compare=S-XC0009692739>

Similarly, Smavesto a robo advisor that is based on niiiio technology was able to convince with an excellent return performance in various tests and robo-comparisons. Among others, in Handelsblatt, n-tv and Wirtschaftswoche with the grade "very good".

How the individual asset classes have performed since their launch in 2019 and how they have fared in various market situations can be seen in the charts below.

Performance of Smavesto



Source : <https://www.smavesto.de/performance/>

niiio GmbH

niiio GmbH offers **white-label robo advisory solutions** and **algorithmic investment strategies**.

With the niiio **robo-advisor**, experienced fund managers supplement their expertise with the cost advantages of a highly efficient software solution. This makes it possible for the first time for customers with smaller investment amounts to participate in the yield opportunities of professionally managed securities funds. The digitalisation of numerous administrative processes saves the advisor time and money.

The niiio finance group provides the entire IT infrastructure for robo-advisors of its B2B customers. It enables digital onboarding and also prepares all regulatory reporting. Niiio charges basis points based on AuM, depending on the depth of service requested.

The AuM volume of its business clients' robos exceeded the EUR 100m mark in May 2022. This means that the assets managed by B2B clients have increased almost tenfold since the beginning of 2021. In 2022 alone, the volume has increased by an average of around 8% per month so far, despite the challenging market environment.

In the robo business, niiio still generates rather manageable revenues from existing AuM contracts, but the segment has significant potential. Since niiio has low running costs, the increasing turnover is also directly reflected in the company's P&L.

The niiio-developed robo-advisor Smavesto has achieved top marks in the 2021 Performance Ranking in extraETF's online comparison.

SMAVESTO - Robo Advisor



Source: extraETF

Since AuM of the two active robo-advisors show a very positive development, the first positive effects on revenue generation in this segment were seen in 2021. Therefore, in the second half 2021, the segment's share of turnover exceeded 10% of the group's total turnover for the first time. The segment was therefore able to generate a positive net profit for the year.

Due to the positive developments, niiio, together with a partner, is planning the test phase for a 2nd generation robo-advisor based purely on niiio's **algorithms**. In addition to generating its own AuM revenues, the objective is also to prove the performance of its own allocation algorithms in live operation.

However, the marketing of the respective white-label robo-advisors based on the niiio infrastructure depends on the ability of the respective provider to successfully distribute its service to end customers.

Robo Advisor Performance Comparison



Anbieter	FMH-Bewertung
Smavesto	Sehr gut
Fidelity Wealth Expert	Sehr gut
Quirion regular	Sehr gut
Ginmon	Sehr gut
Raisin Invest	Gut
Fintego	Gut
Growney	Gut
Bevestor	Gut
VTB Invest	Gut
Whitebox Value	Gut
Robin	Ok
Openbank Wealth	Ok
Cominvest	Ok
Easyfolio	Ok
Minveo	Ok
Pixit	Ok
Solidvest	Nicht so gut

Source: Handelsblatt

PATRONAS Financial Systems GmbH

In Dec. 2021, niio finance group AG acquired **PATRONAS Financial Systems GmbH** via a capital increase in kind for a total consideration of EUR 6.5m.

Private wealth management (PWM), which was niio's previous business focus, represents only about 25% of the total addressable market of wealth tech solutions. The market for institutional asset management, which PATRONAS has successfully served for years, represents the remaining 75%.

The European WealthTech market had a size of EUR 13bn in 2020, which is expected to grow at double-digit rates.

In addition to the previous core markets of the cooperative banking sector and the market of independent investment advisors, the group's field of activity will expand considerably to include institutional asset managers as well as large private and commercial banks.

This segment will continue to offer the greatest potential for further development and investment in the future, as changes in the regulatory and market environment lead to continuous improvements and adjustments to the various software platforms.

The two main software products – OPUS and TradeDirector – have also been used successfully by institutional asset managers for many years and demonstrate a high level of functional coverage and process depth.

- **PATRONAS OPUS** is an integrated solution for portfolio, risk, compliance and order management and helps portfolio and fund managers as well as investment advisors to optimise their entire investment and trading processes.

- **TradeDirector** is an innovative and powerful order and execution management solution that provides services for both buy-side and sell-side traders, giving them the tools they need to manage the entire order flow.

PATRONAS Global Sales GmbH

PATRONAS Global Sales GmbH is responsible for the organisation and global sales of PATRONAS Financial Systems GmbH products (**portfolio/order management, advanced compliance, trade management and multi protocol messaging**).

FIXHub GmbH

FIXHub offers the simplicity of one single connection to the widest range of counterparties. FIXhub.net operates a fully hosted and managed, neutral electronic network, connecting buy-side and sell-side institutions for the exchange of messages based on FIX Protocol or alternative messaging standards.

FIXHub's customers include investment managers, banks, custodians, execution and clearing brokers. The company supports bi-directional message flow across asset classes: foreign exchange, money market, fixed income, equities, commodities, energy and derivatives (over-the-counter and exchange traded) – pre trade, trade and post trade.

niiio ledger AG

The company is placing the function of Clearstream, issuing bank, custodian bank and broker in its own hands. The new company bundles all activities around its central long-term project, the digitalisation of share trading on the basis of distributed ledger technology (DLT).

The goal is to enable the digital issuance, safekeeping, custody and subsequent trading of securities on a distributed ledger. The result would be a shift from centralised settlement to decentralised settlement and thus a completely new, cost-saving model for securities issuance and trading based on blockchain technology.

Last year, niiio has worked together with the Dutch Quantoz on the proof of concept (PoC) on a distributed ledger and recently completed it successfully.

This proves the technological feasibility of the project and demonstrates the practical implementation of decentralised trading of test tokens. As soon as legal regulation allows, they will be able to digitise shares. This includes the issuance as well as the custody of digital shares. In addition, it wants to offer banks the digital account and custody account as a wallet. In the long term, the company also wants to enable trading in digital shares together with a stock exchange partner.

Management

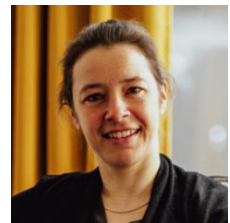
niiio has brought together high profile managers and industry experts, which are managing and supervising / advising the company. In fact, the company has implemented important steps to strengthen its management and sales structures in 2021.



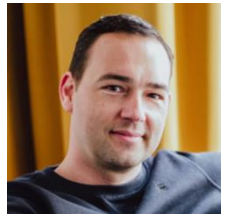
Johan Horsch (CEO) is in charge of the growth strategy for niiio finance group AG. After university studies in Tübingen and Cologne, Johann Horsch developed the world's first fully automatic, risk-adjusted algorithm for securities investments. This saw him founding DSER GmbH in 2006, now a subsidiary company. Johan Horsch is also the majority shareholder and managing director of Deutsche Tech Ventures GmbH, the largest shareholder of niiio finance group AG.



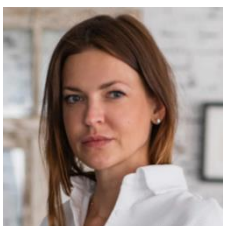
Dr. Daniel Berndt (COO) is in charge of business operations and the group's growth strategy. Following 17 years in management roles and specializing in operations at Deutsche Bank, Dr. Daniel Berndt helped to establish Raisin, a multiple-award-winning fintech start-up. More recently, he has been a consultant for start-ups and business process outsourcing. Dr. Berndt joined niiio in 2021.



Ina Just (Group Product Development) is in charge of strategic product development within the Group and Head of Operational Product Development in Private Wealth Management. Ina Just holds an advanced degree in mathematics. Her position in product development sees her identify potential innovation within the market and consolidate it with lucrative applications and product features for clients.



Marko Modsching (Group Technology) is in charge of the ongoing development of the niiio platform at a Group level and managing business operations in Private Wealth Management. Marko Modsching, a former student of information science, has worked at the company since 2008. As Chief Technology Officer, he has spearheaded the development of solutions in Private Wealth Management.



Inga Gerlinger (Corporate Development) is in charge of the business model's ongoing strategic development and of Investor Relations. Inga Gerlinger has ten years' experience in strategy development, restructuring, and business integration at German banks that she happily shares. At the German Startups Group, she was responsible for managing and overseeing IPOs and investor communication.



Axel Apfelbacher (Finance) is in charge of Finance and M&A. Axel Apfelbacher has many years of experience as a corporate consultant and as a manager in finance and banking at BPO company Xchanging as well as at Deutsche Bank.



Heribert Steuer (Product Development & Technology) is Co-CEO of PATRONAS and in charge of operational asset management. As one of the company's founders, he possesses extensive, specialist expertise in IT and system programming, which led to the development of the OPUS portfolio management software.



Carsten Osswald (Sales & Marketing) Co-CEO of PATRONAS and responsible for the ongoing development of sales and marketing. Carsten Osswald developed the concept for the OPUS portfolio management software using his robust knowledge and many years of practical experience.

In addition to the management / extended management team niiiio has built a powerful network of industry specialists and sponsors that support the company's strategy. The supervisory and advisory board is entrenched in a broad range of financial disciplines from renowned companies such as KPMG, Merrill Lynch, Berenberg or Merck & Finck.

Supervisory and Advisory Board

Supervisory Board



Steffen Seeger
Chairman of Supervisory Board & Tech-Investor



Dr. Martin Setzer
Deputy Chairman of Supervisory Board



Henning Gebhardt
Supervisory Board



Malte Spieß
Supervisory Board



Prof. Dr. Peter Balzer
Supervisory Board



Jörg Brand
Supervisory Board



Stefan Krause
Chairman of Advisory Board



Dr. Martin Deckert
Advisory Board



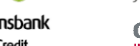
Philip Laucks
Advisory Board



Dr. Olaf Scheer
Advisory Board



Dr. Jörg Richter
Advisory Board



Source: Company data

Quality

Customers

niiio is covering the entire spectrum of the asset and wealth management landscape (AWM). As such niiio's customer groups comprise

- Banks
- Asset Managers
- Private Wealth Managers
- Advisors
- Insurance companies
- FinTechs

While the number of banks and insurance companies look rather consolidated, the addressable market in the other customer groups such as asset managers or private wealth managers are significantly more fragmented. In fact, on a European scale (the main marker of niiio) there are literally thousands of potential customers.

With the acquisition of PATRONAS, niiio now provides services to more than 160 clients. The group's sales are evenly distributed and the largest customer accounts for 7% of total sales.

The graphic below displays an exert of niiio's blue-chip client base, which – among others – comprise companies such as UBS, Flossbach von Storch or Donner & Reuschel.

Some of niiio finance group's customers



Source: Company data

In numbers: More than 50 banks and financial advisors as well as 30 funds manager use the services provided by its subsidiaries DSER, niiio GmbH and PATRONAS financial systems.

Well-known providers such as Vividam (FiNet Asset Management), Smavesto (Bremer Sparkasse) and BraWo Advisor are already using the white label Robo advisor. Revenues are increasingly dependent on AuMs.

FIXHub's customers include numerous international investment managers, banks, asset managers as well as execution and clearing brokers. In 2021, the trading volume routed by members via FIXHub was over EUR 1tr. As a central platform, FIXHub not only serves the DACH market for institutional clients, but has also developed into a European order hub. So far, clients pay flat fees to FIXHub, but charge their clients fees of EUR 1.50 to 3.50 per order.

In terms of regional split, niiio generates sales in Germany, Switzerland, UK, Italy, Spain, Luxembourg, Lichtenstein, Belgium and Austria. With the acquisition of PATRONAS, the sales split is likely to be split evenly between Germany (c. 50%) and the Rest of Europe (the remaining 50%).

Regional sales split (EUR m)	2019	2020	2021	2022E	2023E	2024E
Germany	2.1	2.3	2.3	4.0	4.5	5.3
Europe (ex Germany)	0.0	0.0	0.1	3.9	4.5	5.3
Sales	2.1	2.3	2.4	7.9	9.1	10.5

Source: Company data; AlsterResearch

Geographical exposure



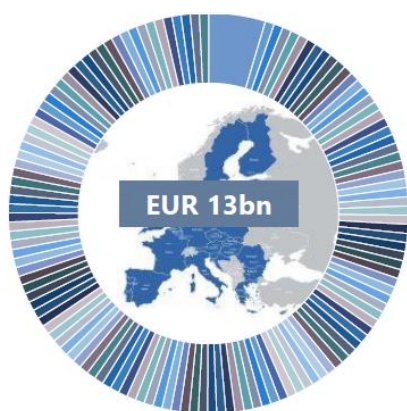
Source: Company data

Competition

Unlike the US market, the European market for AWM software is highly fragmented, characterised by more than 100 specialists, each of which only cover certain niche applications of the EUR 13bn+ addressable market.

The competition currently consists largely of different providers offering specific services on a selective basis. There are not many providers who offer all solutions needed for wealth management as a "one stop shop". Current private banking/wealth management products in the market are scattered and do not meet the requirements of all stakeholders on a single platform, according to AIFMetrics. These are products catering to alternative stakeholder requirements in isolated buckets; not as an integrated platform connecting all stakeholders.

European WealthTech landscape



European WealthTech landscape 2020, 120+ niche specialists with average annual revenues of less than EUR 10 m

Source: Company data

The following chart displays a selection of niio's peers, indicating that almost all competitors are missing certain niche applications. Being a "one-stop-shop" offering an overarching product suite therefore is a key differentiation element.

Competitor of niio finance group AG

	niio	aixigo	SimCorp	avalog	Broadridge	Psplus	BRITech	QPLIX
Client Acquisition/Servicing	x		x	x	x		x	
Investment Planing	x	x	x	x		x	x	x
Research & Analytics	x		x		x		x	x
PM & Rebalancing	x	x	x	x		x	x	x
Trading Advice & Execution	x	x	x	x	x	x	x	
Accounting	x		x	x	x	x		x
Reporting	x	x	x	x	x	x		x
Risk & Compliance	x	x	x	x	x	x	x	x
Regions of operations	Europe	Europe	Global	Global	Global	Global	Global	EMEA

Source: WealthTech100, FinTech Global

Competitive quality

In this dynamic, fast changing market, niiio's competitive quality rests on a mix of competitive strengths. These are:

Differentiated "one-stop-shop" product offering: The competitors of niiio are either positioned as product companies or are focused on a specific client base. Product centric companies understand one product very well and sell it to various client segments. Companies focused on specific clients on the other side know a specific client base very well and sell different products to them. The USP of niiio is its established platform strategy and process integration ability. Its modular software principle is an important building block to grow inorganically and hence to continuously improve the company's "one-stop-shop offering".

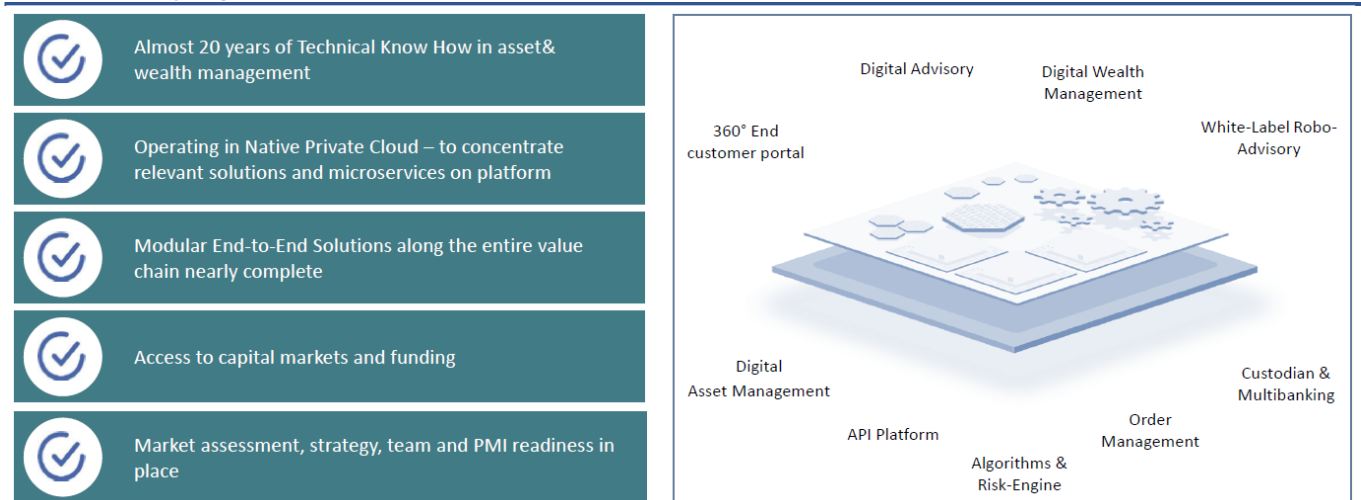
For niiio's clients, relying on an outsourced one-stop-shop product offering comes with several key benefits such as

- **Focusing on core value creating tasks** rather than spending time on time consuming administrative tasks
- Genuinely **lower costs** vs. inhouse solutions
- **Lower complexity** vs. using a broad range of different software solutions from different providers
- **Keeping up with fast changing regulations**

Know-how and experience With almost 20 years of experience niiio banks on both technical expertise and industry specific know-how – a combination rarely seen in that industry. As such, niiio regularly is at the forefront of technological development, visible in state-of-the-art product developments such as robo advisors, cloud computing or the implementation of innovative blockchain technologies.

Capable management team niiio is run by an experienced management team that has an extensive track record within AWM as well as FinTech. Clearly, this is a key differentiator and quality aspect as it allows niiio to better understand the solutions needed by its demanding clients base. Likewise, niiio is supported by industry specialists (its supervisory and advisory board) which are deeply entrenched in the European financial community. Whilst these names often are seen as trustworthy "credentials" they might also serve as "door opener" in the competitive acquisition process for new clients and/or in helping acquiring additional products or services to niiio's platform.

niiio financial group's USP



Source: Company data

SWOT analysis

Strengths

- One-stop-shop for software services providing one comprehensive platform for asset and wealth managers
- Highly innovative and agile
- Management with significant “skin in the game”
- Renowned clients base
- Almost 20 years of technical know-how and expertise in AWM
- Operating in native private cloud – to concentrate relevant solutions and microservices on platform

Weaknesses

- Still loss making in 2022E
- Funding required for inorganic growth

Opportunities

- With the acquisition of PATRONAS, niiiio’s activity will expand to include institutional asset managers, large private and commercial banks.
- AWM firms need to cut costs and digitize
- More annual recurring revenues, assets under administration, customers and trading volumes
- European WealthTech solution market is expected to grow strongly

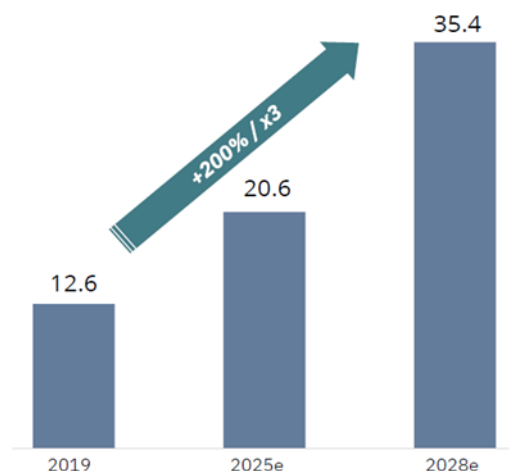
Threats

- Regulatory restrictions in the area of international cloud use exist, which impacts on the widespread use of it
- The cloud wealth management software market remains complex and competitive
- Funding market constraint due to rising interest rates and high inflation

Growth

niiio is active in a vibrant growth market. In fact, the European Wealth Tech solution market is **booming** and expected to triple in size to **EUR 35.4bn in 2028** compared to 2019 with compound annual growth rate (CAGR) of 12%.

European Wealth Tech Solution Market (in EUR bn)

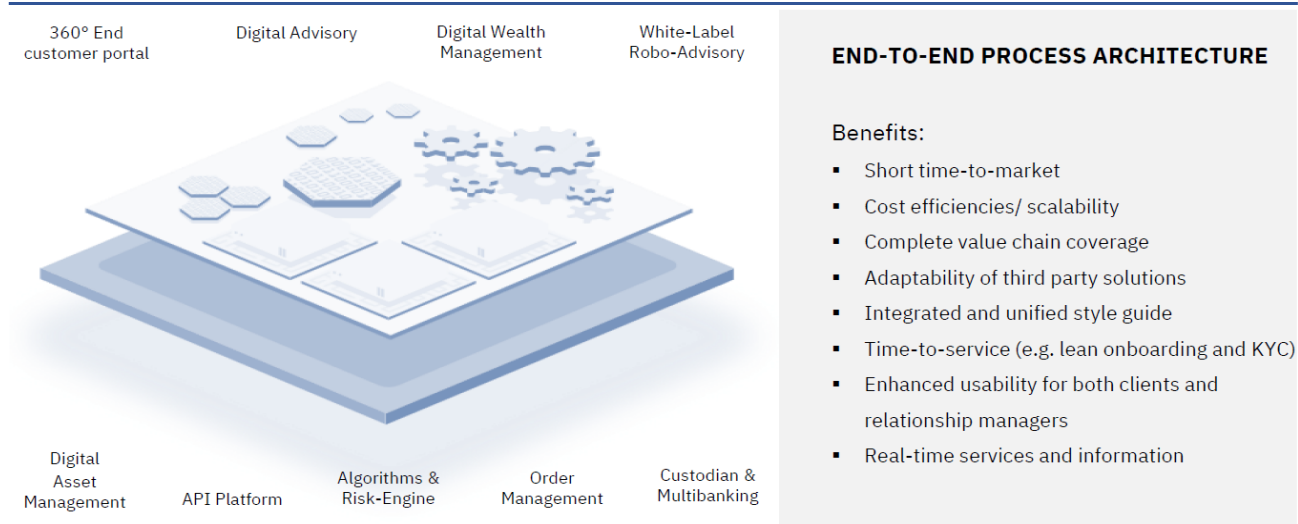


Source: Company data, ZEB Research, Insight Partners

The growth of the European Wealth Tech market can be attributed to the growing adoption of the latest technologies in wealth management advisory. Advances in financial technology, and subsequently, an entirely new approach being pursued to automate and improve the delivery of financial services is expected to contribute to the growth of the market.

There is the urgent need for innovation and efficient end-to-end operating systems for banks as well as AWM firms due to competition and high cost-income ratios.

End-to-End Process Architecture

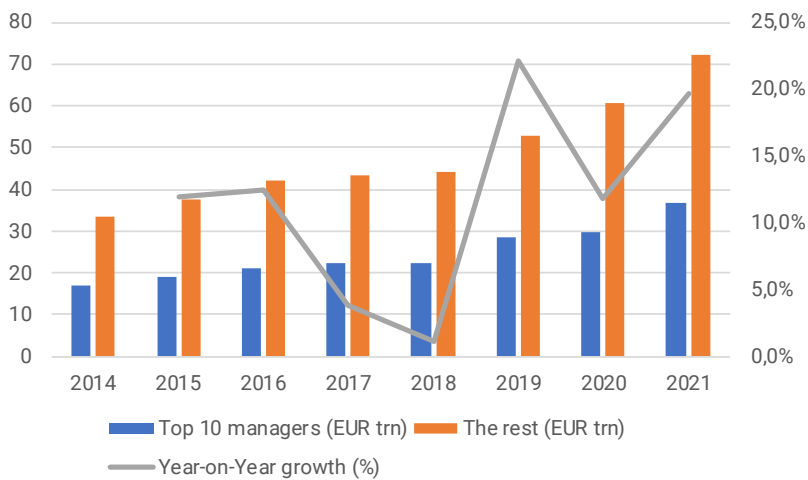


Source: Company data, Deloitte Monitor

Strong growth in Assets under Management is important Revenue Driver for niiio

The assets managed by global asset management companies grew by 19.7% to EUR 106.6trn during 2021 vs 2020, according to Investment & Pension Europe. Global institutional AuM grew by 18.7% reaching EUR 41.9trn, while European institutional assets were EUR 14.4trn at the end of the year, representing an 18% increase in AuM from 2020.

Total Global AuM of Top 10 Managers vs the rest



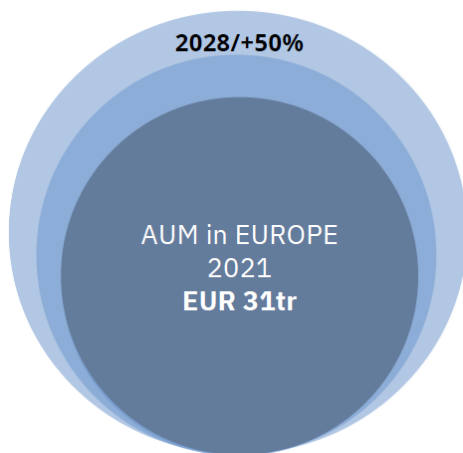
Source: Investment & Pensions Europe (IPE)

niiio's market – European WealthTech – is driven by AuM in Europe, which is expected to increase from EUR 31tr in 2021 with a CAGR of 5% by 2028.

According to PWC, both low interest rates and higher equity ratios have placed pressure on the lending capacity of banks. This in turn has opened up opportunities for private market funds to finance companies with restricted access to finance.

AWM firms also have the chance to fill a widening gap in infrastructure investment by governments, with substantial possibilities to upgrade roads, airports and hospitals, as well as to develop 5G and renewable energy.

Assets under Management in Europe



Source: Company data, Eurostat, EFAMA

Growth in AuM of Robo-Advisors

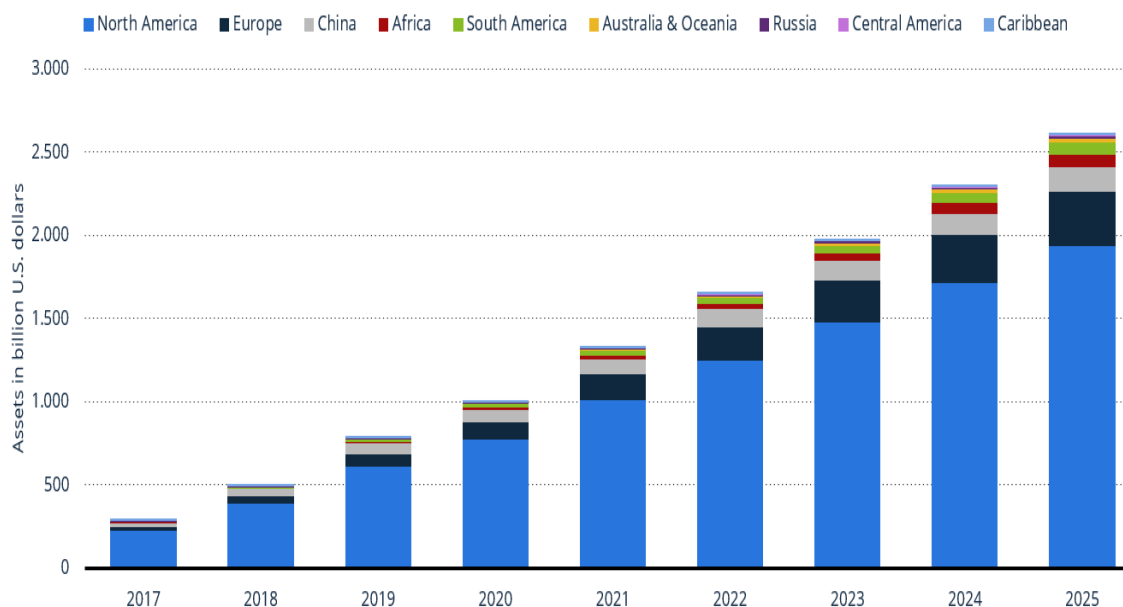
According to Statista, robo-advisor providers will have AuM of EUR 15bn in Germany by the end of 2021 - double the previous year's figure. For 2025, Statista expects an investment volume of EUR 34.5bn. The market should thus continue to record high growth rates in the coming years.

The US users managed US\$ 987bn of assets with the help of robo-advisors in 2020 and the figure is expected to increase to US\$ 2.9tn by 2025, according to Scand. Meanwhile, the use of robo-advisors for asset management in Europe reached EUR

140bn (US\$ 147bn) in 2021 and the annual growth is estimated at 21% on average in the next four years.

AuM of robo-advisors worldwide is expected to grow by 100% from 2021 to 2025.

Assets under management of robo-advisors worldwide from 2017 to 2025, by region (in billion U.S. dollars)



Source: Statista

New Compensation Model linked to AuM

The company's primary goal is to increase AuM of its business customers. In the white label robo advisory business (Smavesto), niiiio GmbH already charges clients fees based on AuM. niiiio GmbH is also developing algorithmic investment strategies, which it can also deploy at the second generation robo advisors. Provided the algorithmic investment strategies perform well, robo advisor could attract more assets benefiting niiiio with higher AuM fees.

The same could apply to DSER (munio) if the company agrees on a new compensation model, which would take AuM into consideration. That was difficult in the past, but the management of niiiio is confident to be able to convince clients from his new compensation model.

So far, clients pay flat fees to FIXHub, but charge their clients fees of EUR 1.50 to 3.50 per order. If niiiio were to route only 15% of the orders from munio via FIXHub, i.e. around 300,000 orders p.a., at a price of EUR 1.50 per order, then niiiio could already increase FIXHub's revenues and earnings by almost 100%.

In 2021, the trading volume routed by its European members via FIXHub was over EUR 1tr.

M&A Strategy

niiiio finance group's M&A strategy focuses on high growth markets and products in Germany and in the rest of Europe with the aim to close the existing gaps in value chain and/or client segments. **The company aims to grow organically and inorganically by an average of 100% annually from 2022 to 2026.** The company therefore plans to invest in the short- to medium-term EUR 10m to EUR 50m through

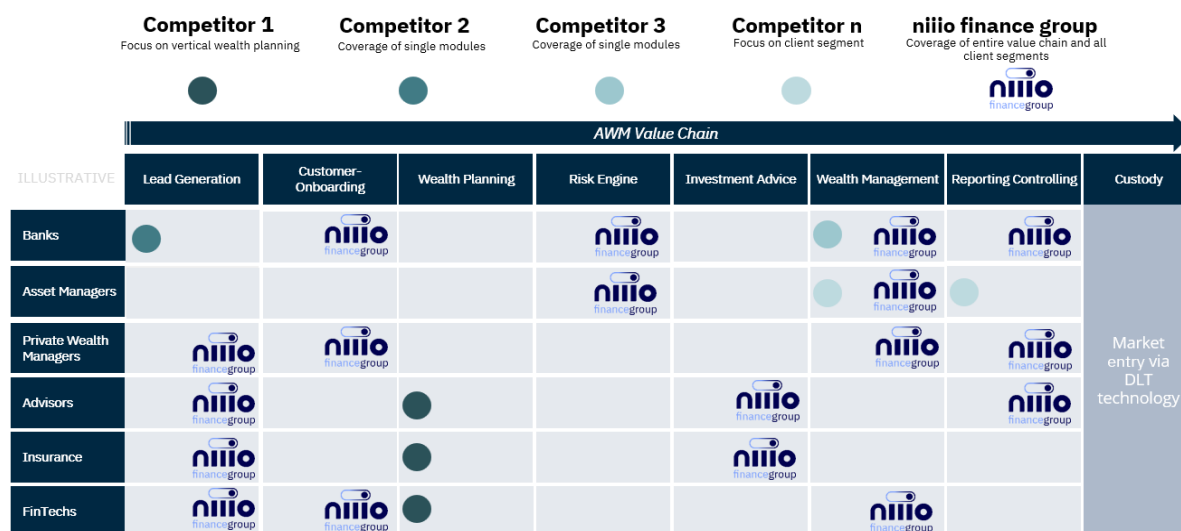
acquisitions. The goal is to increase revenues by EUR 20m. It wants to pay not more than 2.5x of revenue or 7x of EBITDA.

Thanks to its cloud platform niiiio can integrate additional software solutions relatively quickly and easily.

niiiio focuses on the dark grey areas (chart below) given that these segments (wealth planning and wealth management) are showing the strongest growth momentum. Potential acquisitions are likely in wealth planning/management, investment advice and reporting/controlling.

niiiio has built a perfect nucleus to pursue a successful roll-up-strategy.

niiiio's Roll-Up Strategy



Source: Company data

Fragmented European Wealth Tech Market

Bank's inhouse IT departments and fragmented WealthTech provider landscape with subscale niche specialists are not able to solve the challenge to offer efficient end-to-end operating systems.

Fragmented WealthTech Market

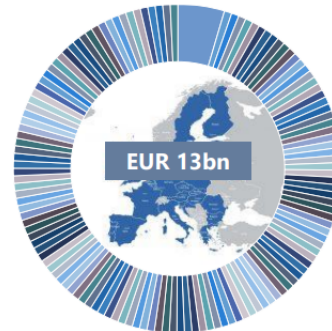
BANKS AND AWM FIRMS: INEFFICIENT AND COMPLEX IT ARCHITECTURES

- Non-existing end-to-end solutions for the relevant value chain
- Increased complexity in IT architecture due to fragmented, incompatible solutions leading to enormous administration challenges and costs

WEALTH TECH PROVIDER: LIMITED SCALABILITY

- Subscale niche specialists with low profitability
- Limited innovation capacity
- Limited customer access

Despite pressure on both banks and AWM firms and software providers, **no serious initiatives to consolidate the WealthTech market** have been undertaken



European WealthTech landscape 2020, 120+ niche specialists with average annual revenues of less than EUR 10 m

Source: Company data

The trend towards further digitalisation and consolidation of providers in the financial services sector is unbroken. The consolidation in the area of B2C providers of FinTech solutions is therefore also continuing. B2B providers are also increasingly looking at mergers to form larger units.

The number of technology providers in Germany will therefore decrease in certain segments, even if new business models and providers enter the respective submarket and exert new competitive pressure.

The trend towards a **combination of B2C and B2B models** among individual FinTechs remains strong, as only a few FinTechs have been able to establish an independent B2C brand name so far and thus many of them continue to act as suppliers to the existing financial system.

The use of **cloud and SaaS offerings** in the German financial services sector continues to grow steadily, even though regulatory restrictions exist, particularly in the area of international cloud use, which impacts on the widespread use of such infrastructures.

The demand for **digital solutions** in the financial services market is expected to remain at a high level, but will focus on a decreasing number of providers that are seen as leaders by market participants.

In this context customers will increasingly attach importance to the respective provider being able to offer the full range of functionality in order to keep the coordination effort low. When switching from processes to online-only / online-first models, preference will increasingly be given to those providers who have secured a corresponding market share in their niche of the FinTech market.

The cloud software offerings of the group are strategically well positioned to meet the growing demand for wealth management software. At the same time, the market for these solutions remains complex and competitive.

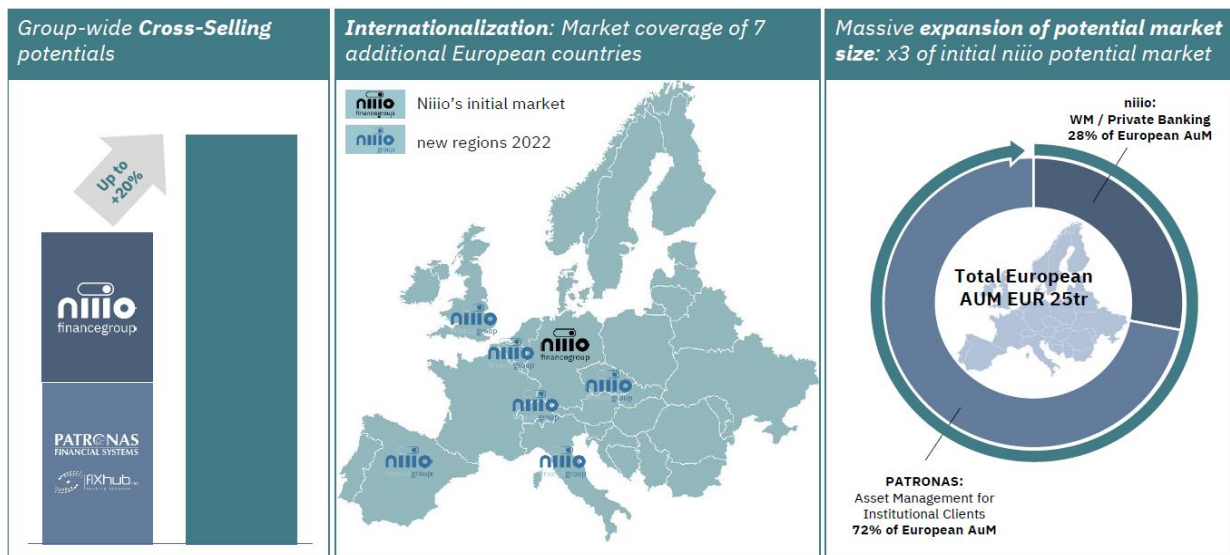
Acceleration of growth with acquisitions of PATRONAS and FIXHub

niiio finance group AG's potential market increased after the acquisition of PATRONAS from EUR 7trn AuM (wealth management / private banking) to EUR 25trn AuM (including asset management for institutional clients).

niiio generates post these acquisition around 50% of revenues in Europe adding 7 new European markets in the UK, Austria, Italy, Switzerland, Luxembourg,

Lichtenstein, Belgium and Spain. Group-wide cross-selling potential rises by 20% as a consequence too. We therefore expect yoy an increase in revenues by 229% to EUR 7.9m in 2022.

Acceleration of niilio finance group's growth

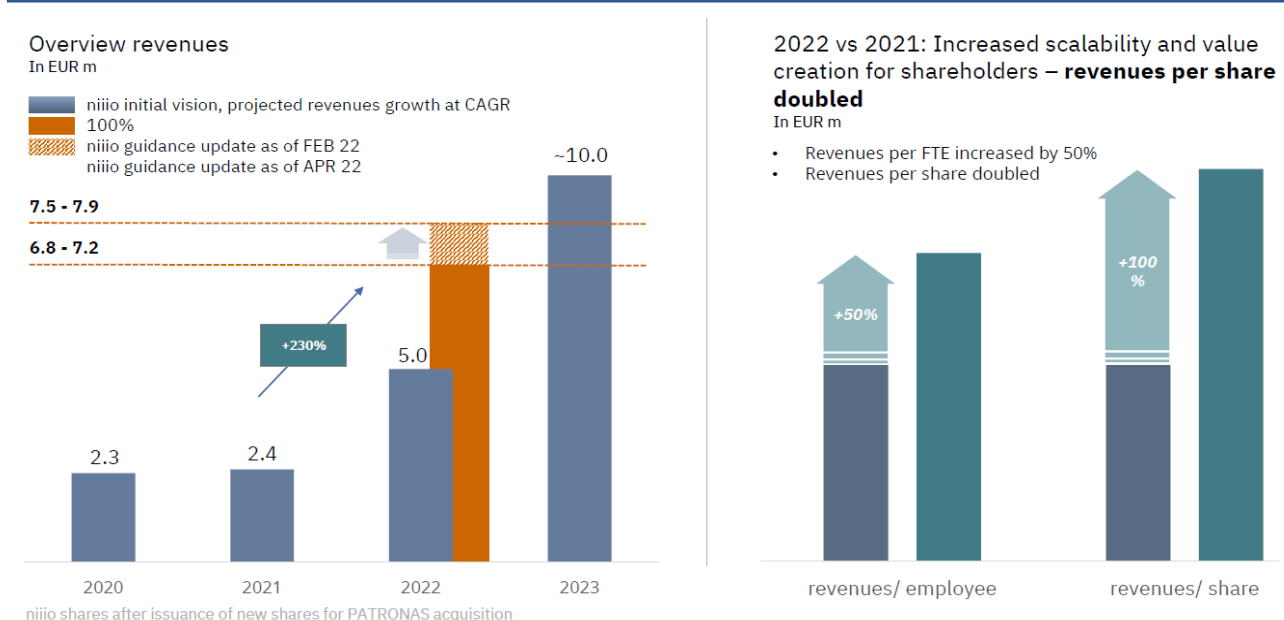


Source: Company data

Increased Scalability and Value Creation Potential

The group also expects revenues per employee to increase by 50% due to economies of scale. Revenues per share should double in spite of dilution due to the acquisition partly with shares. **These are key performance indicators to measure the success of its strategy.** The profitability of the platform comes with size.

Increased Scalability and Value Creation Potential



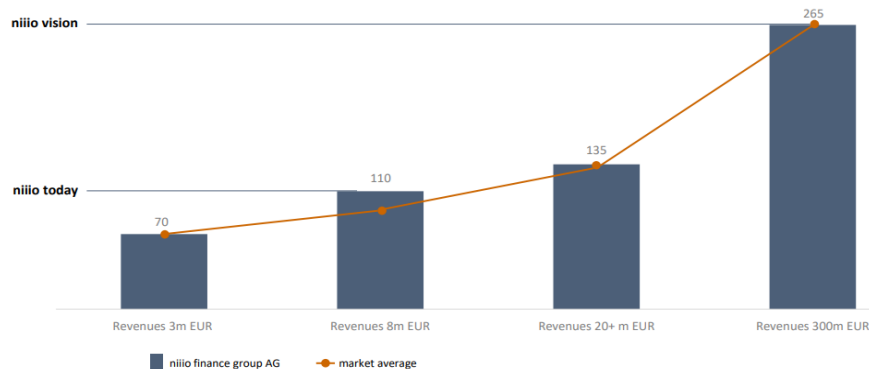
Source: Company data

Size matters because increasing revenues are leading to economies of scale. Higher revenues/volumes lead to a better cost income ratio, more efficient cost structure and higher sales per employee. niilio generates around EUR 110K revenues per employee now compared with EUR 90K what the peer group makes.

Profit margin of niio will increase in the medium term, if platform carrier costs rise less than the increase in revenues per employee.

Revenue per Employee Improvement expected

Revenues / Employee, in EUR k



Source: Company data

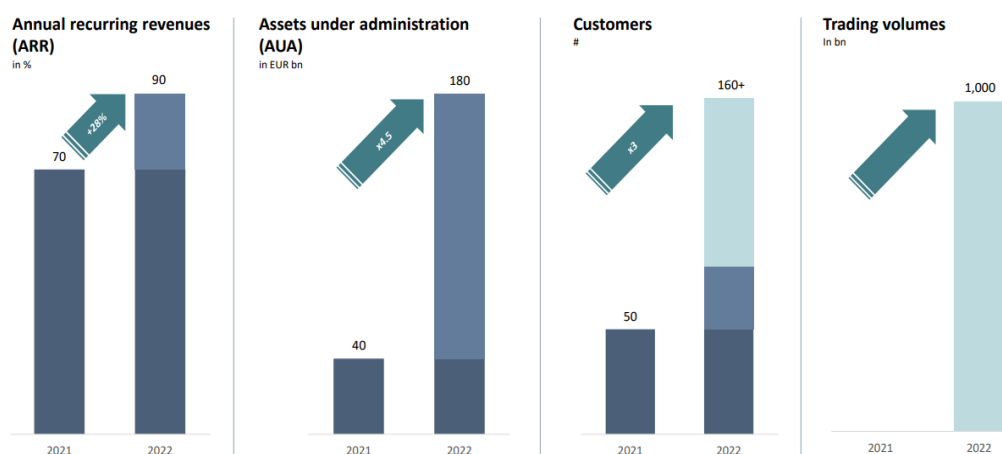
Annual recurring revenues (ARR) are important value driver for niio, which is expected to increase by 28 percentage points in 2022 to 90% vs. the previous year. The remainder of revenues are based on projects. The majority of clients are paying for niios' software on a monthly or quarterly basis.

Assets under administration (AuA) is expected to jump 4.5x to EUR 180bn respectively. niio wants to improve the monetization of these assets in linking revenues with AuA growth of their clients.

Number of customers are going to go up from 50 to more than 160 in 2022 through customer base growth and entry in further European countries, according to niio.

Trading volume is 1tr at FixHub, which is the major profit contributor to the group at the moment. FixHub is paid a fixed amount and is not based on trading volumes, which the company wants to change to participate in trading volume increase.

Jump in Annual Recurring Revenue, Customers and AuA expected



Source: Company data

Top- and bottom-line growth

To summarize, niio's growth is driven by a mix of organic and inorganic growth. In essence, the 2.3x increase in sales in 2022 is mainly driven by the acquisitions of PATRONAS and FIXHub. Thereafter, AlsterResearch growth rates are based only on organic performance and should reflect average market growth of c. 15% p.a.

Additional acquisitions are planned by the company but they will only be reflected in the forecast, when announced.

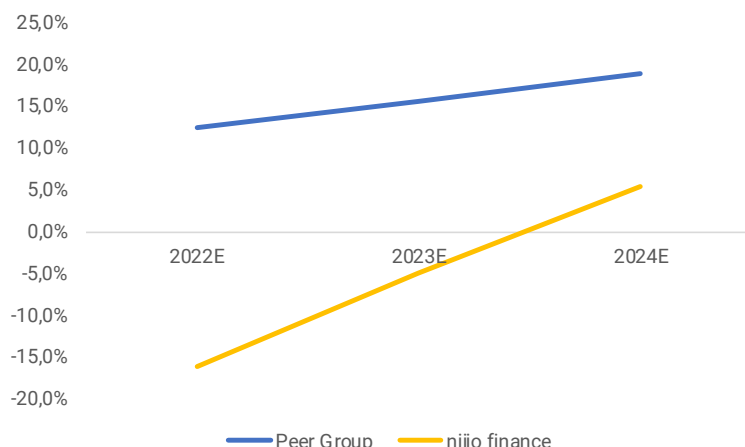
In addition, niio is benefiting from high rates of recurring revenues (currently 90%), significantly improving the visibility of niio's future top- and bottom-line performance. However, **the company aims to grow organically and inorganically by an average of 100% annually from 2022 to 2026**

Growth table (EURm)	2019	2020	2021	2022E	2023E	2024E
Sales	2.1	2.3	2.4	7.9	9.1	10.5
Sales growth	358.1%	12.3%	3.3%	230.0%	15.0%	15.0%
EBIT	-4.0	-2.1	-2.8	-1.5	-0.6	1.2
EBIT margin	-195.7%	-92.3%	-118.7%	-19.2%	-6.9%	11.6%
Net profit	-4.2	-2.2	-3.2	-1.6	-0.8	1.0

Source: Company data; AlsterResearch

On the earnings front, niio's scalable business model should help to gradually improve margins. In the forecast period we expect EBIT margins to improve >30PP – from -19% in 2022E to c. 12% in 2024E. Note, that margins in between 10-20% could be achievable (visible in the company's peer group), once niio arrives at a steady state size, with clients' AuA/AuM continue to scale-up.

EBIT margin comparison - peer group vs. niio finance



Source: AlsterResearch, FactSet estimates

2022 Outlook

niio is outperforming its original growth target for 2022 by more than 50% after the two latest acquisitions and now expects revenues of EUR 7.5m to EUR 7.9m in 2022. It estimates a neutral to slightly positive EBITDA this year, which is in-line with AlsterResearch estimates.

niio also anticipates a slightly improved EBIT compared to the previous year (EUR - 2.8m), however still negative.

The reason for this is the extensive investments in the sales and management structure of the group, which seem appropriate for the improvement of the scalability. In addition, based on the planned revenue and cost development, the management expects the operating cash flow to remain negative in 2022 (EUR - 0.7m in 2021).

In the medium term, the management expects that the economic situation of the company will improve further, not least because the customer benefits of the software solutions developed by the niio finance group has become even more

evident in the current market situation and the interest in the algorithmic optimisation of securities portfolios is likely to increase significantly in the future.

Furthermore, the group is gaining in size due to its inorganic growth strategy, which will play an important role in the decision of individual large customers to use software platforms.

Therefore, the management assumes that EBITDA margins of 10-20% are achievable at Group level in the medium term.

At the same time, maintenance and expansion investments, which are expressed in own work capitalised, will increase significantly compared to the 2021 financial year (= EUR 0.6m) and will thus influence the level of depreciation and amortisation in the medium term.

The company has developed a clear strategy and is expected to become a leading European SaaS platform for AWM solutions in the long term. In order to exploit this potential, the management believes that targeted company acquisitions are a suitable means.

According to niiiio, the timing is optimal to actively shape the consolidation of the software market. There are numerous small niche providers and the market is facing a wave of consolidation.

The group also expects revenues per employee to increase by 50% due to economy of scales. Revenues per share should double in spite of dilution due to the acquisition partly with shares. **These are key performance indicators to measure the success of its strategy.** The profitability of the platform comes with size.

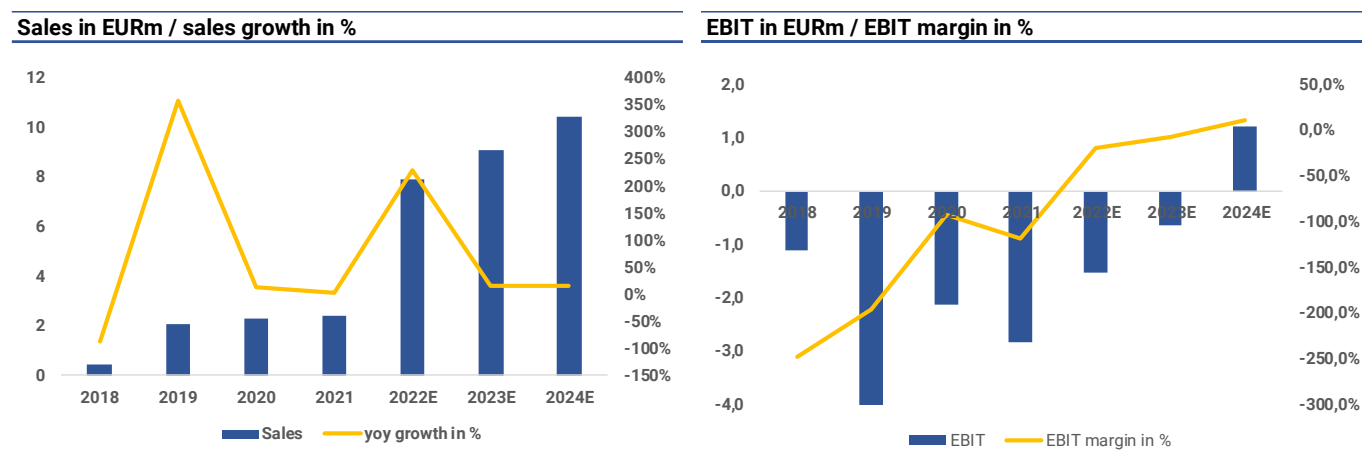
Planning assumptions

P&L assumptions

niiio has been created by the acquisition of several company's such as DSER (at the beginning of 2019), PATRONAS Financial Systems GmbH (Dec. 2021) or FIXHub (beg. of 2022) into the niiio finance group AG. Since then, the group became a veritable one-stop-shop, offering its business customers comprehensive solutions for their B2C business.

niiio's M&A strategy is also reflected in the historical financial accounts. As such, sales are targeted to jump by c. 230% yoy in 2022E, mainly due to first time consolidation effects (PATRONAS and FIXHub). On top, organic growth rates are estimated in the 15%-range annually. The company aims to continue growing organically and inorganically. The medium term plan of niiio is to invest another EUR 10m to EUR 50m for acquisitions, which should boost sales by another EUR 20m or so. However, further acquisitions are not reflected in AlsterResearch forecast.

Operating results (EBIT) remained negative throughout 2021 and is forecasted to remain negative at least until 2023E. Whilst earnings have been negatively affected by one-time effects in conjunction to the several acquisitions (lawyers, bankers and brokers) the group also significantly invested in its platform, its management and sales force. Our forecasts reflect a gradual increase in profitability as niiio starts scaling-up. In fact, EBIT margins are seen to improve by c. 30PP to 11.6% in 2024E – still at the lower end of the profitability seen at other peers (between 10-20%).

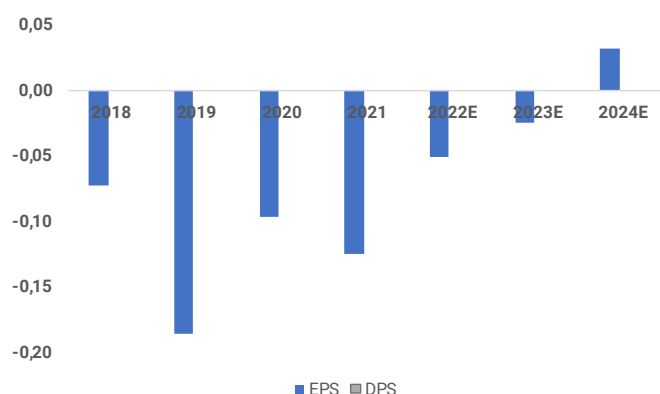


Source: Company data; AlsterResearch

The company expect to be profitable in 2024 with economies of scale of its one-stop-shop European WealthTech platform, internationalization and a change of its pricing model.

Still, there are no dividends planned as of now as niiio is prioritizing inorganic growth opportunities over dividend pay-outs.

EPS vs. DPS



Source: Company data; AlsterResearch

Balance sheet assumptions

At the end of 2021, the balance sheet totalled EUR 26.5m. Intangible assets are by far the largest single balance sheet item of EUR 17.1m accounting for 66.6% of total assets. Owing to the company's M&A fuelled growth strategy, goodwill accounts for 2/3 of the intangible assets (EUR 10.7m) consisting of EUR 1.4m for niiio GmbH and EUR 6.7m for DSER GmbH. For PATRONAS Financial Systems GmbH, goodwill is recorded at EUR 2.6m.

The reminder consists mainly of the inhouse developed costs for software. Additions are valued at production cost. These essentially take into account personnel expenses. The book value of the self-created intangible assets amounts to EUR 1.9m. Purchased concessions, industrial property rights and similar rights and values as well as licenses amounted to EUR 5.0m. The customary useful lives of goodwill are assumed to be 10 years. The software's usual useful life is 8 years.

Current assets (mainly cash and cash equivalents [28.4%] and accounts receivables/other assets [2.9%]) account for another 31.9% of total assets. Net working capital requirements, i.e. inventories + accounts receivables – accounts payables make up for a healthy 1.5% of total balance sheet or 17% of total sales.

Property plant and equipment is moderate and at the end of 2021 accounted for just 1.5% of total assets. Likewise capex is manageable at around EUR 1m to 1.5m p.a.

On the liability side, equity capital is by far the largest single balance sheet item of EUR 11.3m accounting for 42.9% of total assets. Contributions made to implement the resolved capital increase with EUR 6.5m was the second largest item followed by liabilities with EUR 6.0m.

On 30 April 2021, niiio issued a non-subordinated and secured mandatory convertible bond with final maturity in 2026 for a total nominal amount of up to EUR 5.0m at a nominal value of EUR 1.00 each.

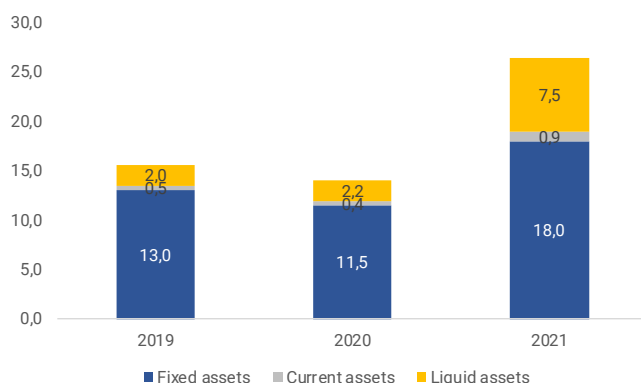
By resolution of the general meeting of shareholders of 01 July 2021, the executive board is authorized to increase the capital, with the consent of the supervisory board, by 30 June 2026 against cash or contribution by a total of EUR 12.6m, whereby the shareholders' subscription rights may be excluded.

By resolution of the supervisory board of 22 December 2021, it was resolved to increase the share capital of the company by EUR 6.5m through the issuance of 6.5m new registered shares at an registered shares at an issue price of EUR 1.00 per share. The entry in the commercial register was made on 16 February 2022. The increase is in connection with the acquisition of PATRONAS Financial Systems GmbH.

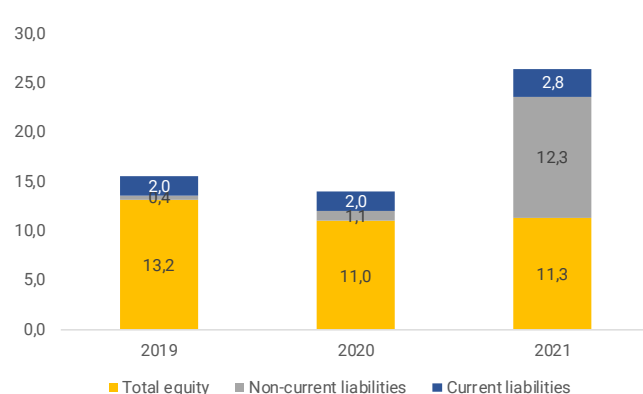
Short-term liabilities amounted to EUR 0.8m and long-term liabilities added up to EUR 5.2m. The liabilities of EUR 6.0m essentially consist of the convertible bond of EUR 3.7m, liabilities to banks of EUR 1.7m (of which EUR 1.5m secured), trade accounts payable of trade payables of EUR 0.4m and other liabilities of EUR 0.2m.

The liabilities break down as follows in terms of maturity:
with a term of up to one year: EUR 0.8m
with a term of more than one to four years: EUR 4.5m
with a term of more than five years: EUR 0.7.

Balance sheet - Assets in EURm



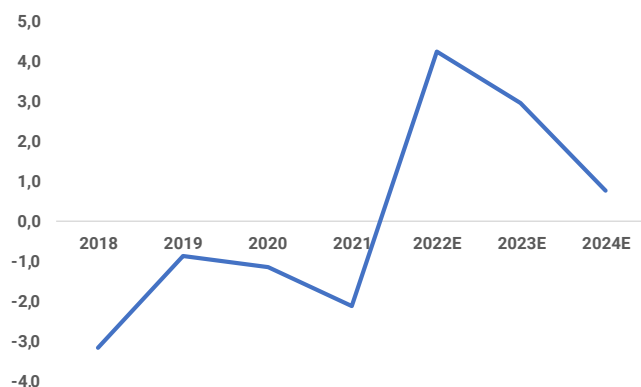
Balance sheet - Liabilities in EURm



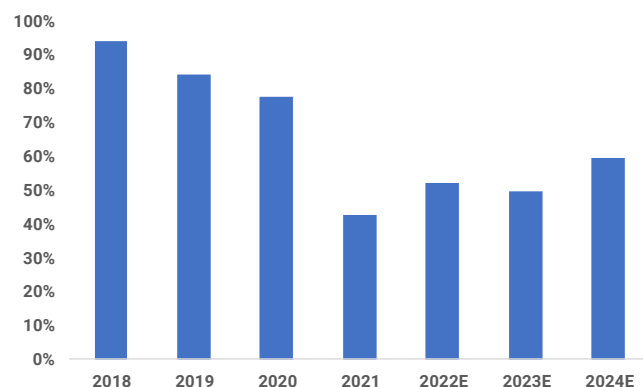
Source: Company data; AlsterResearch

Net cash at the end of 2021 accounted for almost EUR 2.1m. The equity ratio has fallen from 94.3% in 2018 due to losses and write-downs to still comfortable 42.9% in 2021. niio has been investing in its on-stop-shop European WealthTech platform.

Net debt in EURm



Equity ratio in %



Source: Company data, AlsterResearch

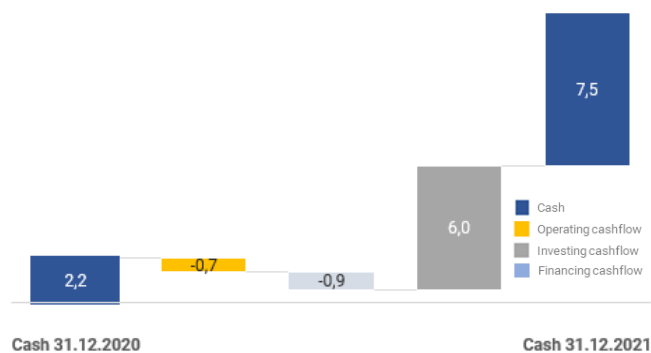
Cash flow statement assumptions

The following charts display the major cash flow items of niio in 2021. In the past financial year, the company was able to increase its cash position by EUR 5.3m and reached a level of nearly EUR 7.5m (gross cash). Whilst Operating cash flow was -EUR 0.7m and investing cash flow stood at -EUR 0.9m adjusted for the non-cash acquisition of PATRONAS Financial Systems GmbH (EUR 6.5m), financing cash flow amounted to EUR 6.0m.

The cash flow from financing activities includes the proceeds from the authorised capital of EUR 2.8m, the repayment of financial loans of EUR 1.4m, the payment of interest and interest-like expenses of EUR 0.4m, and the loans and convertible bonds amounting to EUR 5.0. The consolidation of PATRONAS Financial Systems GmbH resulted in a change in cash and cash equivalents of EUR 0.8m.

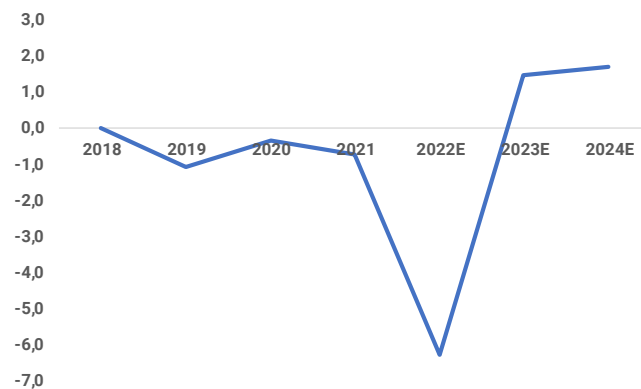
We expect cash flow to improve in the long-term due to the internationalization of the one-stop-shop WealthTech SaaS-Platform, economies of scale and a change in pricing policies.

Cash flow profile in EURm



Source: Company data, AlsterResearch

Free cash flow in EURm



Theme

Development of the Group in the financial year 2021

In 2021, niio finance group was able to strengthen its licensing business as planned with a share of just under 70%, while in 2020 around 40% of turnover was still generated from project business. In 2022, niio finance group targets a share of Annual Recurring Revenues (ARR) of 90%.

Thus, after years of focusing on projects, the company is putting its focus on the sale of standard licences in order to accelerate organic growth. In line with this, the share of the sales team has doubled to around 12% of the total workforce.

The total operating performance of the group in 2021 was around EUR 3m and thus around 6% above the previous year's level. Sales revenues totalled EUR 2.4m, most of which were generated in the area of portfolio management systems.

Acquisition of FIXHub GmbH

FIXHub GmbH was acquired with retroactive effect from 01.01.2022. The transaction is expected to be closed in 2022. The transaction includes the payment of EUR 4.0m in cash, of which EUR 2.0m in due in 2022, with the remainder to be paid in 5 tranches over the subsequent years 2023-2027. The purchase multiple was around 8x EBIT.

After fund raising with a convertible bond last year and acquisitions to date, niio is focused on new sales co-operations and sales team expansion in 2022. It also plans further acquisitions this year and needs further funding for these, which it is working on.

Increased capital market presence

Having grown in size, niio is now committed to further improve capital market communication. This includes

- Dedicated investor relation personnel within the niio group
- Increased transparency by publishing all relevant investor relation news on their website
- Having a research report in the market
- Regular investor meetings, both on- and offline

In our view, these measurements are likely to support niio's share price once the market fully understands the potential of niio's platform strategy.

Risk factors

Investment Risk

The current situation - despite the positive trend as a result of the increase in turnover and the reduction in costs - is not yet satisfactory.

The current business model was not yet able to cover the costs of the business operations and no significant improvements in the economic and financial performance indicators are seen for the 2022 financial year.

These events and circumstances indicate the existence of a material uncertainty that may cast significant doubt on the ability of the group to continue as a going concern.

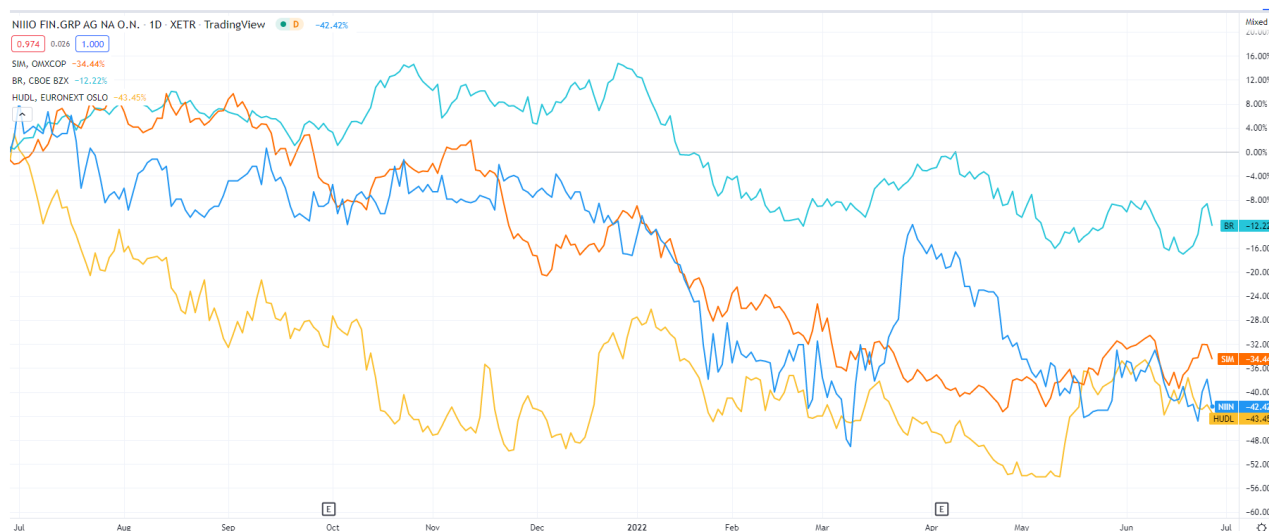
Liability risks

In recent years, there have been several complaints and claims for damages in the context of the former asset management activities of meridio, which were completely discontinued in 2016. Claims for damages arose mainly from alleged misconduct by employees who have since left the company.

Some cases were settled with positive results, but there are still some old cases. The risk is assessed as material for the group, according to it.

niiio' share price has fallen 42.4% in the last 12 months compared with an average drop of 30% of its peer group (SimCorp, Broadridge and Huddellstock), as of June 26th, 2022.

Stock price performance of niiio and its peers



Source: Tradingview

The convertible bond is priced at 45% as of June 29th, 2022, reflecting negative operating cash flow and market sentiment towards unprofitable small companies and genuinely low liquidity..

niiio finance group AG: Convertible Bond Price



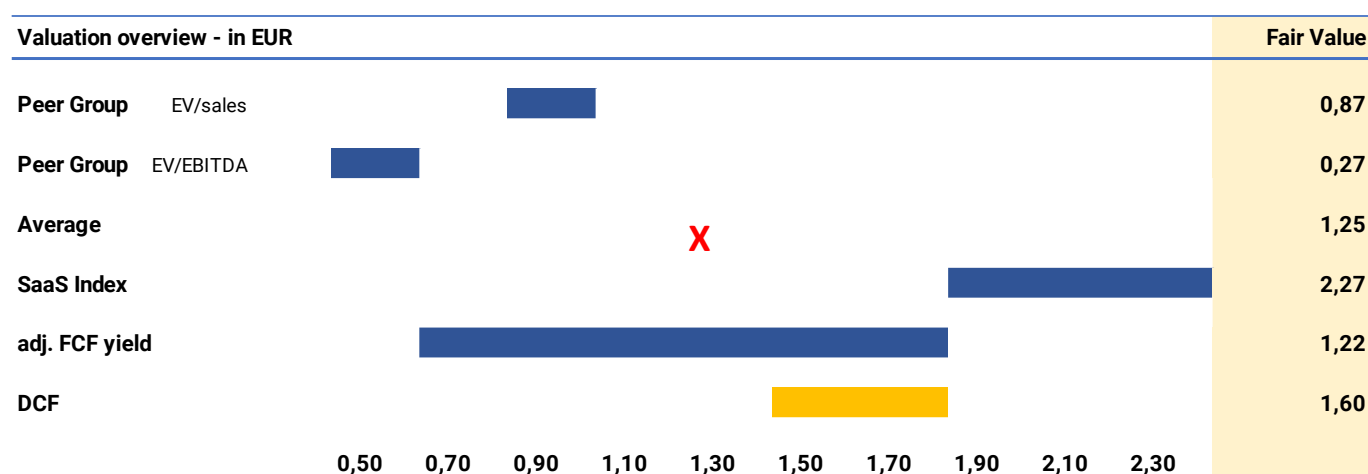
Source: Frankfurter Börse

Valuation

In order to derive at a fair value for niio finance group AG we have conducted several valuation approaches. We note however that valuing a FinTech firm, traditional valuation techniques often provide pitfalls and hence do not 100% accurately reflect the true value of the company. These are:

1. DCF Model
2. Adj. FCF yield
3. SaaS Index calculation
4. Peer group analysis

The following table summarizes the potential range of fair values for niio finance group AG, using the different valuation approaches.



Source: AlsterResearch

AlsterResearch valuation toolbox

As discussed later, a **peer group comparison** often comes with challenges in finding the appropriate peers. More often than not, comparable companies differ quite significantly in terms of size, growth rates, profitability and/or geographical exposure. Also, different stages in the life-cycle of a company might command different risk-/reward profiles. All these elements have a significant impact on the appropriate fair value computation. We therefore deem our peer analysis as a rather inappropriate measure to derive at a fair value for niio.

Our proprietary **adj. FCF yield valuation** technique values a company on a stand-alone basis. However, the FCF yield observation is a relatively static approach where the cash flows of *one specific year* in the future will be taken as the basis for valuing the entire company, i.e. taking a private equity view, where all cash flows and earnings belong to the potential buyer. An additional pitfall is that cash flows are not discounted to today's value. Hence, the adj. FCF yield only derives at meaningful results if a company has stable future cash flows. For niio, being in its growth phase, adj. FCF yields underestimate the future potential, which is why we would not chose this method as our preferred valuation approach.

The **SaaS index valuation** is an alternative valuation approach, where we take the SaaS Capital Index multiplier as the basis for our fair value calculation. Again, pitfalls apply similar to the peer group analysis. Also, all SaaS index companies are US based, which – given higher liquidity and seniority of the market – often are valued significantly higher than comparable European companies.

As such, we believe that our **DCF derived fair value** valuation is the most appropriate measure for niio, reflecting the truly large runway to grow as well as its company specifics such as profitability or regional exposure.

DCF Model

The DCF model results in a **fair value of EUR 1.60 per share**:

Top-line growth: We expect niii finance Group AG to continue benefitting from structural growth. Hence our growth estimates for 2022-29E is in the range of 9.9% p.a. The long-term growth rate is set at 2.0%.

EBIT margins are expected to be negative till 2023 due to high costs for developers and sales people. Given economies of scale and better take-up of its platform, EBIT is expected to be positive in 2024 and align towards the profitability of its peers in the long-run.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.00. Unlevering and correcting for mean reversion yields an asset beta of 0.90. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 8.6%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.3 this results in a long-term WACC of 7.5%.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-1.4	-0.6	1.1	2.2	2.9	3.5	3.6	3.6	
Depreciation & amortization	2.1	2.2	1.2	0.3	0.1	0.1	0.1	0.1	
Change in working capital	-0.3	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Chg. in long-term provisions	-6.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Capex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash flow	-6.2	1.5	2.3	2.5	3.1	3.6	3.7	3.7	68.1
Present value	-5.9	1.4	1.9	2.0	2.2	2.4	2.4	2.1	39.6
WACC	7.8%	7.8%	7.6%	7.5%	7.4%	7.4%	7.4%	7.4%	7.5%

DCF per share derived from	
Total present value	48.0
Mid-year adj. total present value	49.8
Net debt / cash at start of year	-2.1
Financial assets	0.0
Provisions and off b/s debt	0.0
Equity value	51.9
No. of shares outstanding	32.5
Discounted cash flow / share	1.60
upside/(downside)	66.5%

Share price	0.96
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022E - 2029E)	9.9%
Terminal value growth (2029E - infinity)	2.0%
Terminal year ROCE	20.4%
Terminal year WACC	7.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.00
Unlevered beta (industry or company)	0.90
Target debt / equity	0.3
Relevered beta	1.10
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	8.6%

Sensitivity analysis DCF									
		Long term growth					Share of present value		
		1.0%	1.5%	2.0%	2.5%	3.0%			
Change in WACC (%-points)	2.0%	1.0	1.1	1.1	1.2	1.2	2021E - 2024E		-1.5%
	1.0%	1.2	1.2	1.3	1.4	1.5	2025E - 2028E		19.0%
	0.0%	1.4	1.5	1.6	1.7	1.9	terminal value		82.5%
	-1.0%	1.7	1.8	2.0	2.2	2.5			
	-2.0%	2.1	2.3	2.6	3.0	3.6			

Source: AlsterResearch

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 0.20 per share based on 2022E and EUR 1.71 per share on 2026E estimates. **We value niiiio finance Group AG halfway 2025E/2026E, which yields an average price target of EUR 1.53.** It thus supports the DCF based fair value calculations.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2022E	2023E	2024E	2025E	2026E
EBITDA	0.6	1.5	2.4	2.8	3.6
- Maintenance capex	0.0	0.0	0.0	0.0	0.0
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.1	-0.0	0.1	0.2	0.5
= Adjusted FCF	0.6	1.6	2.3	2.5	3.1
Actual Market Cap	31.2	31.2	31.2	31.2	31.2
+ Net debt (cash)	4.3	3.0	0.8	-1.7	-4.7
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.0	0.0	0.0	0.0	0.0
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	4.2	2.9	0.7	-1.7	-4.7
= Actual EV'	35.4	34.1	31.9	29.5	26.5
Adjusted FCF yield	1.8%	4.7%	7.4%	8.6%	11.6%
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
Fair EV	10.7	26.5	39.2	42.1	51.0
- <i>EV Reconciliations</i>	4.2	2.9	0.7	-1.7	-4.7
Fair Market Cap	6.4	23.5	38.4	43.8	55.7
No. of shares (million)	32.5	32.5	32.5	32.5	32.5
Fair value per share in EUR	0.20	0.72	1.18	1.35	1.71
Premium (-) / discount (+)	-79.4%	-24.6%	23.2%	40.4%	78.6%

Sensitivity analysis FV

	4.0%	0.4	1.1	1.8	2.0	2.5
Adjusted	5.0%	0.3	0.9	1.4	1.6	2.0
hurdle	6.0%	0.2	0.7	1.2	1.3	1.7
rate	7.0%	0.2	0.6	1.0	1.2	1.5
	8.0%	0.1	0.5	0.9	1.0	1.3

Source: Company data; AlsterResearch

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.

SaaS Capital Index

SaaS Capital Index is the valuation tool for pure-play, B2B, SaaS businesses like Adobe, Autodesk, Anaplan, Palo Alto, Salesforce, Zoom, etc. The index excludes SaaS companies serving B2C customers and very small B2B companies. Examples of excluded SaaS companies in this category include Box, Dropbox, Carbonite, and 2U.

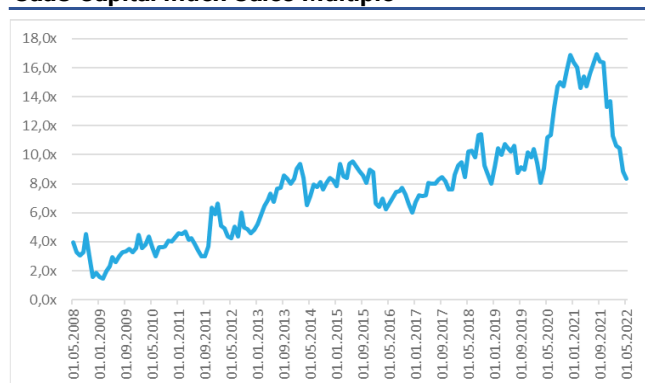
SaaS business with "mixed" revenue streams are also excluded. Examples of excluded companies in this category include Oracle, Microsoft, Square, and Twilio. SaaS consolidators such as Constellation Software are also excluded for a variety of business model reasons.

A SaaS company trades on revenue because it takes a considerable amount of time for growing SaaS companies to turn a net profit, in spite of the fact that the underlying fundamentals of unit economics are resilient, according to SaaS Capital.

Sales and marketing costs are booked upfront in advance, while revenue accrues over many years. This "lag" makes new customers unprofitable in the short term, even if they should be profitable over their lifetime.

The SaaS Capital Index Sales Multiple was trading as high as 17x in 2021, but has fallen since then to 8.3x in May 2022 given the recent market re-rating amid rising interest rates and supply chain disruptions.

SaaS Capital Index Sales Multiple



Source: <https://www.saas-capital.com/the-saas-capital-index/>

Applying the SaaS index methodology, we derive at a fair value between EUR 1.89 and EUR 2.65 for the niio shares based on a the sales multiple of 8.3x and estimated revenues of EUR 7.9m (2022E) and EUR 10.5m for 2024E. This would lead to an upside potential of c. 88% based 2022 estimates for niio's sales and 163% for 2024E respectively.

SaaS Index valuation

Sales multiple	8,3x	per 31/5
	2022E	2024E
niio sales	7,9	10,5
Fair EV	65,6	86,8
YE net debt	4,3	0,8
Fair Equity value	61,3	86,0
Number of shares	32,49	32,49
Fair value per share	1,89	2,65
Up- / downside	87,8%	163,4%

Source: AlsterResearch

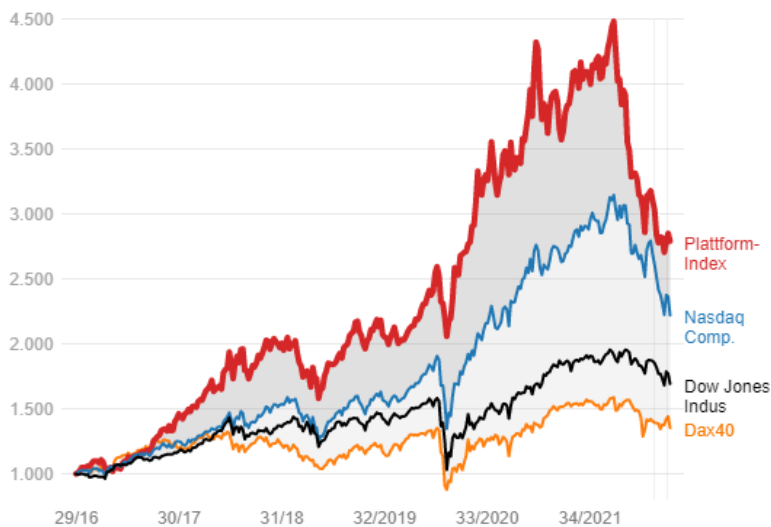
Platform Business Model

niiio finance group AG, as a platform company, can benefit from the two- and multi-sided markets, network effects and data monetization, according to the original platform fund.

Platforms are the most successful digital business models and act as interaction managers between suppliers, consumers and ecosystem participants. User experience, data and technology are all key to ensuring that efforts to develop such an ecosystem are sustainable, according to Sapient.

The Platform-Index had a better performance than the Nasdaq Comp. Index and the Dow Jones Industrial.

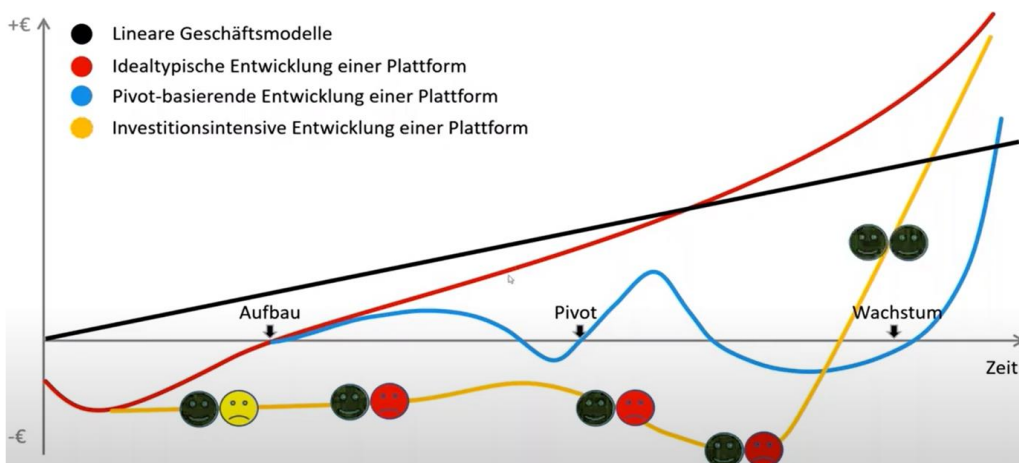
Platform-Index



Source: <https://www.plattform-index.com/>

Good platforms usually get better as they grow bigger. Due to their specifics, platforms often need a longer "ramp-up" time to play to the strengths of their business model.

Alternatives and phases of development



Source: <https://www.youtube.com/watch?v=B9CwBVMaZJ4>

Peer Group

A peer group analysis has been conducted using other national and international FinTech firms. Given that niio finance differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a “proxy only”.

The following table gives an overview of niio's peer group:

Company name	Market data				EBITDA Margin			EBIT margin			Sales CAGR
	Share price	% of	Market Cap	EV							
		52 wk high									
	EUR		EURm	EURm	2022	2023	2024	2022	2023	2024	2021-2024
SimCorp A/S	69,92	-41%	2.832	2.840	25,9%	27,3%	28,2%	23,7%	25,3%	26,4%	9,5%
Broadridge Financial Solutions, Inc	136,80	-22%	16.037	19.735	21,0%	22,1%	22,7%	18,3%	18,5%	19,3%	12,2%
GBST Holdings Limited					23,1%	27,4%	28,3%	13,3%	17,3%	na	9,1%
Huddlestock Fintech AS	0,28	-48%	36	37	2,9%	6,7%	13,9%	-23,5%	-12,4%	7,2%	96,3%
TietoEVRY Corp	23,90	-22%	2.830	3.441	15,8%	16,6%	17,2%	11,2%	12,1%	12,5%	2,7%
Profile Systems and Software SA	3,33	-11%	80	72	27,1%	26,6%	25,8%	14,0%	15,2%	17,5%	28,1%
Temenos AG	82,51	-45%	6.168	6.914	47,0%	46,9%	46,4%	33,9%	35,5%	36,3%	14,7%
Fiserv Inc	86,42	-24%	55.863	74.038	42,8%	43,7%	46,1%	35,0%	36,0%	36,1%	9,5%
Median			2.832	3.441	24,5%	27,0%	27,0%	16,2%	17,9%	19,3%	10,9%
Mean			11.978	15.297	25,7%	27,2%	28,6%	15,7%	18,5%	22,2%	22,8%
niio finance Group AG	0,96	-49%	31	35	7,0%	17,0%	23,0%	-19,2%	-6,9%	11,6%	68,0%

Source: FactSet Estimates; AlsterResearch

Company name	EV/Sales			EV/EBITDA			P/E Ratio			P/BV		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
SimCorp A/S	5,2x	4,8x	4,4x	20,0x	17,6x	15,5x	26,8x	23,5x	20,3x	7,5x	6,5x	5,7x
Broadridge Financial Solutions, Inc	3,7x	3,5x	3,3x	17,5x	15,7x	14,7x	22,3x	20,4x	19,1x	8,5x	7,2x	6,2x
GBST Holdings Limited	2,6x	2,4x	2,3x	12,6x	10,9x	10,0x	21,6x	19,3x	17,6x	2,8x	2,7x	2,6x
Huddlestock Fintech AS	5,6x	3,6x	2,1x	189,7x	54,2x	15,2x	-29,2x	-36,5x	36,5x			
TietoEVRY Corp	1,2x	1,2x	1,1x	7,5x	7,0x	6,6x	11,0x	10,1x	9,4x	1,6x	1,5x	1,5x
Profile Systems and Software SA	2,8x	2,3x	1,7x	10,5x	8,6x	6,6x	27,8x	22,2x	13,9x	3,0x	2,8x	2,4x
Temenos AG	6,9x	6,2x	5,6x	14,7x	13,3x	12,1x	21,1x	18,5x	16,1x	8,9x	7,0x	5,5x
Fiserv Inc	4,7x	4,4x	4,1x	11,0x	10,0x	8,9x	14,0x	12,2x	10,5x	1,8x	1,6x	1,5x
Median	4,2x	3,5x	2,8x	13,7x	12,1x	11,1x	21,4x	18,9x	16,8x	3,0x	2,8x	2,6x
Mean	4,1x	3,5x	3,1x	35,4x	17,2x	11,2x	14,4x	11,2x	17,9x	4,9x	4,2x	3,6x
niio finance Group AG	4,5x	3,8x	3,1x	64,1x	22,1x	13,3x	-18,9x	-38,8x	30,1x	3,2x	3,5x	3,1x

Source: FactSet Estimates; AlsterResearch

niio finance Group AG	Sales			EBITDA			EPS		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Fair multiple	4,2x	3,5x	2,8x	13,7x	12,1x	11,1x	21,4x	18,9x	16,8x
Fair EV	33	32	30	8	19	27			
Net debt (cash)	4	4	4	4	4	4			
Pension provisions	0	0	0	0	0	0			
Fair equity value	29	28	25	3	14	22			
Number of shares	32,5	32,5	32,5	32,5	32,5	32,5			
Fair value per share	0,89	0,86	0,78	0,10	0,45	0,69	-1,08	-0,47	0,54

Source: FactSet Estimates; AlsterResearch; figures are all estimates

National and international peers

SimCorp A/S is a Denmark-based company engaged in the development and marketing of software solutions to the financial industry. The Company's product, SimCorp Dimension, is a customizable, modular investment management software solution for professional investment managers, which supports all elements of the investment management process. It includes Asset Manager, Client Manager, Data Warehouse Manager, Order Manager and Settlement Manager, among others. Additionally, the Company provides services such as business consulting, implementation, and maintenance. Its clients include asset and fund managers, insurance companies, pension funds, mutual funds, banks and mortgage lenders, among others. SimCorp A/S is a parent entity of the SimCorp Group. It operates through numerous subsidiaries, in geographical segments such as Nordic region, Central Europe, the United Kingdom and Ireland, Benelux and France, Middle East, the Asia Pacific region, and North America.

Broadridge Financial Solutions, Inc. is a provider of investor communications and technology-driven solutions. The Company's segments include Investor Communication Solutions and Global Technology and Operations. The Investor Communication Solutions segment provides Regulatory Solutions, Data-Driven Fund Solutions, Corporate Issuer Solutions, and Customer Communications Solutions. This segment's business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. The Global Technology and Operations segment provides business solutions for capital markets and wealth and investment management firms. This segment offers advanced solutions that automate firms' transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement.

GBST Holdings Limited is engaged in client accounting and securities transaction technology solutions for the finance, banking and capital markets industry globally, and funds administration and registry software for the wealth management industry in Australia and the United Kingdom. The Company is a gateway technology provider to the superannuation industry. It is also a provider of data and quantitative services offering after tax measurement of portfolio performance in Australia. It also provides Website and mobile platform design and digital agency services focused on e-commerce and the financial services industry in Australia and Europe. The Company's segments are Capital Markets Australia; Capital Markets International; Wealth Management Australia, and Wealth Management International. The Company's divisions include GBST Wealth Management and GBST Capital Markets.

Huddlestock Fintech AS is a Norway-based company that develops software as a service solution for digitizing work processes for custody banks, asset managers and retail trading venues. The Company is an investor, programmer and authority for the implementation of regulations, in addition to the natural resources and services provided.

Tieto Oyj is a Finland-based company engaged in the provision of Information Technology (IT) services for both private and public sectors. The Company operates in four service lines: Industry solutions, Enterprise Solutions, Managed Services and Transformation, and Product Engineering Solutions. The Company focuses on developing its services and products within its Product Development Services business area, which offers solutions for telecom network equipment and platform providers, mobile device and consumer electronics manufacturers, as well as semiconductor providers. The Company's Customer Experience Management business area specializes in multichannel commerce for clients, reaching from retail and financial services to manufacturing, telecom and energy. It operates through numerous subsidiaries in Finland, Sweden, Austria, Belgium, Canada, China, the Czech Republic, Denmark, Germany, Estonia, Lithuania, Norway, Poland, and the Russian Federation, among others.

Profile Systems and Software SA is a Greece-based information technology (IT) company. The Company provides technology solutions to the Banking and Investment Management industries. The Company's specialization lies in Private Wealth Management Software and Investment Portfolio Management Software, as well as a range of Banking Software solutions. It partners with global IT and software companies, providing integrated software solutions for the financial services sector covering banking, investment management, risk and compliance, and capital markets. In addition, the Company offers a range of services, including project management, consulting, customization, customer support and training. The Company operates offices in Geneva, Dubai, London, Singapore, Athens and Nicosia.

Temenos AG, formerly Temenos Group AG, is a Switzerland-based company engaged in the development and marketing of banking software systems. Its services include implementation, performance optimization, integration, administration, maintenance, upgrades, training and support for its software solutions. It offers solutions for retail, corporate, universal, Islamic and microfinance and community banking sectors, as well as for Private Wealth Management. The Company's client base consists of mostly banking and other financial services institutions. Its core products are Temenos T24 Core Banking (T24), a front to back office, Customer Relationship Management (CRM) and product lifecycle management software platform, as well as Front Office, an integrated, role-specific, and multi-channel solution that supports banks' daily interactions and long term relationships with their retail, corporate, mass affluent, and High-Net-Worth (HNW) customers. It offers also funds and securities solutions.

Fiserv, Inc. is a global provider of payments and financial services technology solutions. The Company provides account processing and digital banking solutions, card issuer processing and network services, payments, e-commerce, merchant acquiring and processing, and the Clover cloud-based point-of-sale solution. The Company's segments include Merchant Acceptance (Acceptance), Financial Technology (Fintech) and Payments and Network (Payments). The Acceptance segment provides a range of commerce-enabling solutions and serves merchants of all sizes around the world. Acceptance solutions enable businesses to securely accept consumers' electronic payment transactions online or in-person. The Fintech segment provides financial institutions around the world with the technology solutions they need to run their operations. The Payments segment provides financial institutions and corporate clients around the world with the products and services required to process digital payment transactions.

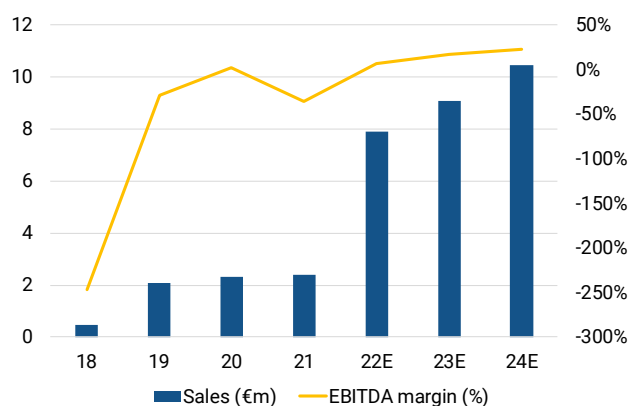
Peers not included in the valuation

B+S Bankssysteme AG is a Germany-based provider of software products and solutions in the field of banking systems and finance management for banks, insurance companies, financial holdings and stock exchanges. The product portfolio encompasses solutions in the areas of payment transactions, core banking system, credit business, risk management, treasury/trading and electronic banking. In addition, B+S Bankssysteme AG offers consulting services, project management, as well as implementation of its software. The Company operates through its subsidiaries located in Munich, Salzburg and Hilterfingen.

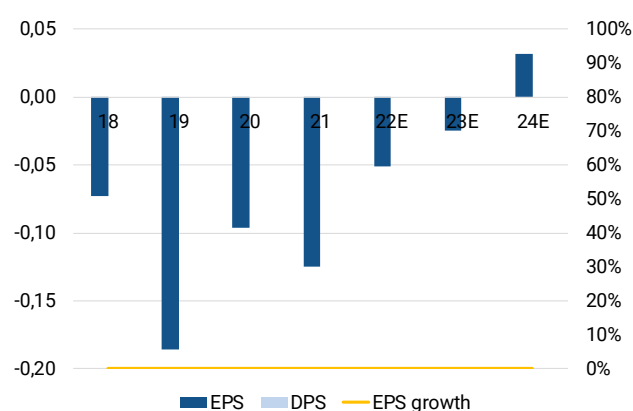
Crealogix Holding AG is a Switzerland-based company that, together with its subsidiaries, provides software and hardware products for Electronic Banking (E-Banking), Electronic Payment (E-Payment) and Education in Switzerland and Europe. The Company's E-banking solutions comprise E-banking software and platforms, E-banking security, bank interface and communications, and mobile banking solutions, as well as banking servers and a front-office platform for financial advisory services, among others. Its E-payment solutions include payment software, financial software, manual and automatic document readers, and signing and archiving. The Company's educational solutions consist of E-learning software, E-learning contents and Web-based Training (WBT) production, campus management, and various training platforms. In April 2014, it created two subsidiaries CREALOGIX UK LTD and CREALOGIX PTE. LTD. In August 2014, the Company established an Austrian subsidiary in Vienna.

Financials in six charts

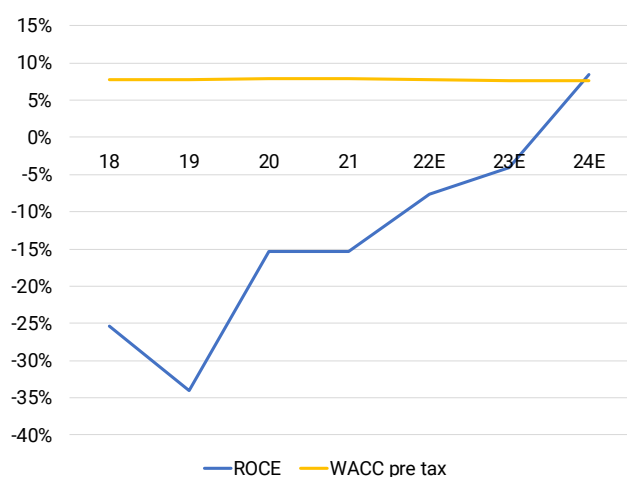
Sales vs. EBITDA margin development



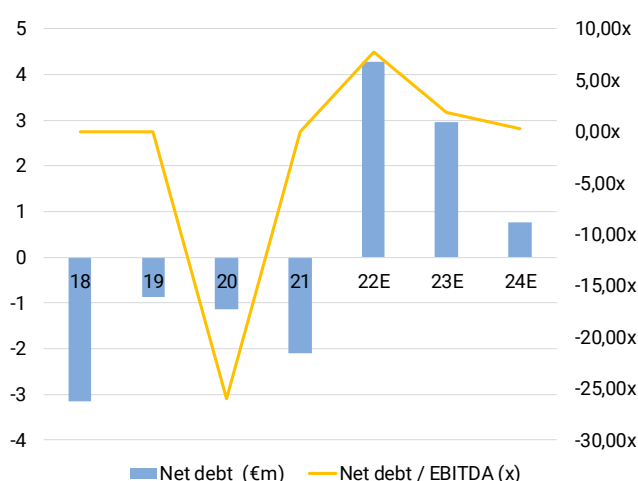
EPS, DPS in EUR & yoy EPS growth



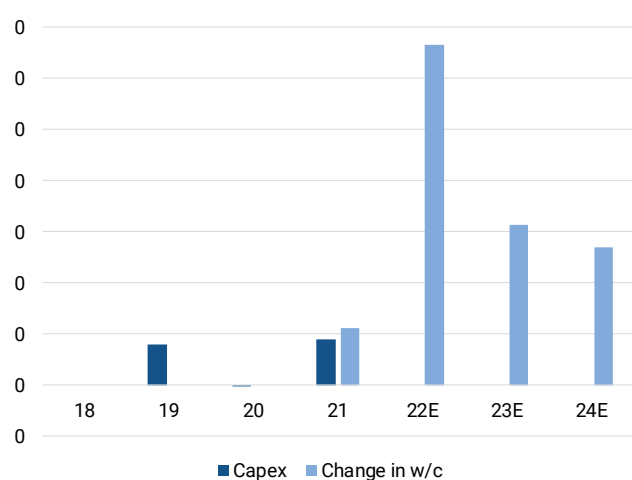
ROCE vs. WACC (pre tax)



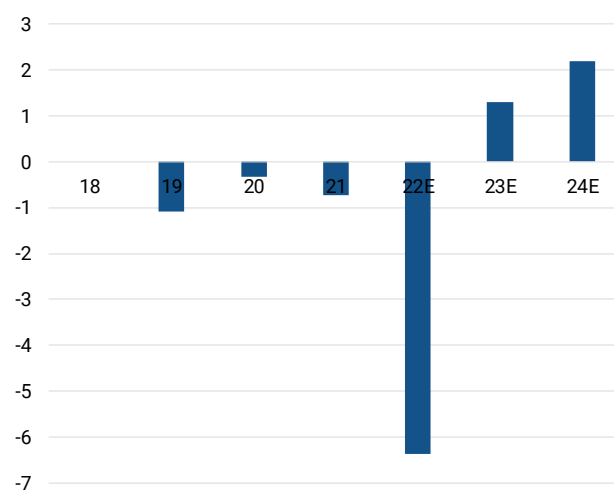
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net sales	2.1	2.3	2.4	7.9	9.1	10.5
Sales growth	358.1%	12.3%	3.3%	230.0%	15.0%	15.0%
Change in finished goods and work-in-process	1.1	0.5	0.6	0.0	0.0	0.0
Total sales	3.2	2.8	3.0	7.9	9.1	10.5
Material expenses	0.5	0.1	0.4	0.8	0.6	0.6
Gross profit	2.7	2.7	2.6	7.1	8.5	9.8
Other operating income	0.1	0.1	0.0	0.1	0.1	0.1
Personnel expenses	2.4	1.9	2.3	5.5	5.6	6.2
Other operating expenses	1.0	0.8	1.2	1.2	1.4	1.4
EBITDA	-0.6	0.0	-0.9	0.6	1.5	2.4
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-0.6	0.0	-0.9	0.6	1.5	2.4
Amortisation of goodwill and intangible assets	3.4	2.2	2.0	2.1	2.2	1.2
EBIT	-4.0	-2.1	-2.8	-1.5	-0.6	1.2
Financial result	-0.0	-0.1	-0.4	-0.2	-0.2	-0.1
Recurring pretax income from continuing operations	-4.1	-2.2	-3.2	-1.7	-0.8	1.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-4.1	-2.2	-3.2	-1.7	-0.8	1.1
Taxes	0.2	-0.0	0.0	-0.1	-0.0	0.1
Net income from continuing operations	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Average number of shares	22.83	22.83	25.99	32.49	32.49	32.49
EPS reported	-0.19	-0.10	-0.12	-0.05	-0.02	0.03

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	53%	22%	25%	0%	0%	0%
Total sales	153%	122%	125%	100%	100%	100%
Material expenses	24%	5%	17%	10%	7%	6%
Gross profit	129%	117%	108%	90%	93%	94%
Other operating income	4%	4%	2%	1%	1%	1%
Personnel expenses	114%	83%	95%	69%	62%	59%
Other operating expenses	48%	36%	50%	15%	15%	13%
EBITDA	-29%	2%	-36%	7%	17%	23%
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	-29%	2%	-36%	7%	17%	23%
Amortisation of goodwill and intangible assets	167%	94%	83%	26%	24%	11%
EBIT	-196%	-92%	-119%	-19%	-7%	12%
Financial result	-1%	-3%	-15%	-3%	-2%	-1%
Recurring pretax income from continuing operations	-197%	-96%	-134%	-22%	-9%	10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-197%	-96%	-134%	-22%	-9%	10%
Taxes	8%	-1%	1%	-1%	-0%	1%
Net income from continuing operations	-205%	-95%	-135%	-21%	-9%	10%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-205%	-95%	-135%	-21%	-9%	10%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-205%	-95%	-135%	-21%	-9%	10%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	2.3	2.1	6.9	4.8	2.7	1.5
Goodwill	10.6	9.4	10.7	10.7	10.7	10.7
Property, plant and equipment	0.1	0.1	0.4	0.4	0.4	0.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	13.0	11.5	18.0	16.0	13.8	12.6
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.4	0.2	0.8	1.1	1.2	1.4
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	2.0	2.2	7.5	1.2	2.5	2.2
Deferred taxes	0.1	0.1	0.1	0.1	0.1	0.1
Deferred charges and prepaid expenses	0.1	0.0	0.0	0.2	0.2	0.2
CURRENT ASSETS	2.5	2.5	8.4	2.6	4.1	4.0
TOTAL ASSETS	15.6	14.1	26.5	18.5	17.9	16.6
SHAREHOLDERS EQUITY	13.2	11.0	11.3	9.7	8.9	9.9
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	5.2	5.0	5.0	3.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.4	1.1	7.1	0.6	0.7	0.8
Non-current liabilities	0.4	1.1	12.3	5.6	5.7	3.8
short-term liabilities to banks	1.2	1.0	0.2	0.5	0.5	0.0
Accounts payable	0.1	0.3	0.4	0.2	0.2	0.2
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.1	0.1	0.2	0.5	0.5	0.6
Deferred taxes	0.6	0.6	2.0	2.0	2.0	2.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	2.0	2.0	2.8	3.2	3.3	2.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	15.6	14.1	26.5	18.5	17.9	16.6

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	15%	15%	26%	26%	15%	9%
Goodwill	68%	67%	41%	58%	60%	65%
Property, plant and equipment	1%	0%	1%	2%	2%	2%
Financial assets	0%	0%	0%	0%	0%	0%
FIXED ASSETS	84%	82%	68%	86%	77%	76%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	1%	3%	6%	7%	9%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	13%	15%	28%	7%	14%	13%
Deferred taxes	1%	1%	0%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
CURRENT ASSETS	16%	18%	32%	14%	23%	24%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	85%	78%	43%	52%	50%	60%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	20%	27%	28%	18%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	3%	8%	27%	3%	4%	5%
Non-current liabilities	3%	8%	47%	30%	32%	23%
short-term liabilities to banks	7%	7%	1%	3%	3%	0%
Accounts payable	1%	2%	1%	1%	1%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	1%	1%	3%	3%	4%
Deferred taxes	4%	4%	8%	11%	11%	12%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	13%	14%	11%	17%	18%	17%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Depreciation of fixed assets (incl. leases)	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
Amortisation of intangible assets	3.4	2.2	2.0	2.1	2.2	1.2
Others	-0.2	-0.3	0.6	-6.5	0.1	0.1
Cash flow from operations before changes in w/c	-1.0	-0.3	-0.6	-6.0	1.5	2.3
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	-0.1	-0.3	-0.2	-0.2
Increase/decrease in accounts payable	0.0	0.0	0.0	-0.2	-0.0	-0.0
Increase/decrease in other w/c positions	0.0	0.0	0.0	0.1	0.0	0.1
Increase/decrease in working capital	0.0	0.0	-0.1	-0.3	-0.2	-0.1
Cash flow from operating activities	-1.0	-0.3	-0.7	-6.4	1.3	2.2
CAPEX	-0.0	0.0	-0.0	0.0	0.0	0.0
Payments for acquisitions	-1.1	-0.2	-0.7	0.0	0.0	0.0
Financial investments	0.0	0.0	-6.6	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-1.2	-0.2	-0.8	0.0	0.0	0.0
Cash flow before financing	-2.2	-0.5	-1.5	-6.4	1.3	2.2
Increase/decrease in debt position	1.3	0.0	5.0	0.1	0.0	-2.5
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.8	9.3	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.5	-0.2	-8.3	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
Cash flow from financing activities	0.8	0.6	6.0	0.1	0.0	-2.5
Increase/decrease in liquid assets	-1.4	0.1	5.3	-6.3	1.3	-0.3
Liquid assets at end of period	2.0	2.2	7.5	1.2	2.5	2.2

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0	0.0	2.1	4.0	4.5	5.3
Europe (ex domestic)	0.0	0.0	0.0	3.9	4.5	5.3
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	2.1	2.3	2.4	7.9	9.1	10.5

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0%	0.0%	87.7%	50.6%	50.1%	50.2%
Europe (ex domestic)	0.0%	0.0%	0.0%	49.3%	50.1%	50.2%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.19	-0.10	-0.12	-0.05	-0.02	0.03
Cash flow per share	-0.05	-0.01	-0.03	-0.20	0.04	0.07
Book value per share	0.58	0.48	0.44	0.30	0.27	0.31
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-5.2x	-10.0x	-7.7x	-18.9x	-38.8x	30.1x
P/CF	-21.1x	-67.0x	-36.2x	-4.9x	23.9x	14.2x
P/BV	1.7x	2.0x	2.2x	3.2x	3.5x	3.1x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-4.7%	-1.5%	-2.8%	-20.4%	4.2%	7.1%
EV/Sales	14.7x	13.0x	12.1x	4.5x	3.8x	3.1x
EV/EBITDA	-50.8x	695.1x	-34.0x	64.1x	22.1x	13.3x
EV/EBIT	-7.5x	-14.0x	-10.2x	-23.4x	-54.6x	26.4x
Income statement (EURm)						
Sales	2.1	2.3	2.4	7.9	9.1	10.5
yoy chg in %	358.1%	12.3%	3.3%	230.0%	15.0%	15.0%
Gross profit	2.7	2.7	2.6	7.1	8.5	9.8
Gross margin in %	129.5%	116.9%	108.0%	90.0%	93.0%	94.0%
EBITDA	-0.6	0.0	-0.9	0.6	1.5	2.4
EBITDA margin in %	-28.9%	1.9%	-35.7%	7.0%	17.0%	23.0%
EBIT	-4.0	-2.1	-2.8	-1.5	-0.6	1.2
EBIT margin in %	-195.7%	-92.3%	-118.7%	-19.2%	-6.9%	11.6%
Net profit	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Cash flow statement (EURm)						
CF from operations	-1.0	-0.3	-0.7	-6.4	1.3	2.2
Capex	-0.0	0.0	-0.0	0.0	0.0	0.0
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-1.1	-0.3	-0.7	-6.4	1.3	2.2
Balance sheet (EURm)						
Intangible assets	12.9	11.5	17.6	15.5	13.4	12.2
Tangible assets	0.1	0.1	0.4	0.4	0.4	0.4
Shareholders' equity	13.2	11.0	11.3	9.7	8.9	9.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	1.6	2.2	12.5	6.1	6.2	3.8
Net financial debt	-0.9	-1.1	-2.1	4.3	3.0	0.8
w/c requirements	0.2	-0.1	0.4	0.9	1.1	1.3
Ratios						
ROE	-32.2%	-20.0%	-28.5%	-17.0%	-9.0%	10.4%
ROCE	-27.4%	-16.3%	-11.9%	-9.6%	-4.1%	8.8%
Net gearing	-6.6%	-10.3%	-18.5%	44.1%	33.4%	7.7%
Net debt / EBITDA	1.5x	-26.0x	2.5x	7.7x	1.9x	0.3x

Source: Company data; AlsterResearch

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