

Airopack Technology Group AG

Switzerland | Packaging Solutions

Initiation of Coverage

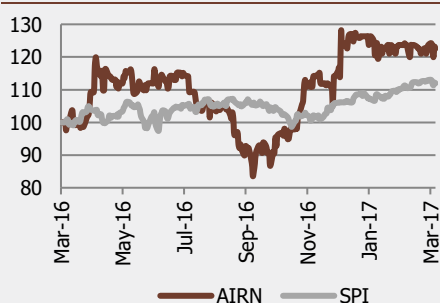
29 March 2017

Company Data

Price:	CHF11.00
Market Cap:	CHF202m
Free Float (%):	44.9%
Nr. Of shares:	18'331'292
Avg. traded vol. (1 year):	10'332
Bloomberg:	AIRN SW
Reuters:	AIRN.S
ISIN:	CH0242606942

Source: SIX Swiss Exchange and Bloomberg

Share Price Development (rebased)



Source: FactSet

Key Financial Data (CHFm)

	2017e	2018e	2019e	2020e
Sales	46.0	93.0	117.5	200.5
EBITDA%	11%	20%	23%	30%
EBIT %	(24%)	0%	7%	20%
Net Margin %	(40%)	(10%)	(2%)	15%
Net Income	(18.8)	(9.6)	(2.0)	30.3
Equity Ratio %	50%	50%	50%	50%
Capex	5.0	-	5.0	15.0
EV/EBITDA	n.m.	18.7	13.0	5.9
EV/EBIT	n.m.	n.m.	43.8	8.8

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Airopack a game changer in the packaging industry as a planet friendly alternative to traditional aerosol dispensers

Airopack Technology Group AG ('Airopack') is a Netherlands-based manufacturer and supplier of dispensing packaging technologies and systems. The company is a pioneer in providing a green and eco-friendly alternative to traditional aerosol-based dispensers, by leveraging on its globally patented PCD technology, which uses air instead of chemical propellants to dispense the formulation. The PCD technology enables the company to replace traditional aluminium/steel cans with recyclable plastic material (PET) and replacing propellants with air leading to a lower carbon footprint. We believe these advantages along with various other benefits (such as 360° dispensing and open-neck filling) have placed the company in a better position than its competitors.

- **A better and effective product for consumers and manufacturers**

Airopack offers various benefits over aerosol dispensers. These include a consistent dispensing throughout the use of the product unlike aerosol dispensers, which experience a pressure-drop problem once the propellant has been used up. Also, since there are no propellants, the consumers spray (or dispense) only the product. The technology allows for dispensing at all angles, while the transparent packaging enables users to see exactly how much formulation is left in the container.

Airopack is cost-effective for manufacturers as it benefits from using low-cost PET materials for the Airopack containers, and the open-neck filling process eliminates the need for using expensive machinery to fill the formulation using valves. We think that the technology presents a win-win situation for both manufacturers and consumers.

- **Addressing the rising environmental concerns**

The aerosol industry has long been under the watch of environment protection organisations for using harmful chemicals as propellants, resulting in a ban on use of Chlorofluorocarbons (CFCs) in various countries. The CFCs have since then been replaced by butane and propane, which are considered less hazardous, but companies have always been on a lookout for better alternatives. Airopack bridges this gap by providing a more environment friendly product which has a significantly lower carbon foot-print (-26%) and total environmental footprint (-32%) as compared to aluminium Bag on Valve (BOV) cans. This is mainly because of the use of recyclable PET material in Airopack dispensers besides the application of compressed air instead of chemical-based propellants. These characteristics start to be perceived well by producers and consumers, illustrated by the fact that P&G recently launched a new range of Gillette shave gels exclusively in Airopack dispensers.

- **Financing backed by Apollo**

The company has a strong financial backing from Apollo Global Management which has an extensive experience of investing in companies in the packaging industry. We believe the strategic partnership with Apollo, which has committed to support Airopack in its long-term growth plans, will assist the company to meet its targets.

- **Valuation**

Although the company is currently in a ramp-up phase and the planned targets are challenging, we remain optimistic about the growth prospects of Airopack. The company has promising plans and aggressive strategies in place to achieve the specified targets, along with a global financing partner to back it up. Based on a Discounted Cash Flow (DCF) approach, we have arrived at a valuation of CHF14.3 per share.

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INVESTMENT HIGHLIGHTS

Worldwide-patented disruptive technology

The disruptive and worldwide patented Airopack technology offers a safe, all plastic pressurized dispenser that is environment friendly with no inhalation risks, no chemical propellants and no unnecessary waste. Unlike aerosols that use chemical propellants, Airopack uses normal compressed air which results in dispensing a formulation with constant pressure from start to finish. Although the aerosol dispensers in metal cans have existed in the market for over 50 years, they have always been harmful for the environment and hazardous for consumers and producers (explosion and substance use). Airopack, with its revolutionary technology presents a greener and cost-effective substitute to aerosols, which have been leading the pressurized dispenser market for over half a century, in the absence of viable alternatives.

In our view, Airopack can potentially replace traditional aerosols as well as mechanical pump systems. Some of its distinguishing features are mentioned below:

- **Air instead of propellants:** Airopack offers an all-plastic pressurized dispenser that has proved to be environment-friendly when compared to the traditional aerosol dispensers such as bag-on-valve dispensers. Unlike other pressurized dispensers that use chemical propellants in BOV cans, Airopack uses normal compressed air to dispense the formulations. According to a study conducted by Climatop, Airopack has a significantly lower carbon footprint (-26%) and environmental footprint (-32%) as compared to aluminium BOV cans.
- **Product is fully plastic:** Each transparent Airopack is manufactured mainly from recyclable plastic (PET). Compared to metal cans, plastic dispensers have the advantage of showing the remaining content through transparent windows, which increases the consumers' comfort.
- **360° Dispensing:** Airopack dispenses sideways, backwards or upside down. Airopack's PCD (pressure control device) guarantees optimal dispensing regardless of how much or how little product is left or the angle at which it is being applied. Airopack easily accesses areas that are usually out of reach with traditional aerosols
- **Open neck filling:** Airopack can be filled through the open neck of the container, rather than through the valve as in many traditional aerosols, which is slower (for viscous products) and therefore, requires more expensive filling machinery
- **Constant pressure:** Airopack overcomes the pressure-drop problem in the traditional dispensers by using a compressed-air reservoir with an innovative pressure control device (PCD) to ensure constant flow of the product from beginning to end. If dropped into a fire, it simply loses air instead of exploding and there is no substance abuse issue since the propellant is air
- **Easy differentiation:** Constant low-pressure in the part of the container where the product is filled means transparent plastics can safely be used instead of metal. The product filled inside Airopack is visible to the consumer and non-round shapes are possible for clear market differentiation
- **Application in various formulations:** The pressure control can be adjusted to suit different types of formulations from liquid sprays to high-viscosity products and makes Airopack a universal dispensing system
- **Cost saving in filling/logistics:** Manufacturing an Airopack product uses low-cost PET processes and product filling can be done in non-aerosol facilities using lower cost equipment, making it a real competitive alternative in the consumer market. The product can also run on existing aerosol lines, with minor modification, thus making it suitable for the traditional aerosol market to adopt Airopack as a replacement for metal cans
- **Ease of storage and safe transport:** Since Airopack is made entirely of plastic and has no hazardous and inflammable propellants, it is easy to store and can be safely transported without the need for additional precautions as in the case of traditional aerosol containers. If dropped into a fire, it simply loses air instead of exploding and there is no substance abuse issue since the propellant is air

Strong commitment by leading global brands

Airopack has agreements with some of the leading global brands including P&G, Beiersdorf and Unilever who use Airopack dispensers for their products. In a major step towards the marketability of the company's Airopack dispensers, P&G launched a new shaving gels product line in Airopack dispensers in January 2015. P&G's strong commitment and belief in Airopack's technology is reflected in their decision to support the company during its split up from Resilux (former joint venture partner), despite of a temporary drop in capacity.

Backed by a global investor

Airopack has a strategic partnership with Apollo Global Management. Apollo has committed to support the long-term growth of the Airopack business through a mix of debt and equity instruments totalling up to a maximum of EUR122.0mn, through a maximum of EUR80.0mn secured debt financing and a EUR42.0mn equity investment (from the capital increase in July 2016). Moreover, we expect Apollo to support the company in its future endeavours to expand its current production capacity and also in opening new facilities to meet the growing demand for Airopack's products.

COMPANY OVERVIEW


Airopack is a Netherlands-based provider of mechanical and pressure-controlled dispensing packaging technologies and systems. The company’s customer base includes worldwide manufacturers & suppliers of cosmetics, body care, pharmaceutical and food products.









The company’s proprietary Airopack technology is patented worldwide. Airopack offers all-plastic pressurized dispensers that are considered safe and eco-friendly. Unlike the conventional aerosol dispensers which use harmful propellants to release the formulation inside, Airopack uses normal compressed air which results in dispensing a formulation at constant pressure. Therefore, the product does not pose any inhalation risks and other complications through the use of harmful propellants and also avoids unnecessary waste caused through the disposal.

Airopack currently offers products through three business platforms – Ready-to-fill (RTF), Ready-to-sell (RTS) and Equipment Solutions (EQS).

The company’s clientele includes the world’s leading consumer brands, including Procter & Gamble - P&G (such as Gillette and Pantene brands), Beiersdorf (Nivea), Edgewell Personal Care (Edge), Colgate-Palmolive (Colgate), ConAgra Foods (PAM) and Unilever (Axe). In October 2013, signed a five-year supply agreement with P&G to deliver the company’s Airopack system for P&G’s products. In a major step toward the marketability of the company’s Airopack dispensers, P&G launched a new shaving gels product line (Gillette Fusion ProGlide Sensitive shave gels) in Airopack’s dispensers in January 2015.

Exhibit 1: RTF Client Base

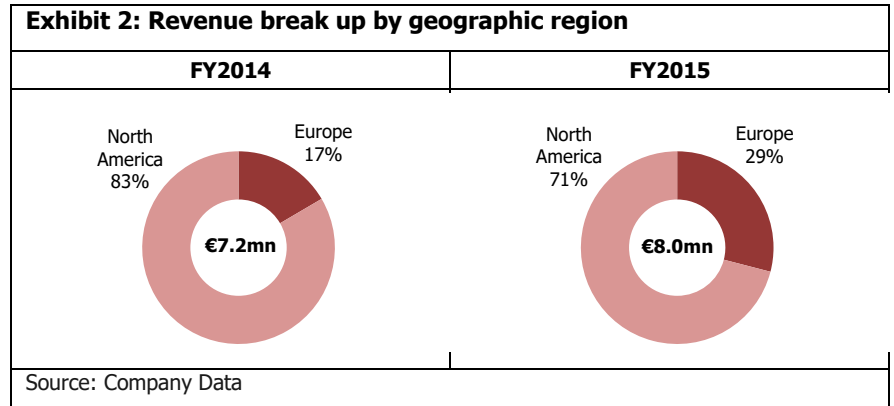


P&G				
Gillette		Venus		
				
Beiersdorf	 Edgewell™ PERSONAL CARE	 COLGATE-PALMOLIVE	 ConAgra Foods	 Unilever
NIVEA	 edge	 Colgate	PAM	AXE
Source: Company data				

Airopack is based in Waalwijk, The Netherlands, home to its Global Management, Research & Development and Customer Service functions. The company moved its RTF manufacturing site from Bilten, Switzerland to Waalwijk, the Netherlands in 2016, and is currently ramping up its production capacity to reach 80 million pieces by Q2 2017. In the second half of 2017 the company will start ramping up production capacity up to 160 million pieces. In addition, Airopack runs a ‘Full Service Filling’ operation in Heist-op-den-Berg, Belgium. The company has also drawn up plans to start and operate another RTF Manufacturing site in North America in 2018.

In April 2016 Airopack announced that it had reached an agreement to acquire the 50% stake in the joint venture Airolux AG owned by Resilux NV. Under the terms of the agreement, Airopack paid a cash consideration of EUR25.0mn to acquire the mentioned stake along with repaying Resilux’s outstanding shareholder loans and financial debts to Airolux of around EUR37.0mn. The 100% ownership of the JV satisfies a key condition for the strategic partnership entered with funds managed by affiliates of Apollo.

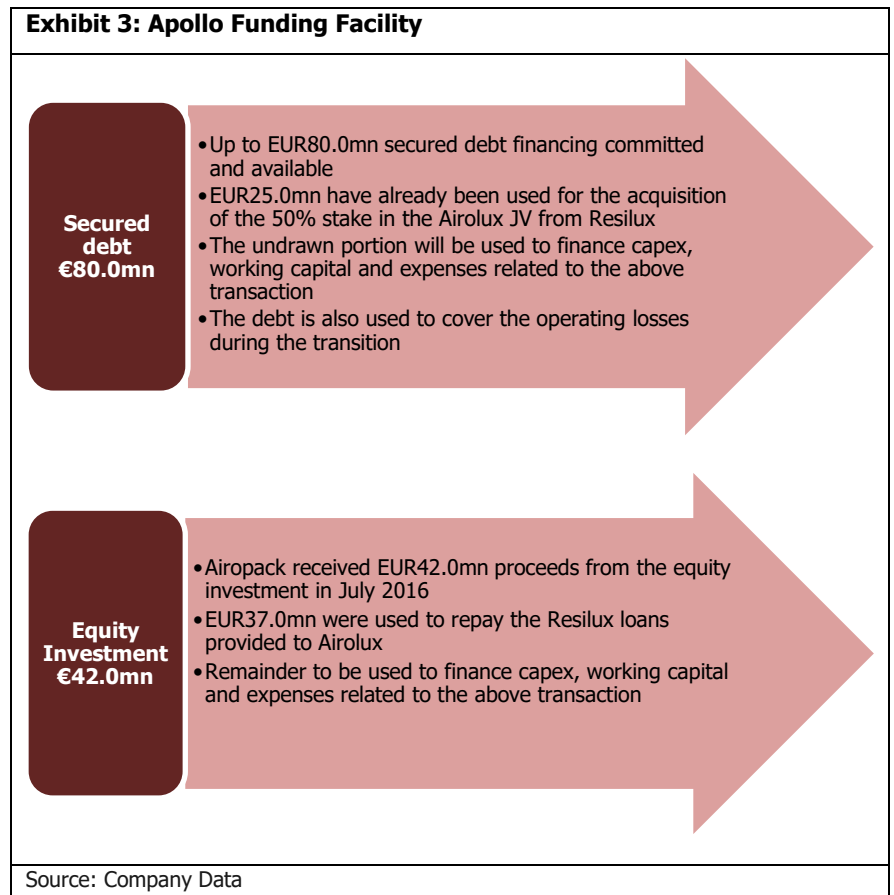
The company has been listed on the SIX Swiss Exchange (under the symbol AIRN) since 2010.



Partnership with Apollo Global Management

The company forged a strategic partnership with Apollo Global Management LLC, in December 2015. Under the terms of the agreement, Apollo has committed to provide funds to primarily support the long-term growth of the Airopack business. The funding would be provided through a mix of debt and equity investments amounting to a maximum of EUR122.0mn, through a maximum of EUR80.0mn secured debt financing and a EUR42.0mn equity investment.

A part of the investment was used to support the buy-out of ATG's joint venture partner in Airolux. The remaining sum will primarily be used to finance capital expenditures and working capital requirements.



Airopack facility

Airopack has transferred its RTF facility from Bilten, Switzerland to Waalwijk, the Netherlands. The new plant has commenced operations in December 2016 and should have an initial annual run-rate to manufacture 80 million pieces, which can be doubled to 160 million pieces annually in the second phase of expansion, which is scheduled to start end of 2017.

Exhibit 4: New Airopack Facility







- 12,500m² flat floor facility, located at favorable logistic location with regard to transport. River barge transport from Waalwijk to Rotterdam directly
- Activities related to assembly and logistical processes combined under one roof
- Airopack’s Global R&D and Laboratory facility are on the same premises

Source: Company Data

In-house production capability

The full production process is now insourced and involves PET injection molding, PET blow molding, injection molding for components and assembly.


Exhibit 5: In-house production capability

PET Injection molding		<ul style="list-style-type: none"> • Airopack will be able to source its own Resin • In addition, Airopack will be able to source Resin through the buying power of key customers like P&G
PET Blow molding		<ul style="list-style-type: none"> • Airopack will in-source the PET technology • A dedicated Airopack PET conversion process will significantly improve the manufacturing price of Airopack
Injection molding		<ul style="list-style-type: none"> • Airopack will continue the injection mold process in the Airopack components, in order to guarantee the quality of the product
Assembly		<ul style="list-style-type: none"> • Assembly of Airopack is a fully dedicated process which Airopack will continue to do in-house in order to protect the technology and guarantee the quality of the product

Source: Company Data

In-house production capability

Airopack has chosen the following strategic partners for its manufacturing processes:

Exhibit 6: New plant strategic partners	
Partner	Role
	<ul style="list-style-type: none"> • Leading player in perform injection mould machinery • Regrind-and crystallization machinery • Factory engineering-and auxiliary equipment support • Full operational support
	<ul style="list-style-type: none"> • Member of Tetra Laval Group • Preform blow molding machinery • Preform blow molds • Feasibility study responsibility • End of line automations • Full operational support
	<ul style="list-style-type: none"> • Injection molding machinery • Existing partner • Auxiliary equipment • Robot product handling • Long term partnership • Full operational support
	<ul style="list-style-type: none"> • Assembly machinery • High accuracy mechanical indexers • Existing partner • Long term partnership
	<ul style="list-style-type: none"> • High quality moulds • Highly experienced in precision injection molding • Existing partner • Long term partnership
	<ul style="list-style-type: none"> • ERP software • Existing partner • 100% migration to CRM • Full operational support

Source: Company Data

Major shareholders as at 31 December 2016

As a consequence of the entering into the Shareholders’ Agreement, Q-Invest (founders), the Apollo Funds and the respective related parties constitute a group of shareholders acting in concert. Thereof Q-Invest holds 32.45% and Apollo 22.66% of the group, excluding potential voting rights from the conversion of options and warrants. In addition AMG Substanzwerte Schweiz holds 4.68%. All other shareholder are below 3%.

AIROPACK TECHNOLOGY

Airopack’s disruptive technology is a novel and patented approach for the packaging and the dosage of liquids of varying viscosities on the basis of compressed air. This technology developed by Airopack competes with traditional aerosol-products which are customary in the market and run by propellants (e.g. BOV dispensers).

Unlike traditional aerosol-products, the Airopack technology uses compressed air as propellant and completely transparent PET-bottles as packaging for propellant and active component. Its pressure-regulating valve, the Pressure Control Device (PCD) is characteristic of the Airopack packaging. This valve regulates the emission of compressed air from the separate pressure vessel to the active component container. When the active component is dispensed, the air pressure in the pressure vessel will be reduced. However, the PCD ensures that the emission of compressed air occurs with constant pressure. As a result, the dispensing is of a higher quality and fully constant unlike the dispensing of traditional packaging.

Moreover, the Airopack dispensers avoid wastage, as the product can be used till the last drop. In addition, the Airopack technology works with considerably less pressure than traditional aerosol-products: the filling pressure in the pressure vessel is around 8 bar, while the working pressure is around 2.0 to 3.0 bar.

Exhibit 7: Airopack Technology

Applicators
There's a broad range of nozzles and packs of varying volumes available. You can make Airopack your pack for your brand, product and identity.

Formulation & Filling
As well as a broad range of standard formulations, we will happily work with you to create custom formulations and solutions.

Packs
Off the shelf sizes from 35ml - 200ml, ideal for all products from skin creams to air fresheners or create your own individual brand look and feel.

Airopack's pressure control device
provides a smooth, uninterrupted flow and an end to splutters and stop, start, stop.

Source: Company Data

Working Mechanism

The Airopack dispenser consists of a transparent plastic container, which holds the product as well as a patented pressure unit (forming the bottom of the container). Both the compartments are separated by a moving piston. The pressure unit contains compressed air, which is released through a pressure control device (PCD) at a constant rate. Releasing air from the pressure unit moves the piston upwards and assures a constant and complete evacuation of the product, regardless of the angle at which the Airopack dispenser is held.

The technology offers a safe alternative to the current aerosol-based dispensers by doing away with propellant gases. Airopack ensures that the formulation in the dispenser is fully utilized, and an air-based delivery system avoids unnecessary waste. This also allays the inhalation risks associated with the use of traditional aerosol products.

BUSINESS MODEL

The company operates through three business platforms – Ready-to-Fill (RTF), Ready-to-Sell (RTS) and Equipment Solutions (EQS). Airopack caters to different customers under each category and has a distinct business model for each of them. Details for each of them are mentioned below.

Business Model – RTF

Airopack recently shifted its RTF manufacturing operations from Bilten in Switzerland to Waalwijk in the Netherlands. This new facility has an in-house unit for manufacturing and assembling various components of the Airopack dispensers. Under this business model, Airopack develops the basic structure, including PET Injection molding, PET Blow molding and Injection molding; assembles these parts and supplies its customers with ready-to-fill dispensing products, which they can modify further in terms of decoration, labeling and formulation. P&G was among the first customers to adopt the Airopack technology when it signed a 5-year supply contract with Airopack in 2013. P&G’s leading personal care brand Gillette recently launched its new range of Fusion ProGlide Sensitive and Venus Olay shave gels in the Airopack dispensers. Airopack charges a fixed price per unit to its customers.

Business Model – RTS

Airopack also offers ready-to-sell products through its subsidiary Airosolutions, a full service contract manufacturer of cosmetic products, based in Heist-op-den-Berg (Belgium), that houses full-service manufacturing activities including filling, sleeving, labeling and packing of Airopack dispensers. It specializes in formulation development in the fields of skin care and corrective care such as colour control creams and beauty balm creams. It has developed lip care products for triple A brands and also developed its own patented lip balm egg dispenser. It serves globally leading personal care brand owners, such as Beiersdorf, Laboratoires Urgo, Omega Pharma, Lornamead, Evonik and Reckitt & Benckiser. Airopack can now expand its offerings and provide these clients with full-service solutions right from the manufacturing of basic dispensing products, to developing formulations and designing & packaging end products as per the customer specifications.

Business Model – EQS

Equipment Solutions (EQS) is a relatively new model and an attractive concept, which the company is rolling out starting 2017. In order to support its global growth strategy, developing its EQS business model will probably prove to be an important success factor.

With the EQS concept the company is catering for the need of large corporate customers, typically in the consumer goods industry, who do not want engage in any filling activities but still want the benefit of having their products sold in Airopacks. Often these customers already have contracts with selected fillers of their choice. Airopack offers such fillers the opportunity to acquire the dedicated filling equipment on a leased base, as well as supplying them with the Airopacks to fill on this equipment.




Exhibit 8: Benefits of EQS

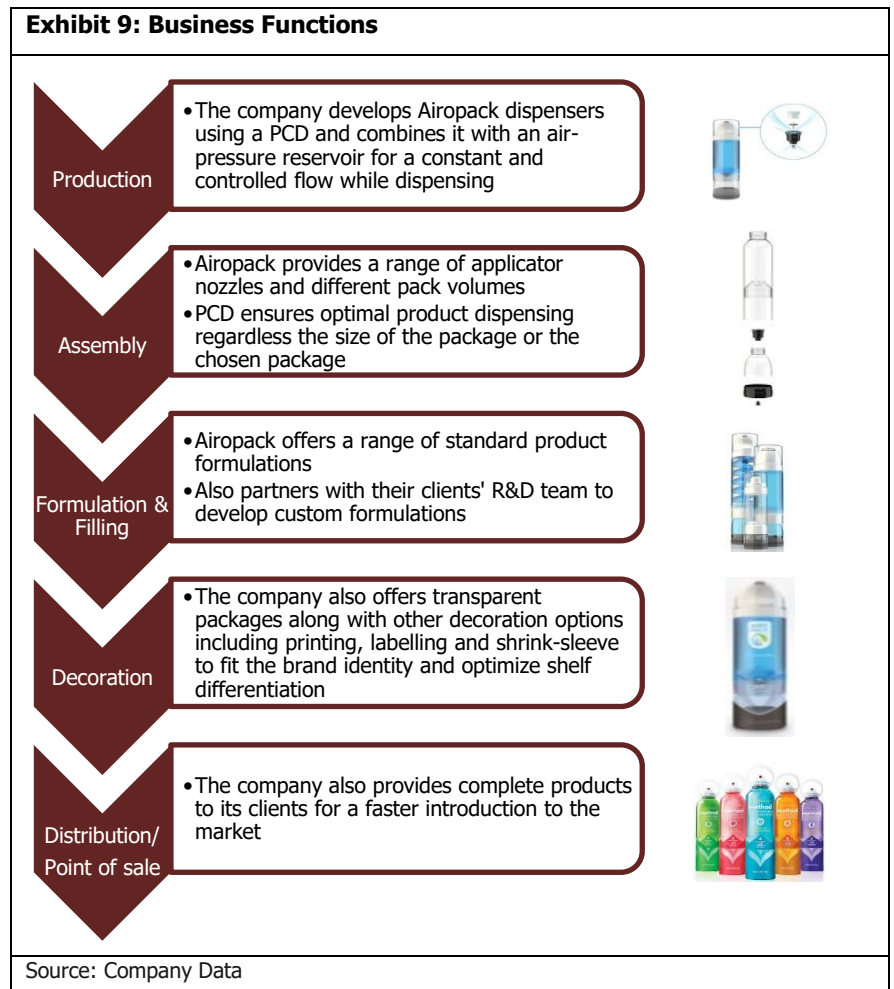


Source: Company Data

BUSINESS PLATFORMS

The company currently offers its range of products through three business platforms – Ready-to-fill (RTF), Ready-to-sell (RTS) and Equipment Solutions (EQS).

Exhibit 8: Airopack Business Platforms		
RTF	RTS	EQS
		
<ul style="list-style-type: none"> Offers mechanical and pressure-controlled primary packaging technologies and dispensing systems for its customers 	<ul style="list-style-type: none"> Offers full-service turnkey solutions to its customers under this category 	<ul style="list-style-type: none"> Under this category, the company provides dedicated filling equipment on lease to certified fillers
Source: Company Data		



RTF Business Platform

The company offers an alternative dispenser system to the currently available aerosol-based dispensers, in the form of Airopack which is a pressurized plastic dispenser and uses air as propellant. The product, therefore, realizes a significant reduction in CO₂ emissions. Under the RTF products' category, the company manufactures dispensers and assembles various parts. The combined product is then sold to clients, who can fill the desired formulation (eg. liquid, gel, etc.) and further customize it by using required labels and other effects to suit their needs.

The company's Pressure Control Device (PCD), a high-precision pressure regulator, releases air into the main container, below the piston, to consistently dispense the formulation from the first touch to the complete evacuation. Airopack is developed to work with a wide range of different product formulation characteristics, while providing a continuous dispensing pressure and 360 degrees dispensing possibilities.

P&G was the first customer to use the company's business platform on a global scale, when it adopted the Airopack dispenser for use in its Gillette brand. Gillette has purchased an Airopack dedicated filling line and developed its own customer actuator. Furthermore, Gillette produces its own range of shave gels using Airopack dispensers and has its own marketing strategy redesigned to Airopack.

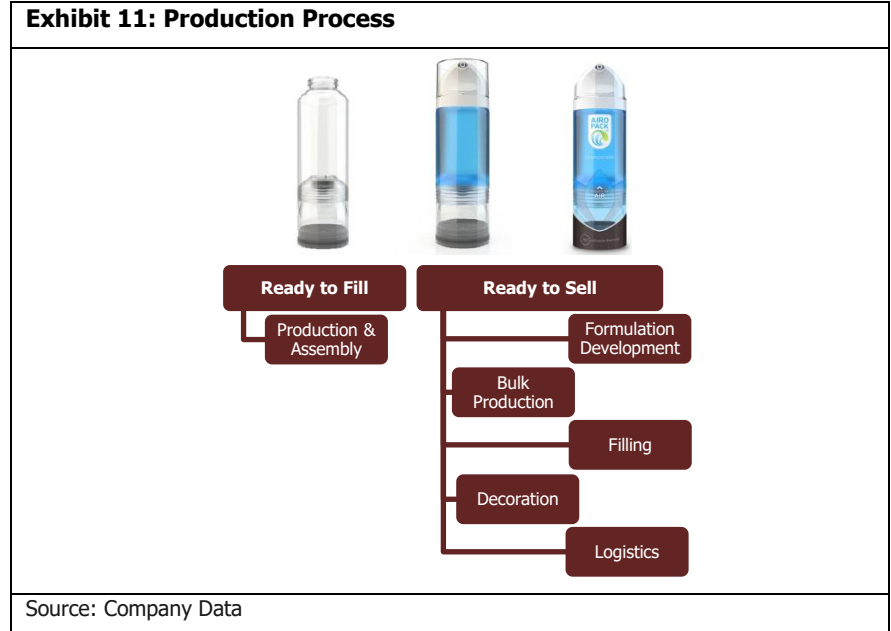
Exhibit 10: Gillette Fusion ProGlide Sensitive 2-in-1 shave gel



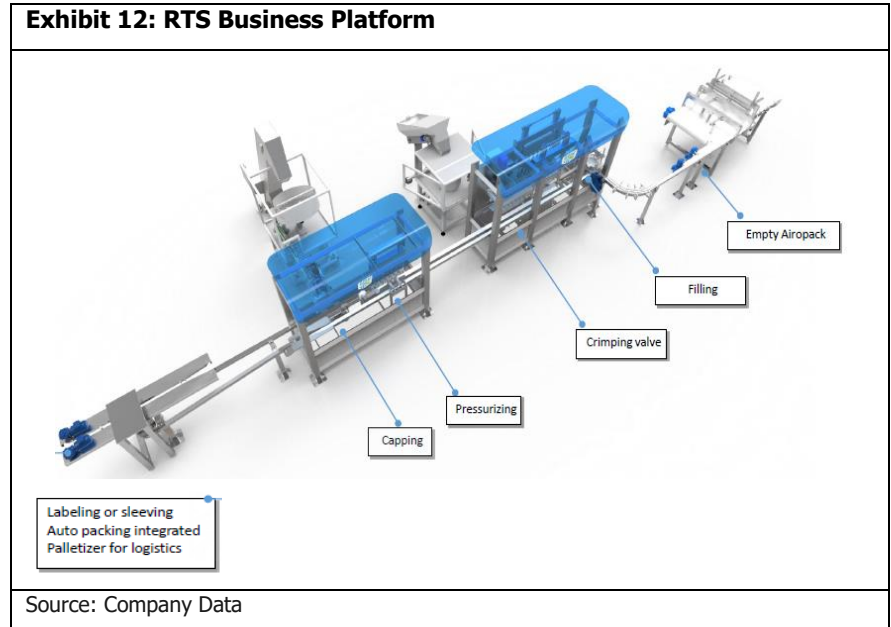
Source: Company Data

RTS Business Platform

Under the RTS business platform, the company offers end-to-end products for its clients. The various functions under the RTS business platform range from production, assembly, formulation & filling, decoration and all the way up to making the product available for distribution.



The company’s manufacturing facility in Belgium enables Airopack to provide all services under one roof allowing for full in-house capability to optimize manufacturing cost efficiency. The facility has an annual filling volume of 40mn units which can be further scaled up to 80mn units annually. This facility will complement the production facility in the Netherlands and provide further services.



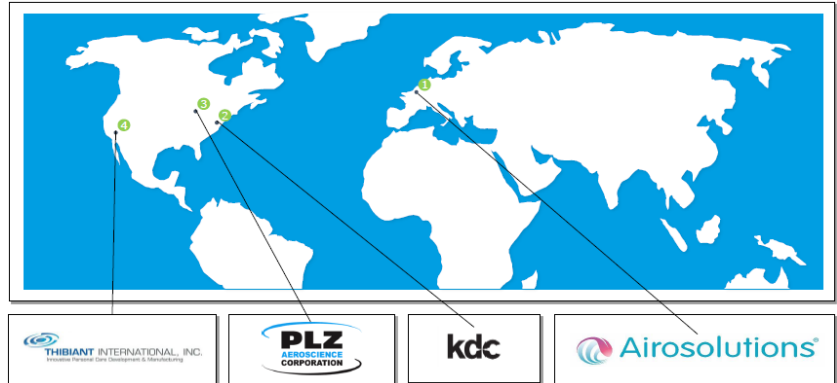
Equipment Solutions (EQS) Business Platform

In order to support its global growth strategy, Airopack will focus on the development of its Equipment Solutions business platform. Airopack has understood that some of its large customers, for example in the consumer goods industry, have long standing relationships with filling companies in their local markets. In order to allow these customers to benefit from the advantages of having their products packaged in airopacks, Airopack offers their established fillers an opportunity to acquire the necessary filling equipment from a designated

equipment manufacturer through a lease construction, financed by a partner lease provider. To this effect, Airopack has standardised the equipment specification and filling methods.

This business model is advantageous for Airopack but also for the customer and the filling company, as existing relations are maintained. . Airopack benefits from a reduced turnaround time for products to reach the market and reinforces its customer portfolio by providing the Airopack dispensing products directly to the certified filling companies. Whereas Airopack does not need any capital for the installation of the equipment at the filling companies (will be financed by a lease company), the larger the installed base becomes, the more airopack dispensing units will be pushed into the market.

Exhibit 13: EQS Business Partners as at March 2017

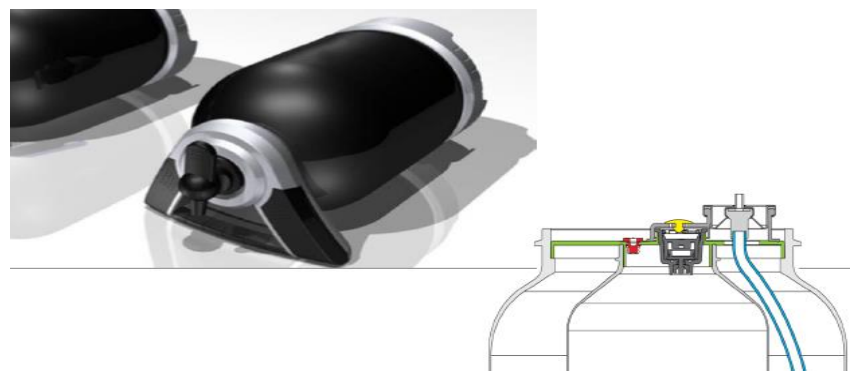


Source: Company Data

Other Products under Development

Airopack technology can be used in a number of other applications other than Personal Care including OTC Healthcare, prescription drugs, food & beverage. The company has various products currently under development. The details of the same have been provided below.

Exhibit 13: Beverage dispenser – 3 Liter Airopack



Source: Company Data

The 3-litre Airopack beverage dispenser is currently under the development stage, has completed the pre-engineering stage and is currently awaiting patent protection. Simultaneously, the company has initiated discussions with potential customers. The product works as a disposable in-house beverage keg and boasts of universal applications for beverages. The product is quite handy and can also fit in a refrigerator.

Exhibit 14: Airopack – Lily Spray



Source: Company Data

The company's Lily spray is currently awaiting patent protection. The product is currently under the 'Production tool qualification' stage. The company has one design line for both Lily gel and spray. The product has the flexibility to adjust spray pattern to match the customer requirement.

Airopack XL and Airopack XS products are currently in the R&D phase and have specifically completed the engineering stage. Failure Mode Effects Analysis (FMEA) is in progress. The larger-sized dispensers are particularly effective in addressing the needs of the US market better. These products are also linked to specific project requests and can be customized according to the needs of the clients.

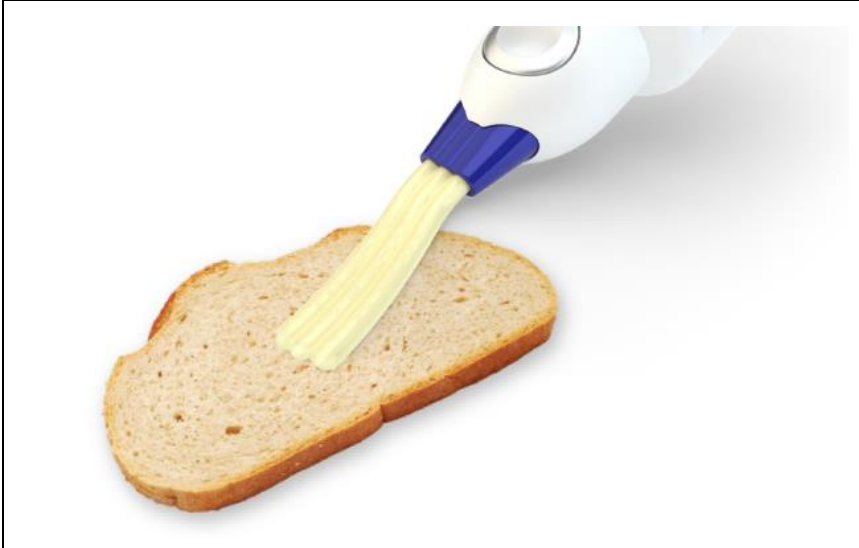
Exhibit 16: Freestyle



Source: Company Data

The company is also developing Freestyle range of products, including swirl formulation and filling technology, beads formulation and filling technology, dual packs which allows active ingredients to be separately packed until the product is used/dispensed. These products are currently undergoing the formulation / application testing and the company is simultaneously also presenting them to the potential customers. Airopack will address customer brand identity in performance and design, allowing customers to launch distinguished products within their respective markets.

Exhibit 16: Airopack Food



Source: Company Data

With the Airopack food range, the company is currently exploring the food market as a new target market. The focus is, particularly, on the 'difficult to dispense' formulations. The company has also started the process of sampling of the products to the customers.

Exhibit 17: Airopack – Prestige Line



Source: Company Data

The product, which is currently in the R&D stage, has completed the engineering phase. The pilot tools are currently under process. The commercial offering of the products to customers is also under progress. The company has one design line for both gel and spray. The product range will address the Prestige market segment. This range of products will result in an increased margin and market size.

BUSINESS STRATEGY

2016 has been a transition year for the company. Airopack has set out various long-term goals to guide its long-term strategic initiatives once the transition period has been completed. The company's key business strategies have been mentioned henceforth.

Provide a superior alternative to the traditional propellant-driven dispensers

The company's Airopack technology offers an all-plastic pressurized dispenser which uses air to dispense the formulation out of the container. This technology provides an environment-friendly alternative to current aerosol-based pressurized dispensers. Using compressed air to dispense the formulation leads to reduced energy consumption and CO₂ emissions. Apart from its above mentioned benefits, Airopack is far more effective than the traditional aerosol-based products in terms of consistent dispensing of the formulation till the last drop and 360° dispensing.

Target to serve 10% of the addressable total global demand over the next 8-10 years

The company has drawn up plans to cater to a rising global demand for environment-friendly dispensing products in the future. Airopack acquired a full-service contract manufacturer of cosmetic products that is based in Heist-op-den-Berg (Belgium). This helped Airopack to in-source the facility for filling, sleeving, labeling and packing of Airopack dispensers. The company has completed the process of transferring its RTF manufacturing site from Bilten, Switzerland to Waalwijk, the Netherlands and is operational since December 2016. The initial annual run-rate is expected at 80 million pieces. Airopack expects to start ramping up the capacity to 160 million units in the second half of 2017. The first validation runs of the company's assembly lines have been successfully completed and the qualification process of the new factory is also on track. Based on this, we believe an annual market potential between 600-800 million pieces could be achievable over the time horizon.

Manufacturing dispensers for various formulations with different viscosities

Airopack aims to produce and distribute solutions for consumer care products and also focus on providing products in adjacent growth areas such as pharma and food & beverages. The company's dispensers are already used by Gillette in their 'Fusion ProGlide Sensitive 2-in-1 Shave Gel Plus Skin Care' and 'Venus Olay' products. The company also has various other programs in the pipeline for various clients including Unilever, ConAgra Foods and Edgewell.

Focus on the EQS Platform

Airopack will focus on the EQS business platform to expand its reach globally. The company, currently, has three certified fillers in the US and one in Europe to react quickly to market opportunities. The EQS platform allows Airopack to tap into the existing customer base of the certified fillers (such as Unilever).

INDUSTRY OVERVIEW AND COMPETITIVE LANDSCAPE

Airopack is an aerosol alternative based on pure compressed air instead of commonly used propellants. It provides dispensing packaging technologies and systems to global manufacturers and suppliers of cosmetics, body care, pharmaceuticals and food products.

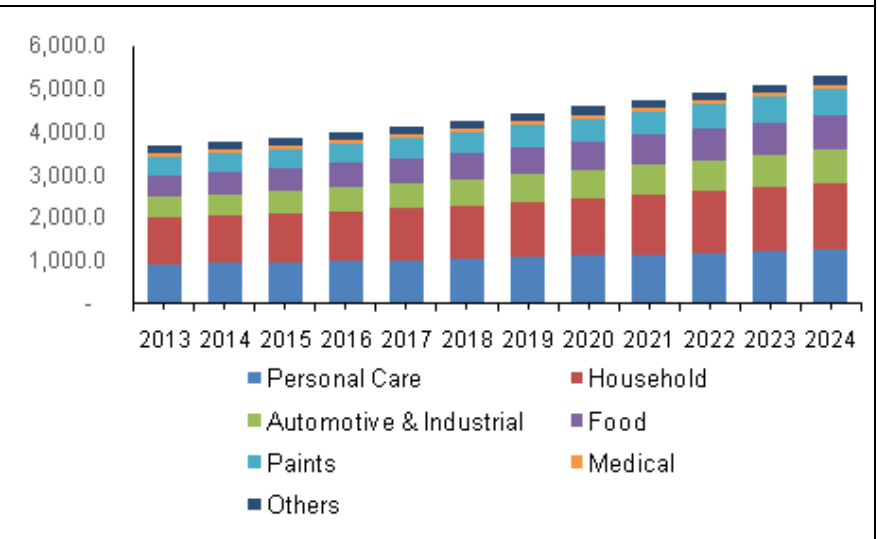
Market Overview

According to a report published by Grand View Research in May 2016, the global aerosol market size was 15.48 billion units in 2015 and is expected to reach 21.66 billion units by 2024, growing at a CAGR of 3.8% from 2016 to 2024. This is mainly on account of its growing usage in household and food sector.

Growing demand for aerosol dispensers for use in various food products including whipped creams, mayonnaise, ketchup, chocolate, vinegar, olive oil, sparkling water, beer, and soda will propel industry growth over the forecast period. Rising food & beverages industry in various countries including India, China, UAE, Egypt, and Iran is expected to fuel demand for aerosol dispensers in the near future.

As per the report, stringent regulations including F-gases regulation from the European Commission along with VOC Paints Directive 2004/42/EC to reduce GHG emissions are expected to hinder market growth for the chemical propellants-based aerosols cans.

Exhibit 19: US aerosol market revenue, by application, 2013-2024 (USDmn)



Source: Grand View Research

Airopack – An effective alternative to traditional aerosol-based dispensers

Airopack is an innovative technology to dispense fluids, high viscosity liquids and creams by using a patented pressure control device that relies on air instead of conventional hydrocarbon chemical propellants. This technology makes it possible to fill liquids, creams, gels or foams into plastic containers instead of cans made of tinfoil or aluminum and then to dispense the contents with constant pressure by means of a unique pressure-control system.

Concerns among consumers about the damaging effects of the conventional aerosol packaging on the planet are known, and for many years manufacturers and the aerosol industry have been looking for alternatives. Airopack potentially offers an effective alternative for the traditional aerosol products which are used with conventional metal cans and chemical propellants.

Besides, an improved environmental impact, Airopack offers the consumer a better experience than the existing options such as delivering a constant flow of product used at any angle. Airopack’s packaging also provides an option to the customers to see how much of the formulation is left in the dispenser.



This provides a win-win situation for the manufacturers. This is one of the reasons why an increasing number of companies, including Gillette, Elizabeth Arden and Method, are choosing this technology.

Climatop certification and a comparison with Bag-on-Valve (BOV) dispensers

To reinforce the advantages, Airopack also commissioned Climatop to conduct an independent research to test the effectiveness of the Airopack technology. Climatop is a registered certification mark which certifies products and services that generate significantly less greenhouse gas than comparable products.

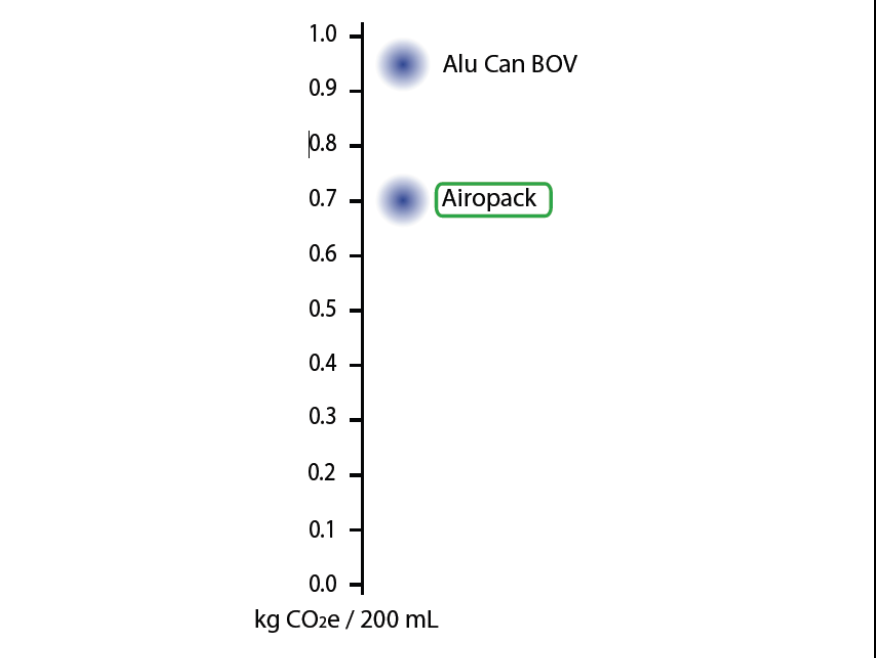
Climatop conducted a life cycle analysis of the Airopack system and conventional aerosol systems. The analysis compared the effects of greenhouse gas emission and the relevant environmental parameters between the two. The greenhouse gas emission data were collected over the entire life cycle of the product, i.e. from the provision of raw materials to the transportation, to the production in the factory through to the usage and the disposal of the product.

This life cycle analysis demonstrated Airopack’s environmental advantage as compared to conventional aerosols dispensers containing shaving gel. For the purpose of this analysis, the following dispensers were analyzed:

Exhibit 20: Product Information	
Airopack system: (200 mL) without content (left) and including shaving gel (right)	Aluminum can Bag-on-valve (BOV): 200mL including shaving gel
	
Source: Climatop Factsheet	

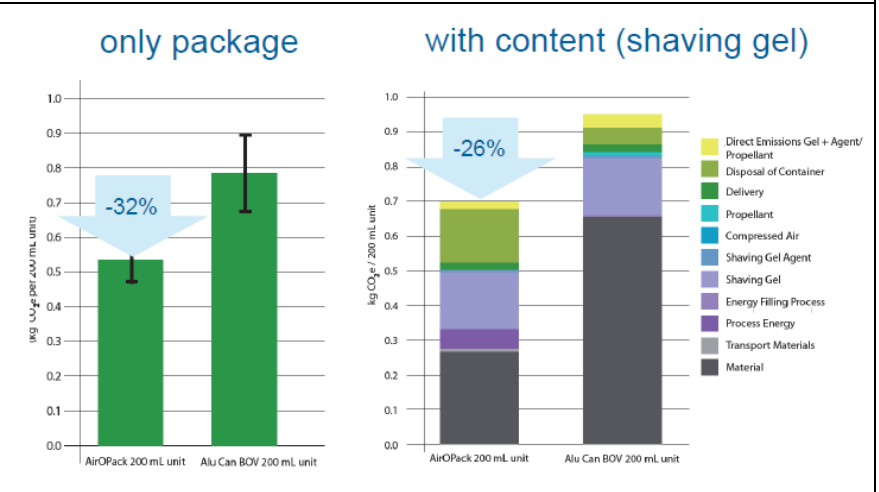
As shown in the above exhibit, the comparison of the environmental impact of Airopack with the conventional aerosol, Alu Can BOV, was done for 200 mL shaving gel cans. The functional unit was chosen as 1 unit of 200 mL for the comparison.

Exhibit 21: Results of carbon footprint analysis of Airopack and of the Alu Can BOV including shaving gel



Source: Climatop Factsheet

Exhibit 22: Comparison of CO₂ – emission between Airopack and conventional aerosol dispenser



Source: Climatop Factsheet

The above exhibit shows, the analysis of the Airopack system, including shaving gel, as compared to the conventional aerosol dispensers, Alu Can BOV. The Airopack product has a significantly lower carbon foot-print (-26%) and a total environmental footprint (-32%). The Airopack system emits 699 g CO₂e / 200 mL unit, while the Alu Can BOV system emits 950 g CO₂e / 200 mL unit.

It was observed that an increased carbon footprint was due to the used materials, their disposal and the shaving gel in both systems. The difference between the two systems is mainly due to the replacement of conventional propellants by compressed air and replacement of aluminum by polycarbonate and PET in the Airopack system. Concerning the carbon footprint of the Airopack system, the main contributors at the material level are the PET and the polycarbonate. The analysis of the Alu Can BOV filled with shaving gel shows that the biggest carbon footprint is due to aluminum in the Alu Can (more than 50%) and around 20% is due to the shaving gel.

GROWTH OPPORTUNITIES & KEY DRIVERS

Offering an environment-friendly alternative to the traditional aerosol-based dispensers

There have always been concerns among consumers about the damaging effects of conventional aerosol packaging. For various years, manufacturers and the aerosol industry have been looking for alternatives. Airopack's all-plastic pressurized dispenser provides an alternative that is environment-friendly and also easier to use. It has created furor especially, among the personal and homecare product manufacturers who are already snapping up the product. The company is also aggressively investing to expand its production capacity to leverage the rising demand for its products.

Unique market positioning by offering both RTF products and full-service offerings

Airopack's global management, R&D and customer service functions are based in Waalwijk, the Netherlands. The company has transferred its ready-to-fill manufacturing site from Bilten in Switzerland to Waalwijk in the Netherlands. It also plans to substantially expand its production capacity. Moreover, Airopack runs a full-service-filling operation in Heist-op-den-Berg in Belgium, acquired in October 2015. Both plants enable the company to offer the full spectrum of packaging-related services ranging from manufacturing primary dispensers to filling, formulation, decoration and logistics. The company is also planning to expand its EQS business platform which would give it access to new potential clients. In the future, the company plans to deploy its local plants to serve the needs of the European market, whereas the certified fillers will take care of the US market.

Global reach and relationship with high-profile blue-chip customers

Airopack already provides its technology to some of the major consumer-care companies of the world. The list includes P&G (Airopack's biggest customer), Beiersdorf, Edgewell and Unilever, among others. In a major step towards strengthening Airopack's market position, P&G adopted the Airopack dispensers in its new range of Fusion ProGlide Sensitive shave gels launched in 2015. The company is planning to further expand its reach globally by developing its EQS platform, which would allow Airopack to tap into the existing customer base of certified fillers (eg. Unilever). The company currently focuses on the US and Europe markets and would potentially later expand its activities in the Asian market.

Potential in various other applications other than consumer care products

The company's initial focus had been on developing consumer care products. However, the technology has applications in a wide variety of other sectors. Airopack is also working on the technology which can be used for developing various formulations of different viscosities with the same effectiveness. Airopack is currently developing various products with potential usage in various sectors such as OTC Healthcare and food & beverage.

Extensive R&D know-how and strong IP protection

Airopack is led by the CEO and co-founder, Quint Kelders. He has been involved in the packaging industry since 1986. The company's R&D activities are led by Erwin Boes (CTO), who has worked with MeadWestvaco as the R&D Director, Beauty & Personal Care.

To support the market better, Airopack has also established 'Airopack Labs' for complete formulation development, 'Airopack Full Service' to deliver turnkey finished products for brands, and 'Equipment Solutions' to provide localized support on filling Airopack in the US and Europe.

Moreover, Airopack relies on obtaining and maintaining intellectual property protection for its products, technology and know-how. Several worldwide patents for Airopack, covering the pressure control device and the manufacturing processes, have been granted. Further, several products in the pipeline are either seeking patent protection or have been granted the patent protection. Various clients (including P&G and Beiersdorf) also demand strict adherence to the manufacturing process. In this context, possessing necessary patents and pre-approvals for the same helps in reducing the turnaround time to finalize the product.

KEY RISKS

Transfer of manufacturing operations from Switzerland to the Netherlands in 2016

The company has transferred its manufacturing operations from Switzerland to the Netherlands in 2016. If it is unable to ramp up the production in a timely manner, it could have less financing headroom available and could lose existing and future business, which would adversely affect its business, results of operation and financial condition.

A limited number of customers account for a significant amount of our revenues

The company operates mainly in the areas of personal care and beauty care (e.g. shaving gel, toothpaste, aftershave care, cosmetics, hair products) as well as household, over-the-counter (OTC) and pharmaceutical products. As these markets are dominated by relatively a few but worldwide operating suppliers, the company is currently working with a limited number of customers, on whom it depends to a certain degree. If one of these customers faces delays, changes its strategy, or is unable to implement its strategy, and, therefore, unable to buy the company's products, any of these could adversely affect Airopack's business and future development.

Airopack produced and delivered 21 million pieces of Airopack in 2015. The majority of the volume was shipped to one customer. The current sales are, thus, fairly concentrated. If the company is unable to secure additional customers and/or lose existing customers in the future, its business, financial condition and results of operations could be adversely affected.

Business success linked to offering more cost effective products to the market

Innovations in the market could result in similar products becoming available at a discount due to low manufacturing costs. This could lead to erosion of Airopack's market share, which would subsequently result in low sales, margins and profits. An ongoing improvement of manufacturing processes and the reducing of the company's manufacturing costs are thus crucial for the future success of the product and the company as a whole.

Inability to launch new products in a timely manner may adversely affect the company's business

The company may not be able to develop and manufacture and/or adapt existing products successfully or products that it introduces may fail in the marketplace. If it fails to develop and offer technologically advanced and value-added solutions in a timely manner, as a result of insufficient resource allocation or in deviance from customer specifications, or if its competitors introduce disruptive, better packaging solutions in the meantime, the business could be adversely affected.

Inability to successfully integrate any potential future acquisitions

The company may consider to undertake acquisitions to bolster its operational footprint in its targeted market segments. However, the company may not be able to identify and successfully negotiate suitable acquisitions, obtain financing for future acquisitions on satisfactory terms or otherwise complete acquisitions in the future. Failure to effectively consummate or manage future acquisitions may adversely harm the company's existing businesses due to large write-offs, contingent liabilities, substantial depreciation, adverse tax or other consequences, all of which could adversely affect its business, financial condition and results of operations.

The company has no track record of achieving profitability in the past

The company has had no profit since the reverse acquisition in 2010. For the years ending 31 December, 2015, 2014 and 2013, it incurred a net loss of EUR16.3mn, EUR6.5mn and EUR6.2mn, respectively.

The company may continue to incur losses in the future, and therefore may not be able to achieve profitability, which could adversely affect its business, financial condition and results of operations.

VALUATION

Given the company’s disruptive and revolutionary technology, there are no exact comparables available. We have compiled a set of peers that comprises of companies in the packaging industry including aerosol manufacturers, paper and cardboard packaging providers, glass packaging and other packaging providers. We have, however, not assigned any weightage to relative valuation because in our opinion these companies have a significantly different technology and business model compared to Airopack. Also, since Airopack is currently in a ramp up phase and the current revenues are not an accurate representation of the potential of Airopack’s technology, valuing the company based on a relative valuation approach would lead to significant undervaluation of the company.

We have valued Airopack Technology Group using a Discounted Cash Flow (DCF) approach to arrive at a price of CHF14.3 per share.

Our weighted average cost of capital (WACC) of 12.5% is based on a cost of equity of 18.4% and pre-tax cost of debt of 8.0%. Our inputs for cost of equity include beta of 0.8 (time span: last two years), and current 10-year Switzerland government bond yield of 0.05%. We have explicitly forecasted cash flows till FY2021E and thereafter applied a long term growth rate of 3.0% to arrive at the terminal value.

Our assumptions are based on aggressive growth plans; we believe that the company is now in the position to execute its strategy and capitalize on its breakthrough technology. We have forecasted the revenues based on the assumption that the company will successfully implement its plans of expanding its production capacity. By 2018 we expect the company to fully utilize the production capacity of its plan in the Netherlands (160 Mio. pieces and to generate additional sales (20 Mio. pieces) with its filling partners. In 2020 we forecast to company to open a factory in the US. Together with additional turnover with its filling partners we expect sales to go up from EUR46m to EUR200mn. We believe that the additional capacity expansion would entail capex in the range of EUR15mn to EUR20mn .

Exhibit 23: Sensitivity to WACC and Growth Rate

		Equity Value Sensitivity				
		Long term growth rate				
		1%	2%	3%	4%	5%
WACC	8.5%	440,385	519,852	628,350	785,342	1,032,700
	10.5%	303,259	347,873	404,425	478,445	579,507
	12.5%	215,671	243,468	277,132	318,742	371,484
	14.5%	155,411	173,971	195,766	221,723	253,159
	16.5%	111,768	124,790	139,744	157,096	177,472

Source: Research Dynamics

ADDITIONAL DETAILS

The company has an experienced management team with industry professionals who possess extensive experience in the consumer innovation industry.

Management Team

Quint Kelders

Executive member of the Board and Chief Executive Officer

Mr. Kelders currently serves as the Chief Executive Officer of Airopack Technology Group AG. Besides, Mr. Kelders also serves as the member of the Board of Directors of various companies including Q-Invest BV, ROQ Investments in Innovations BV and Jan Kelders Beheer BV. Mr. Kelders earlier worked with Meadwestvaco Corporation in various top management functions. Prior to that, he was the Chief Executive Officer and major shareholder of Keltec Dispensing Systems. He has also served as the Global Sales & Marketing Director of Heesen Yachts BV and Heesen Continental Yachts BV. He has obtained a Bachelor of Business Administration degree from the University of Hull, Greenwich University (Hull/London UK), a business degree from the IVA University Driebergen and a technical degree from the Technical College Waalwijk/Gilze.

Frans van der Vorst

Chief Business Development Officer

Mr. van der Vorst serves as the Chief Business Development Officer of Airopack Technology Group AG. Mr. van der Vorst also serves as the board member of different group companies of Airopack Technology Group and served as CFO of Airopack Technology Group from 2011 to 2017. Previously, he served as the Senior Corporate Finance Consultant at Witlox Van den Boomen during 2009-2011. Mr. van der Vorst has served as the Financial Director of Keltec Dispensing Systems/Meadwestvaco during 2006-2009. Prior to that, Mr. van der Vorst was the Finance Manager of Brabantia during 1996-2006. Mr. van der Vorst has obtained a Master's degree in Business Economics from Tilburg University.

Liebwin van Lil

Chief Financial Officer

Mr. van Lil joined Airopack Technology Group AG in November 2016 and serves as Chief Financial Officer since January 2017, and as Board Member of various group companies of Airopack Technology Group. Previously, he served as the Group Chief Financial Officer at Hovis Ltd (UK), Group Chief Financial Officer at Ascometal (FR) and held the role of EMEA Finance Director at Brady Corporation. Mr. van Lil has a Master's degree in Law from Leuven University, an MBA from the Vlerick School of Management, and obtained the Diploma in Strategy and Innovation from Said Business School (Oxford University).

Board of Directors

Antoine Kohler

Non-executive Chairman of the Board

Mr. Kohler currently serves as the Non-executive Chairman of the Board. Mr. Kohler is also the senior partner with Perréard de Boccard, Attorneys-at-law in Geneva and Zurich, with specialization in Corporate and Commercial law, M&A, Tax Law, Arbitrations & Litigation and Intellectual property. Besides, Mr. Kohler is the board member of various Swiss companies, including Avis-Victoria SA, and several group companies, LifeWatch AG, Mitsubishi UFJ Wealth Management Bank (Switzerland) Ltd., Sixt Leasing (Schweiz) AG and Sixt rent-a-car AG. Mr. Kohler earlier served as the Chairman of Cicor Technologies Ltd and various group companies (until April 2015). Mr. Kohler attended the University of Geneva, the Law School (law degree 1978), the Institute of International and Development studies in Geneva.

Quint Kelders

Executive member of the Board and Chief Executive Officer

Dr. Attila Tamer

Non-executive member of the Board

Dr. Tamer has been a member of the board since May 2015. Dr. Tamer currently serves as the CPO/Vice President Global Procurement at McCain Foods with multiple business unit assignments in Europe and North America. Dr. Tamer has previously worked with P&G in various leadership positions across many divisions from 1989-2014. Dr. Tamer has obtained a Master's degree in Agricultural Engineering from Geor-August-Universität Göttingen and he has obtained his Doctorate in Agricultural Engineering from University of Göttingen.

Okko Filius

Non-executive member of the Board

Mr. Filius has been a member of the board since June 2016. Mr. Filius currently also serves as the Partner with OXEYE Advisors since January 2014. Besides, Mr. Filius also serves on the boards of Scholle IPN. Mr. Filius previously worked as an Interim Investment Manager with Janivo Holding BV during October 2013-December-2013; as a board observer with Vibrant Media and MobileCommerce during July 2010-September 2013. At the same time Mr. Filius served as the Managing Director Corporate Finance & Capital Markets with ABN AMRO Bank NV during January 2010-September 2013. Earlier, Mr. Filius worked in various positions of increasing responsibility in various other organizations. Mr. Filius has obtained a Master's degree in Business/Economics from the University of Groningen.

Robert Seminara

Non-executive member of the Board

Mr. Seminara currently serves as a non-executive board member with Airopack Technology Group AG. Mr. Seminara also serves as the senior partner at Apollo Global Management and also on the boards of Berry Plastics, Verallia, Airopack Technology Group and Latecoere Group. Prior to joining Apollo in 2003, Mr. Seminara was a member of the Private Equity Group at Evercore Partners during 1996-2003. Prior to his tenure at Evercore, Mr. Seminara was employed by Lazard Frères & Co. Mr. Seminara has obtained a Bachelor's degree in Economics from the University of Pennsylvania's Wharton School of Business.

Lorenzo Levi*Non-executive member of the Board*

Mr. Levi currently serves as the Non-executive member of the Board. Mr. Levi also works as an Operating Advisor to Apollo Global Management since July 2015. Mr. Levi serves on the Board of Stemcor Holdings, a leading independent service provider for the steel industry. Prior to being engaged by Apollo, Mr. Levi spent 13 years as the Operational Managing Director at Terra Firma Capital Partners. Prior to that, Mr. Levi was a strategy consultant at Bain & Co in London and held management positions at large corporate enterprises, including IBM and Nortel Networks in Paris and London. Mr. Levi has obtained a Bachelor's degree in Electrical Engineering and Economics from the MIT and an MBA from the Harvard Business School.

Ralf Ackermann*Non-executive member of the Board*

Mr. Ackermann serves as the Non-executive member of the Board. Mr. Ackermann joined Apollo in 2007 and currently works as the Portfolio Manager, Illiquid Opportunistic Credit with the firm. Mr. Ackermann currently serves on the board of directors of the Casual Dining Group and Latecoere SA. He was previously a member of the Bank Loan Distressed Investing Group at Goldman Sachs in London, where he invested in a broad range of corporate credit opportunities. Prior to Goldman, Mr. Ackermann worked as an investment banker at Greenhill & Co focusing on general M&A and corporate restructurings. Mr. Ackermann holds a Bachelor in Economics degree from the London School of Economics and Political Science.

DETAILED FINANCIAL STATEMENTS

INCOME STATEMENT

Figures in EUR '000	2014 A	2015 A	2016 A	2017 E	2018 E	2019 E	2020 E	2021 E
Sales	7,210	7,996	11,282	46,375	93,000	117,500	200,500	240,750
Ready to fill				28,000	54,000	68,000	100,000	99,000
Ready to sell				15,000	30,000	36,000	60,000	81,000
EQS				3,375	9,000	13,500	40,500	60,750
Cost of good sold	5,742	7,277	11,006	28,238	56,400	69,150	116,250	138,375
Raw material expense	5,817	7,758	11,611	28,238	56,400	69,150	116,250	138,375
Change in inventory of finished and semi finished goods	75	481	605	-	-	-	-	-
Gross Profit	1,468	719	276	18,138	36,600	48,350	84,250	102,375
% margin	20.4%	9.0%	2.4%	39.1%	39.4%	41.1%	42.0%	42.5%
Personnel expense	3,469	4,745	11,422	6,973	9,947	12,252	12,956	13,605
Other operating expense	3,663	7,310	17,749	6,274	7,935	9,109	11,978	13,509
Research and development cost	187	224	336	370	407	447	492	541
Charges for operation of the production facility	199	227	800	464	930	1,175	2,005	2,408
Office rental and maintenance	656	828	1,656	1,739	1,826	2,008	2,109	2,214
Marketing and public relations	418	654	981	928	1,860	2,350	4,010	4,815
Audit, legal and consulting	728	851	1,277	1,341	1,408	1,549	1,704	1,789
Other operating cost	514	610	1,365	1,433	1,505	1,580	1,659	1,742
Incidental consulting expense	961	1,236	-	-	-	-	-	-
Incidental cost other	-	2,680	11,334	-	-	-	-	-
Total operating expenses	7,132	12,055	29,171	13,247	17,882	21,362	24,935	27,114
Other operating income	1,711	726	440	-	-	-	-	-
EBITDA	(3,953)	(10,610)	(28,455)	4,891	18,718	26,988	59,315	75,261
% margin	(54.8%)	(132.7%)	(252.2%)	10.5%	20.1%	23.0%	29.6%	31.3%
Depreciation	1,199	1,244	3,248	6,671	6,671	7,296	7,787	5,656
Amortization	780	741	8,239	9,253	11,693	11,693	11,693	11,693
EBIT	(5,932)	(12,595)	(39,942)	(11,033)	355	8,000	39,835	57,912
% margin	(82.3%)	(157.5%)	(354.0%)	(23.8%)	0.4%	6.8%	19.9%	24.1%
Interest expense	597	3,661	6,227	7,721	9,961	9,961	9,561	7,961
EBT	(6,529)	(16,256)	(46,169)	(18,754)	(9,606)	(1,961)	30,275	49,952
% margin	(90.6%)	(203.3%)	(409.2%)	(40.4%)	(10.3%)	(1.7%)	15.1%	20.7%
Income Taxes	-	-	(3,852)	-	-	-	-	-
Net Income	(6,529)	(16,256)	(42,317)	(18,754)	(9,606)	(1,961)	30,275	49,952

Source: Research Dynamics

BALANCE SHEET

Figures in EUR '000	2014 A	2015 A	2016 A	2017 E	2018 E	2019 E	2020 E	2021 E
Cash	956	2,918	8,340	1,717	2,199	8,787	18,157	53,378
Trade accounts receivable	2,686	2,941	2,054	3,812	7,644	9,658	16,479	19,788
Other receivables	518	1,128	679	4,638	8,370	9,400	14,035	14,445
Inventories	1,565	2,354	3,445	9,275	18,600	23,500	40,100	48,150
Prepayments and accrued income	93	186	458	-	-	-	-	-
Current Assets	5,818	9,527	14,976	19,441	36,813	51,344	88,771	135,761
Financial assets	7,482	8,927	4,314	4,314	4,314	4,314	4,314	4,314
Fixed assets	3,882	6,736	28,341	26,670	19,999	17,704	24,916	23,260
Intangible assets	7,540	7,444	46,265	37,012	49,717	38,024	26,332	14,639
Non-Current Assets	18,904	23,107	78,920	67,996	74,031	60,042	55,562	42,213
Total Assets	24,722	32,634	93,896	87,437	110,843	111,386	144,333	177,974
Bank overdrafts	422	510	510	510	510	510	510	510
Short term portion of financial liabilities	1,363	579	579	-	-	-	-	-
Trade accounts payable	1,894	3,539	3,539	4,236	8,460	10,373	17,438	20,756
Other current payables	94	465	465	927	1,252	1,495	1,745	1,898
Accrued liabilities and deferred income	1,412	1,282	5,189	1,325	1,788	2,136	2,493	2,711
Current Liabilities	5,185	6,375	10,282	6,998	12,010	14,514	22,186	25,876
Financial liabilities	14,687	26,103	80,930	96,509	124,509	124,509	119,509	99,509
Provisions	83	-	-	-	-	-	-	-
Non-Current Liabilities	14,770	26,103	80,930	96,509	124,509	124,509	119,509	99,509
Share capital	49,726	55,276	74,500	74,500	74,500	74,500	74,500	74,500
Capital reserves	(19,167)	(13,733)	10,753	10,753	10,753	10,753	10,753	10,753
Cumulative translation adjustments	(123)	32	912	912	912	912	912	912
Accumulated losses	(25,669)	(41,419)	(83,481)	(102,235)	(111,841)	(113,802)	(83,527)	(33,576)
Shareholders' equity	4,767	156	2,684	(16,070)	(25,676)	(27,637)	2,638	52,589
Total Liabilities and Shareholders' equity	24,722	32,634	93,896	87,437	110,843	111,386	144,333	177,974

Source: Research Dynamics

CASH FLOW STATEMENT

Figures in EUR '000	2014 A	2015 A	2016 A	2017 E	2018 E	2019 E	2020 E	2021 E
Net Income	(6,529)	(16,256)	(42,317)	(18,754)	(9,606)	(1,961)	30,275	49,952
Depreciation, impairments and amortization	1,979	1,985	11,487	15,924	18,364	18,989	19,480	17,349
Change in provisions	-	(83)	-	-	-	-	-	-
Impairment receivables	-	-	-	-	-	-	-	-
Other positions with no impact on liquidity	(799)	846	4,843	-	-	-	-	-
Operating cash flow	(5,349)	(13,508)	(25,987)	(2,830)	8,758	17,028	49,755	67,301
Change in trade accounts receivable	(2,033)	(256)	887	(1,758)	(3,832)	(2,014)	(6,822)	(3,308)
Change in other receivables	41	(597)	449	(3,959)	(3,733)	(1,030)	(4,635)	(410)
Change in inventories	(193)	(722)	(1,091)	(5,830)	(9,325)	(4,900)	(16,600)	(8,050)
Change in prepayments and accrued income	289	(450)	(272)	458	-	-	-	-
Change in trade accounts payable	125	1,567	-	697	4,224	1,913	7,065	3,319
Change in other current payables	(46)	371	-	462	324	244	250	153
Paid income tax and received tax refunds (net)	118	118	-	-	-	-	-	-
Change in accrued liabilities and deferred income	1,159	(249)	3,907	(3,864)	464	348	357	218
Cash flow from operating activities	(5,889)	(13,726)	(22,107)	(16,623)	(3,120)	11,588	29,370	59,222
Purchase of fixed assets	(378)	(4,104)	(19,168)	(5,000)	-	(5,000)	(15,000)	(4,000)
Purchase of intangible assets	-	-	-	-	(24,398)	-	-	-
Sale of fixed assets	45	-	1,516	-	-	-	-	-
Payment for the acquisition of consolidated organisatic	-	-	(25,091)	-	-	-	-	-
Outflow from long term financial assets	(1,204)	(1,550)	(2,030)	-	-	-	-	-
Cash flow from investing activities	(1,537)	(5,654)	(44,773)	(5,000)	(24,398)	(5,000)	(15,000)	(4,000)
Inflow / (Outflow) from current financial liabilities third	15	85	(31,717)	-	-	-	-	-
Inflow / (Outflow) from shareholder loan	2,375	(2,824)	65,145	-	-	-	-	-
Inflow / (Outflow) from long-term financial liabilities	3,649	13,383	(3,754)	15,000	28,000	-	(5,000)	(20,000)
Inflow from capital increase	1,895	10,657	42,636	-	-	-	-	-
Cash flow from financing activities	7,934	21,301	72,310	15,000	28,000	-	(5,000)	(20,000)
Total Cash Flow	508	1,921	5,430	(6,623)	482	6,588	9,370	35,222
Add: Opening cash balance	443	956	2,918	8,340	1,717	2,199	8,787	18,157
Add: Currency translation impact	5	41	(8)	-	-	-	-	-
Closing cash balance	956	2,918	8,340	1,717	2,199	8,787	18,157	53,378

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