

Kleos Space S.A.

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

Business
 update

RATING
BUY

PRICE TARGET
AUD 1.00

Return Potential 412.8%
 Risk Rating High

KSF1 CLUSTER OPERATING, KSF2 COMMISSIONING AND KSF3 LAUNCHED

Kleos Space SA (Kleos) has published its Q4 2022 cash flow report and business update. Cash receipts from customers amounted to €1.4m in FY 2022. At YE 2022, the company reported cash and cash equivalents of €1.8m (FBe: €2.0m). Kleos also conducted a capital increase of AUD 3m at AUD 0.20 p/s, representing a 9% discount to the last close on 25 January. We estimate that these funds extend the cash runway into Q2 2023 excluding potential new revenue. Kleos has announced that the Vigilance Mission (KSF1) cluster started delivering initial RF data to its customers at the end of December 2022 (FBe: end of November / early December) and has now achieved daily delivery. However, we suspect time was insufficient to process and deliver all the data required to recognise the ~€1m deferred revenue in Q4 2022. Thus, we have cut our FY 2022 sales projections to €0.1m (previously €1.2m) and expect the deferred revenue to be recognised in Q1 2023. KSF1 is not working at full capacity yet. Due to technical issues and delays in fixing them, the company has not been able to conduct altitude optimisation of these satellites in a timely manner. Suboptimal altitude negatively impacts their natural degradation process. Based on current calculations, KSF1 satellites may have a remaining life of only 1.5 years (FBe: 3-5 years), which is disappointing. Patrol Mission (KSF2) is undergoing commissioning and is now expected to begin operations by the end of Q1 2023 (previously: early Q1 2023). KSF1 has focused commissioning on two satellites and KSF2 on three. The other satellites in these two clusters had technical problems, and solving them will still take some time. Due to Kleos' recent technology improvements, two satellites per cluster are sufficient to deliver clients' required data quality. Observer Mission (KSF3) successfully launched on the Transporter-6 SpaceX rocket on 3 January 2023. Management expects KSF3 to be operational during H2 2023 (previously: H1 2023). Due to KSF1's shorter life and delays in commissioning KSF1, KSF2 and KSF3, we have lowered our financial forecasts for 2022-2025. Our DCF model yields a lower price target of AUD 1.00 (previously: AUD 1.60). We confirm our Buy rating. In 2023, we anticipate that Kleos will have three fully operating clusters and achieve positive EBITDA for the first time. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€m)	0.60	0.18	0.13	0.11	8.70	15.00
Y-o-y growth	n.a.	n.a.	n.a.	-0.1%	n.a.	72.4%
EBIT (€m)	-3.27	-3.61	-6.08	-11.45	-3.81	-2.05
EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	-13.7%
Net income (€m)	-3.50	-4.87	-6.37	-11.69	-4.49	-2.68
EPS (diluted) (€)	-0.03	-0.03	-0.04	-0.07	-0.02	-0.01
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-5.95	-4.67	-9.64	-7.66	-6.88	-3.65
Net gearing	43.8%	-61.8%	-46.2%	85.8%	50.5%	121.5%
Liquid assets (€m)	0.29	10.79	5.79	2.02	4.70	1.05

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" defence intelligence technology specialist with operations in Luxembourg, the US and UK. The company operates nano-satellites in space to collect radio transmissions (RF data) in key areas of interest around the globe. The RF data is processed through Kleos' proprietary technology platform to deliver intelligence products to its customers.

MARKET DATA

As of 14 Feb 2023

Closing Price	AUD 0.20
Shares outstanding	178.53m
Market Capitalisation	AUD 34.81m
52-week Range	AUD 0.17 / 0.70
Avg. Volume (12 Months)	131,573

Multiples	2021	2022E	2023E
P/E	n.a.	n.a.	n.a.
EV/Sales	0.0	197.5	2.4
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

Vigilance Mission (KSF1) is currently collecting, processing and delivering RF data to customers daily, but operation at full capacity is expected to be reached in a few months At the end of December 2022 (FBe: end of November / early December), Kleos' first customers have received first RF data processed through the proprietary technology platform. The company has delivered intelligence data on specific signals or targets geolocation for earth regions of high interest. However, due to a technical problem with two of the satellites, only two of the four satellites have joined the required formation. Even though the two satellites are operating, they are not at full capacity yet. The company plans to increase KSF1's geolocation accuracy and data volume progressively; the two-satellite cluster is expected to reach full capacity in the next months (Kleos guidance: during H1 2023). Since early February, the company has been capable of reaching daily delivery of data collected from a strategically critical area of interest. This is an important milestone from a commercialisation point of view. We thus believe Kleos is on track to achieve the data quality and volume levels required to recognise FY 2022's deferred revenue in Q1 2023 and generate new revenue shortly thereafter. The two remaining satellites are scheduled to join the cluster at a later time (FBe: H2 2022). The focus so far has been on generating first sample data and achieving revenue generation as soon as possible.

Kleos has improved the performance of its ground signal processing technology for its satellites and reduced the minimum cluster size from three to two The RF data captured by Kleos' satellites are down-linked via radio waves to its contracted ground station network. Kleos accesses the data from the ground stations, processes it using its proprietary algorithm-driven technology platform and stores it at a secure data centre which can deliver it to its customers through a simple application programming interface (API). Kleos has achieved substantial improvements in its ground signal processing technology, making it possible to deliver the LOCATE geospatial intelligence product with a cluster minimum of only two satellites instead of previously three. Its new algorithms will potentially expand the volume and quality of intelligence available to customers, enabling unchanged data output with lower CAPEX spending (i.e. clusters with fewer satellites) in the future. KSF1 is already benefiting from this improvement. Management has still to decide whether the remaining two satellites will join the commissioned formation (to increase accuracy and provide spare capacity in the case of damage) or to build a new cluster capable of doubling raw data volume and revenue generation.

KSF1's life shortened to 1.5 years Due to KSF1's technical issues and multiple delays from the satellite manufacturer ISISpace in fixing them, the company has not been capable of conducting altitude optimisation of these satellites in a timely manner. We thus believe KSF1 may be flying too low. Suboptimal altitude negatively impacts the satellites' natural degradation process. Based on current Kleos calculations, these cluster satellites may have a remaining life of only 1.5 years (FBe: 3-5 years).

Patrol Mission (KSF2) is anticipated to become operational by the end of Q1 2023 (old guidance: early Q1 2023) The KSF2 satellite cluster was launched in early April 2022. Unfortunately, one of this cluster's satellites also experienced technical issues. Therefore, only three of the four satellites are currently progressing with commissioning and are expected to join the final operational formation at the right altitude over the next couple of months. Due to the unexpected delay, management is now guiding that the three-satellite cluster will deliver data by the end of March (previously: early Q1 2023). The company reports that it has received a plan from the satellite manufacturer to correct the malfunctions in the fourth KSF2 satellite. However, Kleos believes it is unlikely that this satellite will be able to join the cluster. Due to the technical problems, we suspect this satellite may also be flying too low and moving it to the right altitude may be challenging.



Non-cash €1.4m impairment of the two satellites that have shown anomalies To account for the fact that one satellite in each of the KSF1 (problem satellite: KSF1-C) and KSF2 (problem satellite: KSF2-B) clusters has challenging technical anomalies, management decided to recognise a non-cash impairment of €1.4m for these two assets as of 31 December 2022. This accounting measure will be reversed if, as the manufacturer ISIS believes, it can fix the problems.

Observer Mission (KSF3) successfully launched on 3 January and expected to be operational in H2 2023 (previously: H1 2023) The KSF3 satellites have launched on the Transporter-6 SpaceX mission from the Cape Canaveral Space Force Station in Florida. The KSF3 satellites incorporate insights from the first three clusters and are thus the company's most advanced. KSF3 will be deployed into a Sun-synchronous orbit. These satellites have initiated commissioning and are expected to be operational in H2 2023 (previous guidance: H1 2023).

Figure 1: Overview of Kleos' satellite clusters

Mission Name	Designation	Launch Date	Data Collection Capacity in Million km ² / 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-Jun-21	119	3.4	4	launched, operating since the end of December 2022
Patrol Mission	KSF2	04-Apr-22	238	4.7	4	launched, planned to operate by the end of March 2023
Observer Mission	KSF3	03-Jan-23	357	6.0	4	launched, planned to operate in H2 2023

Source: First Berlin Equity Research, Kleos Space SA

FINANCIALS – UPDATED PROJECTIONS AND CAPITAL INCREASE

Revising FY 2022-2025 sales forecast following KSF1, KSF2 and KSF3 operation start delay Following Kleos' announcement that the Vigilance Mission - KSF1 started delivering initial data only in late December (FBe: end of November/early December), we believe the company did not have enough time to process and deliver the full data package required to recognise its ~€1m deferred revenue and generate our anticipated additional revenue of ~€0.1m. We have thus cut our FY 2022 sales projections to €0.1m (previously €1.2m). We now expect the deferred revenue to be recognised in Q1 2023. Unfortunately, KSF1's remaining life of 1.5 years is also shorter than we previously assumed (FBe: 3-5 years). Also, the scheduled start of operations of KSF2 and KSF3 has been pushed back from early Q1 2023 to the end of Q1 2023 and from H1 2023 to H2 2023 respectively. These delays have caused us to take a more cautious stance on Kleos' near-term ramp-up ability, lowering our 2023, 2024 and 2025 sales forecasts. Besides including the €1.4m for impairment of the satellites in our 2022 projections and fine-tuning our depreciation assumptions, the other 2022-2025 OPEX positions are unchanged. We have summarised the main changes to our FY 2022-2024 forecasts in figure 2 below.

Figure 2: Change to our FY 2022-2024 revenue forecast (KPIs)

Figures in € 000s	2022E*			2023E			2024E		
	Old	New	Delta	Old	New	Delta	Old	New	Delta
Sales	1,200	107	-91%	12,500	8,700	-30%	20,200	15,000	-26%
EBITDA	-8,565	-10,675	-	1,625	-1,757	-	6,880	2,200	-68%
margin	n.a.	n.a.		13.0%	-20.2%		34.1%	14.7%	
EBIT	-10,645	-11,445	-	-1,605	-3,807	-	2,630	-2,050	-
margin	-	-		-12.8%	-43.8%		13.0%	-13.7%	
Net Income	-10,890	-11,691	-	-2,284	-4,487	-	2,000	-2,681	-
EPS (€)	-0.05	-0.07	-	-0.01	-0.02	-	0.01	-0.01	-

*Our 2022E figures include € 4.4m non-cash impairment of KSM1 (€3m) and KSF1-C / KSF2-B (€ 1.4m)

Source: First Berlin Equity Research estimates



FY 2022 cash flow – tight cash position of €1.8m at the end of December... Operating cash flow came in at €-5.6m (FY 2021: €-4.6m), which chiefly reflects higher spending on staff and administrative/corporate costs. Cash flow from investment activities declined to €-2.4m (FY 2021: €-5.1m) related to Kleos' payments to purchase satellites. Financing cash flow amounted to €3.8m in FY 2022 (FY 2021: €4.5m). The cash position amounted to €1.8m at the end of December (FY 2021: €5.8m). In Q4 2022, Kleos' burn rate (operating CF and CAPEX) was €2.1m, whereas the quarterly average in 2022 was ~€2.0m.

...but a capital increase of AUD 3m expands Kleos' runway into Q2 2023 On 31 January, Kleos announced an AUD 3m (€2m) capital increase. The company placed 15m new CDIs in ordinary shares at AUD 0.20 p/s, which represented a 9% discount to the share price close on 25 January. Settlement was scheduled by Monday, 6 February 2023. The proceeds give Kleos more time to catch up on revenues after the recent commissioning delays. However, its liquidity position remains tight, making it a high priority that KSF1 reaches an optimal level of data quality, delivery frequency and capacity and that KSF2 completes commissioning as anticipated during Q1, allowing both clusters to start generating revenue and cash flow in Q2 2023. Based on the burn rate seen in Q4 2022, we estimate that Kleos' cash runway, excluding any potential new revenues, has been extended into Q2 2023.

OTHER CORPORATE NEWS

Transition of Alan Khalili to the CEO role completed as of 1 January 2023 Mr Khalili, who is a US citizen, has officially taken over the CEO role, stepping down from his previous CFO position. Mr Khalili and Kleos expect this decision to help the company acquire further US business, especially from the government. It is well known that the US Government prefers contracting with local companies led by US citizens for security reasons. Ms Sara Fanous has been hired as VP Finance. She is a CPA with over 17 years of experience in public accounting (KPMG), SEC reporting (Iridium Communications), and building accounting/finance departments in early-stage space-based data and communication companies (Aireon and SpaceLink). The recruitment process of a new CFO is underway. Mr Bowyer (previously CEO) will become Chief Strategy Officer, responsible for corporate development, strategic partnerships, and the global growth strategy. He will also maintain his current role as Executive Director.

Advisor appointed to explore M&A potential The company has appointed New York-based James A. Quella (ex-Blackstone MD, holds 2.5% of Kleos and has been Kleos' Advisory Board Member since May 2021) as a strategic advisor to the Board to conduct a corporate finance review and to assist in the identification and execution of a strategic corporate transaction. His task will be completing a merger, acquisition, or other strategic corporate activity.

Partnership with UP42 Kleos has partnered with UP42, a leading geospatial marketplace, to make its geospatial data product LOCATE available on the UP42 platform. The UP42 marketplace offers more than 180 geospatial data sources and algorithms from leading geospatial organisations. This platform represents an additional distribution channel to reach new potential customers.

LOI with the micro ground station provider Clutch Space offers potential for additional improvements in data processing performance Kleos has closed an LOI with the UK-based ground station solution provider Clutch Space (CS). Kleos will evaluate the AnyTime micro ground station network. If the result is positive, CS may become a future option for improved ground station services at a reduced cost. CS's technological advantage is based on a fully software-defined ground segment that implements a significant part of the hardware elements into the software.



VALUATION MODEL

Buy rating at lower price target The positive news on Kleos' successful KSF3 launch and the technological improvements to its processing platform, which could lead to potential reductions in future CAPEX, have been accompanied by problems and delays in the first three KSF clusters. To take account of the KSF1, KSF2 and KSF3 delays, we have lowered our FY 2022-2025 revenue projections in our discounted cash flow model. Following the capital increase, we have also updated our dilution assumptions as these relate to 2023 financing requirements. We now model a higher pro forma share count of 252m (previously: 209m). We have also increased our cost of equity (COE) estimate to 17.4% (previously: 15.2%) in view of the increased business risk and the recent rise in the yield of riskless assets (10y German government bond: up to 2.40% from previously 2.20%). Based on our updated estimates, we have lowered our price target to AUD 1.00 (previously: AUD 1.60). Our Buy recommendation remains unchanged.

Figure 3: DCF model

DCF valuation model									
EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net sales	107	8,700	15,000	25,000	36,200	46,500	57,100	68,416	80,234
NOPLAT	-11,445	-3,807	-2,050	5,580	12,646	20,108	28,330	35,957	45,544
+ depreciation & amortisation	770	2,050	4,250	3,750	5,394	5,500	5,600	5,500	5,300
Net operating cash flow	-10,675	-1,757	2,200	9,330	18,039	25,608	33,930	41,457	50,844
- total investments (CAPEX and WC)	-2,380	-4,320	-5,850	-5,100	-5,886	-5,827	-5,462	-5,801	-5,230
Capital expenditures	-2,500	-4,900	-5,500	-4,750	-5,611	-5,580	-5,253	-5,131	-4,734
Working capital	120	580	-350	-350	-275	-247	-208	-670	-496
Free cash flows (FCF)	-13,055	-6,077	-3,650	4,230	12,153	19,782	28,468	35,655	45,614
PV of FCF's	-13,055	-5,283	-2,702	2,667	6,527	9,049	11,087	11,828	12,889

All figures in thousands	
PV of FCFs in explicit period (2022E-2036E)	104,768
PV of FCFs in terminal period	47,588
Enterprise value (EV)	152,356
+ Net cash / - net debt (pro forma)	15,157
+ Investments / minority interests	0
Shareholder value (EUR)	167,514
Shareholder value (AUD)	257,753
Diluted shares outstanding (pro forma)	251,695
Fair value per share in EUR	0.67
Fair value per share in AUD	1.02

		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
WACC	13.4%	1.57	1.60	1.62	1.65	1.69	1.72	1.76
	14.4%	1.39	1.41	1.43	1.45	1.48	1.50	1.53
	15.4%	1.24	1.25	1.27	1.29	1.30	1.32	1.35
	16.4%	1.11	1.12	1.13	1.14	1.16	1.17	1.19
	17.4%	0.99	1.00	1.01	1.02	1.04	1.05	1.06
	18.4%	0.90	0.90	0.91	0.92	0.93	0.94	0.95
	19.4%	0.81	0.82	0.82	0.83	0.84	0.84	0.85
	20.4%	0.74	0.74	0.75	0.75	0.76	0.76	0.77

FX rate: 1 EURO =	1.54	AUD
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WACC	17.4%
Cost of equity	17.4%
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%
Price target in AUD	1.00

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



INCOME STATEMENT

EUR '000	2020A	2021A	2022E	2023E	2024E	2025E
Revenues	176	126	107	8,700	15,000	25,000
Cost of goods sold	0	0	37	957	1,500	2,250
Gross profit	176	126	70	7,743	13,500	22,750
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	-4,395	0	0	0
EBITDA	-3,564	-5,313	-10,675	-1,757	2,200	9,330
Depreciation and amortisation	43	769	770	2,050	4,250	3,750
Operating income (EBIT)	-3,607	-6,082	-11,445	-3,807	-2,050	5,580
Net financial result	-1,261	-284	-246	-680	-631	-720
Pre-tax income (EBT)	-4,868	-6,366	-11,691	-4,487	-2,681	4,860
Income taxes	0	-2	0	0	0	0
Foreign currency translation	1	-7	0	0	0	0
Net income / loss	-4,867	-6,375	-11,691	-4,487	-2,681	4,860
Diluted EPS (in €)	-0.03	-0.04	-0.07	-0.02	-0.01	0.02
EBITDA adj. for non-cash expenses	-3,564	-5,313	-6,280	-1,757	2,200	9,330
Ratios						
Gross margin	100.0%	100.0%	65.0%	89.0%	90.0%	91.0%
EBITDA margin on revenues	n.a.	n.a.	n.a.	-20.2%	14.7%	37.3%
EBIT margin on revenues	n.a.	n.a.	n.a.	n.a.	-13.7%	22.3%
Net margin on revenues	n.a.	n.a.	n.a.	n.a.	-17.9%	19.4%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenses as % of revenues						
Personnel costs	729.8%	2361.2%	3551.4%	48.3%	32.0%	21.4%
Depreciation and amortisation	24.5%	612.5%	719.6%	23.6%	28.3%	15.0%
Other operating expenses	374.1%	574.8%	0.0%	0.0%	0.0%	0.0%
Y-Y Growth						
Revenues	-70.7%	-28.8%	-14.8%	8030.8%	72.4%	66.7%
Operating income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income/ loss	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.



BALANCE SHEET

EUR '000	2020A	2021A	2022E	2023E	2024E	2025E
Assets						
Current assets, total	11,437	7,071	3,224	5,351	2,251	7,181
Cash and cash equivalents	10,788	5,785	2,024	4,701	1,051	5,281
Short-term investments	0	0	0	0	0	0
Receivables	649	1,285	1,200	650	1,200	1,900
Inventories	0	0	0	0	0	0
Non-current assets, total	5,467	9,813	7,821	8,945	10,506	13,021
Property, plant & equipment	5,467	9,374	7,382	8,506	10,068	12,583
Goodwill & other intangibles	0	299	299	299	299	299
Other assets	0	139	139	139	139	139
Total assets	16,904	16,883	11,045	14,296	12,757	20,202
Shareholders' equity & debt						
Current liabilities, total	5,047	4,570	4,794	4,024	1,624	1,974
Short-term debt	3,466	146	50	50	50	50
Accounts payable	423	485	520	550	750	1,100
Other current liabilities	1,158	3,939	4,224	3,424	824	824
Long-term liabilities, total	0	109	4,009	6,608	6,608	6,608
Long-term debt	0	0	3,899	6,499	6,499	6,499
Other liabilities	0	109	109	109	109	109
Shareholders' equity	11,857	12,203	2,242	3,663	4,525	11,620
Total consolidated equity and debt	16,904	16,883	11,045	14,296	12,757	20,202
Ratios						
Current ratio (x)	2.27	1.55	0.67	1.33	1.39	3.64
Quick ratio (x)	2.27	1.55	0.67	1.33	1.39	3.64
Net debt	-7,322	-5,639	1,925	1,848	5,498	1,268
Net gearing	-61.8%	-46.2%	85.8%	50.5%	121.5%	10.9%
Equity ratio	70.1%	72.3%	20.3%	25.6%	35.5%	57.5%
Book value per share (in €)	0.07	0.07	0.01	0.02	0.02	0.05
Return on equity (ROE)	-41.0%	-52.2%	-521.4%	-122.5%	-59.3%	41.8%



CASH FLOW STATEMENT

EUR '000	2020A	2021A	2022E	2023E	2024E	2025E
EBIT	-3,607	-6,082	-11,445	-3,807	-2,050	5,580
Depreciation and amortisation	43	769	770	2,050	4,250	3,750
EBITDA	-3,564	-5,313	-10,675	-1,757	2,200	9,330
Changes in working capital	-1,805	-2,603	120	580	-350	-350
Other adjustments	1,860	2,770	5,395	-800	0	0
Operating cash flow	-3,509	-5,145	-5,160	-1,977	1,850	8,980
Investments in PP&E	-1,158	-4,196	-2,500	-4,900	-5,500	-4,750
Investments in intangibles	0	-299	0	0	0	0
Free cash flow	-4,667	-9,640	-7,660	-6,877	-3,650	4,230
Acquisitions & disposals, net	0	0	0	0	0	0
Other investments	0	0	0	0	0	0
Investment cash flow	-1,158	-4,495	-2,500	-4,900	-5,500	-4,750
Debt financing, net	1,252	-3,320	3,899	2,600	0	0
Equity financing, net	13,946	7,956	0	6,954	0	0
Other financing	-37	0	0	0	0	0
Financing cash flow	15,161	4,636	3,899	9,554	0	0
FOREX & other effects	1	1	0	0	0	0
Net cash flows	10,495	-5,003	-3,761	2,677	-3,650	4,230
Cash, start of the year	293	10,788	5,785	2,024	4,701	1,051
Cash, end of the year	10,788	5,785	2,024	4,701	1,051	5,281
EBITDA/share (in €)	-0.02	-0.03	-0.06	-0.01	0.01	0.04

Y-Y Growth

Operating cash flow	n.a.	n.a.	n.a.	n.a.	n.a.	385.4%
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.	n.a.	324.1%

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The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	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%

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

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RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	2 May 2019	AUD0.26	BUY	AUD0.43
2...5	↓	↓	↓	↓
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	8 September 2022	AUD0.32	BUY	AUD1.60
12	10 October 2022	AUD0.33	BUY	AUD1.60
13	21 November 2022	AUD0.23	BUY	AUD1.60
14	Today	AUD0.20	BUY	AUD1.00

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- key sources of information in the preparation of this research report
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