

# niiio finance Group AG

Germany | Technology | MCap EUR 27.6m

24 August 2022

UPDATE



## niiio closes acquisition of Fixhub; Guidance Confirmed; BUY after correction

### What's it all about?

niiio finance group AG has acquired 100% of FixHub for EUR 4m in cash retroactively as of 1 January 2022, which complements niiio's SaaS platform with order routing. Broadened range of products across the whole value chain of asset and wealth management provides clients with further added value and provides earnings potential for niiio. In 2022, management reaffirmed its forecast that revenue will about triple to between EUR 7.5m and EUR 7.9m. As already announced, the Group also expects a EBITDA that is at break-even to slightly positive, respectively. niiio is also in discussion with an investment bank to assist with a review of its long-term strategic options, including equity financing and M&A opportunities. We keep our BUY recommendation with unchanged price target of EUR 1.60.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 1.60 (1.60)</b>
Current price	EUR 0.85
Up/downside	88.2%



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## niiio takes next step as leading SaaS platform with acquisition of FixHub

**niiio takes next step as leading SaaS platform with successful acquisition of FixHub.** Yesterday, niiio finance group AG completed the full takeover of order routing provider FixHub. niiio is acquiring it with retroactive effect from 1 January 2022 against payment of EUR 4m in cash, of which approximately half is to be paid in 2022 and the remainder in 5 tranches in 2023 to 2027. The transaction is debt financed. In a fast growing niche market, FixHub achieved sales of roughly EUR 0.7m in 2021 with an EBITDA margin of over 85%.

**Further important step in its roll-up strategy.** The takeover marks another important step in niiio's roll-up strategy, which is to offer banks and financial service providers a comprehensive ecological system as a one-stop-shop platform in which all solutions are modular and easily interoperable. Simultaneously, the one-stop-shop solution approach for niiio offers always appealing possibilities for up and cross-selling.

**2022 guidance confirmed.** As banks and financial service providers increasingly rely on cloud-based software solutions from third-party providers due to the structural change in the industry, business with the niiio platform is growing rapidly. For 2022, the Executive Board expects revenues to almost triple to between EUR 7.5m and EUR 7.9m. AlsterResearch expects revenues of EUR 7.9m. Competitor SimCorp expects 7% to 12% growth 2022. Furthermore, the Management Board expects a balanced to slightly positive EBITDA for 2022 compared with our estimates of EUR 0.6m.

**BUY, PT EUR 1.60.** SaaS businesses with a projected revenue growth of 15% to 30% for next year are valued at a median Enterprise Value / NTM revenue of 6.5x, according to Clouded Judgement. SaaS businesses with an estimated revenue growth of less 15% are valued at 4.0x, respectively. We value niiio finance using our two-stage DCF model, which yields a fair value of EUR 1.60 per share. Our PT would thus translate into an EV/sales multiple of 5.7x – in line with the range other SaaS businesses are currently trading.

niiio finance Group AG	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	-0.2	-1.0	-2.8
Net debt/EBITDA	1.5x	-26.0x	2.5x	-0.4x	-0.7x	-1.2x
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%	-6.8%	-2.9%	6.0%
EV/EBITDA	-44.8x	612.4x	-29.8x	49.5x	17.2x	10.3x
EV/EBIT	-6.6x	-12.4x	-9.0x	-18.1x	-42.4x	20.5x
PER	-4.6x	-8.8x	-6.8x	-16.8x	-34.4x	26.7x
FCF yield	-5.3%	-1.7%	-3.1%	0.4%	4.5%	7.7%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 1.66 / 0.80  
**Price/Book Ratio** 1.9x

**Ticker / Symbols**

ISIN DE000A2G8332  
WKN A2G833  
Bloomberg NIIN:GR

**Changes in estimates**

		Sales	EBIT	EPS
<b>2022E</b>	old	7,9	-1,5	-0,05
	Δ	0,0%	na	na
<b>2023E</b>	old	9,1	-0,6	-0,02
	Δ	0,0%	na	na
<b>2024E</b>	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

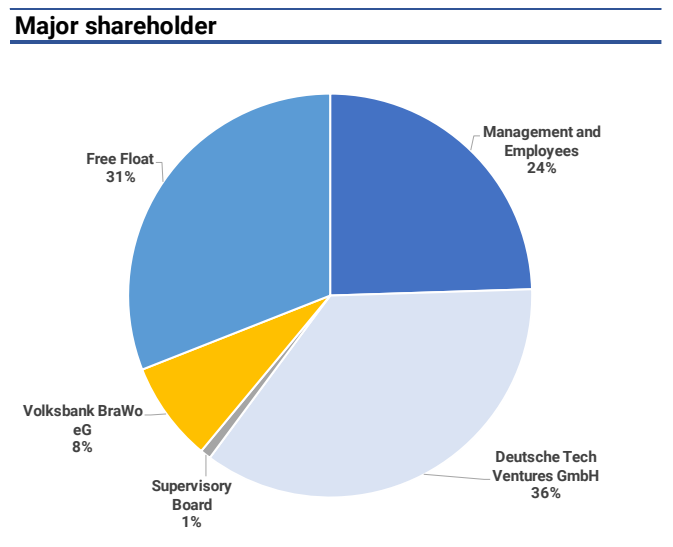
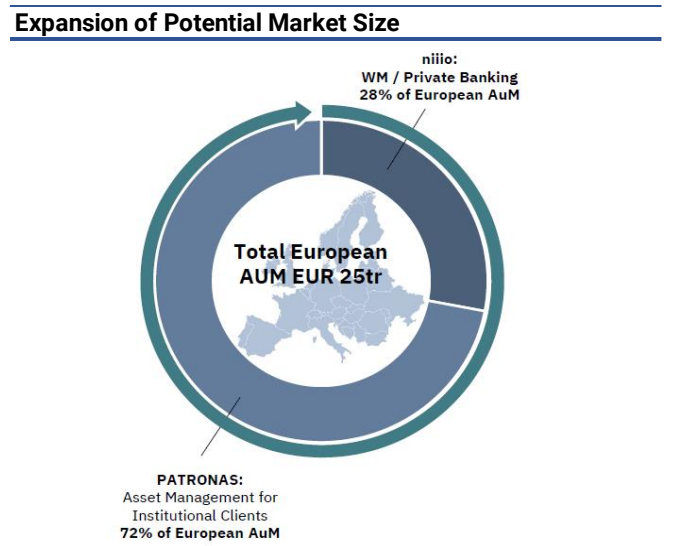
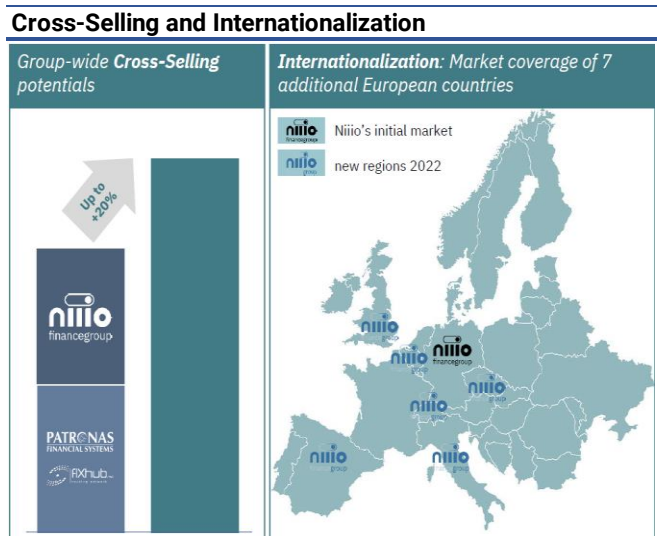
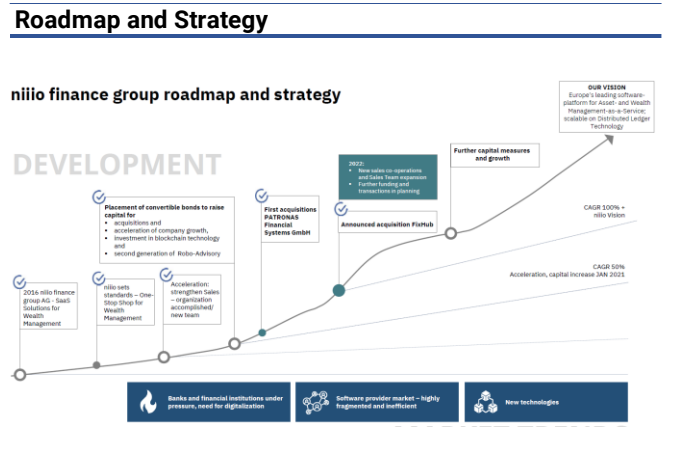
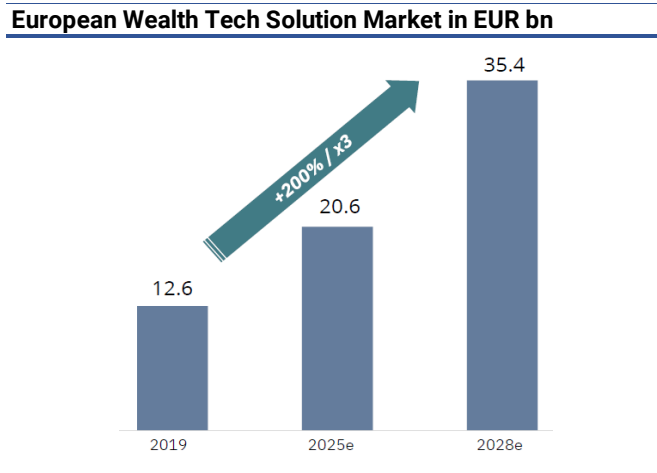
**Major shareholders**

Management and Employees 24.5%  
Deutsche Tech Ventures GmbH 35.7%  
Supervisory Board 0.9%  
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



Source : Company data; AlsterResearch

# 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

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 1.62 per share**:

**Top-line growth:** We expect niio 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 0.91. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 8.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.2 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	3.5	3.5	
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	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	
Chg. in long-term provisions	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Capex	-2.0	-0.4	-0.4	-0.4	-0.4	-0.4	0.0	0.0	
Cash flow	-1.7	1.0	1.8	2.0	2.6	3.1	3.6	3.5	64.7
Present value	-1.6	0.9	1.5	1.6	1.9	2.1	2.3	2.1	37.9
WACC	7.9%	7.9%	7.7%	7.6%	7.5%	7.5%	7.5%	7.5%	7.5%

DCF per share derived from	
Total present value	48.7
Mid-year adj. total present value	50.5
Net debt / cash at start of year	-2.1
Financial assets	0.0
Provisions and off b/s debt	0.0
Equity value	52.6
No. of shares outstanding	32.5
<b>Discounted cash flow / share upside/(downside)</b>	<b>1.62 / 90.5%</b>

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	15.8%
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)	0.91
Target debt / equity	0.2
Relevered beta	1.05
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	8.3%

<b>Share price</b>	<b>0.85</b>
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## Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	1.1	1.1	1.2	1.2	1.3	2022E - 2029E	5.0%
1.0%	1.2	1.3	1.4	1.4	1.5	2026E - 2029E	17.1%
0.0%	1.4	1.5	1.6	1.7	1.9	terminal value	77.9%
-1.0%	1.7	1.8	2.0	2.2	2.5		
-2.0%	2.1	2.3	2.6	3.0	3.5		

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 0.34 per share based on 2022E and EUR 1.79 per share on 2026E estimates. **We value niio 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
<b>EBITDA</b>	<b>0.6</b>	<b>1.5</b>	<b>2.4</b>	<b>2.8</b>	<b>3.6</b>
- 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
<b>= Adjusted FCF</b>	<b>0.6</b>	<b>1.6</b>	<b>2.3</b>	<b>2.5</b>	<b>3.1</b>
<b>Actual Market Cap</b>	<b>27.6</b>	<b>27.6</b>	<b>27.6</b>	<b>27.6</b>	<b>27.6</b>
+ Net debt (cash)	-0.2	-1.0	-2.8	-4.7	-7.3
+ 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>	-0.2	-1.1	-2.8	-4.7	-7.3
<b>= Actual EV'</b>	<b>27.4</b>	<b>26.5</b>	<b>24.8</b>	<b>22.9</b>	<b>20.3</b>
<b>Adjusted FCF yield</b>	<b>2.3%</b>	<b>6.0%</b>	<b>9.5%</b>	<b>11.0%</b>	<b>15.0%</b>
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%
<b>Fair EV</b>	<b>10.7</b>	<b>26.5</b>	<b>39.2</b>	<b>42.1</b>	<b>51.0</b>
- <i>EV Reconciliations</i>	-0.2	-1.1	-2.8	-4.7	-7.3
<b>Fair Market Cap</b>	<b>10.9</b>	<b>27.5</b>	<b>42.0</b>	<b>46.8</b>	<b>58.3</b>
No. of shares (million)	32.5	32.5	32.5	32.5	32.5
<b>Fair value per share in EUR</b>	<b>0.34</b>	<b>0.85</b>	<b>1.29</b>	<b>1.44</b>	<b>1.79</b>
<b>Premium (-) / discount (+)</b>	<b>-60.5%</b>	<b>-0.3%</b>	<b>51.9%</b>	<b>69.6%</b>	<b>111.0%</b>

Sensitivity analysis FV					
<b>Adjusted hurdle rate</b>	4.0%	0.5	1.3	1.9	2.6
	5.0%	0.4	1.0	1.5	2.1
	<b>6.0%</b>	<b>0.3</b>	<b>0.8</b>	<b>1.3</b>	<b>1.8</b>
	7.0%	0.3	0.7	1.1	1.6
	8.0%	0.3	0.6	1.0	1.4

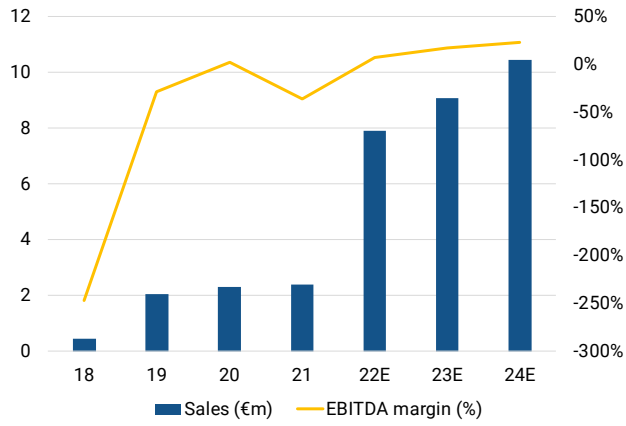
Source: Company data; AlsterResearch

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.**

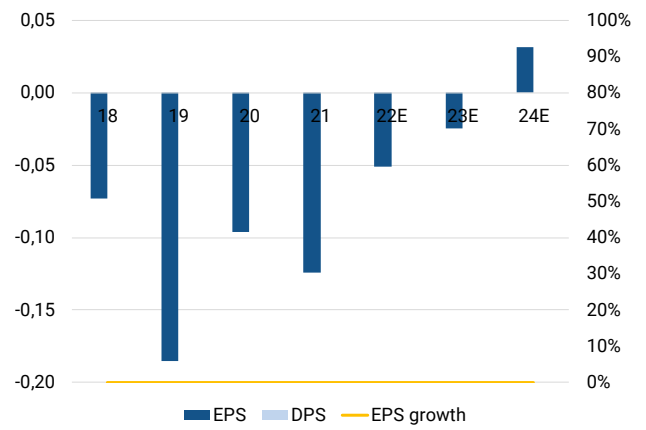


# Financials in six charts

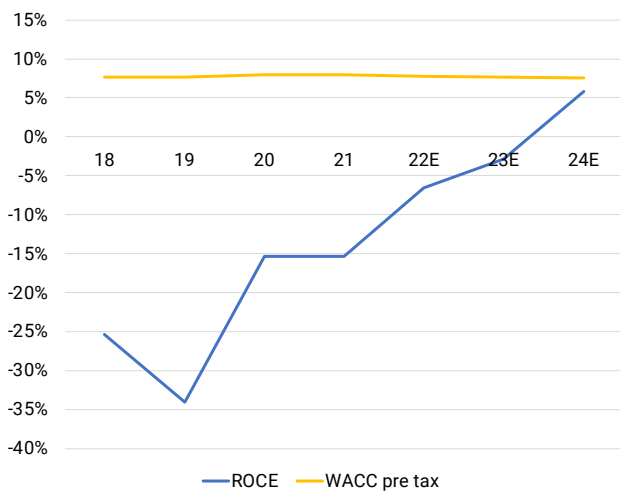
**Sales vs. EBITDA margin development**



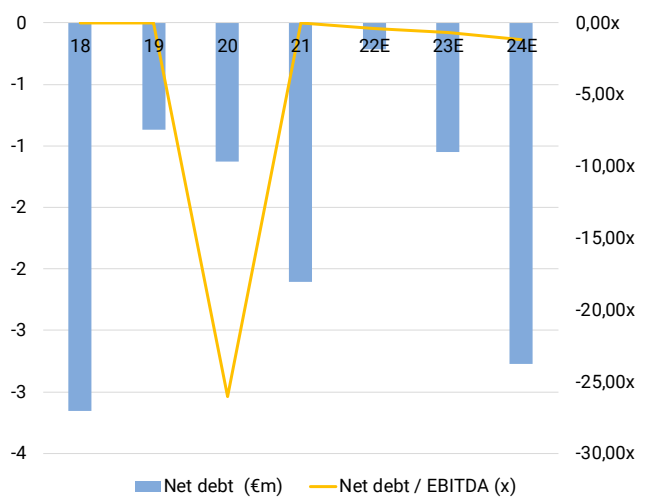
**EPS, DPS in EUR & yoy EPS growth**



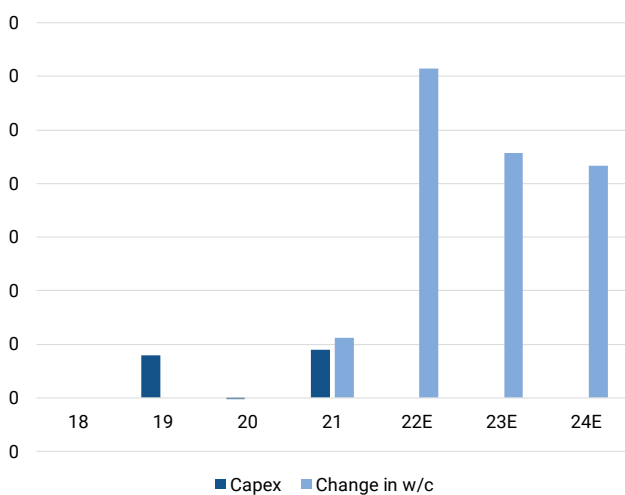
**ROCE vs. WACC (pre tax)**



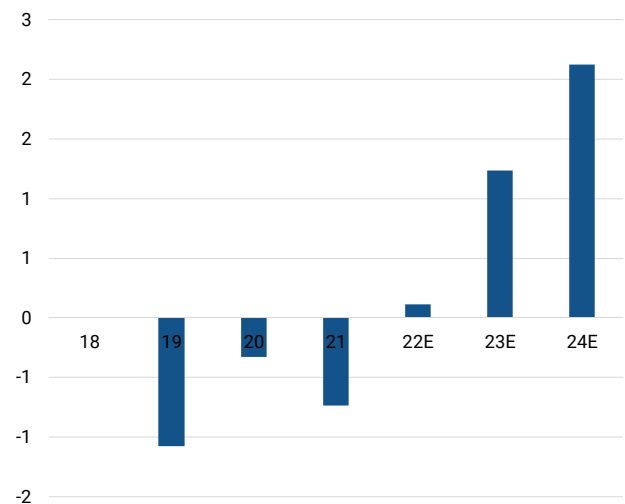
**Net debt and net debt/EBITDA**



**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
<b>Net sales</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>7.9</b>	<b>9.1</b>	<b>10.5</b>
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
<b>Total sales</b>	<b>3.2</b>	<b>2.8</b>	<b>3.0</b>	<b>7.9</b>	<b>9.1</b>	<b>10.5</b>
Material expenses	0.5	0.1	0.4	0.8	0.6	0.6
<b>Gross profit</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>	<b>7.1</b>	<b>8.5</b>	<b>9.8</b>
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
<b>EBITDA</b>	<b>-0.6</b>	<b>0.0</b>	<b>-0.9</b>	<b>0.6</b>	<b>1.5</b>	<b>2.4</b>
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
<b>EBIT</b>	<b>-4.0</b>	<b>-2.1</b>	<b>-2.8</b>	<b>-1.5</b>	<b>-0.6</b>	<b>1.2</b>
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
<b>Net income</b>	<b>-4.2</b>	<b>-2.2</b>	<b>-3.2</b>	<b>-1.6</b>	<b>-0.8</b>	<b>1.0</b>
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
<b>EPS reported</b>	<b>-0.19</b>	<b>-0.10</b>	<b>-0.12</b>	<b>-0.05</b>	<b>-0.02</b>	<b>0.03</b>

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	53%	22%	25%	0%	0%	0%
<b>Total sales</b>	<b>153%</b>	<b>122%</b>	<b>125%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	24%	5%	17%	10%	7%	6%
<b>Gross profit</b>	<b>129%</b>	<b>117%</b>	<b>108%</b>	<b>90%</b>	<b>93%</b>	<b>94%</b>
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%
<b>EBITDA</b>	<b>-29%</b>	<b>2%</b>	<b>-36%</b>	<b>7%</b>	<b>17%</b>	<b>23%</b>
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%
<b>EBIT</b>	<b>-196%</b>	<b>-92%</b>	<b>-119%</b>	<b>-19%</b>	<b>-7%</b>	<b>12%</b>
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%
<b>Net income</b>	<b>-205%</b>	<b>-95%</b>	<b>-135%</b>	<b>-21%</b>	<b>-9%</b>	<b>10%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>-205%</b>	<b>-95%</b>	<b>-135%</b>	<b>-21%</b>	<b>-9%</b>	<b>10%</b>

Source: Company data; AlsterResearch



Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>2.3</b>	<b>2.1</b>	<b>6.9</b>	<b>4.8</b>	<b>2.7</b>	<b>1.5</b>
Goodwill	10.6	9.4	10.7	14.8	14.8	14.8
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
<b>FIXED ASSETS</b>	<b>13.0</b>	<b>11.5</b>	<b>18.0</b>	<b>20.0</b>	<b>17.8</b>	<b>16.6</b>
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	5.7	6.5	5.8
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
<b>CURRENT ASSETS</b>	<b>2.5</b>	<b>2.5</b>	<b>8.4</b>	<b>7.1</b>	<b>8.1</b>	<b>7.5</b>
<b>TOTAL ASSETS</b>	<b>15.6</b>	<b>14.1</b>	<b>26.5</b>	<b>27.1</b>	<b>25.9</b>	<b>24.2</b>
<b>SHAREHOLDERS EQUITY</b>	<b>13.2</b>	<b>11.0</b>	<b>11.3</b>	<b>16.2</b>	<b>15.4</b>	<b>16.4</b>
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
<b>Non-current liabilities</b>	<b>0.4</b>	<b>1.1</b>	<b>12.3</b>	<b>5.6</b>	<b>5.7</b>	<b>3.8</b>
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	2.5	2.1	1.7
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
<b>Current liabilities</b>	<b>2.0</b>	<b>2.0</b>	<b>2.8</b>	<b>5.3</b>	<b>4.8</b>	<b>3.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>15.6</b>	<b>14.1</b>	<b>26.5</b>	<b>27.1</b>	<b>25.9</b>	<b>24.2</b>

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>15%</b>	<b>15%</b>	<b>26%</b>	<b>18%</b>	<b>10%</b>	<b>6%</b>
Goodwill	68%	67%	41%	55%	57%	61%
Property, plant and equipment	1%	0%	1%	1%	1%	2%
Financial assets	0%	0%	0%	0%	0%	0%
<b>FIXED ASSETS</b>	<b>84%</b>	<b>82%</b>	<b>68%</b>	<b>74%</b>	<b>69%</b>	<b>69%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	1%	3%	4%	5%	6%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	13%	15%	28%	21%	25%	24%
Deferred taxes	1%	1%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
<b>CURRENT ASSETS</b>	<b>16%</b>	<b>18%</b>	<b>32%</b>	<b>26%</b>	<b>31%</b>	<b>31%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>85%</b>	<b>78%</b>	<b>43%</b>	<b>60%</b>	<b>59%</b>	<b>68%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	20%	18%	19%	12%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	3%	8%	27%	2%	3%	3%
<b>Non-current liabilities</b>	<b>3%</b>	<b>8%</b>	<b>47%</b>	<b>21%</b>	<b>22%</b>	<b>16%</b>
short-term liabilities to banks	7%	7%	1%	2%	2%	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%	9%	8%	7%
Deferred taxes	4%	4%	8%	8%	8%	8%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>13%</b>	<b>14%</b>	<b>11%</b>	<b>19%</b>	<b>19%</b>	<b>16%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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	0.0	0.1	0.1
Cash flow from operations before changes in w/c	-1.0	-0.3	-0.6	0.4	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	0.2	-0.0	-0.0
Increase/decrease in working capital	0.0	0.0	-0.1	-0.3	-0.2	-0.2
<b>Cash flow from operating activities</b>	<b>-1.0</b>	<b>-0.3</b>	<b>-0.7</b>	<b>0.1</b>	<b>1.2</b>	<b>2.1</b>
CAPEX	-0.0	0.0	-0.0	0.0	0.0	0.0
Payments for acquisitions	-1.1	-0.2	-0.7	-2.0	-0.4	-0.4
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
<b>Cash flow from investing activities</b>	<b>-1.2</b>	<b>-0.2</b>	<b>-0.8</b>	<b>-2.0</b>	<b>-0.4</b>	<b>-0.4</b>
Cash flow before financing	-2.2	-0.5	-1.5	-1.9	0.8	1.7
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
<b>Cash flow from financing activities</b>	<b>0.8</b>	<b>0.6</b>	<b>6.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-2.5</b>
Increase/decrease in liquid assets	-1.4	0.1	5.3	-1.8	0.8	-0.8
<b>Liquid assets at end of period</b>	<b>2.0</b>	<b>2.2</b>	<b>7.5</b>	<b>5.7</b>	<b>6.5</b>	<b>5.8</b>

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
<b>Total sales</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>7.9</b>	<b>9.1</b>	<b>10.5</b>

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%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
<b>Per share data</b>						
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	0.00	0.04	0.07
Book value per share	0.58	0.48	0.44	0.50	0.47	0.51
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-4.6x	-8.8x	-6.8x	-16.8x	-34.4x	26.7x
P/CF	-18.7x	-59.3x	-32.1x	244.9x	22.4x	13.0x
P/BV	1.5x	1.8x	1.9x	1.7x	1.8x	1.7x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-5.3%	-1.7%	-3.1%	0.4%	4.5%	7.7%
EV/Sales	13.0x	11.4x	10.7x	3.5x	2.9x	2.4x
EV/EBITDA	-44.8x	612.4x	-29.8x	49.5x	17.2x	10.3x
EV/EBIT	-6.6x	-12.4x	-9.0x	-18.1x	-42.4x	20.5x
<b>Income statement (EURm)</b>						
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
<b>Cash flow statement (EURm)</b>						
CF from operations	-1.0	-0.3	-0.7	0.1	1.2	2.1
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	0.1	1.2	2.1
<b>Balance sheet (EURm)</b>						
Intangible assets	12.9	11.5	17.6	19.6	17.4	16.2
Tangible assets	0.1	0.1	0.4	0.4	0.4	0.4
Shareholders' equity	13.2	11.0	11.3	16.2	15.4	16.4
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	-0.2	-1.0	-2.8
w/c requirements	0.2	-0.1	0.4	0.9	1.1	1.3
<b>Ratios</b>						
ROE	-32.2%	-20.0%	-28.5%	-10.2%	-5.2%	6.3%
ROCE	-27.4%	-16.3%	-11.9%	-6.8%	-2.9%	6.0%
Net gearing	-6.6%	-10.3%	-18.5%	-1.3%	-6.8%	-16.9%
Net debt / EBITDA	1.5x	-26.0x	2.5x	-0.4x	-0.7x	-1.2x

Source: Company data; AlsterResearch

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