



Research report (Anno)

Cogia AG



Focus on organic and dynamic growth

-

Global cooperations show international demand
for Cogia products

Target price: EUR 3.23
(previously: EUR 3.72)

Rating: BUY

IMPORTANT NOTICE:

Please note the disclaimer/risk notice

as well as the disclosure of potential conflicts of interest pursuant to Section 85 WpHG and Art. 20 MAR from page 17

Note in accordance with MiFID II regulation for research "Minor Non-Monetary Contribution": The present research meets the requirements for classification as "Minor Non-Monetary Contribution". For further information, please refer to the disclosure under "I. Research under MiFID II".

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Validity of the target price: until max. 12/31/2023

Cogia AG^{*5a,11}

Rating: BUY

Target price: EUR 3.23
(previously: EUR 3.72)

Current price: 0.90
10.08.2022 / Xetra 14:42
Currency: €

Master data:

ISIN: DE000A3H2226
WKN: A3H222
Stock exchange symbol: 8HC
Number of shares³: 3.50
Marketcap³: 3.15
EnterpriseValue³: 3.11
³ in million / in € million
Free float: 30.0 %

Market segment:
Over-the-counter

Accounting:
HGB

Financial year: 31.12.

Analysts:

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* Catalog of possible conflicts
of interest on page 18

Company profile

Industry: Software

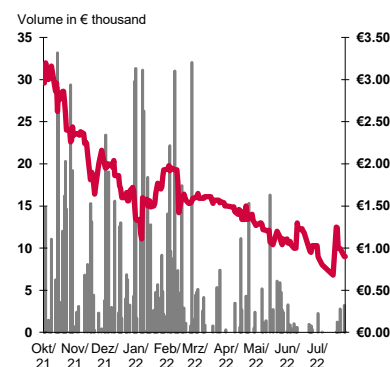
Focus: Online media monitoring and analysis

Employees: 9 (as of 31.12.2021)

Foundation: 2020

Headquarters: Frankfurt am Main

Board of Directors: Pascal Lauria



Cogia AG, founded in Frankfurt am Main, is a provider of patented semantic solutions and services based on Artificial Intelligence (AI) in the field of "Big Data Analytics", with a focus on customer experience, monitoring and engagement. Furthermore, Cogia AG develops and distributes the encrypted Socializer Messenger. Cogia AG has been selling its products for intelligent information search, organization and analysis for web content, social media posts and internal data for more than 10 years. This includes a multilingual system that uses natural language processing technologies and delivers excellent search and categorization results. Cogia's goal is to help its customers, whether companies, associations or public authorities, make the most of the available information by using automated processes to index its content and prepare it in a structured manner.

P&L in € million \ FY-end	31.12.2020	31.12.2021	31.12.2022e	31.12.2023e
Sales	0,42	1,28	1,96	3,63
EBITDA	0,13	0,59	0,20	0,96
EBIT	-0,28	-0,81	-1,02	-0,26
Net income	-0,32	-0,81	-1,35	-0,60

Key figures in EUR				
Earnings per share	-0,09	-0,23	-0,39	-0,17
Dividend per share	0,00	0,00	0,00	0,00

Key figures				
EV/Sales	7,45	2,43	1,59	0,86
EV/EBITDA	23,52	5,25	15,90	3,23
EV/EBIT	-11,21	-3,84	-3,03	-12,06
KGV	-9,91	-3,87	-2,33	-5,27
KBV		0,25		

Financial Calendar

August 2022: Half-year financial statements
09/15/2022: 12. ZKK
Zurich Capital Market Conference
15/16.11.2022: 34. MKK
Munich Capital Market Conference

**last research from GBC:

Date: Publication / Target price in EUR / Rating
12/14/2021: RS / 3.72 / BUY
01.02.2022: RS / 3.72 / BUY
02/08/2021: RS / 3.72 / BUY

** Research studies listed above can be viewed at www.gbc-ag.de or requested from GBC AG, Halderstr. 27, D86150 Augsburg, Germany.

EXECUTIVE SUMMARY

- Cogia AG is a provider of AI-based semantic solutions in the field of big data analytics and media monitoring technology with a focus on customer experience in very dynamic markets. The management plans strong organic and inorganic growth. Due to the acquisition of elastic.io, revenues increased by 207.1% to € 1.28 million (PY: € 0.42 million) in the past fiscal year 2021. EBITDA was improved disproportionately to sales by 347.7% to € 0.59 million (PY: € 0.13 million), which corresponds to a margin increase from 31.7% (FY 2020) to 46.2% (FY 2021). Due to the high scheduled depreciation on companies of elastic.io (around € 1.25 million annualized), EBIT decreased to -€ 0.81 million (PY: € -0.28 million). The net result also amounted to -€ 0.81 million (previous year: € -0.32 million).
- The company concludes numerous international contracts and cooperations and, in our opinion, should continue to grow dynamically in the future. For example, Cogia AG was able to win two customers from Sierra Leone - an oil company and a diamond company. In addition, a leading manufacturer of medical products from Brazil is now one of Cogia AG's customers. A strategic partnership has also been entered into with CPIA GmbH, which developed the Openpack platform that connects corrugated cardboard factories, suppliers, software manufacturers, etc. Furthermore, Cogia recently launched Socializer Messenger, a unique communication tool for corporate and government use that meets the highest security requirements. In addition, Cogia was accepted into 500 Global's Accelerate Aichi Landing Pad program through a multi-stage selection process. Through the program, Cogia should be able to achieve good contacts and, possibly, sales success in Japan. To further develop the technology, Cogia GmbH cooperates with Professor Dr. Johannes Busse, an expert in data science, ontology, AI and text mining at the University of Applied Sciences Landshut (HAW Landshut). Overall, Cogia is very active internationally in acquiring new customers. We expect dynamic revenue growth and forecast revenues of € 1.96 million in the current fiscal year 2022, followed by € 3.63 million in 2023.
- Due to the focus on recurring revenues, the business model of Cogia AG should be very scalable. We assume significant margin increases and expect EBITDA of € 0.2 million for the current fiscal year 2022 and € 0.96 million for 2023. Due to the high goodwill amortization, our EBIT forecast is significantly below EBITDA at € -1.02 million for 2022 and € -0.26 million for 2023. On a net level, we forecast € -1.35 million for the current fiscal year 2022 and € -0.6 million for 2023.
- **Due to the increased risk-free interest rate and the slightly reduced growth expectation, we have reduced our price target based on the DCF model to € 3.23 (previously: € 3.72) per share. There is still a high upside potential and we assign a Buy rating.**

TABLE OF CONTENTS

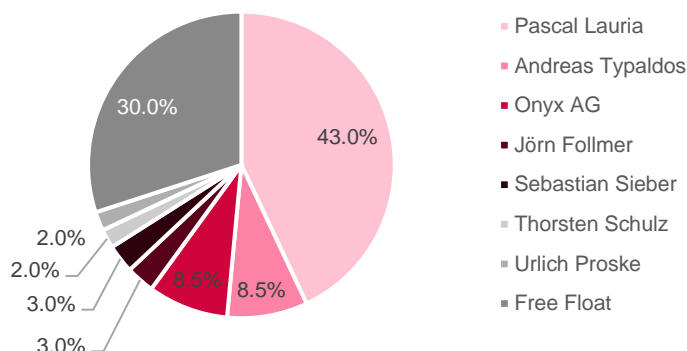
Executive summary	2
Company	4
Shareholder structure	4
Company history at a glance	4
Market and market environment	5
Customer Satisfaction Management Market	5
Artificial Intelligence Market	5
Market for Big Data Analytics	6
Corporate Development	8
Key figures at a glance	8
Business development 2021	9
Sales development	9
Earnings development	9
Balance sheet and financial situation as of Dec. 31, 2021	11
SWOT analysis	12
Forecast and evaluation	13
Sales forecast	13
Earnings forecast	14
Evaluation	15
Model assumptions	15
Determination of the cost of capital	15
Valuation result	15
DCF model	16
Appendix	17

COMPANY

Shareholder structure

Shareholders	Share
Pascal Lauria	43,0%
Andreas Typaldos	8,5%
Onyx AG	8,5%
Jörn Follmer	3,0%
Sebastian Sieber	3,0%
Thorsten Schulz	2,0%
Ulrich Proske	2,0%
Free Float	30,0%

Sources: Cogia, GBC AG



Company history at a glance

Year	Event
2010-2011	<ul style="list-style-type: none"> Foundation of Cogia Intelligence Release of CI Web 2.0 Observer V. 2.5 and Engagement Console Introduction of Real Time Social Media Monitoring Opening of a sales office in New York (USA)
2012-2013	<ul style="list-style-type: none"> Launch of the new product Web Observer 3.0 Introduction of new products: CI Web Audit and CI Report Opening of a sales office in Ferrara (Italy)
2014	<ul style="list-style-type: none"> Release of the Web Observer 3.5 Start of sponsorship of Wake e.V. organization for the promotion of children and young women in Pakistan
2015-2017	<ul style="list-style-type: none"> Acquisition of Memo News AG Opening of a sales office in Kreuzlingen (Switzerland) Awarded with the STEP Award 2017 by the F.A.Z. publishing house
August 2020	<ul style="list-style-type: none"> Non-cash formation of Cogia AG through contribution of Cogia Intelligence
December 2020	<ul style="list-style-type: none"> Listing on the Open Market of the Düsseldorf Stock Exchange
June 2021	<ul style="list-style-type: none"> Implementation of a capital increase
September 2021	<ul style="list-style-type: none"> Acquisition of elastic.io GmbH
October 2021	<ul style="list-style-type: none"> Listing on the primary market of the Düsseldorf Stock Exchange and listing in Frankfurt and Xetra
June 2022	<ul style="list-style-type: none"> Completion of the Cogia Socializer Messenger
August 2022	<ul style="list-style-type: none"> Roll-out in all markets of customers Audi & VW
September 2022	<ul style="list-style-type: none"> First major customer from the public sector acquired for the Messenger

Sources: Cogia; GBC AG

Excerpt from customers



Source: Cogia AG; GBC AG

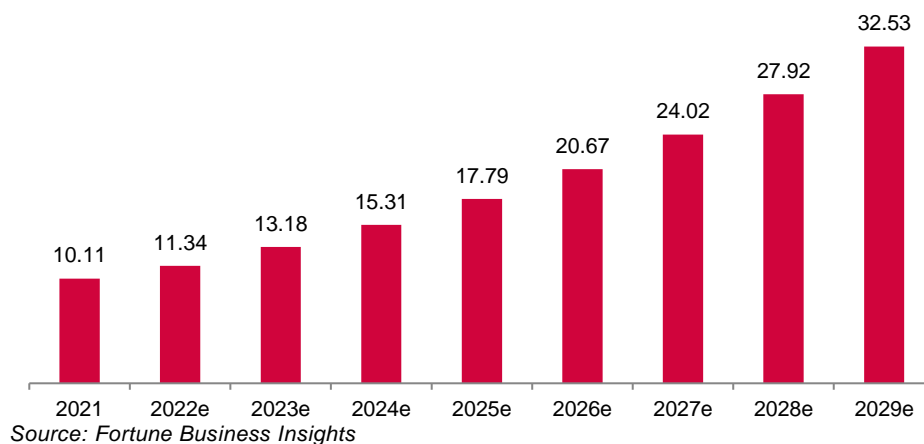
MARKET AND MARKET ENVIRONMENT

Cogia AG is primarily active in the market for customer experience management, using artificial intelligence and big data analytics. Therefore, we consider the three submarkets Customer Experience Management, Artificial Intelligence and Big Data Analytics.

Customer Satisfaction Management Market

The global customer experience management (CEM) market was valued at USD 10.11 billion in 2021. The market is expected to grow from USD 11.34 billion in 2022 to USD 32.53 billion in 2029 with a CAGR (Compound Annual Growth Rate) of 16.2% during 2022-2029, according to Fortune Business Insights.

Customer Experience Management Market (in USD billion)



The global COVID-19 pandemic was unprecedented and harrowing, and demand for CEM solutions was lower than expected in all regions compared to pre-pandemic levels. As a result, the global market saw a 0.5% decline in growth in 2020 compared to 2019, but the rise of the online shopping trend and the shift in consumer focus to using digital platforms have stabilized CEM demand.

The rapid adoption of artificial intelligence (AI) and augmented reality (AR) in industries such as retail, IT & telecom, BFSI (banking, financial services and insurance) and others is improving the customer experience. Integrating AI and machine learning into customer experience solutions helps predict future customer behavior. Thus, AI-powered solutions and analytics offered by Cogia can also help in gaining meaningful insights from customer data.

Artificial Intelligence Market

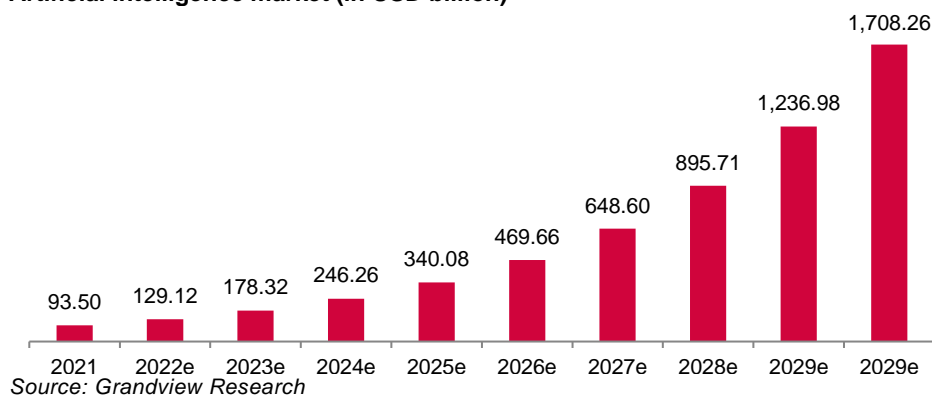
The global artificial intelligence market was estimated at USD 93.5 billion in 2021 and is expected to grow at a CAGR of 38.1% from 2022 to 2030. This would bring the market to USD 1,708,260,000 in 2030. Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems. Specific applications of AI include expert systems, natural language processing, speech recognition, and machine vision. As the hype around AI has grown, vendors have sought to promote the use of AI in their products and services. Often, what they refer to as AI is only one component of AI, such as machine learning. AI requires a foundation of specialized hardware and software to write and train machine-learning algorithms.

In general, AI systems work by ingesting large amounts of labeled training data, analyzing the data for correlations and patterns, and using those patterns to make predictions about future states. In this way, for example, a chatbot fed examples of text chats can learn to have lifelike dialogues with humans. For example, an image recognition program can learn to identify and describe objects in images by reviewing millions of examples.

AI programming focuses on three cognitive abilities: learning, reasoning, and self-correction.

The tech giants' continuous research and innovation is driving the adoption of advanced technologies in verticals such as automotive, healthcare, retail, finance, and manufacturing.

Artificial intelligence market (in USD billion)

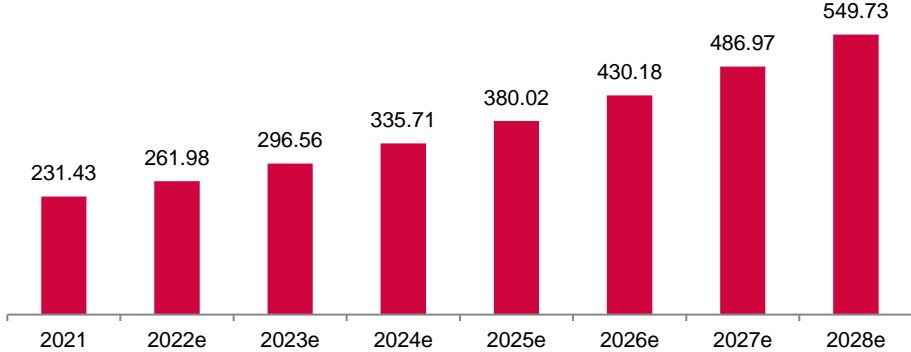


From self-driving vehicles to life-saving medical devices, AI is being integrated into virtually every device and program. AI is proving to be a significant revolutionary element of the coming digital age. Tech giants such as Amazon, Google, Apple, Facebook, IBM, and Microsoft are investing significantly in AI research and development. In addition, several companies are using AI technology to provide a better experience for their customers. For example, McDonald's made a major tech investment of \$300 million in March 2020 to acquire an AI startup in Tel Aviv that will use AI to provide a personalized customer experience.

Market for Big Data Analytics

According to Fortune Business Insights, the Big Data analytics market is expected to grow from USD 231.43 billion in 2021 to USD 549.73 billion by 2028 at a CAGR of 13.2%. Big Data analytics examines unstructured and structured databases to visualize and gain insights based on correlations, hidden patterns, changing market trends, etc. Industries are focusing on the use of analytics tools to gain insights about customers through the advancement of business intelligence.

Market for Big Data Analytics (in USD billion)



Source: Fortune Business Insights

Digital transformation in healthcare, manufacturing, retail and other industries will likely increase data generation during the pandemic. The Industrial Internet of Things (IIoT) and artificial intelligence (AI) are driving automation in the manufacturing industry. Technology is being used in inventory management, asset management and predictive maintenance, real-time alerts, network manufacturing and more to drive manufacturing industry growth in uncertain business environments.

The number of connected IoT devices is increasing due to the rise of the Internet of Things (IoT), artificial intelligence (AI) and machine-learning (ML) algorithms. According to IDC Group, 152,200 IoT devices will be connected every minute by 2025. The growing demand for connected devices is driving the implementation of edge computing. Edge computing solutions are defined as a framework in which processors are located closer to the data source or destination than in the cloud.

Increasing digital solutions in industries such as education, banking, retail, agriculture, healthcare, IT, and telecommunications are leading to an exponential increase in the amount of data worldwide.

Overall, Cogia is located in highly dynamic growth markets and should be able to benefit from this market development.

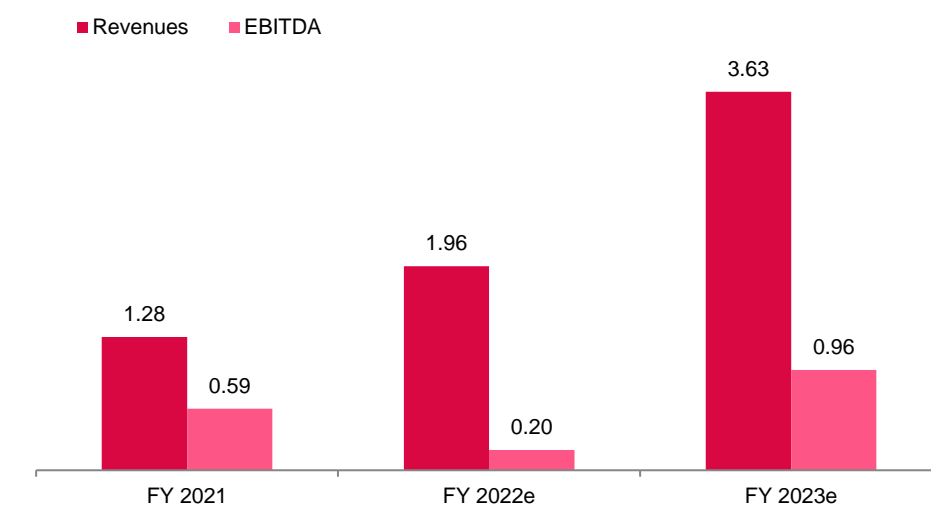
CORPORATE DEVELOPMENT

Key figures at a glance

(in € million)	FY 2020	FY 2021	FY 2022e	FY 2023e
Revenues	0.42	1.28	1.96	3.63
Other own work capitalized	0.00	0.00	0.10	0.10
Other operating income	0.21	0.51	0.00	0.00
Cost of materials	-0.23	-0.29	-0.73	-1.35
Personnel expenses	-0.05	-0.42	-0.88	-1.15
Other operating expenses	-0.22	-0.49	-0.25	-0.27
EBITDA	0.13	0.59	0.20	0.96
Depreciation	-0.41	-1.40	-1.22	-1.22
EBIT	-0.28	-0.81	-1.02	-0.26
Income from other securities and loans held as financial assets	0.00	0.05	0.00	0.00
Other interest and similar income	0.00	0.00	0.00	0.00
Interest and similar expenses	-0.02	-0.04	-0.29	-0.29
EBT	-0.30	-0.79	-1.31	-0.55
Partial profit transfer	-0.02	-0.02	-0.04	-0.05
Net result	-0.32	-0.81	-1.35	-0.60
Revenues	0.42	1.28	1.96	3.63
EBITDA	0.13	0.59	0.20	0.96
<i>EBITDA margin</i>	<i>31.7%</i>	<i>46.2%</i>	<i>10.0%</i>	<i>26.5%</i>
EBIT	-0.28	-0.81	-1.02	-0.26
<i>EBIT margin</i>	<i>-66.4%</i>	<i>-63.3%</i>	<i>-52.4%</i>	<i>-7.1%</i>
Net result	-0.32	-0.81	-1.35	-0.60
<i>Net margin</i>	<i>-76.2%</i>	<i>-63.6%</i>	<i>-69.2%</i>	<i>-16.5%</i>

Source: GBC AG

Development of sales and EBITDA (in € million)



Source: GBC AG

Business development 2021

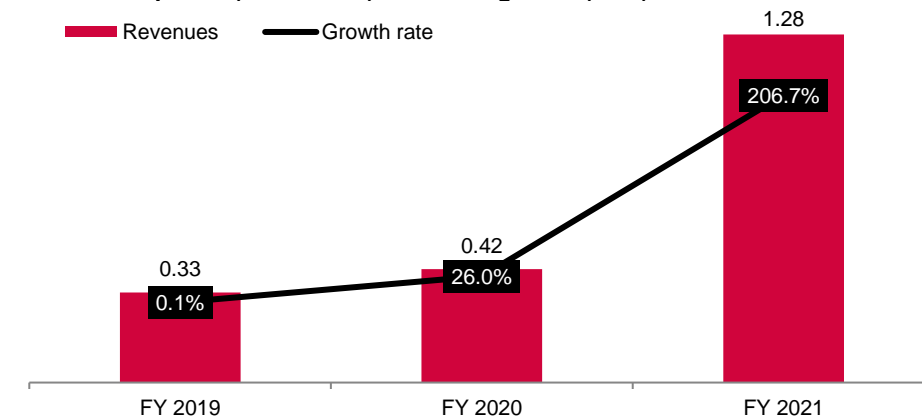
Income statement (in € million)	FY 2019	FY 2020	FY 2021
Revenues	0.33	0.42	1.28
EBITDA	0.16	0.13	0.59
EBITDA margin	49.7%	31.7%	46.2%
EBIT	0.15	-0.28	-0.81
EBIT margin	45.0%	-66.4%	-63.3%
Net income	0.11	-0.32	-0.81
EPS in €	0.03	-0.09	-0.23

Sources: Cogia AG, GBC AG

Sales development

In the past fiscal year 2021, sales revenues increased significantly by 207.1% to € 1.28 million (previous year: € 0.42 million). The increase in sales is primarily due to the first-time consolidation of elastic.io GmbH. According to the management, the revenue share of elastic.io GmbH amounted to slightly more than 50%.

Sales development (in € million) and sales growth (in %)

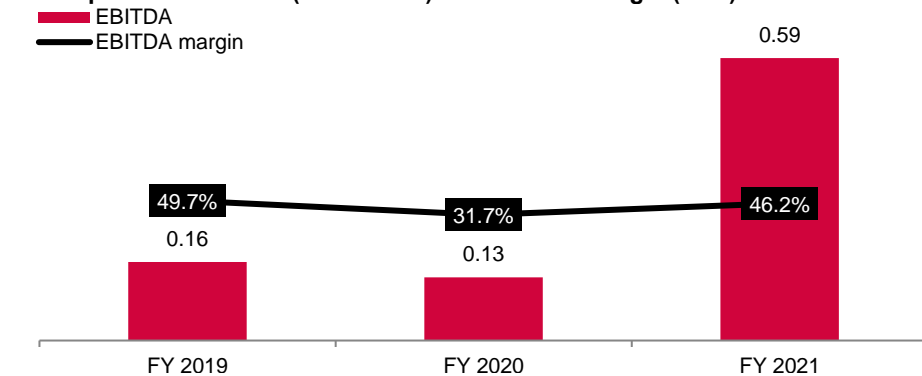


Sources: Cogia AG, GBC AG

Earnings development

EBITDA increased disproportionately to sales by 347.7% to € 0.59 million (previous year: € 0.13 million).

Development of EBITDA (in € million) and EBITDA margin (in %)



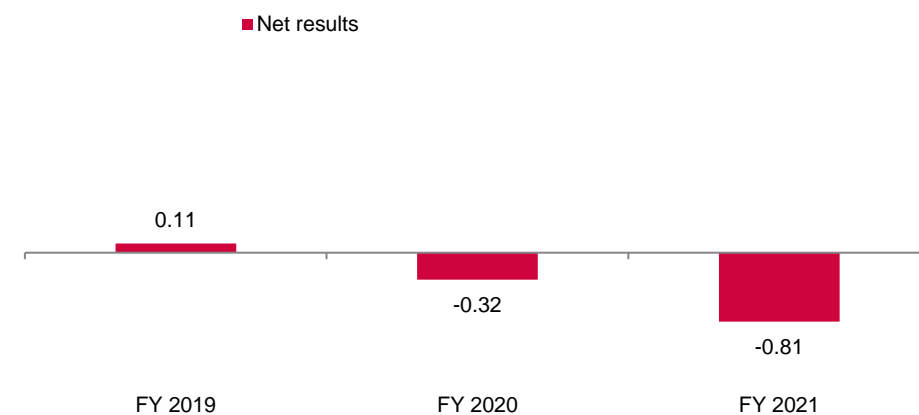
Sources: Cogia AG, GBC AG

The background to this development was also extensive other operating income amounting to € 0.51 million (previous year: € 0.21 million). Costs also increased in the context of

the acquisitions. Personnel expenses increased by 730% to € 0.42 million (previous year: € 0.05 million) and other operating expenses by 122.9% to € 0.49 million (previous year: € 0.22 million). At € 0.29 million (previous year: € 0.23 million), the cost of materials, which mainly includes expenses for freelancers, remained almost at the previous year's level.

EBIT fell by 192.1% to € -0.81 million (previous year: € -0.28 million), as the elastic.io investment is amortized over 10 years in accordance with HGB. As a result, depreciation and amortization increased by 242.3% to € 1.4 million (previous year: € 0.41 million), of which € 1.25 million is attributable to goodwill amortization.

Development of net profit (in € million)



Sources: Cogia AG, GBC AG

The final net result amounted to € -0.81 million (previous year: € -0.32 million).

Balance sheet and financial situation as of Dec. 31, 2021

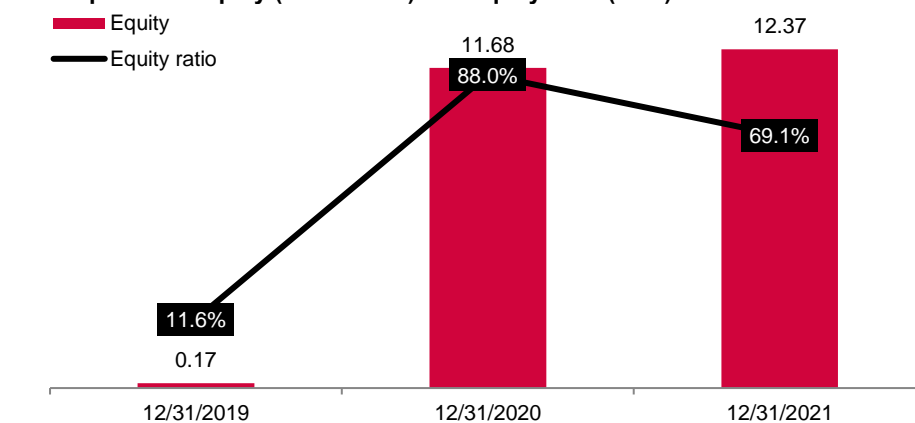
in € million	31.12.2019	31.12.2020	31.12.2021
Equity	0.17	11.68	12.37
EC ratio (in %)	11.6%	88.0%	69.1%
Operating fixed assets	0.11	11.53	14.16
Working capital	0.05	0.23	1.05
Net debt	-0.34	0.07	-0.04

Sources: Cogia AG, GBC AG

Equity increased to € 12.37 million as of December 31, 2021 (previous year: € 11.68 million) due to two capital increases. A capital increase of € 0.38 million was placed in January 2021 and another of € 1.5 million in June 2021. The accumulated loss, which increased to € -1.13 million (December 31, 2020: € -0.32 million), had a negative impact on equity.

Overall, the equity ratio decreased from 88.0% (Dec. 31, 2020) to 69.1% (Dec. 31, 2021), as other liabilities increased to € 5.13 million (Dec. 31, 2020: € 1.41 million).

Development of equity (in € million) and equity ratio (in %)



Sources: Cogia AG, GBC AG

Cash and cash equivalents remained at a low level of € 0.09 million (previous year: € 0.05 million). This is offset by only minor liabilities to banks amounting to € 0.09 million (Dec. 31, 2020: € 0.11 million). Together with the securities in the balance sheet, the company shows a positive net cash of € 0.04 million (Dec. 31, 2020: € 0.07 million).

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Access to well-known major corporations such as Lufthansa and BMW • Proof of concept within the framework of existing collaborations • Business model is designed for recurring revenues • Solid financial basis via the capital increase carried out • High planned scalability • Extensive Natural Language Processing language library available in German, English, Arabic, Japanese, Chinese and Russian 	<ul style="list-style-type: none"> • Main customers are in the automotive and aerospace sectors and are heavily affected by the COVID-19 pandemic • HGB accounting leads to high amortization of contributed goodwill • Comparatively low switching costs for customers • Currently still very low level of sales and earnings • Shareholders' equity is largely offset by intangible goodwill
Opportunities	Risks
<ul style="list-style-type: none"> • Expansion opportunities via the elastic.io acquisition • Growth possible through expansion of existing business • Geographic expansion planned • Growth planned via further acquisitions • Cogia is active in strongly growing markets • Peer group is very highly valued and could radiate to Cogia • The corona pandemic has accelerated digitization in almost all areas, and the company could benefit from this 	<ul style="list-style-type: none"> • Further corona pandemic response measures such as lockdowns could again negatively impact the business • elastic.io acquisition might not pay off and cause high costs • Other niche players could also try to occupy the market • Finding attractive acquisition targets could prove more difficult than planned

FORECAST AND EVALUATION

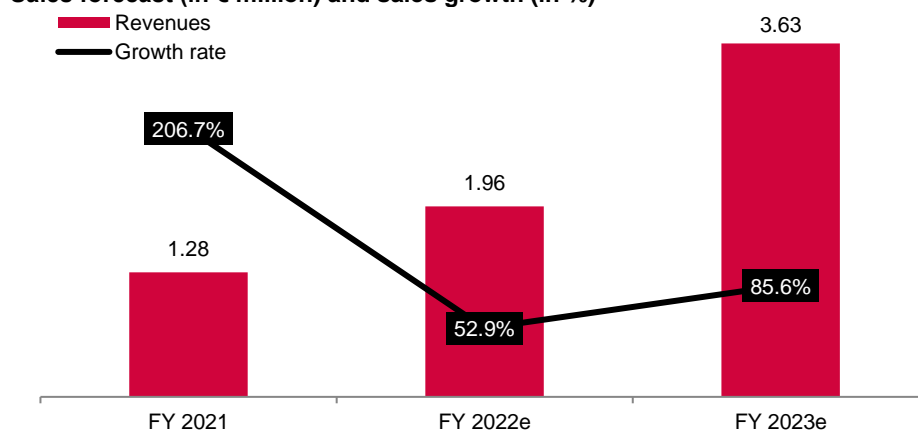
Income statement (in € million)	FY 2021	FY 2022e	FY 2023e
Revenues	1.28	1.96	3.63
EBITDA	0.59	0.20	0.96
EBITDA margin	46.2%	10.0%	26.5%
EBIT	-0.81	-1.02	-0.26
EBIT margin	-63.3%	-52.4%	-7.1%
Net income	-0.81	-1.35	-0.60
EPS in €	-0.23	-0.39	-0.17

Source: GBC AG

Sales forecast

Cogia AG is active in very dynamic markets, concluding cooperation agreements worldwide and tapping into new industries. We expect the high growth rate to be maintained and anticipate sales revenues of € 1.96 million in the current fiscal year 2022, followed by € 3.63 million in 2023.

Sales forecast (in € million) and sales growth (in %)



Source: GBC AG

Cogia AG is growing internationally and was already able to acquire two customers from Sierra Leone in March 2022. On the one hand, the oil company National Petroleum Sierra Leone and the diamond company AMAX Ltd. Both companies have acquired two products with the monitoring tool Web Observer and the Socializer Messenger.

Furthermore, a leading manufacturer in the field of medical technology could be won. Arjo in São Paulo uses the Customer Experience Manager from Cogia.

In addition, Cogia AG was accepted into 500 Global's Accelerate Aichi Landing Pad program as part of a multi-stage selection process. Through the program, Cogia should be able to achieve good contacts and possibly sales success in Japan.

In addition, Cogia has entered into a strategic partnership with CIPA GmbH. CIPA has developed the Openpack platform, which connects corrugated board mills, suppliers, software manufacturers, machine builders, customers and other industry participants. Cogia's customer experience management solution is designed to help further improve communication with customers.

Finally, Cogia recently launched Socializer Messenger, a unique communication tool for enterprise and government use that meets the highest security requirements. All chat,

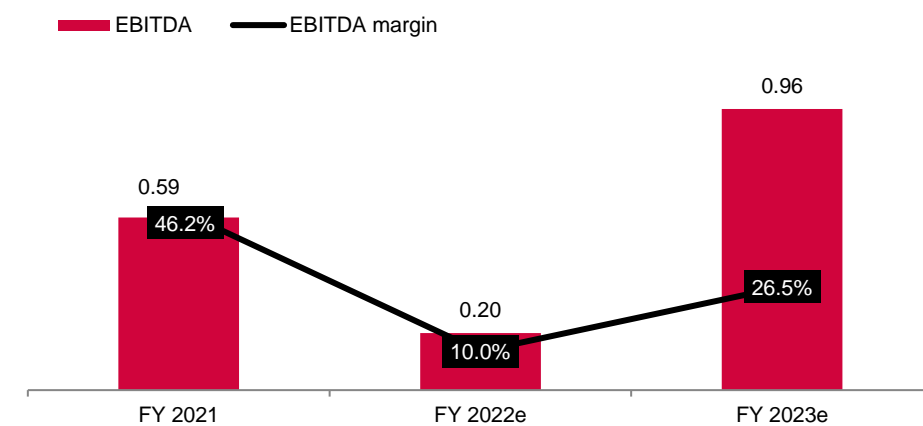
audio or video conversations and all exchanged documents are encrypted at military-grade levels. Numerous additional features, such as facial recognition that prevents unauthorized third parties from viewing the display, ensure communicative privacy.

To further develop the technology, Cogia GmbH is cooperating with Professor Dr. Johannes Busse, an expert in data science, ontology, AI and text mining from the Landshut University of Applied Sciences (HAW Landshut). As part of the cooperation, joint research and development work is planned in the areas of text mining, sentiment analysis, opinion mining and emotional detection.

Earnings forecast

In our opinion, Cogia AG's business model with its focus on recurring revenues should be very scalable. Nevertheless, we expect revenue growth to be in the foreground. We forecast EBITDA of € 0.2 million for the current fiscal year 2022, followed by € 0.96 million in 2023.

Development of EBITDA (in € million) and EBITDA margin (in %)



Source: GBC

Due to the high scheduled amortization of the goodwill of elastic.io, there should be extensive write-downs. We therefore expect EBIT of € -1.02 million (2022) and € -0.26 million (2023).

In total, we forecast a net result of € -1.35 million for 2022, followed by € -0.60 million for 2023.

Evaluation

Model assumptions

Cogia AG was valued by us using a three-stage DCF model. Starting with the concrete estimates for the years 2022 - 2023 in phase 1, the forecast is made from 2024 to 2028 in the second phase by applying value drivers. We expect sales to increase by 25%. We have assumed a target EBITDA margin of 25%. We have taken the tax rate into account at 30.0% in phase 2. In the third phase, a residual value is also determined after the end of the forecast horizon using the perpetual annuity. In the terminal value, we assume a growth rate of 3%.

Determination of the cost of capital

The weighted average cost of capital (WACC) of Cogia AG is calculated from the cost of equity and the cost of debt. For the calculation of the cost of equity, the fair market premium, the company-specific beta and the risk-free interest rate have to be determined.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the Fachausschuss für Unternehmensbewertungen und Betriebswirtschaft (FAUB) of the IDW. This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method.

The currently used value of the risk-free interest rate is 1.5% (previously: 0.25%).

We set the historical market premium of 5.5% as a reasonable expectation of a market premium. This is supported by historical analyses of stock market returns. The market premium reflects the percentage by which the stock market is expected to yield better than low-risk government bonds.

According to the GBC estimation method, a beta of 2.00 is currently determined.

Using the assumptions made, we calculate a cost of equity of 12.5% (previously: 11.3%) (beta multiplied by risk premium plus risk-free interest rate). As we assume a sustainable weighting of 70% for the cost of equity, the weighted average cost of capital (WACC) is 10.4% (previously: 9.5%).

Valuation result

As part of our DCF valuation model, we have determined a target price of € 3.23 (previously: € 3.72). The reduction in the target price is due to slightly lower forecasts and the increase in the risk-free interest rate.

DCF model

Cogia AG - Discounted cash flow (DCF) analysis

Value drivers of the DCF model after the estimate phase:

consistency - phase		final - phase	
Sales growth	25.0%	Perpetual sales growth	3.0%
EBITDA margin	25.0%	Perpetual EBITA margin	16.1%
AFA to operating fixed assets	10.0%	Effective tax rate in terminal value	30.0%
Working capital to sales	10.0%		

Three-stage DCF - model:

Phase in EUR million	estimate		consistency						final Final value
	FY 22e	FY 23e	FY 24e	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	
Sales (US)	1.96	3.63	4.54	5.67	7.09	8.86	11.08	13.85	
US change	52.9%	85.6%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	3.0%
US to operating fixed assets	0.10	0.18	0.24	0.33	0.47	0.65	0.90	1.25	
EBITDA	0.20	0.96	1.13	1.42	1.77	2.22	2.77	3.46	
EBITDA margin	10.0%	26.5%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
EBITA	-1.02	-0.26	-0.90	-0.46	0.08	0.69	1.40	2.23	
EBITA margin	-52.4%	-7.1%	-19.8%	-8.2%	1.1%	7.8%	12.6%	16.1%	16.1%
Taxes on EBITA	0.00	0.00	0.27	0.14	-0.02	-0.21	-0.42	-0.67	
to EBITA	0.0%	0.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
EBI (NOPLAT)	-1.02	-0.26	-0.63	-0.32	0.06	0.48	0.98	1.56	
Return on investment	-5.8%	-1.3%	-3.0%	-1.7%	0.3%	3.0%	6.7%	11.6%	12.9%
Working capital (WC)	0.39	0.69	0.45	0.57	0.71	0.89	1.11	1.38	
WC to turnover	20.0%	19.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Investments in WC	0.66	-0.30	0.24	-0.11	-0.14	-0.18	-0.22	-0.28	
Operating assets (OAV)	19.35	20.35	18.82	16.93	15.24	13.72	12.34	11.11	
AFA on OAV	-1.22	-1.22	-2.03	-1.88	-1.69	-1.52	-1.37	-1.23	
AFA to OAV	6.3%	6.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Investments in OAV	-4.02	-2.22	-0.50	0.00	0.00	0.00	0.00	0.00	
Invested capital	19.74	21.03	19.27	17.50	15.95	14.60	13.45	12.49	
EBITDA	0.20	0.96	1.13	1.42	1.77	2.22	2.77	3.46	
Taxes on EBITA	0.00	0.00	0.27	0.14	-0.02	-0.21	-0.42	-0.67	
Total investments	-3.36	-2.52	-0.27	-0.11	-0.14	-0.18	-0.22	-0.28	
Investments in OAV	-4.02	-2.22	-0.50	0.00	0.00	0.00	0.00	0.00	
Investments in WC	0.66	-0.30	0.24	-0.11	-0.14	-0.18	-0.22	-0.28	
Investments in goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free cash flows	-3.16	-1.56	1.14	1.44	1.61	1.83	2.13	2.52	16.68

Value of operating business (reporting date)	13.59	16.55
Present value of explicit FCFs	5.23	7.33
PV of the continuing value	8.35	9.22
Net debt	3.41	5.26
Value of equity	10.18	11.30
Minority interests in profits	0.00	0.00
Value of share capital	10.18	11.30
Shares outstanding in million	3.50	3.50
Fair value of the share in EUR	2.91	3.23

Cost of Capital Determination:

Risk-free return	1.5%
Market risk premium	5.5%
Beta	2.00
Cost of equity	12.5%
Target weighting	70.0%
Cost of debt	7.3%
Target weighting	30.0%
Tax shield	25.0%
WACC	10.4%

Return on invest- ment	WACC				
	8.4%	9.4%	10.4%	11.4%	12.4%
-7.1%	-3.56	-2.72	-2.12	-1.67	-1.32
2.9%	0.53	0.55	0.55	0.56	0.57
12.9%	4.63	3.81	3.23	2.79	2.45
22.9%	8.72	7.08	5.90	5.02	4.34
32.9%	12.81	10.34	8.58	7.25	6.23

APPENDIX

I.

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II.

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