

Deutsche Effecten- und Wechsel- Beteiligungsgesellschaft AG

Germany / Financials
Frankfurt
Bloomberg: EFF GR
ISIN: DE0008041005

FY 2021
results

RATING
BUY

PRICE TARGET
€ 2.90

Return Potential 68.6%
Risk Rating High

POSITIVE FY/21 RESULTS, PORTFOLIO HOLDINGS ON TRACK

Deutsche Effecten- und Wechsel- Beteiligungsgesellschaft's (DEWB) FY/21 results were in line with our expectations. DEWB achieved other operating income of €9.4m (FBe: €9.4m, FY/20: €5.0m) thanks to the exit of its non-core holding MueTec to the Chinese group TZTEK. EBIT came in at €8.1m (FBe: €8.0m; FY/20: €3.2m). The portfolio holdings developed positively. DEWB's anchor shareholding, Lloyd Fonds AG (LFAG), delivered a strong and much improved cash flow in FY/21. LFAG also successfully completed the acquisition of a 98% stake (target: >90%) in the leading German asset management firm, BV Holding AG. The deal will more than double LFAG's assets under management (AuM) to ~€5.0bn (FY/21 €22bn), and the company recently completed a capital increase raising €7.4m by placing 615k shares at €12 p/s to finance the acquisition. LFAG likewise completed the acquisition of 17.75% (with the option to expand to 100%) in the fast-growing roboadvisory startup, Growney GmbH. In FY/21, DEWB's factoring specialist Aifinyo delivered a turnover increase of ~40% to €45m and a positive EBT of €0.7m (FY/20: €-3.5m). Overall, DEWB successfully conducted five Fintech investments in FY/21: the securities tokenisation technology provider Cashlink; the neobrokers Naga Group and Nextmarkets; the marketplace for alternative investments Stableton; and the wealth management robo advisor LAIC. Unfortunately, the recent capital markets downturn following the Russian invasion of Ukraine has negatively impacted DEWB's NAV and share price. However, with its highly attractive portfolio, we see DEWB as well positioned to benefit from the buoyant, disruptive Fintech industry. We reiterate our Buy recommendation and our €2.90 price target.

Solid income from investments driven by the successful sale of non-core holding MueTec Other operating income came in as anticipated at €9.4m (FBe: €9.4m; FY/20: €5.0). This figure reflects profit from the sale of the optical measurement company MueTec to the Chinese group TZTEK Technology Ltd. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€m)	3.28	4.97	9.39	2.13	4.78	8.65
Y-o-y growth	n.a.	51.7%	89.0%	-77.4%	125.1%	80.9%
EBIT (€m)	2.18	3.15	8.13	0.95	3.50	7.17
EBT (€m)	0.29	2.43	7.54	0.33	2.82	6.43
Net income (€m)	0.29	2.43	7.54	0.33	2.82	6.43
EPS (diluted) (€)	0.02	0.15	0.45	0.02	0.17	0.38
NAV (€ m)	11.31	13.74	21.28	21.61	24.43	30.86
Financial Assets (€m)	26.21	25.62	29.97	34.59	39.72	45.36
Net gearing	148.0%	95.6%	48.4%	61.4%	63.8%	47.9%
Liquid assets (€m)	1.61	0.45	0.83	0.83	0.95	0.88

RISKS

Risks include, but are not limited to, portfolio risk (particularly its largest holding Lloyd Fonds), portfolio liquidity (exit possibilities) and lack of transparency in the private holdings.

COMPANY PROFILE

DEWB is a boutique private equity firm. It focuses on investing in young and high growth Fintech companies within the asset management sector, including technology companies with business models that are key to digitalising this industry. The company is based in Jena and has a regional focus on German-speaking countries.

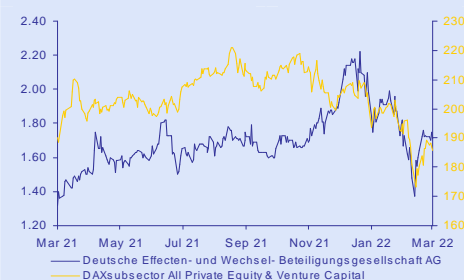
MARKET DATA

As of 25 Mar 2022

Closing Price	€ 1.72
Shares outstanding	16.75m
Market Capitalisation	€ 28.81m
52-week Range	€ 1.36 / 2.22
Avg. Volume (12 Months)	17,173

Multiples	2021	2022E	2023E
P/E	3.8	87.6	10.1
P/Book Value	1.3	1.3	1.2
EV/EBIT	5.0	42.9	11.7
Div. Yield	n.a.	n.a.	n.a.

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2021

Liquid Assets	€ 0.83m
Current Assets	€ 5.37m
Financial Assets	€ 29.97m
Total Assets	€ 35.38m
Current Liabilities	€ 0.01m
Shareholders' Equity	€ 21.28m

SHAREHOLDERS

SPSW Capital GmbH	14.5%
ABAG Aktienmarkt Beteiligungs AG	13.4%
Management	1.0%
Freefloat	71.1%



In September 2020, DEWB received a €7.1m payment for the sale of 25% in MueTec. DEWB completed the sale of its remaining shares in MueTec in May 2021. This led to the previously agreed payment of further €10.3m and the corresponding booking of a €9.4m profit as other operating income. The initial investment was ~€2.4m in 2014. The MueTec exit was highly lucrative for DEWB equating to a ~6.8x multiple and ~36% IRR.

EBIT and net income slightly better than expected In FY/21, OPEX amounted to €1.3m (FBe: €1.4m; FY/20: €770k). This line item included a performance bonus payment for management due to the successful sale of MueTec, which was split over the two years required to complete the transaction. Personnel expenses rose from €365k in 2019 to €546k in 2020 and €829k in 2021. DEWB thus recorded EBIT of €8.1m, close to our €8.0m projection (FY/20: €3.2m). Net income for the period amounted to €7.5m (FBe: €7.4m; FY/20: €2.4m), which was also in line with the company's guidance of "net income exceeding €7m". EPS came in at €0.45 (FBe: €0.44; FY/20: €0.15).

Table 1: P&L FY/21 reported figures vs FB estimates and FY/20 (KPIs)

All figures in EUR '000	FY/21	FY/21E	Delta	FY/20	Delta
Other operating income	9,394	9,400	0%	4,970	89%
OpEx	-1,263	-1,429	n.a.	-1,818	n.a.
EBIT	8,131	7,971	2%	3,152	158%
Net financial result	-554	-572	n.a.	-718	n.a.
Other financial result (depreciation)	-37	0	n.a.	0	n.a.
Net income / loss	7,540	7,399	2%	2,434	210%
EPS (in EUR, dil.)	0.45	0.44	2%	0.15	200%
Margins in %					
EBIT on other operating income	86.6%	84.8%	2%	63.4%	n.a.

Source: First Berlin Equity Research, DEWB

Solid FY/21 balance sheet... DEWB's cash position rose slightly to €0.8m (FY/20: €0.5m). The company generated a cash inflow of €10.3m (FY/20: €7.2m) driven by the MueTec sale completed in May 2021. However, DEWB closed five Fintech acquisitions representing a cash outflow of €5.9m in FY/21 (Nextmarkets, Stableton, LAIC, Cashlink and Naga Group). In addition, DEWB fully repaid its remaining ST borrowings of €2.5m. According to management, this credit line is quite flexible, can be expanded again if required, and has very attractive interest rate terms. Receivables increased to €1.4m (FY/20: €0.5m), and represent the remaining amount of MueTec's sale price (€0.5m in September 2020 and €0.9m in May 2021), which was deposited in an escrow account for potential guarantee payments for a period of 18 months. The company anticipates full clearance and repayment of these receivables by the end of FY/22. Financial assets rose to €30.0m (FY/20: €25.6m), with new Fintech acquisitions exceeding the value reduction caused by the MueTec exit (measured at book values in accordance with German HGB accounting principles). Equity increased to €21.3m (FY/20: €13.7m), corresponding to an equity ratio of 60% (FY/20: 46%).

...with comfortable financing scope of €11m to finance further investments if required

DEWB reported an unchanged corporate debt position of €12.5m, which comprises its 2018-2023 corporate bond of up to €15m (€2.5m still unplaced) with maturity of 30 June 2023 and 4% coupon. Considering that DEWB repurchased €2.5m of its own Bonds from investors in late 2020 (they are booked on the balance sheet under other short-term assets), the company will be able to access funds of €5m with this instrument when needed. If added to DEWB's unused ST credit line amounting to €6.0m, financial firepower amounts to €11m. We also anticipate that the company will refinance the five-year bond upon maturity in 2023 to continue financing operations.



Positive guidance for 2022 DEWB plans to be active both on the exit and on the investment sides, which should lead to a positive financial result. Our current 2022E projections are for €2.1m other operating income from exits, and net income of €0.3m. These forecasts are in line with DEWB guidance.

PROGRESS REPORTED BY THE HOLDINGS

PORTFOLIO OVERVIEW

The portfolio holdings performed nicely in FY/21 – NAV closed the year at a record high of €46.9m or €2.80 p/s During FY/21, the majority of DEWB's holdings delivered positive news flow on the achievement of certain milestones, including: solid sales growth and outlook, client base expansion, acquisitions (LFAG's acquisition of BV Holding AG and Growney), and financing rounds (LFAG, LAIC and Aifinyo). DEWB's FinTech portfolio, comprising three listed companies, Lloyd Fonds (LFAG), Aifinyo and Naga Group, delivered an excellent performance in FY/21. The anchor holding LFAG is by far DEWB's largest portfolio's position. Its share price performed particularly well, increasing by >50%. Aifinyo's share price has risen by >40%, and Naga Group ended the reporting year with a plus of >30% from DEWB's purchase level. Accordingly, the NAV at year-end amounted to €46.9m or €2.80 p/s, which included hidden reserves of €256m or €1.53 p/s. Unfortunately, the Russian-Ukrainian war has had a substantial negative impact on stock markets and DEWB's listed portfolio has not been spared, and DEWB's NAV presently stands at €33.1m or €1.97 p/s. The NAV update reflects the latest share price developments of the three listed holdings. DEWB also disclosed the percentage size of the stake acquired in Naga Group. We give an updated overview of DEWB's portfolio in table 2.

Table 2: DEWB's investment portfolio of seven holdings

	Company	Field	Based	Stake	Since	Status	Market cap	Stake value	
1	Lloyd Fonds	Asset management	Hamburg	22.3%	03/2018	listed	€145.9m	€32.5m	} LISTED PORTFOLIO
2	Aifinyo	Digital lending	Dresden	4.7%	01/2020	listed	€76.2m	€3.6m	
3	Naga Group	Neobrokerage	Hamburg	0.8%	12/2021	listed	€243.9m	~€2-3.0m	
4	Nextmarkets	Neobrokerage	Cologne	1.4%	03/2021	private	-	-	
5	Stableton	Marketplace alternative investments	Zurich	12.0%	04/2021	private	-	-	
6	LAIC	WealthTech	Hamburg	3.4%	08/2021	private	-	-	
7	Cashlink	Tokenization of securities	Frankfurt	1.4%	12/2021	private	-	-	

Source: First Berlin Equity Research, DEWB, Bloomberg

Non-listed holdings appear to be doing well, although they provide little news flow due to their privately held nature Nextmarkets, Stableton, LAIC and Cashlink are developing well, but these companies do not disclose much information to the public. Nevertheless, DEWB's management gave a positive outlook about these companies.

On track to achieve "Strategy 2020-2024" In accordance with DEWB's "Strategy 2020-2024", management envisages expanding the Fintech portfolio from the current seven holdings to more than ten by 2024, funded chiefly from cash recycling from exit returns. DEWB management intends to acquire about two Fintechs p.a., thereby expanding the portfolio's value from €28m in 2019 to more than €100m by 2024. At year-end 2021, portfolio's market value was €56m, which suggests the company is on track to achieve its 2024 goal.



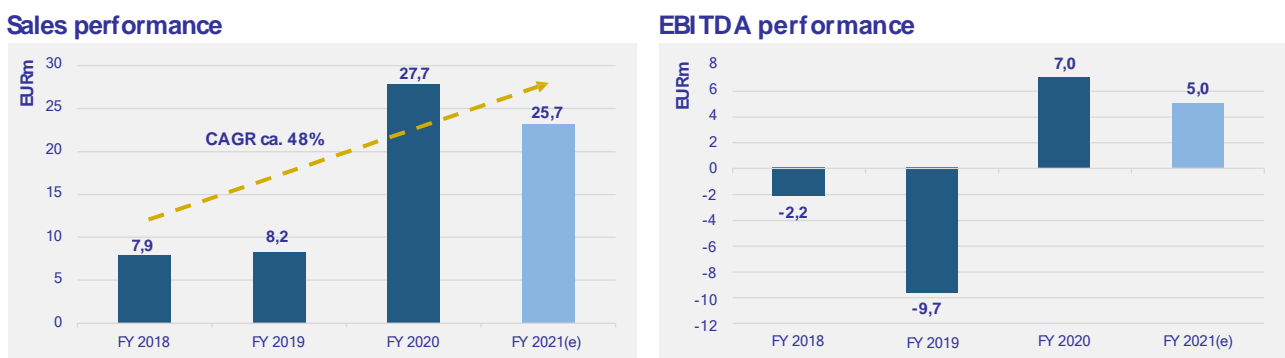
UPDATE ON THE LISTED HOLDINGS

LLOYD FONDS AG – 22.3% ANCHOR STAKE

Preliminary sales and EBITDA figures saw declines following record 2020 results,...

The company's turnover declined by 7.2% to €25.7m (FY/20: €27.7m). The main reason was lower performance fees of only €0.6m in H2/21 after €7.9m in H1/21. EBITDA declined by 29% to €5.0m in FY/21 (FY/20: €7.0m), equating to an EBITDA margin of 19.5% (FY/20: 25.3%).

Figure 1: LFAG's operating performance in FY/21



Source: LFAG

...but a positive contribution from the non-core real asset business led to an excellent EAT and operating cash flow performance Thanks to a dividend payment of €5.0m due to value gain in its old business with closed-end funds (LLOYD FONDS REAL ASSETS segment - LFRA) booked as financial result, Earnings after tax (EAT) increased to €4.0m (FY/20: €-0.7m). LFRA's positive performance also positively impacted operating cash flow, which rose from €-0.9m in FY/20 to €20.0m in FY/21 and was well above the company guidance of €14-16m. Even after stripping out the LFRA dividend, operating cash flow amounted to €15m and was within the guided range. The company will publish its final FY/21 report on 30 March 2022.

Assets under management (AuM) increased organically by >32% to €2.2bn This figure is slightly below management guidance of an AuM "just under €2.4bn corresponding to an increase of ~45%".

Outlook 2024 confirmed—AuM >€7bn by 2024 and EBITDA margin >45% Management has confirmed the positive guidance for AUM of >€7bn by 2024 with an EBITDA margin on net sales of >45%. Considering that LFAG's recently completed acquisition of the leading German asset management firm BV Holding AG will more than double AuM to ~€5.0bn, management's 2024 EBITDA guidance appears conservative.

Acquisition of 98% in BV Holding AG expanded LFAG's AuM to ~€5.0bn— required capital increase completed LFAG completed the acquisition of a 98% stake (target: >90%) in the leading German asset management firm BV Holding AG, thereby more than doubling AuM to ~€5.0bn (FY/21 €2.2bn). The acquisition price will amount to ~€18.5m and be financed through an equity and debt mix. On 17 February 2022, LFAG conducted a capital increase raising €7.4m by placing 615k shares at €12 p/s. Management will finance the remaining amount through a loan from an undisclosed German bank.



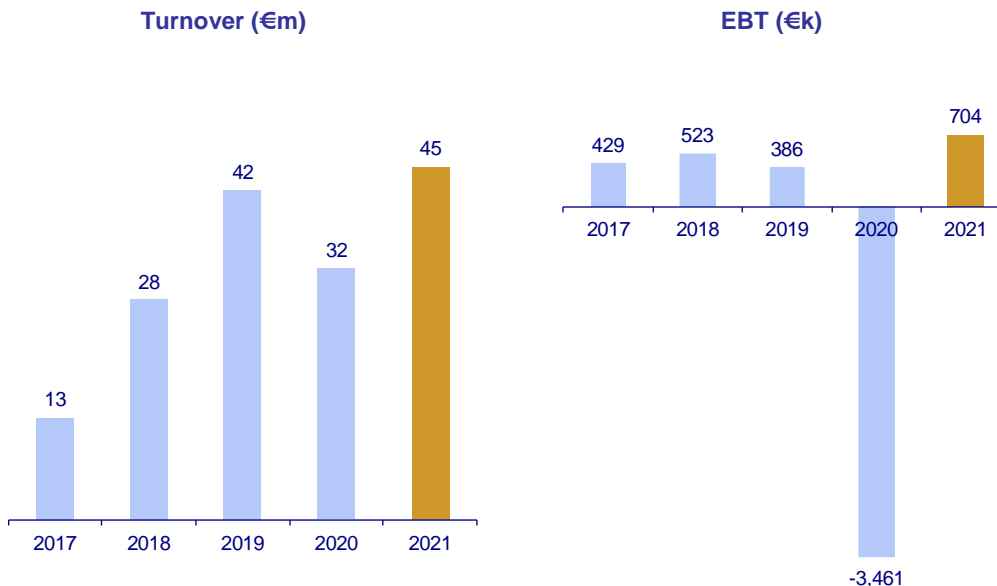
Acquisition of 17.75% in Growney also completed LFAG completed the acquisition in the fast-growing roboadvisory startup Growney GmbH by means of a cash contribution totalling €3m. LFAG also has option agreements regarding the possible gradual acquisition of up to 100% of Growney GmbH against the issuance of shares in LFAG and cash payments.

Our positive view on LFAG remains unchanged We believe LFAG's recent acquisitions are significant strategic steps for the company. They have the potential to improve LFAG's ability to generate above-average returns for investors. We expect substantial business growth over the next few years, which should positively impact the company's valuation.

AIFINYO AG – 4.7% STAKE

Strong top-line growth and return to profitability in FY/21 DEWB's Fintech Aifinyo (financing services for freelancers & SMEs including factoring, finetrading, leasing and debt collection) suffered from negative effects of the Corona pandemic during FY/20, but saw a clear business recovery in FY/21. Aifinyo increased revenues y-o-y by 41% to €45.4m (FY/20: €31.8m). The business recovery also led to better profitability. EBIT came in at €0.9m in FY/21, after a substantial EBIT loss of €-25m in FY/20. The EBT loss also improved from €-3.5m in FY/20 to a positive figure of €0.7m in FY/21 (see figure 2). The figures do not take into account exceptional expenses of €622k for the two capital increases conducted in 2021, which provided funds of €12m to support the acceleration of organic and inorganic growth. Even if these one-off expenses are considered, the company met its goal of break-even on a full-year basis.

Figure 2: Financial performance 2017-2021



Source: Aifinyo AG

New payment tools and services may provide additional sales momentum during FY/22 Aifinyo has expanded its billing software platform with a professional liquidity management tool that enables customers to analyse, plan, and monitor cash flow and liquidity in real-time, reducing the administrative burden of invoice management. In addition, Aifinyo AG's subsidiary Aifinyo Payments GmbH received a license for financial transfer transactions (ZAG) from the Federal Financial Supervisory Authority (BaFin). The ZAG license is the basis for gradually expanding the existing smart billing platform with various payment solutions. For example, the ZAG license enables businesses to make international money transfers at competitive prices. Aifinyo intends to apply for an e-money institute



license to round out its payment offering with a business account coupled with a credit card. This will allow Aifinyo to enter an additional highly attractive market, providing a potential revenue boost.

Acquisition of billing company Billomat strengthens Aifinyo's competitive position

On 22 March, Aifinyo acquired the billing software Fintech peer Billomat GmbH & Co. KG through a mix of cash and share exchange. The transaction should be completed in Q2/22, and will improve Aifinyo's market position.

NAGA GROUP AG – <1% STAKE

In FY/21 sales more than doubled to €55.3m and EBITDA almost doubled to €12.8m

FY/21 sales increased by 127% to €55.3m (FY/20: €24.4m). EBITDA has also improved from €6.6m in FY/20 to an EBITDA of €12.8m (+94% YoY) in FY/21. The sales figure was slightly better than management guidance of ~€50m, while EBITDA almost met guidance of ~€13m. The company also reported buoyant January sales of ~€8m (January 2020: €2.8m), which represents a YoY growth of ~186%. Considering this excellent start, the company's 2022 guidance to ~double FY/21 sales and EBITDA looks achievable.

NAGA launched a new cryptocurrency-focused social trading platform

On 7 March, Naga launched NAGAX (<https://nagax.com/>), its new cryptocurrency-focused social trading platform, which offers spot, futures and derivative exchange for cryptocurrencies, a crypto-wallet and an NFT-platform (for non-fungible tokens). The platform will be built around a "Web3 Social Investing Feed" that automatically converts every user contribution on the platform into an NFT that can be monetised. The platform represents an attractive offering for the growing community of NFT enthusiasts. Given that the company is well-financed, it is likely that the platform will be well promoted, and will become a substantial revenue source in the next few years.



VALUATION MODEL

Price target and Buy rating reiterated In FY/21, DEWB management delivered solid financial results and successfully expanded its fintech portfolio from two to seven companies. In particular, DEWB's anchor holding and largest position by far, LFAG, excelled by reporting good financial results and closing two attractive acquisitions. We highlight the acquired asset management firm BV Holding AG which roughly doubled LFAG's AuM to ~€5.0bn thereby positioning it among the top 5 asset managers in Germany. As a result, DEWB's stock price saw a positive development reaching €2.14 on 31 December 2021 and peaking at €2.26 in January 2022. Unfortunately, the Russian-Ukrainian war hit European stock markets hard, including the share prices of DEWB's listed portfolio and its own stock, which declined to a range of €1.40 to €1.80. Based on intact fundamentals and unchanged estimates, we believe the company is significantly undervalued at current levels. Our residual income model based on portfolio NAV still yields a price target of €2.90. We reiterate our Buy recommendation.

Table 3: Residual Income Model

In €'000	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Shareholders' equity	21,611	24,433	30,862	39,338	51,116	69,111	94,840	122,633	152,821	185,563
Average shareholders' equity	21,447	23,022	27,648	35,100	45,227	60,114	81,975	108,736	137,727	169,192
Net profit	327	2,822	6,429	8,476	11,778	17,995	25,729	27,793	30,188	32,742
Return on equity	1.5%	12.3%	23.3%	24.1%	26.0%	29.9%	31.4%	25.6%	21.9%	19.4%
Cost of equity	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
Spread	-12.0%	-1.2%	9.8%	10.6%	12.5%	16.4%	17.9%	12.1%	8.4%	5.9%
Residual income	-2,568	-286	2,696	3,738	5,672	9,880	14,662	13,114	11,595	9,901
PV of residual income stream	-2,328	-228	1,897	2,317	3,098	4,755	6,217	4,899	3,817	2,871
Fair value calculation										
NAV (2022E)	21,611									
PV of residual income stream	27,315									
Fair value	48,926									
Number of shares (000's)	16,750									
Fair value per share €	2.90									

Source: First Berlin Equity Research

Additionally, our residual income model is based on the following assumptions:

- Following FY/21 reporting, we have rolled our model forward from 2021E to 2022E. 2022E NAV reflects our forecast for YE22 portfolio book value. In accordance with our assumption that the company is able to generate a positive economic profit over a ten-year forecasting period, our model now extends to YE 2031 (previously: YE 2030).
- We conservatively project DEWB will achieve a revaluation rate of financial assets (RRFA) of 20-22% in 2022-2024, which is below the RRFA of >25% laid out in the company's 2020-2024 strategy. Going forward, we assume RRFA will decline to 13.5% after 2031.



INCOME STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
Other operating income - profit on exit	3,277	4,970	9,394	2,125	4,784	8,653
Personnel expenses	365	546	829	442	539	680
Other operating expenses	725	1,270	432	730	740	800
EBITDA	2,187	3,154	8,133	953	3,505	7,173
Depreciation and amortization	-3	-2	-2	-2	-2	-2
EBIT	2,184	3,152	8,131	951	3,502	7,171
Net financial result	-699	-718	-591	-624	-680	-742
Other financial result (depreciation)	-1,197	0	0	0	0	0
Pre-tax income (EBT)	288	2,434	7,540	327	2,822	6,429
Tax expense	0	0	0	0	0	0
Net income / loss	288	2,434	7,540	327	2,822	6,429
EPS (in €)	0.02	0.15	0.45	0.02	0.17	0.38
Diluted EPS (in €)	0.02	0.15	0.45	0.02	0.17	0.38

Ratios

EBITDA margin on other operating income	66.7%	63.5%	86.6%	44.8%	73.3%	82.9%
EBIT margin on other operating income	66.6%	63.4%	86.6%	44.7%	73.2%	82.9%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Expenses as % of other operating income

Personnel expenses	11.1%	11.0%	8.8%	20.8%	11.3%	-7.9%
Other operating expenses	22.1%	25.6%	4.6%	34.4%	15.5%	-9.2%
Depreciation and amortization	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%

Y-Y Growth

Other operating income - profit on exit	-72.0%	51.7%	89.0%	-77.4%	125.1%	80.9%
Personnel expenses	-1.1%	49.6%	51.8%	-46.7%	22.0%	26.1%
Other operating expenses	-89.5%	75.2%	-66.0%	69.0%	1.4%	8.1%
EBITDA	-50.5%	44.2%	157.9%	-88.3%	267.8%	104.7%
EBIT	-50.5%	44.3%	158.0%	-88.3%	268.4%	104.7%
Net income/ loss	n.a.	745.1%	209.8%	-95.7%	763.1%	127.8%



BALANCE SHEET

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
Assets						
Current assets, total	3,686	4,414	5,369	2,128	1,762	1,703
Cash & cash equivalents	1,608	451	827	828	946	878
Other short term assets	9	2,445	2,445	500	0	0
Receivables from investments	2,069	1,052	712	800	816	824
Trade receivables (escrow account)	0	466	1,385	0	0	0
Non-current assets, total	26,230	25,627	29,979	34,596	39,733	45,372
Intangible assets	4	4	4	4	4	5
Property plant & equipment	5	4	5	5	5	6
Financial Assets	26,213	25,619	29,970	34,587	39,723	45,361
Other LT financial assets	8	0	0	0	0	0
Accruals	67	46	34	34	34	34
Total assets	29,983	30,087	35,382	36,757	41,529	47,108
Shareholders' equity & debt						
Current liabilities, total	5,043	2,559	13	1,015	2,916	2,018
ST borrowings (banks)	4,912	2,536	0	1,000	2,900	2,000
Trade & other payables	3	12	4	5	6	6
Other current liabilities	128	11	9	10	11	12
Long-term liabilities, total	13,630	13,784	14,085	14,131	14,179	14,228
Bonds	12,540	12,540	12,540	12,540	12,540	12,540
Provisions for pensions	903	962	1,025	1,056	1,087	1,120
Other provisions	187	282	520	536	552	568
Total Liabilities	18,673	16,343	14,098	15,146	17,095	16,246
Total Equity	11,310	13,744	21,284	21,611	24,433	30,862
Total Equity and Liabilities	29,983	30,087	35,382	36,757	41,529	47,108
Ratios						
Current ratio (x)	0.73	1.72	413.00	2.10	0.60	0.84
Equity ratio	37.7%	45.7%	60.2%	58.8%	58.8%	65.5%
Gearing	148.0%	95.6%	48.4%	61.4%	63.8%	47.9%
Net debt	16,738	13,142	10,293	13,268	15,581	14,782
Return on equity (ROE)	2.6%	19.4%	43.1%	1.5%	12.3%	23.3%



CASH FLOW STATEMENT

All figures in EUR '000	2019A	2020A	2021A	2022E	2023E	2024E
Net income	288	2,434	7,540	327	2,822	6,429
Depreciation & amortisation	3	2	2	2	2	2
Depreciation to financial investments	1,201	0	0	0	0	0
Other non-cash items	-2,483	769	1,851	1,349	2,624	4,709
Net financial result	695	718	591	624	680	742
Tax result	0	0	0	0	0	0
Changes in working capital	-854	443	-589	1,299	-15	-7
Operating cash flow	-1,150	4,366	9,395	3,601	6,114	11,875
CapEx / intangibles	0	-1	-3	-2	-3	-3
Free cash flow	-1,150	4,365	9,392	3,598	6,111	11,872
Investment in holdings	-2,769	0	-5,889	-5,919	-7,712	-10,298
Change in ST financial assets (bond investment)	486	-2,428	0	1,945	500	0
Cash flow from investing	-2,283	-2,429	-5,892	-3,976	-7,215	-10,301
Debt financing, net	2,154	-2,376	-2,536	1,000	1,900	-900
Equity financing, net	0	0	0	0	0	0
Net paid financing expenses	695	-718	-591	-624	-680	-742
Cash flow from financing	2,849	-3,094	-3,127	376	1,220	-1,642
Net cash flows	-584	-1,157	376	1	118	-68
Cash, start of the year	2,192	1,608	451	827	828	946
Cash, end of the year	1,608	451	827	828	946	878

Note: Calculated by First Berlin Equity Research (DEWB does not report a cash flow statement)

Imprint / Disclaimer

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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.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	24 June 2021	€1.61	Buy	€2.50
2	30 September 2021	€1.79	Buy	€2.50
3	16 December 2021	€1.88	Buy	€2.90
4	Today	€1.72	Buy	€2.90

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- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

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