

Swissnet Group

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

Business update

RATING
PRICE TARGET **BUY**
€ 18.50
 Return Potential 174.1%
 Risk Rating High

ACQUISITION APPROVED AND COMPLETED – 2025 STARTS WITH TWO NEW CONTRACTS

On 15 January 2025, beaconsmind completed the acquisition of information and communication technology (ICT) services provider Swissnet AG and Dubai-based traveltech specialist Lokalee for a total consideration of CHF21.3m. These transactions were followed by beaconsmind's rebranding as Swissnet Group (Swissnet) a few days later. In line with the acquisition roadmap, beaconsmind previously held an Extraordinary General Meeting in December 2024, where shareholders unanimously approved the issuance of 850k new shares, raising the required CHF4.35m cash component of the purchase price. This capital increase was subscribed by the management team, board members, anchor investors, and new institutional investors. Swissnet also had a good start to the new year as it secured two significant contracts, one with the large private nursing home operator Vitanas Group (project valued at ~€800k), and one with the multinational tobacco group Philip Morris (project valued at ~CHF1.2m). In our view, Swissnet is accomplishing its strategic goals as expected. We anticipate that 2025 will be a strong year for the company. Based on unchanged estimates, we reiterate our price target of €18.50 and our Buy recommendation.

Acquisitions of Swissnet AG and Lokalee completed in January as expected On 19 November 2024, the company announced its intention to acquire Swissnet AG, a Swiss-based ICT service provider, and Advanced Digital Technology DWC-LLC (known as Lokalee), an AI-powered digital concierge platform based in Dubai. The acquisitions of Swissnet and Lokalee were valued at CHF9.7m and CHF11.6m respectively. The acquisitions were financed through a combination of cash, equity, and vendor loans. To finance the cash component of the combined purchase price, beaconsmind conducted a cash capital increase of CHF4.35m on 10 December 2024, by issuing 850k new shares. This capital raise was approved during an Extraordinary General Meeting (EGM), where shareholders unanimously endorsed all agenda items, including the proposed acquisitions, capital measures and rebranding initiatives. (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, Swissnet Group is a leading technology company offering location-based marketing (LBM) software, WiFi infrastructure systems, and WiFi Guest Hotspots, to sectors such as retail chains, hospitality, healthcare, and the public sector. The firm successfully empowers its customers' omnichannel strategies to generate additional value through the use of intelligent, fully cloud-based LBM technologies.

MARKET DATA

As of 05 Feb 2025

Closing Price	€ 6.75
Shares outstanding	4.70m
Market Capitalisation	€ 31.72m
52-week Range	€ 2.90 / 7.75
Avg. Volume (12 Months)	2,837

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

(post-acquisition)

Crown Fund SCA SICAV-RAIF	43.5%
Lokalee shareholders	16.5%
Management	7.4%
SW shareholders	6.6%
Free Float & others	26.0%



The acquisitions were successfully completed on 15 January 2025, marking a pivotal milestone in the company's strategic realignment. A few days later, beaconsmind announced its rebranding as Swissnet Group, reflecting its expanded focus and capabilities. The company's headquarters were subsequently relocated to Berg, Thurgau, Switzerland, aligning with the headquarters of Swissnet AG. Further details on the Swissnet/Lokalee acquisitions can be found in our Update Report dated 21 November 2024 or in summary in the company snapshot on page 4 of this report.

In January 2025, Swissnet Group continued its robust momentum by securing two significant contracts

(1) On 23 January 2025, Swissnet Group announced a modernisation project in the German healthcare sector, valued at ~€800k for 2025. This initiative includes continued collaboration with the Vitanas Group, one of Germany's largest private nursing home operators, and a new project at Peine Hospital. The project involves upgrading communication infrastructure and introducing premium rooms to enhance patient experience and increase revenue. Additionally, (2) on 31 January 2025, the company expanded its collaboration with Philip Morris International by providing 11,000 IoT SIM cards for digital signage monitors at their point-of-sale (POS) systems in Germany and Austria. This project, valued at ~CHF 1.2m, aims to optimise customer communication and sales promotion at points of sale. These contracts show that Swissnet's major customers are satisfied with the company's solutions, which leads to the realisation of cross-selling opportunities and thus to the expansion of business relationships.

Swissnet Group has expanded its executive team by appointing Mr Roger Tabbal as CEO International and establishing Swissnet MENA in Dubai to drive growth in the MENA region

Mr Tabbal is a technology leader with over 25 years of experience, who previously served as Global VP of Guest Technology & Innovation at Accor, where he led major digital transformation projects in hospitality. His new role will focus on expanding Swissnet's IT infrastructure and SaaS solutions beyond German-speaking markets, with an initial emphasis on hospitality in MENA. Swissnet MENA will provide a comprehensive range of managed services, including Wi-Fi, IPTV, telephony, and AI-powered hospitality solutions, supported by local engineers and multilingual customer support. He will bolster Swissnet's strong management team, which consists of the following executives:

- Mr Jonathan Sauppe, Chairman & CEO of Swissnet Group
- Mr Boris Tölzel, Co-CEO Infrastructure at Swissnet Group. He was the founder of Swissnet AG and previously served as the CEO.
- Mr Samir Abi Frem, CEO of Lokalee. He is the founder and former CEO of Lokalee.



VALUATION MODEL

Buy rating and price target reiterated The acquisition of Swissnet and Lokalee by the Swissnet Group (formerly beaconsmind Group) enables the company to evolve from a digital engagement provider to a comprehensive ICT and AI-supported solutions provider. The Swissnet Group is well positioned to achieve accelerated revenue, EBITDA, and free cash flow growth from 2025. The company has finalised the necessary formal steps for the acquisitions as planned and the two initial contracts signed in January will support the envisaged growth momentum. On the basis of this news, we are confident that the company will be able to fulfil the financial guidance for the full year, which is for consolidated revenue of CHF27.5m and EBITDA of CHF6.7m in FY/25. Based on unchanged estimates, our DCF model still yields a price target of €18.50. We maintain our Buy recommendation.

Figure 1: 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 FCFs	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

		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
WACC	10.8%	25.06	25.79	26.60	27.50	28.51	29.65	30.94
	11.8%	22.02	22.57	23.18	23.85	24.59	25.41	26.33
	12.8%	19.52	19.94	20.40	20.91	21.46	22.07	22.75
	13.8%	17.42	17.76	18.11	18.50	18.92	19.39	19.89
	14.8%	15.65	15.92	16.20	16.50	16.83	17.18	17.57
	15.8%	14.14	14.35	14.57	14.81	15.07	15.35	15.65
WACC	16.8%	12.84	13.01	13.18	13.38	13.58	13.80	14.04

Fair value per share (EUR)

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



COMPANY SNAPSHOT

Acquisition of Swissnet AG and Lokalee completed in January 2025 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 has adopted 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.

Financial outlook foresees group revenue of CHF27.5m and EBITDA of CHF6.7m in FY25 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 FY25 respectively.

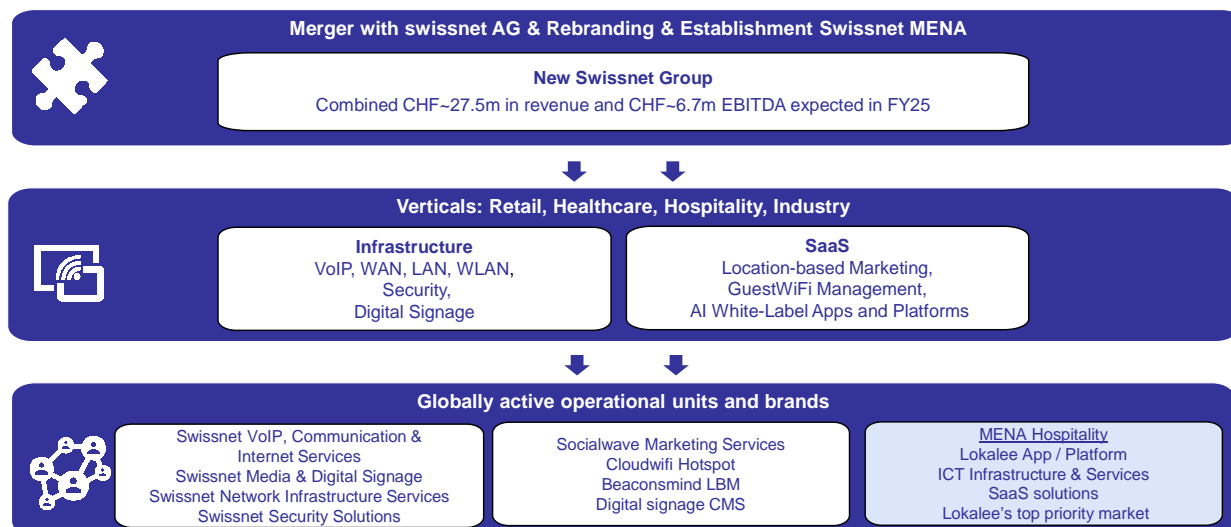
Figure 2: The new Swissnet Group KPIs

<i>In CHF m (except no. of clients and Point-of-Sales)</i>	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, Swissnet Group

Figure 3: Swissnet Group new structure and strategic units



Source: First Berlin Equity Research, Swissnet Group



The total acquisition price of CHF21.3m to be financed through equity and debt The transaction included a mix of cash, equity, and vendor loan. Specifically, Beaconsmind acquired Swissnet for CHF9.7m and Lokalee for CHF11.6m. The financing comprised 2.9m Beaconsmind shares, CHF2.7m in vendor loans payable after 9-18 months, and an additional CHF4.6m in cash committed by core shareholders (closed in December 2024).

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/ stabilised 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, Swissnet Group

Brief overview of the acquired companies

1. Swissnet AG Established in 2006, Swissnet AG (<https://swissnet.ch/>) 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. 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. It provides guests with personalised travel recommendations and facilitates access to hotel services through a single platform (see figure 4 overleaf). 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. This acquisition aligns with Beaconsmind's strategic vision of offering AI-driven guest experiences across hospitality and retail segments.



Figure 4: The Lokalee hospitality app

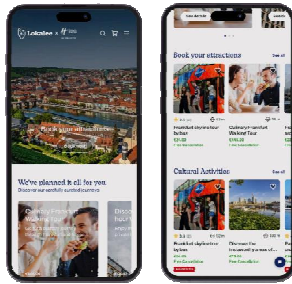
Travelcompanion

Tours and Attractions	Local Recommendation
Restaurant Booking	Local Experiences
Discounts and Offers	Events

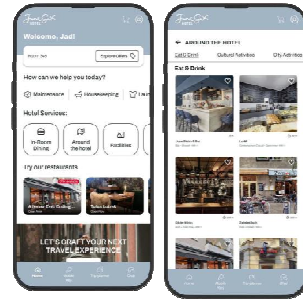
Guestcompanion

About Hotel	Guest services
Room Service	Dining
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, Swissnet Group



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 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	-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
Unlevered free cash flow	-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	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%

Imprint / Disclaimer

First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

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

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

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

The production of this recommendation was completed on 6 February 2025 at 11:56

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

Copyright© 2025 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of beaconsmind AG the following relationships and circumstances exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the beaconsmind AG for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0.5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

With regard to the financial analyses of beaconsmind AG the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the beaconsmind AG for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

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	21 November 2024	€7.20	BUY	€18.50
5	Today	€6.75	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

EXCLUSION OF LIABILITY (DISCLAIMER)**RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION**

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA and/or Canada.