

Achiko AG

Reuters: ACHI.S

Bloomberg: ACHI:SWX

Where has the business model gone? Downgrade to Sell

The half-year report shows that not much has remained of the original core business with which Achiko went public in 2019. Revenues in the first half of 2020 amounted to USD 2.7 million, compared to USD 3.6 million in the same period last year (-24.6% YoY). While no explanation was given for the drop in sales, Achiko is, according to our estimates, also far from reaching the guidance published only in April 2020, which had envisaged sales of USD 50 million for 2020e and has not been revoked since then. In our view, this not only raises the question if Achiko's management board has fulfilled its disclosure obligations that must be complied with since listing commenced at the SIX Swiss Exchange, but also whether the payment subdivision, which was a crucial part of the equity story at the time of the IPO, ever had a competitive set-up. Notwithstanding the unsatisfactory earnings performance of the former core business, management has in our view been speculating about expanding the single-product payments business into a "global, multifaceted payments, entertainment, health and community platform" even in its most recent company presentations. However, apart from the extensive use of media buzzwords such as "platform strategy" or "ecosystem for growth", which according to the management are supposed to address a market of 2.6 billion people within the next three years, not much of these expansions plans seem to be left.

In view of what has been achieved so far, we do not give the current management any further credibility that it will succeed in entering a new market with its "telehealth platform". Rather, we consider the aspired entry into the SARS CoV-2 testing ("Gumnuts") and an ecosystem called Teman Sehat, translated "Health Buddy", for which management has not even tried to explain how revenues or profits would be generated, as a further attempt to occupy buzzwords hyped up on the stock exchange and thus artificially generating demand in the share.

Accordingly, we are drastically reducing our earnings estimates, which have so far been described by the management as "dramatically conservative". Instead of USD 22.5 million, we now expect 2020e revenues of USD 5.9 million (-74.0% vs. our previous estimates). With this, Achiko is far from becoming profitable in the current and the following fiscal year, in our view. After reworking our financial model, we are deriving a price target of CHF 0.03 (previously USD 1.10) from our three-phase discounted cash flow model. Compared to the last closing price of CHF 0.47, this represents an expected price risk of -93.5%. We therefore cut our rating to Sell from Buy.

Rating: Sell (previous Buy) **Risk:** Very high
Price: CHF 0.47
Price target: CHF 0.03 (previous USD 1.10)

Swiss Security Number / ISIN: 52221346 / CH0522213468

Indices: -

Transparency level: SIX Swiss Exchange

Weighted number of shares: 100.8 mn (basic)

Market capitalization: CHF 46.9 mn

Trading volume/day: n/a

AGM: 26 May 2021

P&L (USD mn)	2019	2020e	2021e	2022e
Sales	6.5	5.9	6.2	6.7
EBITDA	-6.3	-5.0	-0.6	-1.0
EBIT	-6.3	-5.0	-0.6	-1.0
EBT	-6.9	-5.1	-0.9	-1.3
EAT	-6.9	-5.1	-0.6	-0.9

% of sales	2019	2020e	2021e	2022e
EBITDA	-97.2%	-85.3%	-10.3%	-15.3%
EBIT	-97.2%	-85.3%	-10.3%	-15.3%
EBT	-106.8%	-86.9%	-14.5%	-19.8%
EAT	-107.1%	-87.2%	-10.3%	-14.1%

Per share (USD)	2019	2020e	2021e	2022e
EPS (basic)	-0.08	-0.05	-0.01	-0.01
Dividend	0.00	0.00	0.00	0.00
Book value	0.02	-0.05	-0.06	-0.07
Cash flow	-0.08	-0.05	-0.01	-0.01

Balance sheet (%)	2019	2020e	2021e	2022e
Equity ratio	39.1%	-214.0%	-140.6%	-204.1%
Gearing	-31%	-110%	-117%	-116%

Multiples (x)	2019	2020e	2021e	2022e
P/E ratio	n/a	n/a	n/a	n/a
EV/sales	n/a	9.74	9.43	8.85
EV/EBITDA	n/a	-11.4	-91.4	-57.9
P/B ratio	n/a	n/a	n/a	n/a

Guidance (USD mn)	2020e	2021e	2022e
Sales	50.0	110.0	n/a
EBIT	n/a	n/a	n/a



SOURCE: COMPANY DATA, SPHENE CAPITAL FORECASTS

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Adjustment of our sales and earnings forecasts

We are significantly adjusting our sales and earnings forecasts for our detailed planning period (2020e-22e), reflecting the poor performance in the first half year 2020, for which management lacks any explanation:

TABLE 1: CHANGE OF OUR ESTIMATES, 2020E-22E

		2020e			2021e			2022e		
		new	old	Δ	new	old	Δ	new	old	Δ
Revenues	USD mn	5.9	22.5	-74.0%	6.2	52.7	-88.3%	6.7	71.1	-90.6%
EBIT	USD mn	-4.8	2.0	-342.1%	-0.6	7.1	-108.9%	-1.0	11.1	-109.2%
EBIT margin	%	-82.7%	8.9%	-91.6pp	-10.3%	13.5%	-23.8pp	-15.3%	15.6%	-30.9pp
Net income	USD mn	-5.0	1.4	-453.7%	-0.6	5.0	-112.6%	-0.9	7.9	-111.9%
EPS	USD	-0.05	0.02	-331.9%	-0.01	0.05	-111.8%	-0.01	0.08	-111.0%

SOURCE: SPHENE CAPITAL FORECASTS

In the medium-term view, our base case scenario results in an equity value of USD 3.0 million, or CHF 0.03 per share

Equity value of CHF 0.03 per share

Our adjusted model indicates an enterprise value of USD 2.4 million for Achiko AG. Out of this, 96.6% is derived from the terminal value, and -243.5% and 246.9% from the cash flows generated in the detailed and rough planning phases, respectively.

TABLE 2: DCF VALUATION

			Comment
TV Insolvency rate	%	8.3%	Synthetic corporate bond CCC rating with 10% PD and default spread 700 bps
Terminal cost of capital	%	5.1%	500 bps long-term equity risk premium compared to 30-years Bunds
Present value of terminal value	USD mn	2.3	Based on the terminal value at the end of fiscal year 2033e
in % of Enterprise value	%	96.6%	
PV FCFF Detailed planning phase	USD mn	-5.9	Based on the present value of the FCFF for the period 2020e-22e
in % of Enterprise value	%	-243.5%	
PV FCFF Rough planning phase	USD mn	6.0	Based on the present value of the FCFF for the period 2023e-33e
in % of Enterprise value	%	246.9%	
Enterprise value	USD mn	2.4	
Financial debt	USD mn	0.0	Data as of 31 12 2019
Excess cash	USD mn	0.6	Data as of 31 12 2019
Value of equity	USD mn	3.0	
Number of shares (basic)	mn	100.8	
Value of equity per share	USD	0.03	
FX	USDCHF	0.9267	
Value of equity per share	CHF	0.03	On a 24 months investment horizon

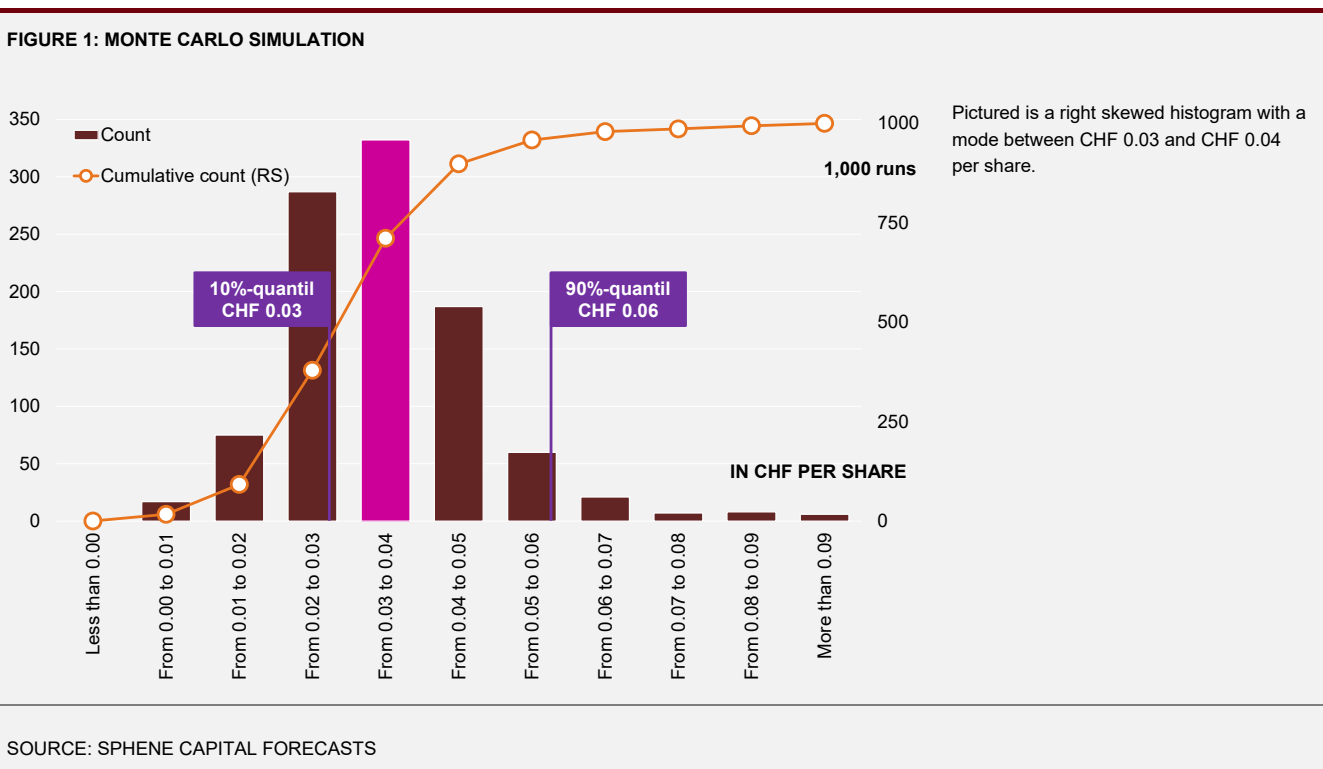
SOURCE: SPHENE CAPITAL FORECASTS

After adding the net excess cash position (as of 12/2019) of USD 0.6 million, the equity of Achiko is therefore valued at USD 3.0 million in our model. At 100.8 million shares outstanding (basic count), this corresponds to an equity value of CHF 0.03 per share.

Expanded scenario analysis by Monte Carlo simulation

In the following Figure 1, the thresholds for the growth rates during the rough planning phase and the EBIT margins during the terminal value phase were extended and a total of 1,000 combinations of the two parameters were tested and evaluated. This indicates that equity values of less than USD 1.0 million and more than USD 10.1 million, or less than CHF 0.01 and more than CHF 0.10 per share, are difficult to attain with combinations of the two variables growth rate and terminal value EBIT margin.

Monte Carlo simulation with share price estimates between CHF 0.01 and CHF 0.10 per share



Multiples in reaching our DCF based equity value

Based on our financial forecasts and if the equity value we calculated (base case scenario in the DCF valuation model) of CHF 0.03 per share is reached, Achiko will be valued using the following multiples:

TABLE 3: VALUATION MULTIPLES OF ACHIKO-SHARES

		Valuation at current share price			Valuation at our price target		
		2020e	2021e	2022e	2020e	2021e	2022e
P/ER	x	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales	x	9.7x	9.4x	8.9x	1.6x	1.8x	1.8x
EV/EBIT	x	n/a	n/a	n/a	n/a	n/a	n/a
P/BR	x	n/a	n/a	n/a	n/a	n/a	n/a
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: SPHENE CAPITAL FORECAST

Downside risks for reaching our equity value

We have identified the following weaknesses and downside risks, which could affect the company reaching our equity value range:

- ⊖ Achiko is in the midst of a complete overhaul of its business model **with unclear ending**,
- ⊖ Achiko states to have secured the commercialisation rights for a COVID-19 test kit in exchange for a royalty and technical advice, but has never brought any comparable (health) product to market and must therefore first **establish the necessary structures**,
- ⊖ in our view, the company will **not benefit from scale or cross-selling effects**, given the current low use of its platform,
- ⊖ significant **risks of goodwill amortization**, possibly for the 2020e annual report,
- ⊖ **negative equity ratio** as of H1/2020,
- ⊖ **cash position** of just USD 86,249 as of H1/2020,
- ⊖ risks of a **potential stock overhang** from potential sale of the founder shareholders,
- ⊖ successful **market entry** of Facebook, Google, or Apple with new cryptocurrencies,
- ⊖ **regulatory changes** with regard to VIE structures in Indonesia,
- ⊖ pressure on operations from **external growth**,
- ⊖ systematic shifts in key **exchange rates**.

In addition to these risks, investors should consider the **high share price volatility** since the IPO.

Catalysts for performance

We consider the most important catalysts for the performance of Achiko's share price in the coming months to be

- ⊕ reports of **market penetration** in the e-payment segment exceeding our expectations,
- ⊕ reports about a market launch of the **messenger solution**,
- ⊕ initial successes in the **marketing of video games**,

- ⑤ more details on the effective **market entry of the SARS CoV-2 testing kit** and the integration of its “Teman Sehat” platform,
- ⑤ reports of **revenue performance** exceeding our expectations.

Founded in 2018, Achiko is a Swiss based commercial platform that according to the company, now develops tools that address critical needs in fighting COVID-19 with broader applications in telehealth infrastructure. The company plans to offer two products: “Gumnuts”, an aptamer-based diagnostics test, and “Teman Sehat”, a COVID-19 testing, passport, and access app. According to company data, the company has reached 40,000 users in 800 locations in Indonesia in approximately three months. The previous product portfolio of secure and convenient e-payment solutions for purchasing digital goods and e-commerce services as well as entertainment, health, and community platform solutions for consumers mainly in Indonesia and Switzerland seem to be of minor importance, according to our understanding of the statements in the half-year report.

Tests are currently crucial for containing the ongoing COVID-19 pandemic

Over the past months, countless diagnostics companies, biotech firms, laboratories, and medical start-ups have been presenting solutions designed to make corona testing faster, cheaper, and more reliable. Market estimates by Grand View Research expect a global market volume of COVID-19 diagnostics of approximately USD 19.8 billion in 2020e and expect a compound annual growth rate (CAGR) of 3.1% from 2021e to 2027e.

Virologists have stated that the lower-death rates associated with coronavirus in Germany could be explained by early implementation of mass testing.

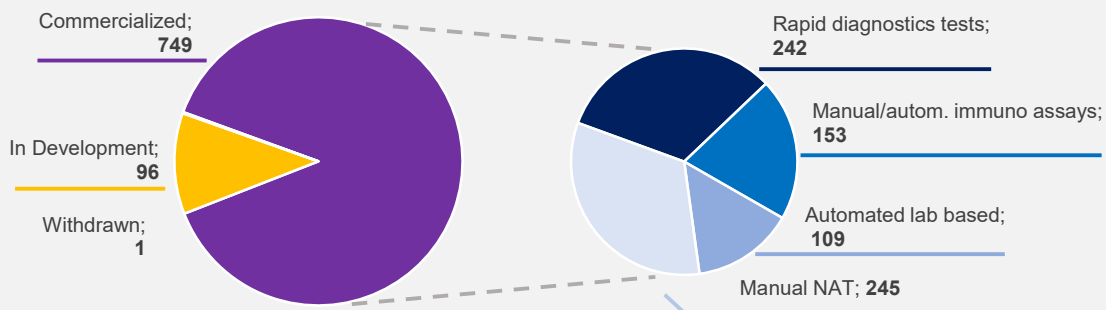
Different designs – laboratory tests versus POC tests

Laboratory-based molecular tests for detecting SARS-CoV-2 in respiratory specimens are the current reference standard for COVID-19 diagnosis. This is because of the low sensitivity of most rapid tests. As a result, governments in several countries have advised healthcare institutions to perform RT-PCR tests on symptomatic individuals to confirm the diagnosis, if the results of rapid antigen tests are negative. In addition, laboratory tests can be used when performing a large number of tests at a given time. However, point-of-care technologies (for example on cruise ships) and serological immune test are also rapidly developing.

Tests must account for several parameters, such as whether a test detects an infection directly (PCR diagnostics to detect the virus itself) or indirectly (antibodies), bearing in mind that antibody tests at the beginning of an infection, when the viral transmission risk is highest, tend to be of little value.

According to the Foundation for Innovative New Diagnostics (FIND) database, the current SARS-CoV-2 diagnostic pipeline counts 845 tests that are currently commercially available or in development for diagnosis.

FIGURE 2: SARS-COV-2 DIAGNOSTIC PIPELINE



SOURCE: FOUNDATION FOR INNOVATIVE NEW DIAGNOSTICS, SPHENE CAPITAL

DNA aptamer-based tests

Aptamers are DNA or RNA molecules capable of binding a wide range of molecules with high specificity. Aptamers, which recognise viral proteins, are used for the rapid detection of viruses. For example, aptamers have been used to detect different strains of influenza virus (including H1N1, H3N2, H5N1 and H9N2) or the Zika virus.

Compared to antibody-based designs, aptamer-based tests can offer the same specificity, even better sensitivity, lower manufacturing costs and greater flexibility in terms of chemiluminescent, electrochemical, or fluorescent detection, and are particularly suitable for point-of-care testing.

Beyond the use of aptamers to the COVID-19 pandemic, Achiko stated, that it was looking towards diagnostics for dengue, tuberculosis, cancer biomarkers, and other pathogens and believes that in combination with “Teman Sehat”, the technology may form the foundation of a diagnostics-as-a-service and telehealth business.

Profit and Loss Account, 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
Gross revenues	USD mn	9.1	8.6	7.5	6.5	5.9	6.2	6.7
YoY	%	n/a	-5.2%	-13.1%	-13.6%	-9.5%	5.2%	8.4%
Other operating income	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total output	USD mn	9.1	8.6	7.5	6.5	5.9	6.2	6.7
YoY	%	n/a	-5.2%	-13.1%	-13.6%	-9.5%	5.2%	8.4%
Material costs	USD mn	-9.4	-8.4	-6.9	-6.2	-4.9	-5.0	-5.4
In % of total output	%	-103.9%	-97.5%	-92.3%	-95.5%	-83.0%	-80.9%	-80.7%
Gross profit	USD mn	-0.4	0.2	0.6	0.3	1.0	1.2	1.3
YoY	%	n/a	-160.9%	n/a	-50.0%	243.6%	18.6%	9.4%
In % of total output	%	-3.9%	2.5%	7.7%	4.5%	17.0%	19.1%	19.3%
Personnel costs	USD mn	0.0	0.0	0.0	-6.4	-6.1	-2.1	-2.6
In % of total output	%	0.0%	0.0%	0.0%	-98.2%	-103.6%	-34.1%	-39.3%
Other operating expenses	USD mn	-0.5	-1.0	-3.8	-0.2	0.2	0.3	0.3
In % of total output	%	-6.0%	-11.7%	-51.3%	-3.5%	3.9%	4.6%	4.7%
EBITDA	USD mn	-0.9	-0.8	-3.3	-6.3	-4.8	-0.6	-1.0
In % of total output	%	-9.9%	-9.2%	-43.6%	-97.2%	-82.7%	-10.3%	-15.3%
Depreciation	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	USD mn	-0.9	-0.8	-3.3	-6.3	-4.8	-0.6	-1.0
YoY	%	n/a	-11.9%	311.9%	92.9%	-23.0%	-86.9%	60.7%
YoY	USD mn	-0.9	0.1	-2.5	-3.0	1.4	4.2	-0.4
In % of total output	%	-9.9%	-9.2%	-43.6%	-97.2%	-82.7%	-10.3%	-15.3%
Income from participations	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	USD mn	0.0	0.0	0.0	-0.6	-0.1	-0.3	-0.3
Extraordinary items	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	USD mn	-0.9	-0.8	-3.3	-6.9	-4.9	-0.9	-1.3
In % of total output	%	-9.9%	-9.2%	-43.6%	-106.8%	-84.3%	-14.5%	-19.8%
Taxes	USD mn	0.0	0.0	0.1	0.0	0.0	0.3	0.4
In % of EBT (implied tax rate)	%	-1.1%	-3.4%	-2.3%	0.3%	0.4%	-29.0%	-29.0%
Net income	USD mn	-0.9	-0.8	-3.2	-6.9	-5.0	-0.6	-0.9
In % of total output	%	-9.8%	-8.9%	-42.6%	-107.1%	-84.6%	-10.3%	-14.1%
Minorities	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of shares (basic)	mn	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Nr of shares (diluted)	mn	0.0	0.0	0.1	0.1	0.1	0.1	0.1
EPS (basic)	USD	n/a	n/a	-0.04	-0.08	-0.05	-0.01	-0.01
EPS (diluted)	USD	n/a	n/a	-0.03	-0.06	-0.04	-0.01	-0.01

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Revenue Performance by Segment, 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
Gross revenues	USD mn	9.1	8.6	7.5	6.5	5.9	6.2	6.7
E-Payment	USD mn	9.1	8.6	7.5	6.5	1.9	1.8	1.8
Video games	USD mn	0.0	0.0	0.0	0.0	2.0	2.2	2.4
Messenger	USD mn	0.0	0.0	0.0	0.0	1.4	1.5	1.7
Gumnut	USD mn	0.0	0.0	0.0	0.0	0.4	0.4	0.5
Teman Sehat	USD mn	0.0	0.0	0.0	0.0	0.2	0.2	0.2
YoY	%	n/a	-5.2%	-13.1%	-13.6%	-9.5%	5.2%	8.4%
E-Payment	%	n/a	-5.2%	-13.1%	-13.6%	-71.4%	-5.0%	4.2%
Video games	%	n/a	n/a	n/a	n/a	n/a	10.0%	10.0%
Messenger	%	n/a	n/a	n/a	n/a	n/a	10.0%	10.0%
Gumnut	%	n/a	n/a	n/a	n/a	n/a	10.0%	10.0%
Teman Sehat	%	n/a	n/a	n/a	n/a	n/a	10.0%	10.0%
in % of gross revenues	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
E-Payment	%	100.0%	100.0%	100.0%	100.0%	31.6%	28.6%	27.5%
Video games	%	0.0%	0.0%	0.0%	0.0%	34.2%	35.7%	36.3%
Messenger	%	0.0%	0.0%	0.0%	0.0%	23.9%	25.0%	25.4%
Gumnut	%	0.0%	0.0%	0.0%	0.0%	6.8%	7.1%	7.3%
Teman Sehat	%	0.0%	0.0%	0.0%	0.0%	3.4%	3.6%	3.6%
Net revenues	USD mn	-0.4	0.2	0.6	0.3	0.8	1.2	1.3
E-Payment	USD mn	-0.4	0.2	0.6	0.3	0.1	0.1	0.1
Video games	USD mn	0.0	0.0	0.0	0.0	0.2	0.4	0.5
Messenger	USD mn	0.0	0.0	0.0	0.0	0.6	0.6	0.7
Gumnut	USD mn	0.0	0.0	0.0	0.0	0.2	0.2	0.2
Teman Sehat	USD mn	0.0	0.0	0.0	0.0	0.1	0.1	0.1
YoY	%	n/a	-160.9%	169.3%	-50.0%	191.8%	39.6%	9.4%
E-Payment	%	n/a	-160.9%	169.3%	-50.0%	-76.0%	77.1%	4.2%
Video games	%	n/a	n/a	n/a	n/a	n/a	109.5%	10.0%
Messenger	%	n/a	n/a	n/a	n/a	n/a	9.0%	10.0%
Gumnut	%	n/a	n/a	n/a	n/a	n/a	9.0%	10.0%
Teman Sehat	%	n/a	n/a	n/a	n/a	n/a	9.0%	10.0%
in % of gross revenues	%	-3.9%	2.5%	7.7%	4.5%	14.4%	19.1%	19.3%
E-Payment	%	-3.9%	2.5%	7.7%	4.5%	3.8%	7.0%	7.0%
Video games	%	n/a	n/a	n/a	n/a	10.5%	20.0%	20.0%
Messenger	%	n/a	n/a	n/a	n/a	40.4%	40.0%	40.0%
Gumnut	%	n/a	n/a	n/a	n/a	40.4%	40.0%	40.0%

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Revenue Performance by Region, 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
Gross Sales	USD mn	9.1	8.6	7.5	6.5	5.9	6.2	6.7
Asia	USD mn	9.1	8.6	7.5	6.5	5.9	6.2	6.7
Europe	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
USA	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
YoY	%	n/a	-5.2%	-13.1%	-13.6%	-9.5%	5.2%	8.4%
Asia	%	n/a	-5.2%	-13.1%	-13.6%	-9.5%	5.2%	8.4%
Europe	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
USA	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of World	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
as of total sales	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Asia	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Europe	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
USA	%	0.0%	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%	0.0%

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance Sheet (Assets), 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
ASSETS								
Non-current assets	USD mn	0.1	0.1	1.7	1.8	1.7	1.7	1.7
Intangible assets	USD mn	0.0	0.0	1.6	1.6	1.6	1.6	1.6
Property, plant & equipment	USD mn	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Shares in affiliated companies	USD mn	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Loans to affiliated companies	USD mn	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Paid advances	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	USD mn	1.8	1.3	1.7	3.1	1.0	2.8	1.8
Inventory	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DIO	d	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	USD mn	1.5	1.0	0.6	1.6	0.6	0.6	0.7
DSO	d	60.0	40.8	27.9	89.6	36.0	36.0	36.0
Receivables from affiliated companies	USD mn	0.0	0.0	0.0	0.9	0.0	0.0	0.0
Receivables from called capital	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	USD mn	0.0	0.0	0.9	0.0	0.0	0.0	0.0
Cash & cash equivalents	USD mn	0.2	0.3	0.2	0.6	0.4	2.2	1.1
thereof collateralized	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred items	USD mn	0.0	0.0	0.0	0.0	0.2	0.2	0.2
Equity deficit	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	USD mn	1.9	1.5	3.4	4.9	2.9	4.7	3.8
SOURCE: COMPANY INFORMATION. SPHENE CAPITAL FORECASTS								

Balance Sheet (Liabilities), 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
LIABILITIES AND EQUITY								
Total shareholder's equity	USD mn	0.1	-0.7	-0.6	1.9	-5.6	-6.3	-7.2
Issued capital	USD mn	0.1	0.1	0.1	0.1	0.9	0.9	0.9
Contribution for capital increase June 8. 2006	USD mn	0.1	0.1	3.1	11.2	9.2	9.2	9.2
Currency adjustments	USD mn	0.1	0.1	0.0	1.4	0.0	0.0	0.0
Accumulated deficit	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit reserves	USD mn	-0.2	-1.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss of period	USD mn	0.0	0.0	-3.9	-10.8	-15.7	-16.4	-17.3
Equity deficit	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own shares	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special items	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	USD mn	0.0	0.0	0.0	0.0	0.0	-0.3	-0.4
Current liabilities	USD mn	1.8	2.1	3.9	2.9	8.5	11.2	11.3
Bank debt	USD mn	0.0	0.0	1.5	0.0	7.0	10.0	10.0
Trade payables	USD mn	1.7	2.1	2.2	2.5	1.5	1.2	1.3
DPO	d	68.5	86.0	107.0	136.5	90.0	72.0	72.0
Other current liabilities	USD mn	0.0	0.0	0.2	0.5	0.0	0.0	0.0
Liabilities to subsidiaries	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	USD mn	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Bank debt	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	USD mn	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Deferred items	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities and shareholders' equity	USD mn	1.9	1.5	3.4	4.9	2.9	4.7	3.8
SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS								

Balance Sheet (Assets, Normalized), 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
ASSETS	%							
Non-current assets	%	5.8%	8.1%	51.0%	36.7%	59.5%	36.4%	46.3%
Intangible assets	%	1.2%	1.0%	46.5%	32.0%	54.7%	33.1%	41.6%
Property, plant & equipment	%	2.4%	2.7%	0.8%	0.4%	1.4%	1.3%	2.1%
Shares in affiliated companies	%	2.2%	4.4%	3.7%	2.0%	3.4%	2.1%	2.6%
Loans to affiliated companies	%	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%
Paid advances	%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
Current assets	%	94.2%	91.9%	49.0%	63.3%	34.3%	59.6%	48.4%
Inventory	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade receivables	%	79.3%	66.8%	17.2%	33.0%	20.5%	13.1%	17.8%
Receivables from affiliated companies	%	0.0%	0.0%	0.0%	18.1%	0.0%	0.0%	0.0%
Receivables from called capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	2.1%	3.4%	26.4%	0.0%	0.0%	0.0%	0.0%
Cash & cash equivalents	%	12.8%	21.6%	5.4%	12.2%	13.8%	46.6%	30.6%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred items	%	0.0%	0.0%	0.0%	0.0%	6.2%	3.9%	5.3%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS								

Balance Sheet (Liabilities, Normalized), 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
LIABILITIES AND EQUITY								
Total shareholder's equity	%	5.2%	-44.8%	-18.6%	39.1%	-197.5%	-132.9%	-192.0%
Issued capital	%	6.4%	8.4%	2.3%	1.9%	33.1%	20.0%	25.1%
Contribution for capital increase June 8, 2006	%	4.1%	5.3%	93.5%	230.0%	321.0%	194.3%	244.0%
Currency adjustments	%	6.0%	7.4%	0.0%	28.1%	0.0%	0.0%	0.0%
Accumulated deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit reserves	%	-11.3%	-65.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss of period	%	0.0%	0.0%	-114.3%	-220.9%	-551.5%	-347.2%	-461.1%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Own shares	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%
Other provisions	%	0.0%	0.0%	0.0%	0.0%	0.7%	-5.5%	-10.2%
Current liabilities	%	92.3%	141.4%	116.9%	60.3%	296.8%	238.4%	302.2%
Bank debt	%	0.0%	0.0%	44.5%	0.0%	245.5%	212.3%	266.6%
Trade payables	%	90.5%	141.0%	66.0%	50.3%	51.3%	26.1%	35.6%
Other current liabilities	%	1.8%	0.5%	6.4%	10.1%	0.0%	0.0%	0.0%
Liabilities to subsidiaries	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-current liabilities	%	2.5%	3.4%	1.6%	0.0%	0.0%	0.0%	0.0%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-current liabilities	%	2.5%	3.4%	1.6%	0.0%	0.0%	0.0%	0.0%
Deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities and shareholders' equity	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS								

Cash Flow Statement, 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
Net income	USD mn	-0.9	-0.8	-3.2	-6.9	-5.0	-0.6	-0.9
Depreciation & Amortization	USD mn	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Income from sale of assets	USD mn	n/a	0.0	0.2	0.0	0.0	0.0	0.0
Δ Inventory	USD mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Trade receivables	USD mn	-0.1	0.5	0.4	-1.0	1.0	0.0	-0.1
Δ Other receivables	USD mn	n/a	0.0	-0.8	0.0	0.9	0.0	0.0
Δ Deferred tax assets	USD mn	n/a	0.0	0.0	0.0	-0.2	0.0	0.0
Δ Provisions	USD mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other long-term provisions	USD mn	n/a	0.0	0.0	0.0	0.0	-0.3	-0.1
Δ Other short-term provisions	USD mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Trade payables	USD mn	n/a	0.3	0.2	0.2	-1.0	-0.2	0.1
Δ Special items	USD mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred liabilities	USD mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	USD mn	n/a	0.0	-0.1	1.4	-1.4	0.0	0.0
Other operational adjustments	USD mn	-0.1	-0.1	1.6	-1.1	0.1	0.0	0.0
Operating cash flow	USD mn	-0.9	0.1	-1.7	-7.5	-5.5	-1.2	-1.0
Investments in financial assets	USD mn	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Investments in intangible assets	USD mn	0.0	0.0	-1.6	0.0	0.0	0.0	0.0
Investments in tangible assets	USD mn	n/a	-0.1	-0.1	0.0	0.0	0.0	0.0
Other operational adjustments	USD mn	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Cash flow from investing	USD mn	-0.1	0.0	-1.6	0.0	0.0	0.0	0.0
Free cash flow	USD mn	n/a	0.1	-3.4	-7.5	-5.5	-1.2	-1.0
Δ Capital stock	USD mn	0.0	0.0	0.0	0.0	0.9	0.0	0.0
Δ Capital reserves	USD mn	0.0	0.0	3.1	8.1	-2.1	0.0	0.0
Δ Bank debt	USD mn	n/a	0.0	1.5	-1.5	7.0	3.0	0.0
Δ Other interest-bearing liabilities	USD mn	n/a	0.0	0.2	0.3	-0.5	0.0	0.0
Less prior-year dividend	USD mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	USD mn	0.0	0.0	-1.5	1.0	0.0	0.0	0.0
Financing cash flow	USD mn	0.0	0.0	3.2	7.9	5.3	3.0	0.0
Net cash inflow	USD mn	-0.9	0.1	-0.1	0.4	-0.2	1.8	-1.0
Currency adjustments	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash opening balance	USD mn	1.2	0.2	0.3	0.2	0.6	0.4	2.2
Net cash closing balance	USD mn	0.2	0.3	0.2	0.6	0.4	2.2	1.1

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

One View, 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
Key Data								
Sales	USD mn	9.1	8.6	7.5	6.5	5.9	6.2	6.7
Gross profit	USD mn	-0.4	0.2	0.6	0.3	1.0	1.2	1.3
EBITDA	USD mn	-0.9	-0.8	-3.3	-6.3	-4.8	-0.6	-1.0
EBIT	USD mn	-0.9	-0.8	-3.3	-6.3	-4.8	-0.6	-1.0
EBT	USD mn	-0.9	-0.8	-3.3	-6.9	-4.9	-0.9	-1.3
Net income	USD mn	-0.9	-0.8	-3.2	-6.9	-5.0	-0.6	-0.9
Nr. of employees		36.0	39.0	35.0	40.0	45.0	50.0	50.0
Per share data								
Price high	CHF	n/a	n/a	n/a	n/a	1.17		
Price low	CHF	n/a	n/a	n/a	n/a	0.16		
Price average/last	CHF	n/a	n/a	n/a	n/a	0.39		
Price average/last	CHF	n/a	n/a	n/a	n/a	0.47	0.47	0.47
EPS (basic)	CHF	n/a	n/a	-0.04	-0.08	-0.05	-0.01	-0.01
BVPS	USD	n/a	n/a	-0.01	0.02	-0.05	-0.06	-0.07
CFPS	USD	n/a	n/a	-0.02	-0.08	-0.05	-0.01	-0.01
Dividend	USD	n/a	0.00	0.00	0.00	0.00	0.00	0.00
Price target	USD							0.03
Performance to price target	%							-93.5%
Profitability ratios								
EBITDA margin	%	-9.9%	-9.2%	-43.6%	-97.2%	-82.7%	-10.3%	-15.3%
EBIT margin	%	-9.9%	-9.2%	-43.6%	-97.2%	-82.7%	-10.3%	-15.3%
Pre-tax margin	%	-9.9%	-9.2%	-43.6%	-106.8%	-84.3%	-14.5%	-19.8%
Net margin	%	-9.8%	-8.9%	-42.6%	-107.1%	-84.6%	-10.3%	-14.1%
FCF margin	%	n/a	0.8%	-44.9%	-115.5%	-93.8%	-19.5%	-15.7%
ROE	%	n/a	116.8%	509.2%	-362.6%	87.9%	10.1%	13.0%
NWC/Sales	%	n/a	-12.6%	-22.0%	-13.0%	-15.0%	-10.0%	-10.0%
Revenues per head	USDk	252	221	214	162	130	123	133
EBIT per head	USDk	-25.0	-20.3	-93.1	-157.2	-107.6	-12.7	-20.4
Capex/Sales	%	n/a	1.1%	1.5%	-0.1%	0.3%	0.3%	0.3%
Growth rates								
Sales	%	n/a	-5.2%	-13.1%	-13.6%	-9.5%	5.2%	8.4%
Gross profit	%	n/a	-160.9%	169.3%	-50.0%	243.6%	18.6%	9.4%
EBITDA	%	n/a	-11.9%	311.9%	92.9%	-23.0%	-86.9%	60.7%
EBIT	%	n/a	-11.9%	311.9%	92.9%	-23.0%	-86.9%	60.7%
EBT	%	n/a	-11.9%	311.9%	111.9%	-28.6%	-81.9%	48.4%
Net income	%	n/a	-14.0%	316.8%	117.4%	-28.5%	-87.2%	48.4%
EPS	%	n/a	n/a	n/a	108.1%	-38.2%	-87.2%	48.4%
SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS								

One View II, 2016-2022e

IFRS (31.12.)		2016	2017	2018	2019	2020e	2021e	2022e
Balance sheet ratios								
Fixed assets	USD mn	0.1	0.1	1.7	1.8	1.7	1.7	1.7
Current assets	USD mn	1.8	1.3	1.7	3.1	1.0	2.8	1.9
Equity	USD mn	0.1	-0.7	-0.6	1.9	-5.8	-6.4	-7.4
Liabilities	USD mn	1.8	2.1	4.0	3.0	8.5	11.0	11.0
Equity ratio	%	5%	-45%	-19%	39%	-214%	-141%	-204%
Gearing	%	-243%	47%	-206%	-31%	-110%	-117%	-116%
Working capital	USD mn	-0.2	-1.1	-1.6	-0.8	-0.9	-0.6	-0.7
Capital employed	USD mn	-0.2	-1.0	-1.6	0.8	0.7	1.0	1.0
Enterprise value								
Nr. of shares	1.000	0	0	86,600	91,382	100,813	100,813	100,813
Market cap.	USD mn	n/a	n/a	n/a	n/a	127.3		
Market cap.	USD mn	n/a	n/a	n/a	n/a	17.4		
Market cap.	USD mn	n/a	n/a	n/a	n/a	42.4		
Market cap.	USD mn	n/a	n/a	n/a	n/a	50.6	50.6	50.6
Net debt	USD mn	-0.2	-0.3	1.3	-0.6	6.4	7.5	8.5
Pension reserves	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess cash	USD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV high	USD mn	n/a	n/a	n/a	n/a	133.7		
EV low	USD mn	n/a	n/a	n/a	n/a	23.8		
EV average	USD mn	n/a	n/a	n/a	n/a	48.8		
Enterprise value	USD mn	n/a	n/a	n/a	n/a	57.0	58.1	59.1
Valuation ratios								
EV/sales high	x	n/a	n/a	n/a	n/a	22.84		
EV/sales low	x	n/a	n/a	n/a	n/a	4.06		
EV/sales average	x	n/a	n/a	n/a	n/a	8.34		
EV/sales	x	n/a	n/a	n/a	n/a	9.74	9.43	8.85
EV/EBITDA high	x	n/a	n/a	n/a	n/a	-26.78		
EV/EBITDA low	x	n/a	n/a	n/a	n/a	-4.77		
EV/EBITDA average	x	n/a	n/a	n/a	n/a	-9.78		
EV/EBITDA	x	n/a	n/a	n/a	n/a	-11.41	-91.45	-57.88
EV/EBIT last	x	n/a	n/a	n/a	n/a	-11.41	-91.45	-57.88
P/E high	x	n/a	n/a	n/a	n/a	n/a		
P/E low	x	n/a	n/a	n/a	n/a	n/a		
P/E average	x	n/a	n/a	n/a	n/a	n/a		
P/E last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/BV last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/CF last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF yield	%	n/a	n/a	n/a	n/a	-11.2%	-2.4%	-2.1%
Dividend-yield	%	n/a	n/a	n/a	n/a	0.0%	0.0%	0.0%

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Discounted Cash Flow Valuation

IFRS (31.12.)		2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	Terminal year
Revenues	USD mn	5.9	6.2	6.7	7.1	7.4	7.7	7.8	7.9	7.9	7.9	8.0	8.0	8.0	8.0	8.0
YoY	%	-9.5%	5.2%	8.4%	6.6%	4.7%	3.1%	1.8%	1.0%	0.5%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
EBIT	USD mn	-4.8	-0.6	-1.0	1.5	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.6
EBIT margin	%	-82.7%	-10.3%	-15.3%	21.1%	21.2%	21.3%	21.4%	21.5%	21.6%	21.7%	21.8%	21.9%	22.0%	22.1%	20.0%
Taxes	USD mn	0.0	0.3	0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
Tax rate (τ)	%	-0.4%	40.6%	37.5%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Adjusted EBIT(1-τ)	USD mn	-4.9	-0.4	-0.6	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.1
Reinvestment	USD mn	0.0	-0.3	0.0	0.0	0.0	0.0	0.1	0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
FCFF	USD mn	-4.8	-0.7	-0.6	1.1	1.2	1.2	1.2	1.3	1.1	1.2	1.2	1.2	1.2	1.2	1.1
WACC	%	12.9%	12.9%	12.9%	12.3%	11.6%	11.0%	10.3%	9.7%	9.0%	8.4%	7.7%	7.1%	6.4%	5.1%	
Discount rate	%	100.0%	88.6%	78.4%	69.9%	62.6%	56.4%	51.1%	46.6%	42.8%	39.5%	36.7%	34.2%	32.2%	30.6%	
Present value of free cash flows	USD mn	-4.8	-0.6	-0.5	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	
TV Insolvency rate	%	8.3%														
Terminal cost of capital	%	5.1%														
Present value of terminal value	USD mn	2.3														
in % of Enterprise value	%	96.6%														
PV FCFF Detailed planning phase	USD mn	-5.9														
in % of Enterprise value	%	-243.5%														
PV FCFF Rough planning phase	USD mn	6.0														
in % of Enterprise value	%	246.9%														
Enterprise value	USD mn	2.4														
Financial debt	USD mn	0.0														
Excess cash	USD mn	0.6														
Value of equity	USD mn	3.0														
Number of shares	mn	100.8														
Value of equity per share	USD	0.03														
FX	USDCHF	0.9267														
Value of equity per share	CHF	0.03														

SOURCE: SPHENE CAPITAL FORECASTS

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Risk	Estimated probability that the result of the analysed company differs from our forecast earnings by more than 20% due to company-or market-specific reasons
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Medium	20-50%
Low	<20%

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- ⑤ holds a more than 5% interest in the capital stock of the issuer that is the subject of the analysis,
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Date/Time of publication:	Current share price/Price target:	Rating/Validity:	Conflict of interest (key)
30 09 2020/07:50 h	CHF 0.47/CHF 0.03	Sell/24 months	8
17 06 2020/16:50 h	USD 0.22/USD 1.10	Buy/24 months	1, 2, 8
30 04 2020/08:45 h	USD 0.60/USD 1.20	Buy/24 months	1, 8
18 03 2020/12:45 h	USD 0.59/USD 1.20	Buy/24 months	1, 8
12 12 2019/08:25 h	USD 1.03/USD 1.70	Buy/24 months	1, 8
11 11 2019/10:40 h	USD 1.40/USD 1.70	Buy/24 months	1, 8
29 08 2019/08:15 h	n/a/n/a	n/a	1, 2, 8

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