

niiio finance Group AG

Germany | Technology | MCap EUR 21.0m

13 April 2023

UPDATE



Move into banking-as-a-service in Joint Venture; Reiterate Buy

What's it all about?

niiio and TV Development (TVD) signed a letter of intent to establish a Banking-as-a-Service (BaaS) joint venture. niiio will contribute software solutions, while TVD will offer its BaaS solution. In the process, niiio is to hold a majority in the JV. For niiio, the JV with TVD is a consistent move into a new business area to further advance its front-to-back strategy. TVD's intelligent API gateway for modern asset and wealth management very well complements niiio's experience in developing innovative and custom-fit software solutions. As the JV is still awaiting funding, it is too early to adjust forecasts. We reiterate to BUY with PT EUR 1.60, which provides c. 150% upside potential.

BUY (BUY)

Target price	EUR 1.60 (1.60)
Current price	EUR 0.65
Up/downside	148.1%



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Move into banking-as-a-service in Joint Venture; Reiterate Buy

niiio and TV Development (TVD) signed a Lol to establish a Banking-as-a-Service JV. niiio will contribute software solutions, while TVD will offer its BaaS solution. In the process, niiio is to hold a majority in the JV. BaaS refers to the provision of banking services, such as payment processing, lending, and deposit-taking, by banks to third-party businesses and fintech companies through APIs (application programming interfaces). This allows these third-party businesses to integrate banking services into their own products and services, without having to become licensed banks themselves. The software solution "Opus 2.0" of the niiio subsidiary PATRONAS Financial Systems GmbH is to be further developed together with TVD into a fully comprehensive SaaS solution for trading and custody of securities, funds and digital assets.

JV advances niiio's front-to-back strategy. With this JV, niiio can move into new business areas and advance its strategy. niiio offers its customers a holistic ecosystem where all solutions are modular and easily compatible with each other. TVD's intelligent API gateway for modern asset and wealth management (AWM) very well complements niiio's experience in developing innovative and custom-fit software solutions.

WealthTechs charge 1 to 15bps of AuM. At this point, it is too early to speculate about the revenue potential of the joint venture. However, taking into account that WealthTechs typically charge 1bp to 15bp for its services, the potential could be significant.

Funding not secured yet. The JV has still to be funded. That is why it is too early to adjust our forecasts. niiio expects that they will build the software in 12 to 24 months.

Confirm BUY with PT of EUR 1.60. Our PT of EUR 1.60 per share is based on our DCF model. The target price corresponds to an EV/NTM Sales multiple of 5.8x (US SaaS: 6.3x). We reiterate to BUY, which provides c. 150% upside potential.

niiio finance Group	2019	2020	2021	2022P	2023E	2024E
Sales	2.1	2.3	2.4	7.5	8.7	10.0
<i>Growth yoy</i>	358.1%	12.3%	3.3%	215.0%	15.0%	15.0%
EBITDA	-0.6	0.0	-0.9	0.8	1.5	2.3
EBIT	-4.0	-2.1	-2.8	-1.3	-0.7	1.1
Net profit	-4.2	-2.2	-3.2	-1.4	-0.9	0.9
Net debt (net cash)	-0.9	-1.1	-2.1	-0.5	-1.3	-2.9
Net debt/EBITDA	1.5x	-26.0x	2.5x	-0.6x	-0.9x	-1.3x
EPS reported	-0.19	-0.10	-0.12	-0.04	-0.03	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%	10.8%	17.0%	23.0%
EBIT margin	-195.7%	-92.3%	-118.7%	-16.6%	-8.0%	11.0%
ROCE	-27.4%	-16.3%	-11.9%	-5.6%	-3.2%	5.4%
EV/EBITDA	-33.6x	458.5x	-22.1x	25.1x	13.3x	7.9x
EV/EBIT	-5.0x	-9.3x	-6.6x	-16.3x	-28.3x	16.4x
PER	-3.5x	-6.7x	-5.2x	-15.0x	-24.1x	22.5x
FCF yield	-7.0%	-2.2%	-4.1%	1.9%	5.6%	9.7%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 1.30 / 0.56
Price/Book Ratio 1.5x

Ticker / Symbols

ISIN DE000A2G8332
WKN A2G833
Bloomberg NIIN:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	7.5	-1.5	-0.05
	Δ	0.0%	na%	na%
2023E	old	8.7	-0.7	-0.03
	Δ	0.0%	na%	na%
2024E	old	10.0	1.1	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

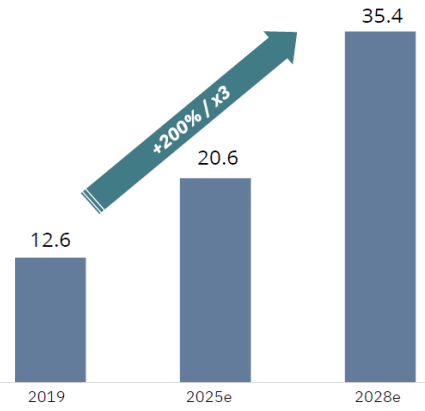
Management and Employees 24.5%
Deutsche Tech Ventures GmbH 35.7%
Supervisory Board 1.4%
Free Float 30.5%

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.

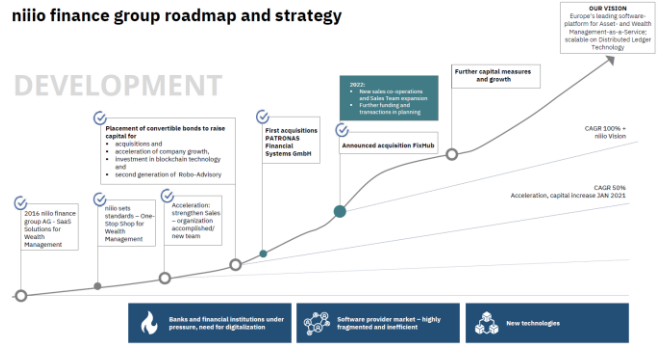
Investment case in six charts

European Wealth Tech Solution Market in EUR bn



Roadmap and Strategy

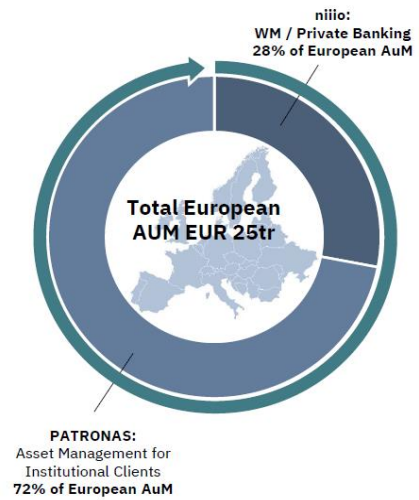
niiio finance group roadmap and strategy



Cross-Selling and Internationalization



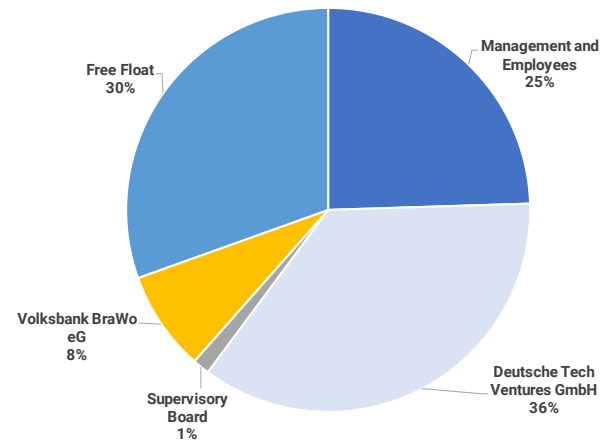
Expansion of Potential Market Size



Robo-Advisor Smavesto with Best Performance



Major shareholder



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

- Loss making in 2022
- 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 1.67 per share**:

Top-line growth: We expect niio finance Group AG to continue benefitting from structural growth. Hence our growth estimates for 2022P-2029E 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 0.89. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 8.1%. 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 7.4%.

DCF (EURm) (except per share data and beta)	2022P	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-1.2	-0.7	1.0	2.1	2.8	3.3	3.4	3.3	
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	-1.4	1.0	1.7	1.9	2.4	3.0	3.4	3.4	63.3
Present value	-1.4	0.9	1.5	1.6	1.9	2.1	2.3	2.1	39.2
WACC	7.9%	7.9%	7.7%	7.5%	7.4%	7.3%	7.3%	7.3%	7.4%

DCF per share derived from	
Total present value	50.2
Mid-year adj. total present value	52.0
Net debt / cash at start of year	-2.1
Financial assets	0.0
Provisions and off b/s debt	0.0
Equity value	54.1
No. of shares outstanding	32.5
Discounted cash flow / share upside/(downside)	1.67 / 158.3%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022P-2029E)	9.9%
Terminal value growth (2029E - infinity)	2.0%
Terminal year ROCE	15.4%
Terminal year WACC	7.4%

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)	0.89
Target debt / equity	0.2
Relevered beta	1.02
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	8.1%

Share price	0.65
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Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth						Share of present value	
	2.0%	1.0%	1.5%	2.0%	2.5%	3.0%	2022P-2025E	2026E-2029E
2.0%	1.1	1.1	1.2	1.3	1.2	5.2%	16.7%	78.1%
1.0%	1.3	1.3	1.4	1.5	1.6			
0.0%	1.5	1.6	1.7	1.8	2.0			
-1.0%	1.7	1.9	2.1	2.3	2.6			
-2.0%	2.2	2.4	2.7	3.1	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 0.47 per share based on 2022P and EUR 1.72 per share on 2026E estimates.

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	2022P	2023E	2024E	2025E	2026E
EBITDA	0.8	1.5	2.3	2.6	3.4
- 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	0.0	0.2	0.5
= Adjusted FCF	0.9	1.5	2.2	2.4	2.9
Actual Market Cap	21.0	21.0	21.0	21.0	21.0
+ Net debt (cash)	-0.5	-1.3	-2.9	-4.7	-7.2
+ 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>	-0.5	-1.3	-2.9	-4.8	-7.2
= Actual EV'	20.4	19.6	18.0	16.2	13.8
Adjusted FCF yield	4.4%	7.7%	12.5%	14.9%	21.2%
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	14.8	25.3	37.4	40.2	48.7
- <i>EV Reconciliations</i>	-0.5	-1.3	-2.9	-4.8	-7.2
Fair Market Cap	15.3	26.7	40.4	45.0	55.9
No. of shares (million)	32.5	32.5	32.5	32.5	32.5
Fair value per share in EUR	0.47	0.82	1.24	1.38	1.72
Premium (-) / discount (+)	-26.8%	27.2%	92.6%	114.6%	166.5%

Sensitivity analysis FV

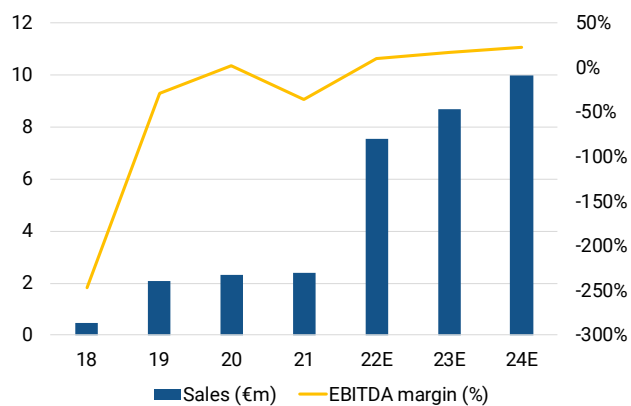
	4.0%	0.7	1.2	1.8	2.0	2.5
Adjusted hurdle rate	5.0%	0.6	1.0	1.5	1.6	2.0
	6.0%	0.5	0.8	1.2	1.4	1.7
	7.0%	0.4	0.7	1.1	1.2	1.5
	8.0%	0.4	0.6	1.0	1.1	1.3

Source: Company data; AlsterResearch

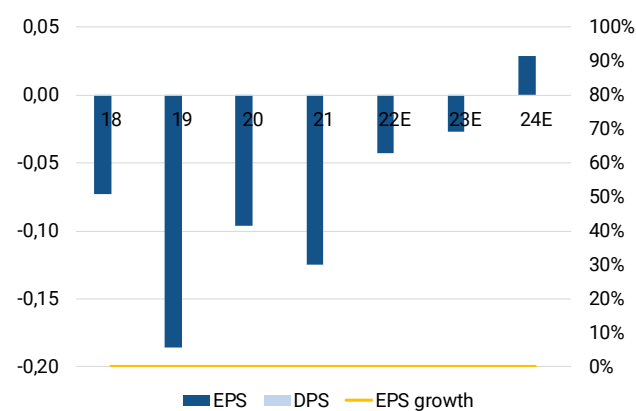
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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.**

Financials in six charts

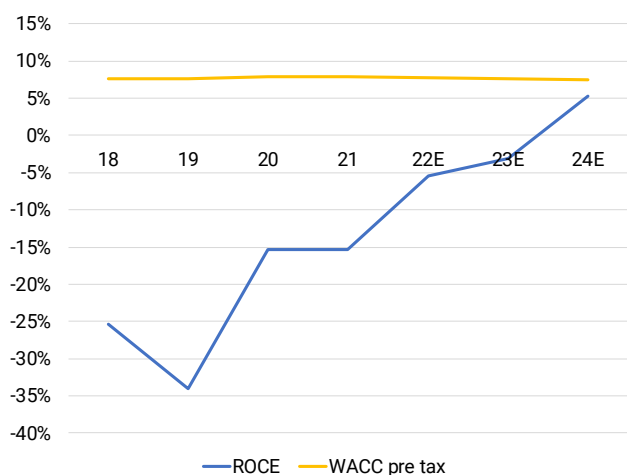
Sales vs. EBITDA margin development



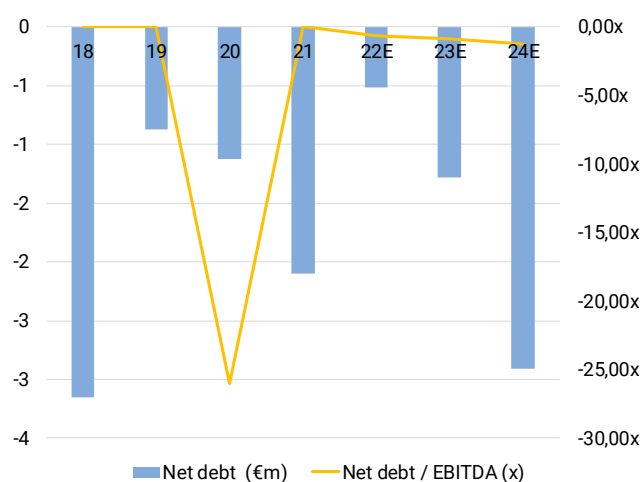
EPS, DPS in EUR & yoy EPS growth



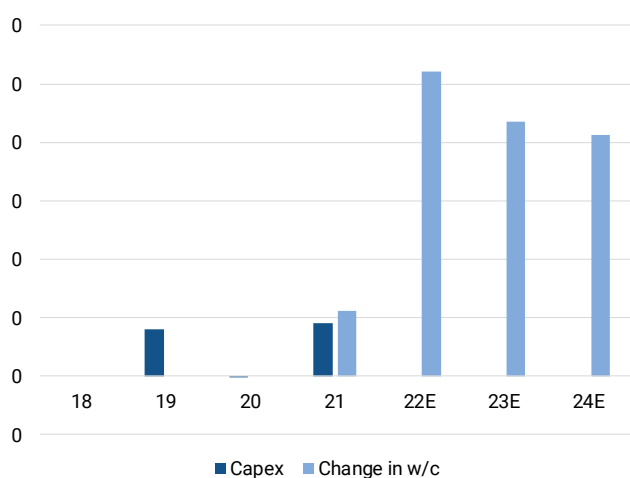
ROCE vs. WACC (pre tax)



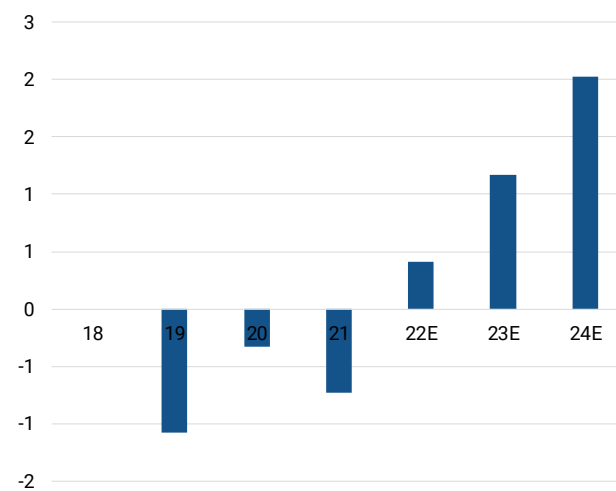
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2019	2020	2021	2022P	2023E	2024E
Net sales	2.1	2.3	2.4	7.5	8.7	10.0
Sales growth	358.1%	12.3%	3.3%	215.0%	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	7.5	8.7	10.0
Material expenses	0.5	0.1	0.4	0.8	0.6	0.6
Gross profit	2.7	2.7	2.6	6.8	8.1	9.4
Other operating income	0.1	0.1	0.0	0.1	0.1	0.1
Personnel expenses	2.4	1.9	2.3	4.9	5.4	5.9
Other operating expenses	1.0	0.8	1.2	1.1	1.3	1.3
EBITDA	-0.6	0.0	-0.9	0.8	1.5	2.3
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-0.6	0.0	-0.9	0.8	1.5	2.3
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	-1.3	-0.7	1.1
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	-1.5	-0.9	1.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-4.1	-2.2	-3.2	-1.5	-0.9	1.0
Taxes	0.2	-0.0	0.0	-0.1	-0.0	0.0
Net income from continuing operations	-4.2	-2.2	-3.2	-1.4	-0.9	0.9
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	-1.4	-0.9	0.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.2	-2.2	-3.2	-1.4	-0.9	0.9
Average number of shares	22.83	22.83	25.99	32.49	32.49	32.49
EPS reported	-0.19	-0.10	-0.12	-0.04	-0.03	0.03

Profit and loss (common size)	2019	2020	2021	2022P	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%	65%	62%	59%
Other operating expenses	48%	36%	50%	15%	15%	13%
EBITDA	-29%	2%	-36%	11%	17%	23%
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	-29%	2%	-36%	11%	17%	23%
Amortisation of goodwill and intangible assets	167%	94%	83%	27%	25%	12%
EBIT	-196%	-92%	-119%	-17%	-8%	11%
Financial result	-1%	-3%	-15%	-3%	-3%	-1%
Recurring pretax income from continuing operations	-197%	-96%	-134%	-20%	-11%	10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-197%	-96%	-134%	-20%	-11%	10%
Taxes	8%	-1%	1%	-1%	-1%	0%
Net income from continuing operations	-205%	-95%	-135%	-19%	-10%	9%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-205%	-95%	-135%	-19%	-10%	9%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-205%	-95%	-135%	-19%	-10%	9%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2019	2020	2021	2022P	2023E	2024E
Intangible assets (excl. Goodwill)	2.3	2.1	6.9	4.8	2.7	1.5
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
FIXED ASSETS	13.0	11.5	18.0	20.0	17.8	16.6
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.4	0.2	0.8	1.0	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	6.0	6.8	5.9
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	7.3	8.3	7.6
TOTAL ASSETS	15.6	14.1	26.5	27.3	26.1	24.2
SHAREHOLDERS EQUITY	13.2	11.0	11.3	16.4	15.6	16.5
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	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
Current liabilities	2.0	2.0	2.8	5.2	4.8	3.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	15.6	14.1	26.5	27.3	26.1	24.2

Balance sheet (common size)	2019	2020	2021	2022P	2023E	2024E
Intangible assets (excl. Goodwill)	15%	15%	26%	18%	10%	6%
Goodwill	68%	67%	41%	54%	57%	61%
Property, plant and equipment	1%	0%	1%	1%	1%	2%
Financial assets	0%	0%	0%	0%	0%	0%
FIXED ASSETS	84%	82%	68%	73%	68%	69%
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%	22%	26%	24%
Deferred taxes	1%	1%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
CURRENT ASSETS	16%	18%	32%	27%	32%	31%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	85%	78%	43%	60%	60%	68%
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%
Non-current liabilities	3%	8%	47%	21%	22%	16%
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%	7%	8%	8%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	13%	14%	11%	19%	18%	16%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2019	2020	2021	2022P	2023E	2024E
Net profit/loss	-4.2	-2.2	-3.2	-1.4	-0.9	0.9
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	0.7	1.4	2.2
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
Cash flow from operating activities	-1.0	-0.3	-0.7	0.4	1.2	2.0
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
Cash flow from investing activities	-1.2	-0.2	-0.8	-2.0	-0.4	-0.4
Cash flow before financing	-2.2	-0.5	-1.5	-1.6	0.8	1.6
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	-1.5	0.8	-0.9
Liquid assets at end of period	2.0	2.2	7.5	6.0	6.8	5.9

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022P	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	7.5	8.7	10.0

Regional sales split (common size)	2019	2020	2021	2022P	2023E	2024E
Domestic	0.0%	0.0%	87.7%	53.0%	52.4%	52.6%
Europe (ex domestic)	0.0%	0.0%	0.0%	51.7%	52.4%	52.6%
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	2022P	2023E	2024E
Per share data						
Earnings per share reported	-0.19	-0.10	-0.12	-0.04	-0.03	0.03
Cash flow per share	-0.05	-0.01	-0.03	0.01	0.04	0.06
Book value per share	0.58	0.48	0.44	0.51	0.48	0.51
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-3.5x	-6.7x	-5.2x	-15.0x	-24.1x	22.5x
P/CF	-14.2x	-45.0x	-24.3x	51.4x	17.9x	10.4x
P/BV	1.1x	1.3x	1.5x	1.3x	1.3x	1.3x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-7.0%	-2.2%	-4.1%	1.9%	5.6%	9.7%
EV/Sales	9.7x	8.6x	7.9x	2.7x	2.3x	1.8x
EV/EBITDA	-33.6x	458.5x	-22.1x	25.1x	13.3x	7.9x
EV/EBIT	-5.0x	-9.3x	-6.6x	-16.3x	-28.3x	16.4x
Income statement (EURm)						
Sales	2.1	2.3	2.4	7.5	8.7	10.0
yoy chg in %	358.1%	12.3%	3.3%	215.0%	15.0%	15.0%
Gross profit	2.7	2.7	2.6	6.8	8.1	9.4
Gross margin in %	129.5%	116.9%	108.0%	90.0%	93.0%	94.0%
EBITDA	-0.6	0.0	-0.9	0.8	1.5	2.3
EBITDA margin in %	-28.9%	1.9%	-35.7%	10.8%	17.0%	23.0%
EBIT	-4.0	-2.1	-2.8	-1.3	-0.7	1.1
EBIT margin in %	-195.7%	-92.3%	-118.7%	-16.6%	-8.0%	11.0%
Net profit	-4.2	-2.2	-3.2	-1.4	-0.9	0.9
Cash flow statement (EURm)						
CF from operations	-1.0	-0.3	-0.7	0.4	1.2	2.0
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	0.4	1.2	2.0
Balance sheet (EURm)						
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	16.4	15.6	16.5
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	-0.5	-1.3	-2.9
w/c requirements	0.2	-0.1	0.4	0.8	1.0	1.2
Ratios						
ROE	-32.2%	-20.0%	-28.5%	-8.5%	-5.6%	5.6%
ROCE	-27.4%	-16.3%	-11.9%	-5.6%	-3.2%	5.4%
Net gearing	-6.6%	-10.3%	-18.5%	-3.1%	-8.2%	-17.6%
Net debt / EBITDA	1.5x	-26.0x	2.5x	-0.6x	-0.9x	-1.3x

Source: Company data; AlsterResearch

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