FIRST BERLIN
Equity Research

beaconsmind AG

Switzerland, Germany / Software Services
Euronext, Xetra
Bloomberg: 81D GR
ISIN: CH0451123589

Business update

RATING	**BUY**
PRICE TARGET	**€ 18.50**
Return Potential	156.9%
Risk Rating	High

NEW ACQUISITION PROVIDES FOOTPRINT IN ICT AND TRAVELTECH

On 19 November 2024, beaconsmind announced the acquisition of information and communication technology (ICT) services provider Swissnet AG and Dubai-based traveltech specialist Lokalee for a total amount of CHF 21.3m, which will be financed through shares, a vendor loan and cash. The deals are expected to close by January 2025. Beaconsmind has recently completed the integration of five acquired companies whose full consolidation in 2024 has strengthened its operational and financial foundation in preparation for the next growth step. This transaction aligns with Beaconsmind's strategic evolution, leveraging synergies across customer bases, technologies, and markets to build an international leading digital infrastructure and SaaS provider. The company gains Lokalee's AI capabilities which it can leverage across the group and direct access to the high-growth MENA region. Beaconsmind will adopt Swissnet Group as its new company name to capitalise on the Swiss company's strong brand and achieve significant growth in revenue, EBITDA and free cash flow driven by an expanded management team. Management is guiding to group revenue of CHF27.5m and EBITDA of CHF6.7m (margin: 24.6%) in 2025. The new Swissnet Group will be well-positioned to offer a broad range of attractive ICT, traveltech and customer engagement solutions to several industries, including hospitality and retail. We have adjusted our financial forecasts for 2025 and subsequent years. Our DCF model yields a price target of €18.50 (previously €14.50). We maintain our Buy recommendation.

Swissnet AG and Lokalee acquisitions will drive strategic, technological and geographical expansion   Beaconsmind announced two transformative acquisitions: Swissnet AG, a leading provider of ICT services in Switzerland and Germany, and Advanced Digital Technology DWC-LLC (Lokalee), an innovative Dubai-based (UAE) traveltech player offering a SaaS platform specialising in AI-powered solutions for the hospitality industry. The acquisitions are scheduled to close by January 2025. These strategic deals will further reshape Beaconsmind by expanding its technological capabilities,…   (p.t.o)

FINANCIAL HISTORY & PROJECTIONS

	FY 21/22	H2 22	FY 23	FY 24E	FY 25E	FY 26E
Revenue (CHF m)	2.0	0.6	6.2	12.6	27.4	38.4
Y-o-y growth	249.5%	-72.2%	1174.9%	79.1%	117.0%	40.0%
EBIT (CHF m)	-2.5	-3.6	-1.9	1.1	3.7	7.9
EBIT margin	n.a.	n.a.	n.a.	8.7%	13.5%	20.7%
Net income (CHF m)	-2.5	-3.7	-2.7	0.0	2.2	6.2
EPS (diluted) (CHF)	-1.04	-1.35	-0.76	0.01	0.27	0.77
DPS (CHF)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (CHFm)	-3.2	-2.2	-3.7	0.5	4.7	7.8
Net gearing	-81.0%	-26.7%	91.7%	74.0%	17.7%	-4.2%
Liquid assets (CHF m)	3.0	0.5	0.8	1.0	3.2	7.5

FY/23 P&L KPI's adjusted for one-off restructuring and M&A expenses

RISKS

Risks include, but are not limited to execution, client satisfaction and commercial risks, competition, negative economic downturn impact, dilution and financial risks.

COMPANY PROFILE

Founded in Switzerland in 2015, Beaconsmind is a leading technology company offering location-based marketing (LBM) software, WiFi infrastructure systems, and WiFi Guest Hotspots, to sectors such as retail chains (e.g. Adidas, Lidl), hospitality, healthcare, and the public sector. The firm succesfully empowers its customers' omnichannel strategies to generate additional value through the use of intelligent, fully cloud-based LBM technologies.
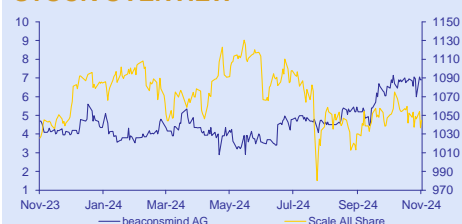
MARKET DATA   As of 20 Nov 2024

Closing Price	€ 7.20
Shares outstanding	4.70m
Market Capitalisation	€ 33.84m
52-week Range	€ 2.90 / 7.60
Avg. Volume (12 Months)	3,060

Multiples	FY 23	FY 24E	FY 25E
P/E	n.a.	551.8	17.1
EV/Sales	4.8	2.4	1.1
EV/EBIT	n.a.	27.3	8.1
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW

COMPANY DATA   As of 31 Dec 2023

Liquid Assets	CHF 0.76m
Current Assets	CHF 4.01m
Intangible Assets	CHF 10.98m
Total Assets	CHF 19.34m
Current Liabilities	CHF 5.56m
Shareholders' Equity	CHF 6.93m

SHAREHOLDERS   (pre-acquisition)

Anchor investor	54.8%
SW shareholders	7.4%
Board & other management	3.3%
Free Float & others	34.5%

Analyst: Christian Orquera, Tel. +49 (0)30 - 80 93 96 90

…market reach, and positioning it as a global player in ICT and AI-driven customer engagement solutions across multiple industries, including retail and hospitality. This strategic step adds to Beaconsmind's existing location-based marketing and SaaS solutions, the complementary strengths of Swissnet's ICT expertise, and Lokalee's AI-driven hospitality platform under the newly formed Swissnet Group. Swissnet's strong market presence in Switzerland and Germany complements Beaconsmind's capabilities, while Lokalee's MENA connections facilitate rapid entry into a high-growth hospitality ICT market. The establishment of Swissnet MENA provides an on-ground presence in the region positioning the company to tap into a growing client base in the hospitality sector (see Figure 1 below).

Figure 1: Swissnet Group new structure and strategic units

Merger with swissnet AG & Rebranding & Establishment Swissnet MENA

New Swissnet Group
Combined CHF~27.5m in revenue and CHF~6.7m EBITDA expected in FY25

Verticals: Retail, Healthcare, Hospitality, Industry

Infrastructure
VoIP, WAN, LAN, WLAN,
Security,
Digital Signage

SaaS
Location-based Marketing,
GuestWiFi Management,
AI White-Label Apps and Platforms

Globally active operational units and brands

Swissnet VoIP, Communication &
Internet Services
Swissnet Media & Digital Signage
Swissnet Network Infrastructure Services
Swissnet Security Solutions

Socialwave Marketing Services
Cloudwifi Hotspot
Beaconsmind LBM
Digital signage CMS

MENA Hospitality
Lokalee App / Platform
ICT Infrastructure & Services
SaaS solutions
Lokalee's top priority market

Source: First Berlin Equity Research, Beaconsmind AG

Swissnet Group management expansion - Mr Boris Tölzel, new Co-CEO Infrastructure and Mr Samir Abi Frem, CEO Lokalee   Two founders and senior executives from the acquired companies will join Swissnet Group's expanded management team, ensuring effective integration and synergy capture. Mr Boris Tölzel, now Co-CEO Infrastructure at Swissnet Group, was the founder of Swissnet AG and previously served as the CEO. With over 13 years of leadership experience in the ICT industry, Mr Tölzel has developed expertise in managing complex M&As and spearheading market expansion initiatives. His deep understanding of ICT infrastructure and growth strategy makes him an invaluable asset to the Swissnet Group, where he will focus on advancing and integrating infrastructure services across the organisation. Mr Samir Abi Frem, who joins as CEO of Lokalee, is the founder and former CEO of Lokalee. Mr Abi Frem brings decades of executive experience within the global hospitality sector, where he has successfully merged his technical skills in computer science and IT with hands-on hotel management. His unique blend of expertise will enable Swissnet Group to expand its digital offerings, especially in guest experience enhancement and concierge services in the MENA region and internationally.

OVERVIEW OF THE ACQUIRED COMPANIES

1. Swissnet AG   Established in 2006, Swissnet AG (https://swissnet.ch/l) is a Swiss-based company specialising in telecommunications and ICT solutions. With nearly two decades of experience, Swissnet has become a leading provider in the Swiss and German industries offering a comprehensive range of services tailored to meet the diverse needs of businesses such as high-speed internet, mobile communications, fixed network, cloud, and managed IT services. Known for its high-quality service and reliable telecommunications solutions, Swissnet caters to a broad customer base including SMEs and international corporations.
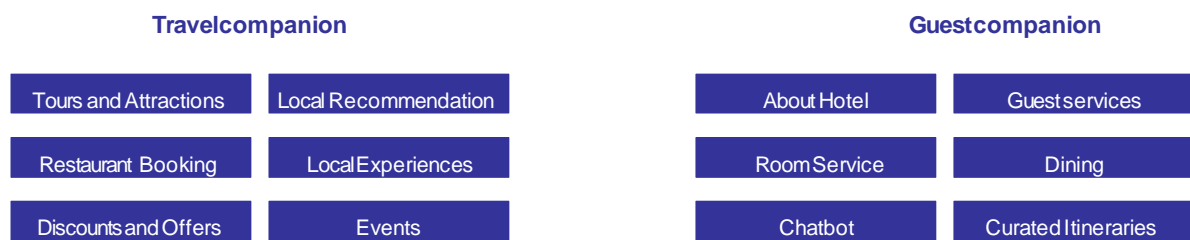
Swissnet and beaconsmind have known each other for several years having worked together on major customer contracts. The company's integration with Beaconsmind promises complementary benefits by aligning Swissnet's ICT capabilities with Beaconsmind's expertise in location-based marketing, creating robust synergies and expanding service offerings across multiple industries. With the acquisition of Swissnet, beaconsmind is expanding activities in the SaaS and Infrastructure segments with cloud-based communication services. Swissnet's existing platforms, such as VoIP and WAN/LAN services, will complement Beaconsmind's Wi-Fi and hotspot solutions allowing clients to benefit from a cohesive communication and marketing ecosystem. Swissnet will also strengthen the group's presence in the Swiss market, adding 17 specialised technicians and a well-recognised brand.

2. Advanced Digital Technology DWC LLC – Lokalee (https://www.lokalee.app/)
Founded in 2019 in Dubai, UAE, the traveltech startup Lokalee offers an innovative SaaS platform that functions as an AI-powered digital concierge for the hospitality industry (see figure 2 below). It provides guests with personalised travel recommendations and facilitates access to hotel services through a single platform. The platform is used by 200 brands across 20 countries and currently has a customer portfolio of >250 hotels, including Movenpick, Sheraton, Rotana, Sofitel, Hilton and Millennium. Lokalee already works successfully with Beaconsmind's Socialwave Hospitality Platform, which makes the business combination a natural next step. Lokalee perfectly complements the platform by combining beaconsmind's digital solutions and expertise in guest engagement with AI-driven travel recommendations and guest services, creating a robust and unique service suite for the hospitality industry. Lokalee's integration will add a unique dimension to the newly formed Swissnet MENA JV (joint venture with a key Lokalee investor) to position the group as a leading ICT provider for hospitality in the region, as well as leveraging AI capabilities to enhance customer engagement and expand services to a wider international market. This acquisition aligns with Beaconsmind's strategic vision of offering AI-driven guest experiences across hospitality and retail segments.

Figure 2: The Lokalee hospitality app

Travelcompanion		Guestcompanion	
Tours and Attractions	Local Recommendation	About Hotel	Guest services
Restaurant Booking	Local Experiences	Room Service	Dining
Discounts and Offers	Events	Chatbot	Curated Itineraries

The Lokalee Travel Companion is an AI-powered platform that offers guests personalised recommendations and seamless booking for local experiences, activities, and services, all curated by local experts
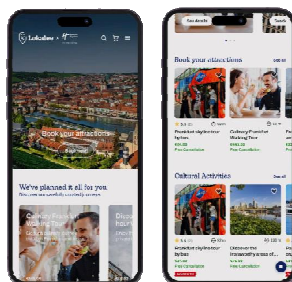
A single touch point for seamless in-room and hotel services, including maintenance, housekeeping, laundry, in room orders and dining offers, all accessible with a single click
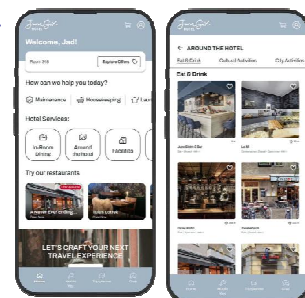
Source: First Berlin Equity Research, Beaconsmind AG

DEAL STRUCTURE

Total acquisition price of CHF21.3m to be financed through equity and debt   The transaction includes a mix of cash, equity, and vendor loan. Specifically, Beaconsmind is acquiring Swissnet for CHF9.7m and Lokalee for CHF11.6m. The financing comprises 2.9m Beaconsmind shares, CHF2.7m in vendor loans payable after 9-18 months, and an additional CHF3.5m in cash committed by core shareholders (timing 2nd half of November). The shares will be locked up for 12 months, ensuring stability as the integration proceeds. The acquisitions are scheduled to close by January 2025, bringing together the complementary strengths of beaconsmind's engagement capabilities with Swissnet's ICT expertise and Lokalee's AI-driven hospitality platform under the newly formed Swissnet Group.

Prices paid are in a reasonable range   In our view, Beaconsmind has so far paid reasonable prices with EV/run-rate sales multiples between 0.8x and 2.1x and pre-synergy EV/EBITDA between 5.0x to 6.1x. The acquisition of Swissnet is within this range. The travel tech start-up Lokalee was acquired at an EV of CHF11.6m, which corresponds to an EV/sales multiple of 0.8x and a EV/EBITDA multiple of 2.9x based on FY/26 company forecasts. Lokalee's technology is fully developed and is currently starting the process of scaling up sales, making FY/26 a better reflection of normalised sales and EBITDA. Management sees significant sales and EBITDA growth potential from global scaling of Lokalee's SaaS solution that justifies the price and multiple paid. Also, the Swissnet MENA venture, enabled through the Lokalee acquisition, is anticipated to be a significant revenue driver, especially as Beaconsmind leverages the high demand for hospitality and ICT services in the MENA region. We believe the price is in line with M&A/financing transactions for innovative AI startups with high growth potential. An overview of the key acquisition metrics can be found in table 1 below.

Table 1: Overview of prices and multiples paid for acquisitions

In CHFm	FREDERIX (62%)	Netopsie	Socialwave	KADSOFT/T2	Swissnet[1]	Lokalee[2]
Purchase Price	2.9	0.5	9.6	2.9	9.7	11.6
Equity Raised	1.9	-	5.8	3.0	8.5[3]	11.3[5]
Debt assumed	-	-	4.8	-	1.5[4]	1.2[4]
Run rate Revenue	3.5	0.6	4.3	3	6.9	8.1
Run rate EBITDA pre-synergy	0.8	0.1	1.7	0.4	1.6	4.0
Run rate EBITDA post-synergy	0.9	0.1	2.1	0.6	1.8	-
EV/Revenue	**1.2x**	**0.8x**	**2.1x**	**0.9x**	**1.4x**	**0.8x**
EV/EBITDA pre-synergy	6.1x	5.0x	5.6x	5.4x	6.0x	2.9x
EV/EBITDA post-synergy	5.3x	5.0x	4.5x	5.1x	5.4x	2.9x
Closing date	Nov-22/Jul-23	Feb-23	Apr-23	Dec-23	Jan-25	Jan-25

Notes: (1) Swissnet FY24E financials (2) Lokalee FY26E financials - first full year operational/ stablised EBITDA - including Swissnet MENA; (3) Including CHF0.3m raise for operating cash; (4) Vendor loans. To be repaid in October 2025 (50%) and July 2026 (50%) for Swissnet and January 2026 for Lokalee; (5) Including CHF0.9m raise for operating cash

Source: First Berlin Equity Research, Beaconsmind AG

Capital increases and share dilution   Following the two acquisitions of Swissnet and Lokalee, the company will issue a total of 3.8m shares to finance the transactions, expanding the number of shares outstanding from currently 4.7m to 8.5m.

FINANCIAL OUTLOOK POST-ACQUISITION

Financial outlook foresees group revenue of CHF27.4m and EBITDA of CHF6.7m in FY/25   The company is guiding that the acquisitions of Swissnet AG and Lokalee will contribute revenue of CHF8.5m and CHF3.6m and EBITDA of CHF2.6m and CHF0.6m in FY/25 respectively. The company expects that the Beaconsmind subsidiary will generate an

estimated CHF15.4m in revenue and CHF3.6m in EBITDA by FY25 (see figure 3 below). Both Swissnet and Lokalee are expected to deliver strong financial and operational benefits to beaconsmind. Operational synergies are expected to materialise through: (1) shared technologies; (2) customer base integration; and (3) cost synergies. The companies have complementary technology portfolios and an existing base of shared customers, especially within the hospitality sector. The combined synergies, including CHF200k in cost savings, will provide an EBITDA uplift and enhance free cash flow conversion (particularly for Lokalee's SaaS model). These efficiencies will contribute to a sustainable financial model, generating recurring revenue streams and driving steady growth going forward. The new Swissnet Group will benefit from a strong customer portfolio, a scalable platform, and a broader product offering, all of which are well-positioned to capture cross-selling opportunities. The new group will have a presence in over eight locations globally and manage more than 10,000 customers across sectors.

Figure 3: The new Swissnet Group KPIs

In CHF m (except no. of clients and Point-of-Sales)	beaconsmind		swissnet		Lokalee/ MENA		Swissnet Group
Number of Clients	7.035	+	3,000	+	250	=	10,285
Number of Point-of-Sales	31,731	+	2,000	+	25,000[2]	=	58,731
Revenues 25E	15.4	+	8.5	+	3.6	=	27.5
EBITDA 25E	3.6	+	2.6	+	0.6	=	6.7
Gross Margin 25E	77%	+	59%	+	44%[1]	=	69%

Notes: (1) Is expected to increase significantly after the scale-up phase (>50%); (2) Number of hotel rooms

Source: First Berlin Equity Research, Beaconsmind AG

Updated estimates for 2025 and subsequent years in line with company guidance; reflect consolidation impact of two new acquisitions Management confirmed its outlook for 2024 with revenues of CHF12.9m, EBITDA of CHF2.5m and a positive net income and free cash flow. In light of the Swissnet Group's updated revenue and EBITDA guidance for 2025, which take the latest acquisitions into account, we have revised our financial forecasts for 2025 and the following years (table 2).

Table 2: Changes to our forecasts (KPIs)

Estimates	FY 24E			FY 25E			FY 26E		
All figures in CHF '000	Old	New	% change	Old	New	% change	Old	New	% change
Beaconsmind Group revenues	12,630	12,630	0.0%	16,040	27,408	70.9%	20,852	38,372	84.0%
Gross profit	10,404	10,404	0.0%	12,832	18,638	45.2%	17,181	26,093	51.9%
margin	80.0%	82.4%		80.0%	68.0%		82.4%	68.0%	
EBITDA	2,244	2,244	0.0%	4,432	6,638	49.8%	6,301	10,744	70.5%
margin	17.8%	17.8%		27.6%	24.2%		30.2%	28.0%	
EBIT	1,097	1,097	0.0%	3,341	3,688	10.4%	5,269	7,934	50.6%
margin	8.7%	8.7%		20.8%	13.5%		28.4%	20.7%	
Net financial result	-780	-780	-	-650	-1,080	-	-250	-900	-
EBT	317	317	0.0%	2,691	2,608	-3.1%	5,019	7,034	40.2%
Net income / loss	40	40	-	1,654	2,169	31.1%	3,214	6,173	92.1%
EPS (in CHF, dil.)	0.01	0.01	-	0.35	0.27	-22.6%	0.68	0.77	13.4%

Source: First Berlin Equity Research

VALUATION MODEL

Buy rating reiterated at higher price target   Beaconsmind's acquisition of Swissnet and Lokalee is the next logical transformation step continuing its journey from a digital engagement firm to a comprehensive ICT and AI-powered solution provider. This transaction aligns with Beaconsmind's strategic evolution leveraging synergies across customer bases, technologies, and markets to build a robust, internationally scalable platform. The deals follow the successful integration of five companies in 2023, which were fully consolidated in 2024 strengthening Beaconsmind's operational and financial foundation. With a total value of CHF21.3m, this transaction represents the largest acquisition in the company's history. Now, the formation of the Swissnet Group, supported by strengthened leadership, AI technology enhancement and strategic footprint expansion in Switzerland and the MENA region, positions the company to embark on a new era of accelerated revenue, EBITDA, and free cash flow growth from 2025. Our conservative updated financial forecasts only take into account the growth momentum we have observed at beaconsmind so far, leaving potential additional growth (e.g. through cross-selling) as upside to our growth assumptions. Our DCF model now yields a price target of €18.50 (previously €14.50). We maintain our Buy recommendation.

Figure 3: DCF Model

All figures in CHF '000	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
Net sales	**12,630**	**27,408**	**38,372**	**48,348**	**60,919**	**77,976**	**99,809**	**126,558**
NOPLAT	**1,002**	**3,479**	**7,371**	**10,069**	**12,037**	**15,052**	**19,754**	**25,568**
+ depreciation & amortisation	1,147	2,950	2,810	2,647	2,501	2,381	2,267	2,158
Net operating cash flow	2,149	6,429	10,181	12,716	14,538	17,433	22,021	27,726
- total investments (CAPEX and WC)	-1,720	-1,774	-2,552	-2,276	-3,211	-3,029	-3,727	-3,612
Capital expenditures	-600	-600	-400	-300	-280	-250	-250	-250
Working capital	-1,120	-1,174	-2,152	-1,976	-2,931	-2,779	-3,477	-3,362
Free cash flows (FCF)	428	4,655	7,629	10,440	11,327	14,404	18,294	24,114
PV of FCF's	**423**	**4,037**	**5,813**	**6,988**	**6,661**	**7,442**	**8,303**	**9,616**

All figures in CHF '000	
PV of FCFs in explicit period	85,450
PV of FCFs in terminal period	68,161
Enterprise value	153,611
+ Net cash / - net debt (proforma)	-6,535
Shareholder value	147,076
Sharecount (proforma)	8,485
Fair value per share in CHF	**17.33**
Fair value per share in EUR	**18.50**

FX rate: 1 CHF = 1.07 EURO

Fair value per share (EUR)

Terminal growth rate

		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
Price target in EUR	**18.50**							
Cost of equity	14.8%	10.8%	25.06	25.79	26.60	27.50	28.51	29.65	30.94
Pre-tax cost of debt	7.0%	11.8%	22.02	22.57	23.18	23.85	24.59	25.41	26.33
Tax rate	30.0%	12.8%	19.52	19.94	20.40	20.91	21.46	22.07	22.75
After-tax cost of debt	4.9%	13.8%	17.42	17.76	18.11	**18.50**	18.92	19.39	19.89
Share of equity capital	90.0%	14.8%	15.65	15.92	16.20	16.50	16.83	17.18	17.57
Share of debt capital	10.0%	15.8%	14.14	14.35	14.57	14.81	15.07	15.35	15.65
WACC	**13.8%**	16.8%	12.84	13.01	13.18	13.38	13.58	13.80	14.04

(WACC label rotated along the left side of the sensitivity table)

Please note our model runs through 2035 and we have only shown the abbreviated version for formatting purposes

INCOME STATEMENT

All figures in CHF '000	FY 21/22	H2 22	FY 23	FY 24E	FY 25E	FY 26E
Total Swissnet group revenues	**1,987**	**553**	**6,172**	**12,630**	**27,408**	**38,372**
Cost of goods sold	-196	-95	-1,238	-2,226	-8,771	-12,279
Gross profit	**1,791**	**458**	**4,934**	**10,404**	**18,638**	**26,093**
Personnel expenses	-1,581	-1,305	-3,927	-4,350	-6,200	-7,900
Other operating expenses	-2,457	-2,331	-2,841	-3,810	-5,800	-7,449
EBITDA*	**-2,246**	**-3,178**	**-1,835**	**2,244**	**6,638**	**10,744**
Depreciation expenses	-220	-405	-1,632	-1,147	-2,950	-2,810
Operating income (EBIT)*	**-2,466**	**-3,583**	**-3,467**	**1,097**	**3,688**	**7,934**
Net financial result	-33	-88	-800	-780	-1,080	-900
Pre-tax income (EBT)	**-2,499**	**-3,670**	**-4,267**	**317**	**2,608**	**7,034**
Tax result	-7	2	-44	-48	-209	-563
Minority interests	0	0	-30	-183	-230	-299
Net income / loss	**-2,506**	**-3,668**	**-4,341**	**87**	**2,169**	**6,173**
Diluted EPS (in CHF)	**-1.04**	**-1.35**	**-1.20**	**0.02**	**0.27**	**0.77**
Adjusted KPIs						
*One-off expenses for restructuring and M&A	0	0	-1,600	0	0	0
Adjusted EBITDA stripping out one-off expenses	**0**	**0**	**-235**	**0**	**0**	**0**
Adjusted EBIT stripping out one-off expenses	**0**	**0**	**-1,867**	**0**	**0**	**0**
Adjusted net result stripping out one-off expenses	**0**	**0**	**-2,741**	**0**	**0**	**0**
Adjusted EPS stripping out one-off expenses	**0**	**0**	**-0.76**	**0**	**0**	**0**
Ratios as % of total revenue						
Gross margin	90.1%	82.8%	79.9%	82.4%	68.0%	68.0%
EBITDA margin	n.a.	n.a.	n.a.	17.8%	24.2%	28.0%
EBIT margin	n.a.	n.a.	n.a.	8.7%	13.5%	20.7%
Net margin	n.a.	n.a.	n.a.	0.7%	7.9%	16.1%
Tax rate	3.0%	30.0%	30.0%	15.0%	8.0%	8.0%
Expenses as % of of total revenue						
Personnel expenses	79.6%	236.0%	63.6%	34.4%	22.6%	20.6%
Other operating expenses	123.6%	421.5%	46.0%	30.2%	21.2%	19.4%
Depreciation expenses	11.1%	73.2%	26.4%	9.1%	10.8%	7.3%
Y-Y Growth						
Revenues	249.5%	-72.2%	1016.1%	104.6%	117.0%	40.0%
EBITDA	n.a.	n.a.	n.a.	n.a.	195.8%	61.9%
Operating income (EBIT)*	n.a.	n.a.	n.a.	n.a.	236.1%	115.2%
Net income/ loss	n.a.	n.a.	n.a.	n.a.	2388.1%	184.6%

BALANCE SHEET

All figures in CHF '000	FY 21/22	H2 22	FY 23	FY 24E	FY 25E	FY 26E
Assets						
Current assets, total	**4,784**	**904**	**4,011**	**5,931**	**11,247**	**18,339**
Cash and cash equivalents	2,969	547	755	1,030	3,180	7,519
Inventories	90	90	502	787	1,634	2,355
Receivables	1,306	202	2,722	4,075	6,383	8,410
Prepaid expenses & others	419	65	32	39	50	55
Non-current assets, total	**1,038**	**2,983**	**15,328**	**14,880**	**32,832**	**30,532**
Property, plant & equipment	353	297	993	1,063	1,713	1,713
Right-of-use assets	354	347	409	508	610	720
Intangible assets	276	277	10,975	10,358	22,558	20,148
Associated companies (Goodwill)	0	2,008	2,923	2,923	7,923	7,923
Total assets	**5,822**	**3,887**	**19,339**	**20,812**	**44,079**	**48,871**
Shareholders' equity & debt						
Current liabilities, total	**1,848**	**1,589**	**5,555**	**5,206**	**5,447**	**6,205**
Short-term debt	0	0	874	0	0	0
Accounts payable	1,033	852	1,027	1,403	1,490	2,086
Accruals, deferred income	686	603	3,400	3,536	3,678	3,825
Other current liabilities	130	135	254	267	280	294
Long-term liabilities, total	**331**	**315**	**6,661**	**7,385**	**8,762**	**6,325**
Long-term debt	19	19	6,416	7,116	8,466	6,000
Other liabilities and provisions	313	297	245	269	296	325
Minority interests	**0**	**0**	**190**	**372**	**602**	**901**
Shareholders' equity	**3,643**	**1,982**	**6,934**	**7,848**	**29,267**	**35,440**
Total consolidated equity and de	**5,822**	**3,887**	**19,339**	**20,812**	**44,079**	**48,871**
Ratios						
Current ratio (x)	2.6	0.6	0.7	1.1	2.1	3.0
Quick ratio (x)	2.5	0.5	0.6	1.0	1.8	2.6
Net debt/(net cash)	-2,950	-528	6,535	6,086	5,286	-1,519
Net gearing	-81.0%	-26.7%	94.3%	77.5%	18.1%	-4.3%
Book value per share (in €)	1.50	0.73	1.92	1.67	3.66	4.43
Return on equity (ROE)	-68.8%	-184.7%	-62.2%	2.8%	8.0%	17.8%
Equity ratio	62.6%	51.0%	36.8%	39.5%	66.4%	72.5%

CASH FLOW STATEMENT

All figures in CHF '000	FY 21/22	H2 22	FY 23	FY 24E	FY 25E	FY 26E
Net income	**-2,506**	**-3,662**	**-4,310**	**222**	**2,399**	**6,471**
Depreciation and amortisation	220	405	1,632	1,147	2,950	2,810
Changes in working capital	-503	1,187	-675	-1,120	-1,174	-1,996
Other adjustments	259	110	294	26	27	30
Operating cash flow	**-2,531**	**-1,961**	**-3,060**	**274**	**4,202**	**7,315**
CapEx	-588	-291	-831	-600	-600	-400
Free cash flow (levered)	**-3,188**	**-2,332**	**-4,519**	**-326**	**3,602**	**6,915**
Other investments and disposals	0	-2,008	-7,557	0	-21,300	0
Cash flow from investing	**-588**	**-2,299**	**-8,388**	**-600**	**-21,900**	**-400**
Debt financing, net	0	0	6,480	700	1,350	-2,466
Equity financing, net	5,572	1,988	6,313	0	18,600	0
Lease liabilities	-92	-70	-291	-99	-102	-110
Cash flow from financing	**5,480**	**1,918**	**12,502**	**601**	**19,848**	**-2,576**
Exchange differences	2	0	-219	0	0	0
Net cash flow	**2,294**	**-2,422**	**208**	**276**	**2,150**	**4,338**
Cash, start of the year	675	2,969	547	755	1,030	3,180
Cash, end of the year	**2,969**	**547**	**755**	**1,030**	**3,180**	**7,519**
EBITDA/share (in CHF)	**-0.93**	**-1.17**	**-0.51**	**0.48**	**0.83**	**1.34**
Free cash flow (unlevered)	**-3,155**	**-2,244**	**-3,719**	**454**	**4,682**	**7,814**
Y-Y Growth						
Operating cash flow	n.a.	n.a.	n.a.	n.a.	1431.3%	74.1%
Free cash flow (levered)	n.a.	n.a.	n.a.	n.a.	n.a.	92.0%
EBITDA/share	n.a.	n.a.	n.a.	n.a.	n.a.	92.0%

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Anschrift:
First Berlin Equity Research GmbH
Friedrichstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680
Fax: +49 (0) 30-80 93 9 687
E-Mail: info@firstberlin.com

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First Berlin Equity Research GmbH

Authored by: Christian Orquera, Analyst
All publications of the last 12 months were authored by Christian Orquera.

Company responsible for preparation: First Berlin Equity Research GmbH, Friedrichstraße 69, 10117 Berlin

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PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

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.

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.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	28 November 2022	€12.10	BUY	€22.00
2	4 April 2024	€3.40	BUY	€14.00
3	21 October 2024	€6.70	BUY	€14.50
4	Today	€7.20	BUY	€18.50

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

Legally required information regarding

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

- **valuation methods and principles**
- **sensitivity of valuation parameters**

can be accessed through the following internet link: https://firstberlin.com/disclaimer-english-link/

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main