

# Kleos Space S.A.

Australia / New space  
 Australian Securities Exchange  
 Bloomberg: KSS AU  
 ISIN: AU0000015588

H1 2022  
 financial report

**RATING** **BUY**  
**PRICE TARGET** **AUD 1.60**  
 Return Potential 407.9%  
 Risk Rating High

## PROJECTIONS LOWERED DUE TO LAUNCH AND COMMISSIONING DELAYS

Kleos Space SA (Kleos) has published its H1 2022 financial statement and business update. Due to satellite commissioning delays, the results were weaker than anticipated. The company reported sales of only €107k (FBe: €1.7m) in H1 2022. However, cash receipts from customers amounted to €947k, and total purchase orders received were €1.3m. The positive EBITDA projected for mid-2022 was missed and is now targeted for H2 2022. Reported EBITDA amounted to €-5.4m in H1 2022, below our estimate of €-1.1m (H1 2021: €-2.1m). This number was affected by non-cash expenses of €3m related to the write-off of the first satellite cluster – Scouting Mission (SM). Unfortunately, SM had to be shut down in August due to an irreparable technical failure. While disappointing, this misfortune has little impact on the company's revenue prospects. SM was conceived as a demonstrator, having I) little capacity, II) much inferior technological capability, and III) been purchased from a different manufacturer compared to the following three clusters. The company has secured debt financing amounting to AUD 10m or €6.5m (split into two tranches of AUD 6m and AUD 4m) from the Australian financing boutique PURE Asset Management Pty Ltd. The first tranche was drawn down on 15 August. This is good news. These funds will allow Kleos to finance the planned purchase of one to two additional satellite clusters to fuel sales growth. Kleos' updated guidance foresees that the second (Vigilance Mission) and third (Patrol Mission) satellite clusters currently undergoing commissioning will begin operations after a delay in H2 and Q4 2022 respectively. The fourth satellite cluster, Observer Mission, is scheduled to launch on the Transporter-6 SpaceX rocket in Q4 2022 (by November/December). Management expects it to be operational during H1 2023 (previously: year-end 2022). In light of the launch and commissioning delays, we have lowered our revenue forecasts for 2022 and beyond. We have also adjusted our expense projections in accordance to the cost structure seen in H1 2022. We have updated our DCF model and arrived at a lower price target of AUD 1.60 (previously: AUD 2.60). Despite delays, Kleos' valuable RF data is in high demand in the current difficult geopolitical environment. We reiterate our Buy rating based on the stock's substantial upside potential from current levels. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€m)	0.60	0.18	0.13	2.20	12.50	20.20
Y-o-y growth	n.a.	n.a.	n.a.	16.5%	468.2%	61.6%
EBIT (€m)	-3.27	-3.61	-6.08	-9.95	-1.61	2.63
EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	13.0%
Net income (€m)	-3.50	-4.87	-6.37	-10.20	-2.28	2.00
EPS (diluted) (€)	-0.03	-0.03	-0.04	-0.05	-0.01	0.01
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-5.95	-4.67	-9.64	-8.57	-2.72	-1.25
Net gearing	43.8%	-61.8%	-46.2%	64.9%	31.0%	-29.9%
Liquid assets (€m)	0.29	10.79	5.79	1.68	8.79	21.31

### RISKS

Risks include, but are not limited to technological risk, execution risk, financing risk, shareholder dilution, loss of key personnel, competition risks, economic risk, commercial and government contracting risk.

### COMPANY PROFILE

Kleos is a "new space" technology specialist aiming to launch and operate nano-satellites in space to collect radio frequency (RF) signals for geospatial location. The company is a pioneer in applying RF technology from space for the maritime industry. Based in Luxembourg, KSS sells the RF data as a service worldwide to government agencies, intelligence, corporate and maritime entities.

### MARKET DATA

As of 07 Sep 2022

Closing Price	AUD 0.32
Shares outstanding	177.60m
Market Capitalisation	AUD 55.95m
52-week Range	AUD 0.31 / 0.85
Avg. Volume (12 Months)	110,954

Multiples	2021	2022E	2023E
P/E	n.a.	n.a.	n.a.
EV/Sales	0.0	14.9	2.6
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Jun 2022

Liquid Assets	€ 2.41m
Current Assets	€ 3.20m
Intangible Assets	€ 0.54m
Total Assets	€ 11.20m
Current Liabilities	€ 2.25m
Shareholders' Equity	€ 8.70m

### SHAREHOLDERS

LTL Capital	16.8%
Magna Parva (founders)	14.1%
Cameron Family Holdings	10.9%
Management/Board	5.5%
Free Float	52.7%



## CLUSTER SATELLITES UPDATE

**Kleos' first satellite cluster shut down in August due to irreparable technical failure – while disappointing, it has little impact on the company's revenue prospects** The first satellite cluster, Scouting Mission (SM), launched in November 2020, and started operating in March 2022 following a software upgrade. Unfortunately, during H1 2022, two of the four satellites experienced malfunctions. Kleos explored possible ways to rescue the constellation in conjunction with the Danish manufacturer GomSpace. However, in August, the joint analysis concluded that the failures were irreparable and the remaining two satellites would be incapable of performing the cluster mission. Kleos decided to shut them all down and write off the book value of the cluster amounting to €3.0m. The satellites were not insured since insurance for nanosatellites is usually too expensive and mostly does not pay off. While the cluster loss is disappointing, it will have little impact on the future revenue prospects of Kleos. SM was conceived as a demonstrator and thus engaged in testing new early-stage projects (they represent only minor potential revenues) and developing the company's IP. The cluster had only about 12% of the capacity of the following three clusters (see figure 1) and a much inferior technological capability. Kleos did not disclose which hardware components in the satellites failed. Still, it is worthwhile mentioning that the three following clusters were all acquired from the Netherlands-based satellite builder Innovative Solutions In Space (ISISpace), which is a different manufacturer than SM's one.

**The second, third and fourth satellite clusters were affected by delays** The second cluster, Vigilance Mission, launched on 29 June 2021, had a delayed business start due to a software upgrade. It went online in April 2022 but still has to complete its commissioning process with the new software. The satellites are moving to their final formation, entering the final commissioning stages. The cluster is now projected to become operational in H2 2022 (FBe old: Q2 2022). The third cluster, Patrol Mission, launched on 4 April 2022, is currently undergoing commissioning. Early management guidance suggested that this process would take 3-4 months. We thus projected Patrol Mission to operate and generate revenues by August 2022. In the business update, Kleos refers to a commissioning delay and anticipates that the cluster will generate revenues in H2 2022. We now expect commissioning to take 6-8 months, allowing the cluster to generate revenues in Q4 2022. The rocket launch of the fourth cluster, Observer Mission, has also been postponed from originally June to now approx. November/December due to vibration problems in the SpaceX rocket as identified in simulations. Kleos will address this problem by using the ISILAUNCH integrated port instead of the original deployment system. The company confirmed that this cluster is booked for launch on the Transporter-6 SpaceX mission NET. The satellites will be deployed into a Sun Synchronous orbit from Cape Canaveral Space Force Station in Florida. Given the new commissioning timeframes, Kleos is guiding that this cluster will be generating revenues during H1 2023 (FBe old: year-end 2022). We give an updated overview of Kleos' four satellite clusters in figure 1.

**Figure 1: Overview of Kleos' satellite clusters**

Mission Name	Designation	Launch Date	Data Collection Capacity in Million km <sup>2</sup> / Day	15-Degree Latitude "Area of Interest" Avg Daily Revisits	# Satellites	Status
Scouting Mission	KSM1	07-Nov-20	down from 15 to 0	2.1	4	shut down since Aug. 2022 - irreparable technical failure
Vigilance Mission	KSF1	29 June 2021	119	3.4	4	launched, planned to operate in H2 2022
Patrol Mission	KSF2	04-Apr-22	238	4.7	4	launched, planned to operate in Q4 2022
Observer Mission	KSF3	H2 2022	357	6.0	4	launch due in H2 2022, planned to operate in H1 2023

Source: First Berlin Equity Research, Kleos Space SA



## H1 FINANCIAL RESULTS AND AUD10M DEBT FINANCING

**H1 2022 financial results below our expectations due to commissioning delays and the first cluster impairment** Kleos' published H1 2022 financial results were weak chiefly due to the above-mentioned commissioning delays. Demand for the company's RF data is substantial in our view. However, the main satellite clusters are not operating yet, and management can only book minor sales from advanced payments. The company achieved revenues of €107k in H1 2022, below our projection of €1.7m. However, Kleos reported cash receipts from customers of €0.9m (this figure includes €0.7m booked as deferred revenue and expected to be recognised in H2 2022 once the Vigilance Mission cluster is operating), and received purchase orders totalling €1.3m.

Reported EBITDA amounted to €-5.4m, below our estimate of €-1.1m (H1 2021: €-2.1m). However, this number was affected by €3.0m non-cash expenses related to the write-off of the first cluster, Scouting Mission. EBITDA adjusted for the non-cash impairment amounted to €-2.4m. Besides non-cash items, OPEX expanded chiefly due to higher personnel expenses of €1.7m (H1 2021: €1.3m) and R&D expenses of €164k (H1 2021: €65k). Reported EBIT came in at €-6.2m. Adjusted for the above-mentioned non-cash item, EBIT was €-3.2m and below our projection of €-1.9m (H1 2021: €-2.1m). The company reported financial income from the change in fair value of derivative financial instruments of €2.6m (FBe: €0; H1 2021: €-2.1m). This non-cash position is related to the revaluation of the remaining 5.6m warrants issued in 2020 to Winance, and the 10.9m options from the employee option compensation plan issued in 2020 and 2021. The weak performance of Kleos' share price during H1 2022 led to a reduction in the accounting fair value of the financial instruments to be settled in shares, producing a non-cash financial gain in the reporting period (in the H1 2021 period, the positive share price performance produced a non-cash financial loss). EBT for the period was €-3.6m (FBe: €-1.9m; H1 2021: €-4.5m). Reported net income came in at €-3.7m (FBe: €-1.9m; H1 2021: €-4.5m).

**Figure 2: Reported H1 2022 figures vs FB estimates**

All figures in €000s	H1/22	H1/22E	Delta	H1/21	Delta
Sales	107	1,700	-94%	69	55%
EBITDA	-5,396	-1,120	-	-2,108	-
EBITDA adj*	-2,401	-1,120	-	-2,108	-
EBIT	-6,181	-1,920	-	-2,112	-
EBIT adj*	-3,186	-1,920	-	-2,112	-
Financial income / expenses	2,611	0	-	-2,355	-
EBT	-3,571	-1,920	-	-4,467	-
Taxes	-85	0	-	-1	-
Net income	-3,656	-1,920	-	-4,467	-
EPS (diluted)	-0.02	-0.01	-	-0.03	-

\*Results adjusted for non-cash write-off of the first cluster, Scouting Mission, amounting to €3.0m

Source: First Berlin Equity Research, Kleos Space SA

**Company's positive EBITDA and annualised revenue run rate (ARR) guidance were postponed** Due to the above-mentioned launch and commissioning delays, the company missed achieving the positive EBITDA projected for mid-2022, and this is now targeted for H2 2022. Kleos has also pushed back its guidance to reach annualised revenue run rate (ARR) of USD 18m (~€18m) from year-end 2022 to Q1 2023. This ARR figure equates to monthly sales of USD 1.5m (~€1.5m).



**Balance sheet** Kleos reported a lower cash position of €2.4m at the end of June (YE 2021: €5.8m). Property, plant and equipment declined to €7.2m (YE 2021: €9.4m) chiefly due to the write-off on the Scouting Mission satellites. Derivative financial instruments' liabilities declined to €0.7m (YE 2021: €3.3m) as a result of their revaluation based on the current lower share price. Equity declined to €8.7m (YE 2021: €12.2m), corresponding to an equity ratio of 78% (YE 2021: 72%).

**AUD 10m debt raised will chiefly finance the purchase of the next one to two clusters planned for launch in 2023** Kleos has secured debt amounting to AUD 10m (€6.5m) split into two tranches of AUD 6m and AUD 4m with the Australian financing boutique PURE Asset Management Pty Ltd (PAMP - <https://puream.com.au>). These funds have a 4-year maturity and will allow Kleos to finance the planned purchase of one to two additional cluster satellites that the company could launch next year. This is good news since they will fuel revenue growth. We estimate that the development, production and commissioning of a newer generation cluster can take up to 18 months. This means that the 5th cluster would contribute to sales by H1 2024. However, we believe Kleos could also opt to order a group of satellites with similar features and only minor improvements to the 4<sup>th</sup> cluster. These satellites could be produced and commissioned faster and potentially contribute to sales in H2 2023. Kleos has not disclosed details of its plans for future satellite clusters yet.

Kleos received the first AUD 6m tranche on 15 August. The drawdown of the second tranche is conditional on achievement of a trailing three-month EBITDA of €250k per month. The overall secured debt involves an interest rate starting at 12%. Once Kleos achieves specific revenue targets, the interest rate will progressively decline to 10% (sales >€1.2m/month for three consecutive months) and then 8.50% (sales >€2m/month for three consecutive months). We expect that the first target may be achieved in H1 2023, and the second one towards H2 2024.

**The debt facility includes warrants** As is usual in mezzanine financing, the debt has also warrants attached with an exercise price for the first tranche of AUD 0.85 or a 70% premium to the average 20-day trading price. The number of warrants to be issued will be the tranche 1 loan amount +25% of the tranche 2 loan amount divided by the equivalent number of shares at the exercise price. Following the recent drawdown, the number of warrants issued for the first tranche of debt will be 11.8m. The exercise price for the second tranche will be AUD 1.20 or a 70% premium to the average 20-day trading price. The number of warrants to be issued will equate to 75% of the tranche 2 loan divided by the tranche 2 exercise price, as calculated at the time of issuance.

**Financing boutique PAMP identified substantial interest in Kleos' solutions from Government bodies** In connection with their due diligence, PAMP stated: "We have been impressed with the level of genuine commercial interest in Kleos' offerings from a broad array of sophisticated Government bodies globally". This confirms our perception that Kleos belongs to the few privileged companies benefiting from the current conflict between Russia and Ukraine and the worldwide challenging geopolitical environment.

**H1 2022 cash flow report reflects higher spending on staff and corporate costs** Operating cash flow amounted to €-2.2m in H1 2022 and was roughly at the same level as the previous year (H1 2021: €-2.2m). However, the H1 2022 figure includes higher receipts from customers of €947k (H1 2021: €15k) and higher cash outflow for staff costs of €1.6m (H1 2021: €860k) and administrative/corporate costs of €1.1m (H1 2021: €882k). Cash flow from investment activities declined to €-1.4m in H1 2022 (H1 2021: €-1.7m) related to Kleos' payments to purchase satellites. Financing cash flow was €7k in H1 2022 (H1 2021: €-3.2m).



### Revising forecasts following launch delay, new financing measures and cost level increase seen in the H1/22

In light of the launch delay of the fourth cluster (Observer Mission), and the potentially longer commissioning time that the second cluster (Vigilance Mission), the third cluster (Patrol Mission) and the fourth cluster may require, we have cut our revenue projections from 2022 onwards. Our new FY 2023 projection is conservative as we have not included any potential revenue from a new cluster (the financing is secured) which could still launch and generate revenue in 2023 (FBe: 2024). We prefer to leave this as upside. Also, we have fine-tuned our EBITDA, EBIT and net income estimates for 2022E - 2024E and beyond to reflect the higher OPEX seen in H1/22 and the cost of the new debt. We have particularly increased personnel (we have assumed a faster expansion of the sales and engineering staff to support sales growth), administrative, as well as financial expenses. We have summarised the main changes in figure 3.

**Figure 3: Changes to our forecasts (KPIs)**

Figures in € 000s	2022E			2023E			2024E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	8,188	2,200	-73.13%	18,555	12,500	-32.63%	25,452	20,200	-20.64%
EBITDA	2,342	-7,871	-	10,317	1,625	-84.25%	16,048	6,880	-57.13%
margin	28.6%	-357.8%	-	55.6%	13.0%	-	63.1%	34.1%	-
EBIT	-237	-9,951	-	6,791	-1,605	-	11,288	2,630	-76.70%
margin	-	-	-	36.6%	-12.8%	-	44.4%	13.0%	-
Net Income	-237	-10,197	-	6,791	-2,285	-	11,006	1,999	-81.84%
EPS (€)	0.00	-0.05	-	0.03	-0.01	-	0.06	0.01	-81.84%

Source: First Berlin Equity Research estimates

## CORPORATE AND BUSINESS DEVELOPMENT PROGRESS

**Kleos have hired Mr Alan Khalili as the new CFO starting in July** He is a CPA and brings over twenty years of experience as a CFO, investment banker at Credit Suisse, CPA at Ernst & Young, and Technology Entrepreneur with direct industry expertise in Data as a Service, aerospace/satellite, business information, wireless voice, and IoT telecommunications. He brings substantial M&A and financing expertise, including raising high yield debt of ~USD 4bn and equity amounting to USD 270m. His LinkedIn is <https://www.linkedin.com/in/alan-khalili/>.

### Kleos' Board strengthened with highly credentialed space expert Ms Dawn Harms

Kleos appointed the highly credentialed U.S.-based space industry executive, Ms Dawn Harms, to its Board as an Independent Non-Executive Director. Ms Harms is the Chief Revenue Officer of the NASDAQ-listed space specialist Momentus Inc (MNTS). She brings extensive operational, management, and Board experience gained at Boeing, International Launch Services, Space Systems Loral (now Maxar), and ManSat Ltd. Ms Harms has replaced Non-Executive Director Mr Padraig McCarthy, who transitions to an operational advisor role to support Kleos through its next growth phase. Her LinkedIn is: <https://www.linkedin.com/in/dawn-harms-b217a43/>.

### Two additional cooperation agreements to support future growth

Kleos has entered into a Cooperative Research and Development Agreement (CRADA) with the US Navy. The navy will test Kleos' RF geolocation data in realistic maritime scenarios, such as sanctions reporting, trans-shipment monitoring, resource management, smuggling, and border control. The agreement is the first phase of the SCOUT Experimentation Campaign, which may lead to further agreements for developing and integrating technologies that allow for quicker



leadership decision-making. In addition, Kleos has signed a non-exclusive channel partner agreement with Kongsberg Satellite Services to deliver and integrate RF data within a larger dataset, complementing other intelligence sources.

**Demand momentum for radio frequency (RF) data in the US is accelerating triggered by the current geopolitical conflicts** The ongoing conflict between Russia and Ukraine is triggering high interest in RF data from the US and European governments. For example, in April 2022, the US National Reconnaissance Office (NRO) asked for proposals from RF data providers to assess the new capabilities emerging from this technology. Similar to previous programmes (e.g. in 2021, the synthetic aperture radar data programme–SAR), the agency may likely give attractive contracts to several RF data providers (source: Space News, 14 July 2022) and Kleos is well positioned to benefit from this trend.



## VALUATION MODEL

**Buy rating unchanged, price target lowered** Launch and commissioning delays have pushed back the time at which Kleos' satellites are fully operational and generating revenues. These delays cause us to lower our sales and profit projections for 2022 and going forward. In connection with the recent increase in the yield of riskless assets (10y German government bond: 1.6%), we arrive at a higher cost of equity (COE) estimate of 14.6% (previously: 14.2%). Based on updated estimates, our DCF model yields a lower price target of AUD 1.60 (previously AUD 2.60). We reiterate our Buy recommendation. Following the current Ukraine-Russia conflict, Kleos belongs to a select group of companies benefitting from the resulting difficult geopolitical environment.

Figure 4: DCF model

DCF valuation model									
EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net sales	2,200	12,500	20,200	29,400	38,270	47,802	58,492	70,084	82,190
NOPLAT	-9,951	-1,605	2,630	8,830	14,232	20,545	28,983	36,747	46,707
+ depreciation & amortisation	2,080	3,230	4,250	4,504	5,702	6,262	6,083	6,097	5,794
Net operating cash flow	-7,871	1,625	6,880	13,334	19,934	26,807	35,066	42,844	52,501
- total investments (CAPEX and WC)	-3,697	-4,343	-8,133	-3,302	-6,472	-6,274	-5,916	-5,916	-5,366
Capital expenditures	-4,143	-4,900	-5,500	-5,705	-5,932	-5,736	-5,381	-5,256	-4,849
Working capital	446	557	-2,633	2,403	-540	-538	-535	-660	-517
Free cash flows (FCF)	-11,568	-2,718	-1,253	10,032	13,462	20,533	29,150	36,929	47,135
PV of FCF's	-11,084	-2,272	-914	6,384	7,475	9,949	12,321	13,620	15,170

### All figures in thousands

PV of FCFs in explicit period (2022E-2036E)	142,123
PV of FCFs in terminal period	78,976
Enterprise value (EV)	221,099
+ Net cash / - net debt	6,919
+ Investments / minority interests	0
Shareholder value (EUR)	228,018
Shareholder value (AUD)	334,070
Diluted shares outstanding	208,862

**Fair value per share in EUR 1.09**

**Fair value per share in AUD 1.60**

FX rate: 1 EURO = 1.47 AUD

WACC	14.6%
Cost of equity	14.6%
Pre-tax cost of debt	10.0%
Tax rate	25.0%
After-tax cost of debt	7.2%
Share of equity capital	100.0%
Share of debt capital	0.0%
<b>Price target in AUD</b>	<b>1.60</b>

W A C C

### Terminal growth rate

	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
10.6%	2.63	2.69	2.76	2.84	2.93	3.03	3.15
11.6%	2.27	2.32	2.37	2.43	2.49	2.56	2.64
12.6%	1.98	2.01	2.05	2.09	2.14	2.19	2.25
13.6%	1.74	1.76	1.79	1.82	1.86	1.89	1.93
14.6%	1.53	1.55	1.58	1.60	1.62	1.65	1.68
15.6%	1.36	1.38	1.39	1.41	1.43	1.45	1.48
16.6%	1.22	1.23	1.24	1.26	1.27	1.29	1.30
17.6%	1.09	1.10	1.11	1.12	1.13	1.14	1.16

\* for layout purposes the model shows numbers only to 2030, but runs until 2036





## INCOME STATEMENT

EUR '000	2020A	2021A	2022E	2023E	2024E	2025E
<b>Revenues</b>	<b>176</b>	<b>126</b>	<b>2,200</b>	<b>12,500</b>	<b>20,200</b>	<b>29,400</b>
Cost of goods sold	0	0	726	1,375	2,020	2,646
<b>Gross profit</b>	<b>176</b>	<b>126</b>	<b>1,474</b>	<b>11,125</b>	<b>18,180</b>	<b>26,754</b>
S&M	0	0	0	1,200	1,600	2,200
G&A	1,299	1,557	2,100	2,600	2,950	3,450
R&D	496	239	450	1,500	1,950	2,420
Personnel costs	1,286	2,964	3,800	4,200	4,800	5,350
Other operating income	0	43	0	0	0	0
Other operating expenses	659	722	0	0	0	0
Impairment of assets	0	0	-2,995	0	0	0
<b>EBITDA</b>	<b>-3,564</b>	<b>-5,313</b>	<b>-7,871</b>	<b>1,625</b>	<b>6,880</b>	<b>13,334</b>
Depreciation and amortisation	43	769	2,080	3,230	4,250	4,504
<b>Operating income (EBIT)</b>	<b>-3,607</b>	<b>-6,082</b>	<b>-9,951</b>	<b>-1,605</b>	<b>2,630</b>	<b>8,830</b>
Net financial result	-1,261	-284	-246	-680	-631	-801
<b>Pre-tax income (EBT)</b>	<b>-4,868</b>	<b>-6,366</b>	<b>-10,197</b>	<b>-2,285</b>	<b>1,999</b>	<b>8,029</b>
Income taxes	0	-2	0	0	0	0
Foreign currency translation	1	-7	0	0	0	0
<b>Net income / loss</b>	<b>-4,867</b>	<b>-6,375</b>	<b>-10,197</b>	<b>-2,285</b>	<b>1,999</b>	<b>8,029</b>
<b>Diluted EPS (in €)</b>	<b>-0.03</b>	<b>-0.04</b>	<b>-0.05</b>	<b>-0.01</b>	<b>0.01</b>	<b>0.04</b>
<b>EBITDA adj. for non-cash expenses</b>	<b>-3,564</b>	<b>-5,313</b>	<b>-4,876</b>	<b>1,625</b>	<b>6,880</b>	<b>13,334</b>
<b>Ratios</b>						
Gross margin	100.0%	100.0%	67.0%	89.0%	90.0%	91.0%
EBITDA margin on revenues	n.a.	n.a.	n.a.	13.0%	34.1%	45.4%
EBIT margin on revenues	n.a.	n.a.	n.a.	n.a.	13.0%	30.0%
Net margin on revenues	n.a.	n.a.	n.a.	n.a.	9.9%	27.3%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Expenses as % of revenues</b>						
Personnel costs	729.8%	2361.2%	172.7%	33.6%	23.8%	18.2%
Depreciation and amortisation	24.5%	612.5%	94.5%	25.8%	21.0%	15.3%
Other operating expenses	374.1%	574.8%	0.0%	0.0%	0.0%	0.0%
<b>Y-Y Growth</b>						
Revenues	-70.7%	-28.8%	1652.6%	468.2%	61.6%	45.5%
Operating income	n.a.	n.a.	n.a.	n.a.	n.a.	235.7%
Net income/ loss	n.a.	n.a.	n.a.	n.a.	n.a.	301.7%





## BALANCE SHEET

EUR '000	2020A	2021A	2022E	2023E	2024E	2025E
<b>Assets</b>						
<b>Current assets, total</b>	<b>11,437</b>	<b>7,071</b>	<b>2,732</b>	<b>10,191</b>	<b>26,466</b>	<b>36,536</b>
Cash and cash equivalents	10,788	5,785	1,678	8,793	21,306	34,069
Short-term investments	0	0	0	0	0	0
Receivables	649	1,285	1,054	1,397	5,160	2,468
Inventories	0	0	0	0	0	0
<b>Non-current assets, total</b>	<b>5,467</b>	<b>9,813</b>	<b>9,838</b>	<b>13,248</b>	<b>16,258</b>	<b>18,451</b>
Property, plant & equipment	5,467	9,374	9,399	12,809	15,819	18,012
Goodwill & other intangibles	0	299	299	299	299	299
Other assets	0	139	139	139	139	139
<b>Total assets</b>	<b>16,904</b>	<b>16,883</b>	<b>12,570</b>	<b>23,438</b>	<b>42,724</b>	<b>54,987</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>5,047</b>	<b>4,570</b>	<b>4,639</b>	<b>9,634</b>	<b>10,180</b>	<b>9,891</b>
Short-term debt	3,466	146	0	4,095	6,825	6,825
Accounts payable	423	485	700	1,600	2,730	2,441
Other current liabilities	1,158	3,939	3,939	3,939	624	624
<b>Long-term liabilities, total</b>	<b>0</b>	<b>109</b>	<b>4,205</b>	<b>6,935</b>	<b>6,935</b>	<b>6,935</b>
Long-term debt	0	0	4,095	6,825	6,825	6,825
Other liabilities	0	109	109	109	109	109
<b>Shareholders' equity</b>	<b>11,857</b>	<b>12,203</b>	<b>3,726</b>	<b>6,869</b>	<b>25,610</b>	<b>38,162</b>
<b>Total consolidated equity and debt</b>	<b>16,904</b>	<b>16,883</b>	<b>12,570</b>	<b>23,438</b>	<b>42,724</b>	<b>54,987</b>
<b>Ratios</b>						
Current ratio (x)	2.27	1.55	0.59	1.06	2.60	3.69
Quick ratio (x)	2.27	1.55	0.59	1.06	2.60	3.69
Net debt	-7,322	-5,639	2,417	2,127	-7,655	-20,418
Net gearing	-61.8%	-46.2%	64.9%	31.0%	-29.9%	-53.5%
Equity ratio	70.1%	72.3%	29.6%	29.3%	59.9%	69.4%
Book value per share (in €)	0.07	0.07	0.02	0.03	0.13	0.19
Return on equity (ROE)	-41.0%	-52.2%	-273.6%	-33.3%	7.8%	21.0%



## CASH FLOW STATEMENT

EUR '000	2020A	2021A	2022E	2023E	2024E	2025E
<b>EBIT</b>	<b>-3,607</b>	<b>-6,082</b>	<b>-9,951</b>	<b>-1,605</b>	<b>2,630</b>	<b>8,830</b>
Depreciation and amortisation	43	769	2,080	3,230	4,250	4,504
<b>EBITDA</b>	<b>-3,564</b>	<b>-5,313</b>	<b>-7,871</b>	<b>1,625</b>	<b>6,880</b>	<b>13,334</b>
Changes in working capital	-1,805	-2,603	446	557	-2,633	2,403
Other adjustments	1,860	2,770	2,995	0	0	0
<b>Operating cash flow</b>	<b>-3,509</b>	<b>-5,145</b>	<b>-4,430</b>	<b>2,182</b>	<b>4,247</b>	<b>15,737</b>
Investments in PP&E	-1,158	-4,196	-4,143	-4,900	-5,500	-5,705
Investments in intangibles	0	-299	0	0	0	0
<b>Free cash flow</b>	<b>-4,667</b>	<b>-9,640</b>	<b>-8,573</b>	<b>-2,718</b>	<b>-1,253</b>	<b>10,032</b>
Acquisitions & disposals, net	0	0	0	0	0	0
Other investments	0	0	0	0	0	0
<b>Investment cash flow</b>	<b>-1,158</b>	<b>-4,495</b>	<b>-4,143</b>	<b>-4,900</b>	<b>-5,500</b>	<b>-5,705</b>
Debt financing, net	1,252	-3,320	4,095	6,825	6,825	2,730
Equity financing, net	13,946	7,956	0	0	0	0
Exercise of options & warrants	0	0	370	3,008	6,940	0
Other financing	-37	0	0	0	0	0
<b>Financing cash flow</b>	<b>15,161</b>	<b>4,636</b>	<b>4,466</b>	<b>9,834</b>	<b>13,766</b>	<b>2,730</b>
FOREX & other effects	1	1	0	0	0	0
<b>Net cash flows</b>	<b>10,495</b>	<b>-5,003</b>	<b>-4,107</b>	<b>7,116</b>	<b>12,513</b>	<b>12,763</b>
Cash, start of the year	293	10,788	5,785	1,678	8,793	21,306
<b>Cash, end of the year</b>	<b>10,788</b>	<b>5,785</b>	<b>1,678</b>	<b>8,793</b>	<b>21,306</b>	<b>34,069</b>
<b>EBITDA/share (in €)</b>	<b>-0.02</b>	<b>-0.03</b>	<b>-0.04</b>	<b>0.01</b>	<b>0.03</b>	<b>0.07</b>
<b>Y-Y Growth</b>						
Operating cash flow	n.a.	n.a.	n.a.	n.a.	94.6%	270.5%
Free cash flow	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA/share	n.a.	n.a.	n.a.	n.a.	323.4%	93.8%

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Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

<sup>1</sup> The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	2 May 2019	AUD0.26	BUY	AUD0.43
2	17 October 2019	AUD0.26	BUY	AUD0.46
3	26 October 2020	AUD0.58	BUY	AUD0.75
4	17 November 2020	AUD0.69	BUY	AUD1.15
5	3 February 2021	AUD0.59	BUY	AUD1.15
6	11 March 2021	AUD0.60	BUY	AUD1.18
7	11 November 2021	AUD0.71	BUY	AUD5.00
8	8 February 2022	AUD0.65	BUY	AUD2.70
9	11 March 2022	AUD0.55	BUY	AUD2.60
10	9 May 2022	AUD0.58	BUY	AUD2.60
11	Today	AUD0.32	BUY	AUD1.60

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