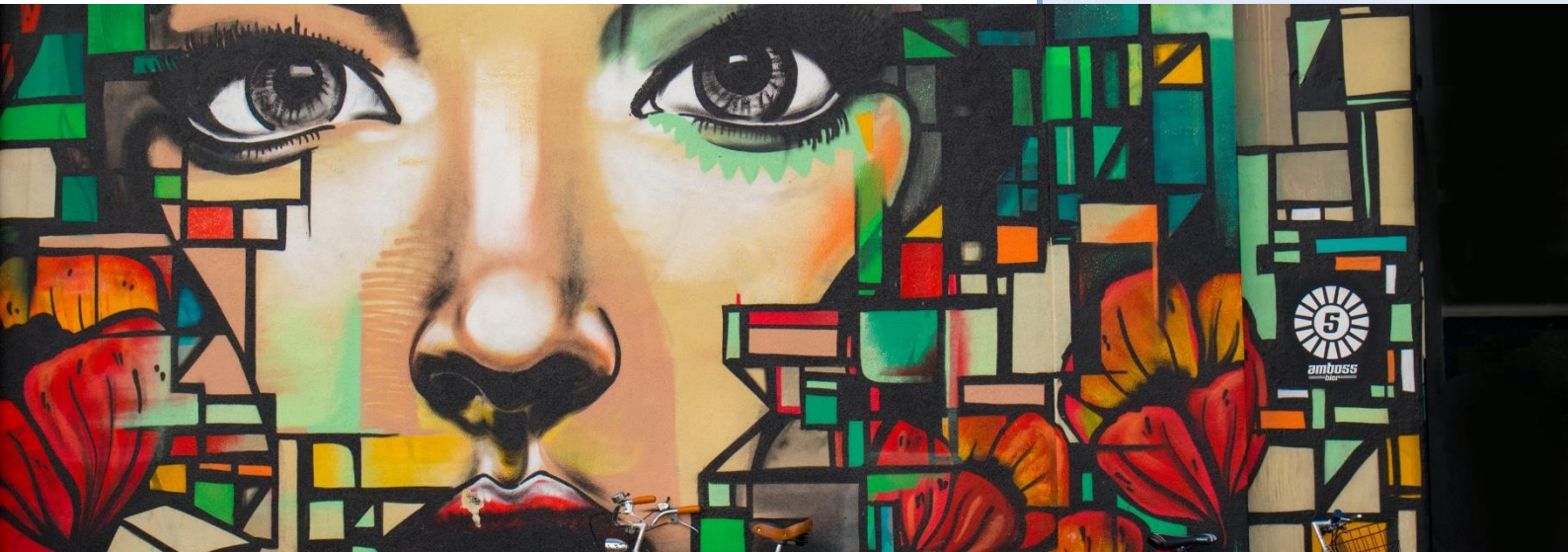


Talenthouse AG

Switzerland | Digital Media | MCap CHF 94.1m

17 May 2022

INITIATION



Consolidator of the creator economy; Initiate with BUY

What's it all about?

We initiate coverage of Talenthouse AG with a BUY recommendation and a PT of CHF 0.45 offering an upside potential of 116.3%. The company is in process to bring together a number of online platforms, connecting hundreds of prestigious brands with a global creative community of 14m members. In this creator economy, Talenthouse pursues a buy-and-build strategy that is likely to fuel above average growth in the years to come. Whilst AlsterResearch estimates only reflect the full consolidation of Coolabi, further M&A fueled growth could serve as an additional trigger to the share price. On top, positive network externalities will additionally help to significantly improve profitability with value on offer from 24E onwards, especially in comparison to a platform peer group. As the company builds a track record, this will allow to take a longer-term view and find CHF 0.59 value per share in the DCF.

BUY (INITIATION)

Target price	CHF 0.45 (n.a.)
Current price	CHF 0.21
Up/downside	116.3%



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Talenthouse AG

Switzerland | Digital Media | MCap CHF 94.1m | EV CHF 105.1m

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Consolidator of the creator economy; Initiate with BUY

Platform and content play. Talenthouse (THAG) is focused on the global creative community. The company was formed by a reverse IPO and is a combination of several online platforms, connecting hundreds of prestigious brands with a global creative community of 14m members. These creators provide stock and bespoke content, the latter following exclusive briefs published by brands on the platforms. Enterprise clients use the content for brand marketing, packaging, film costuming, artwork etc. THAG is also moving into content creation with the acquisition of Coolabi, a producer of TV series, apps and games for children.

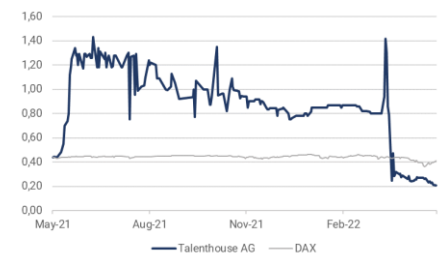
Organic growth and Buy-and-build. The creator economy is growing strongly, driven by increased digital spending and the disruption of the traditional media landscape and related work models. THAG is in a good position to participate in this growth organically, but also to supplement it with M&A. The business model of THAG follows a venture capital styled approach, taking advantage of a still fragmented market with a buy-and-build strategy. THAG also resembles a fast-moving start-up in the speed at which it complements its creator ecosystem with new products and features, e.g. by launching financial services tailored to creative clients.

Competitive and business quality. With 14m members on the platform and 50m assets in the catalogue, THAG has reached critical mass to benefit from positive network externalities. Especially for the platform business, size matters as a competitive defense and as an attraction to both sellers (creators) and buyers (usually corporate clients). Business and reporting quality cannot yet match competitive quality, as THAG only has a limited group financial history and still several legacy issues in connection with agreements related to past transactions.

Valuation. On estimates that incorporate organic growth from the current core business, external growth from the Coolabi transaction, and a moderate development of new business lines (probably well below its own expectations), THAG has value on offer from 24, especially in comparison to a platform peer group. With additional acquisitions in the pipeline, the equity story seems attractive for investors looking for risk-reward profile of a venture capitalist. As the company builds a track record, this will allow to take a longer-term view and find CHF 0.59 value per share in the DCF.

THAG in USDm	2019*	2020*	2021*	2022E	2023E	2024E
Sales	14.6	11.2	14.7	27.4	51.4	71.5
<i>Growth yoy</i>	na	-23.5%	31.9%	86.0%	87.9%	39.0%
EBITDA	-7.5	-17.3	-22.4	-1.1	6.9	17.9
EBIT	-7.5	-17.6	-22.7	-1.4	6.6	17.6
Net profit	-8.5	-19.0	-22.3	-10.1	0.1	10.6
Net debt (net cash)	0.0	-0.4	11.0	55.7	50.1	39.2
Net debt/EBITDA	-0.0x	0.0x	-0.5x	-50.9x	7.2x	2.2x
EPS reported	0.00	-0.04	-0.05	-0.02	0.00	0.02
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	54.5%	52.0%	53.7%	65.0%	70.0%	75.0%
EBITDA margin	-51.6%	-155.1%	-152.1%	-4.0%	13.5%	25.0%
EBIT margin	-51.6%	-157.8%	-154.2%	-5.1%	12.9%	24.6%
ROCE	na	-24.2%	-35.0%	-1.3%	7.3%	18.1%
EV/EBITDA	-12.5x	-5.4x	-4.7x	-136.8x	20.8x	7.5x
EV/EBIT	-12.5x	-5.3x	-4.6x	-107.4x	21.7x	7.6x
PER	-10.3x	-4.6x	-3.9x	-9.3x	795.8x	8.9x
FCF yield	-0.2%	-0.5%	-0.6%	-8.6%	6.0%	11.5%

Source: Company data, AlsterResearch; pro forma, incl. companies not owned until 2021



Source: Company data, AlsterResearch

High/low 52 weeks 1.50 / 0.20
Price/Book Ratio 1.7x

Ticker / Symbols

ISIN CH0010819867
WKN 552932
Bloomberg THAG:SW

Changes in estimates

		Sales	EBIT	EPS
2022E	old	27	-1,4	-0,02
	Δ	0,0%	na	na
2023E	old	51	6,6	0,00
	Δ	0,0%	0,0%	0,0%
2024E	old	71	17,6	0,02
	Δ	0,0%	0,0%	0,0%

Key share data

Number of shares: (in m pcs) 452.58
Book value per share: (in USD) 0.12
Ø trading volume: (12 months) 700,000

Major shareholders

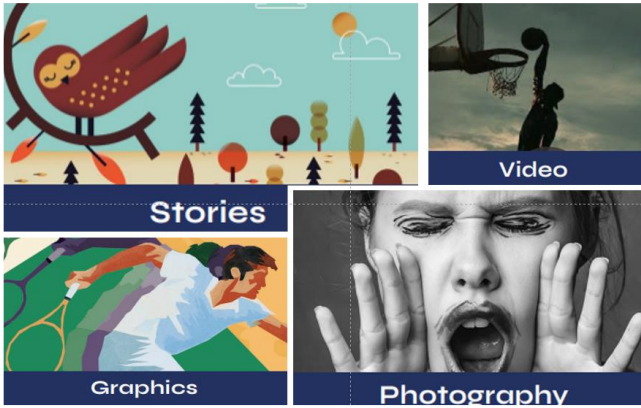
Rokon Beteiligungs GmbH 31.0%
Eaton Gate Capital 7.0%
Hollister Capital 7.0%
Free Float 40.0%

Company description

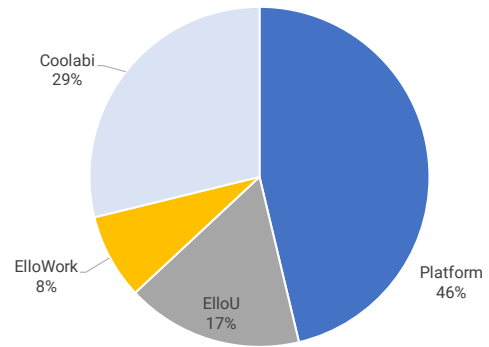
Talenthouse operates a platform that brings together the world's largest creative community of over 14m members with high profile customers around the globe to produce high quality digital marketing and entertainment content. Based on its proprietary "tech-stack" Talenthouse empowers its global creative community to produce and monetize digital marketing and entertainment content at scale.

Investment case in six charts

Products & Services

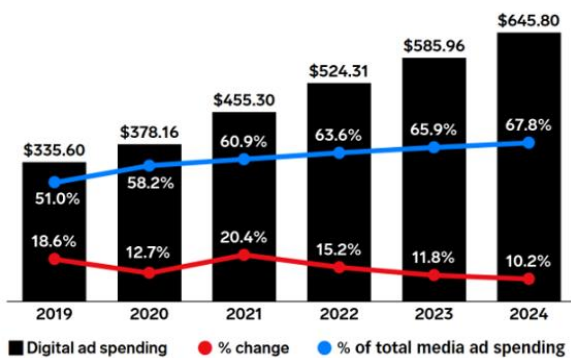


Sales by segment 2024E



Growing market space

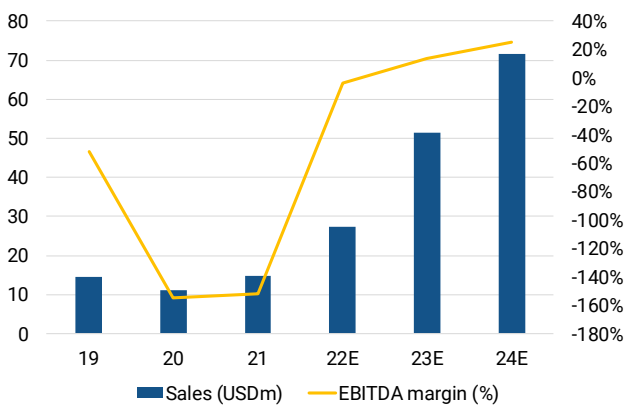
Digital Ad Spending Worldwide, 2019-2024
billions, % change, and % of total media ad spending



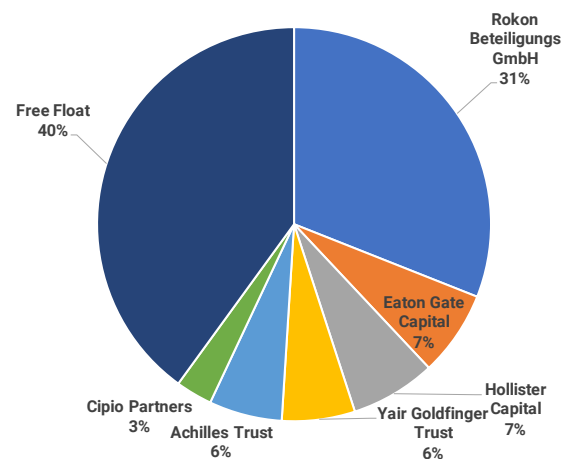
Blue-chip clients



Sales and EBITDA margin development



Major shareholder



Source : Company data; AlsterResearch

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Company background

Products & services

Talenthouse was founded in 2009 by Amos Pizzey, Roman Scharf and Maya Bogle. Roman and Maya remain actively involved in the business, Roman as the Chairman of the Board of Directors. Since its foundation, the company has grown strongly through acquisitions, organically and through product development. Headquartered in London, the company operates out of six offices globally (London, New York, Los Angeles, Berlin, Venice and Philadelphia) and employs over 160 people.

Talenthouse obtained a stock market listing in 2021 by a reverse-takeover of New Value AG, quoted on the SIX Swiss Exchange. The reverse takeover combined the creative community platforms Talenthouse, EyeEm, Ello, Zooppa and Jovoto. In addition, Talenthouse owns 33% of Quest (Coolabi), a creator and owner of series fiction for children, and a producer of television series, apps, and digital destinations for children. Talenthouse has an option to acquire the remaining shares of Quest.

With almost 50 million unique digital content pieces in its catalogue and more than 14 million community members in 195 countries, among them 3 million professional creatives, Talenthouse is one of the leaders in the digital creator market. Its clients are leading blue-chip brands, such as Coca Cola, Disney, Snap and Nike, from across a range of industries, such as financial, technology, consumer goods and automotive.

Talenthouse AG has built an ecosystem of platforms that connect brands and the creative community and provide related services. The following is an overview of activities:

Creators' platforms






Talenthouse, ello, Zooppa and Reality.House are the creators' platforms in the Talenthouse portfolio. They follow similar business models and, despite some overlap, have their emphasis on different segments of the creator economy: Talenthouse focuses on graphics and illustrations, ello on photographic images, Zooppa is strong in video, and Reality.House in augmented reality and motion graphics. Talenthouse as the flagship platform connects hundreds of blue-chip brands with a global creative community of 14 million members. The created content is used for brand marketing, packaging, film costuming, etc.

In the creators' platform business, there are **two models for the content creation**,

- 1) Firstly, there is **content creation using selected creatives**. In this model, the Talenthouse platform shortlists creatives with the right skills and experience to work on specific projects that are not open to the community at large (such as, for example, when it relates to a confidential new product launch).
- 2) The other option is **via briefs** that are open to all creatives. In this model, an invitation is sent to the entire Talenthouse community (or location specific, as needs demand) to upload content onto the platform in response to a well-defined brief. The design brief can include information about the brand identity, goals, design guidelines, creative inspirations, a moodboard, dos and don'ts and technical aspects like deadlines, remuneration etc. The brief is a powerful tool enabling brands to reach out to the 14 million community members and to receive large volumes of work, providing a high variety of localized, culturally relevant and authentic content for immediate global use. The following is a selection of current briefs on Talenthouse:

Content creation submissions

 <p>● Submission Open</p> <p>Create digitally illustrated poster artwork inspired by Downton Abbey: A New Era.</p> <p>See Brief</p>	 <p>● Submission Open</p> <p>Create digitally illustrated poster artwork inspired by The Northman</p> <p>See Brief</p>	 <p>● Submission Open</p> <p>Create a beautiful paper wrap design for Absolut Vodka</p> <p>See Brief</p>
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Source: [Talenthouse.com](https://www.talenthouse.com)

The company **monetizes** bespoke (i.e., created to order) content creation by charging its enterprise clients a **platform fee** to access its global community of creatives and a **management fee** to oversee the creation of bespoke digital content, such as video shoots. The creators of the artwork pay no fees and receive the full reward paid by the enterprise clients (between USD 500 and USD 8,000 for the briefs we checked).

In general, fees for content creation are **non-recurring** whereas platform and management fees are recurring by nature.

EyeEm by Talenthouse

EyeEm is a global marketplace for premium stock photography and professional photo and video productions. A community of worldwide creators can upload photos to the platform, which are automatically keyworded and presented for sale. Creators maintain control over their copyright and decide which types of license to offer. Content uploaded to EyeEm can also be shared with Getty Images, so creators get the widest possible audience. Monetization is via the sale of photo packs (at the time of writing, 5 photos starting at EUR 420) and annual subscriptions (starting at EUR 1,350 for 150 photos). Revenues are shared 50:50 between EyeEm and creators.

EyeEm is also offering full-service photo and video production.

Talenthouse Media FOUNDRY

The Media Foundry caters to the needs of entertainment creatives, mostly indie game developers. The company supports them in all steps of game production and distribution. Specifically, Media Foundry provides the **following services**:

- **Creative**, for example animation, sound / game / level design, concept and final art. These services can be provided by drawing on the Talenthouse community of 3 million creatives.

- **Tech**, for example engine selection, localization management and project management.
- **Commercial**, for example competitor analysis, IP management, music licensing, platform choice, release date planning, marketing and PR and resource and budget management



Untitled targets young creators who can choose to work on briefs from brands, celebrities and educators. The platform itself is not commercial, but a good recruiting ground for young creator talent and enterprise clients.



elloU is in the process of launching a neobank service for creatives. While this seems quite far removed from the core business of Talenthouse, there is logic behind the launch: Talenthouse every month pays thousands of creatives coming from almost 200 countries. The idea is grounded in the realization that services that provide international money transfers are expensive, unreliable or have a limited footprint. By partnering with local financial services companies, elloU will offer creatives a money transfer service that is without fees and with a low FX transaction rate for all money received from Talenthouse companies. Thus customer acquisition costs should be low or even zero for Talenthouse creatives. The service is based on an app and the account can be upgraded to include many neobank services, like debit cards and ATM withdrawals.

At the time of writing, the service was offered in 15 EU countries. The app was available in the Google Play Store and the Apple Appstore but had only few installs and reviews yet. However, the rollout has only just started, and the potential among Talenthouse creatives should be quite high.



jovoto is a platform where enterprise clients can launch co-creation and innovation projects, for example to develop ideas for new brands, products, packaging or communication concepts or gain insights from target groups. jovoto will then draw on a pool of more than 175,000 creative professionals, designers and subject matter experts to form a group that will have the right diversity and skills to work on the project and submit their ideas, which are then evaluated by jovoto and the enterprise client.



elloWorks is a platform that matches creative talent with work requests from brands. Creatives upload a work application and brands post work requests. After being matched, the creative starts working and later uploads the completed work, gets paid and rates the client experience.



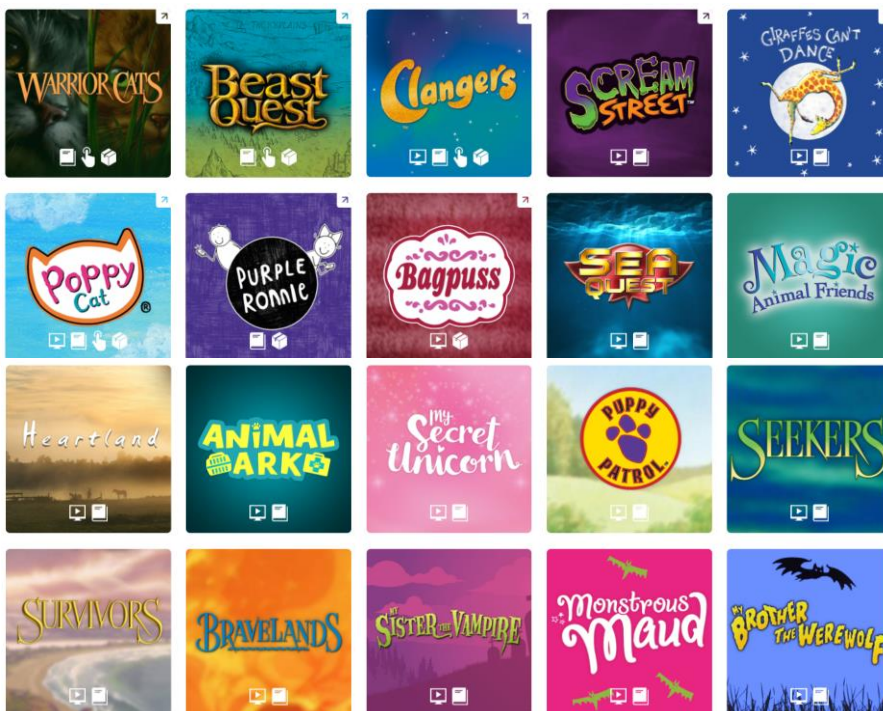
In 2021, Talenthouse acquired Quest, which owns 33% of Coolabi. Coolabi is a media group and the creator of series fiction for children, specializing in the creation, development and brand management of animated digital content and stories.

Some key fact about Coolabi:

- Coolabi has created c. 200 book series and c. 2,000 titles, with global lifetime sales exceeding 200m copies.
- Animated and live action TV shows developed and produced in house include Clangers, Scream Street and Poppy Cat.
- Digital content, for example featuring Warriors Cats, Beast Quest and Clangers, has been downloaded over 16m times as apps and is being viewed on YouTube over 40m times a month.
- Coolabi's books are licensed in over 40 languages, and apps and TV shows are licensed in over 140 countries.
- Coolabi in cooperation with Aldrich-Callen Studios developed the 3D role-play game Warrior Cats on Roblox. Launched in May 2021, it featured over 167m visits until April 2022, was a favourite for 760k players and got 209k thumbs up vs. 13k thumbs down. When the author logged into the game, there were c. 5,000 active players online.

The following shows the IP portfolio of Coolabi:




Extract of Coolabi's IP portfolio



Source: Coolabi.com

Considering the Venture Capital nature of Talenthouse rooted in a buy-and-build strategy in the creator's economy, more related platform and content businesses can be expected to join the portfolio soon.

Management

		
Clare McKeeve Director and CEO	Roman Scharf Chairman of the Board	Scott Lanphere Director & Chief of Corp. Development

Source: Company data; AlsterResearch

Clare has been a member of the board and manager within Talenhouse since 2019. Before joining Talenhouse, she held several senior positions in the private equity industry, for example as Chief Operating Officer of Macquarie Capital EMEA. Clare was also a founding member of multiple private equity companies. She holds a law degree from the University of Glasgow, a post graduate degree in business, accounting and finance from Strathclyde Business School, Glasgow. Clare is a fellow chartered accountant trained at KPMG.

Roman has been on the board of Talenhouse since 2021. He is a co-founder of Talenhouse and co-founder and partner of Vienna-based venture capital fund 3VC. Roman has successfully founded, scaled and exited several companies. Most notable, he is founder of the VoIP company Jajah which was sold to Telefonica (for USD 209m) and founder of Ecotech Software which was sold to Rockwool International SA.

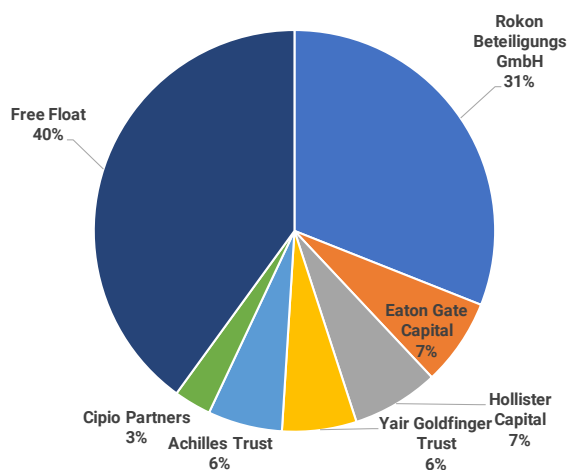
Scott has been on the board of Talenhouse since 2021 and was one of the architects creating Talenhouse. Formerly, he held several positions in the financial industry, among them as a partner for Deutsche Bank (Morgan Grenfell).

Talenhouse has 3 further non-executive members of the Board of Directors: Dr. Bernd Pfister (since 2012), Michael Wachslar (since 2021), and Peter Letter (since 2019).

Shareholders

The management of Talenhouse is deeply invested in the capital, thus aligning interests with outside shareholders. The largest shareholder is Rokon Beteiligungs- und Beratungs GmbH, an Austrian limited liability company controlled by Roman Scharf, Chairman of the Board of Directors. Eaton Gate Capital is the investment vehicle of Clare McKeeve (CEO) and Scott Lanphere (Director). Hollister Capital is co-owned by Steven Shepperd, a former board member of Talenhouse. Most major shareholders have lockup periods between 3 months and 12 months.

Major shareholder



Source: Company data; AlsterResearch

In total, Talenhouse has 421.6m shares outstanding at CHF 0.10 nominal each. We have reflected the above mentioned number of shares in our model and have additionally included 30.96m shares which are part of an employee stock option program (ESOP). Under the ESOP, key employees are entitled to buy additional shares at a fix price of CHF 0.10 per share. Hence, the fully diluted number of shares are 452.56m which will trigger a cash inflow of CHF 3.1m (also reflected in our estimates).

Quality

Customers

As a platform business, Talenhouse has two types of customers: the community of 14m members, thereof 3m creatives, on one side and more than 250 enterprise customers on the other. The creative community is truly global, with a significant presence in North America (33%) and Europe (32%), with the US, UK, Germany, and Italy the largest contributors. Furthermore, 20% reside in the Asian-Pacific region, 11% in Latin America, 3% in the Middle East, and 1% in Africa. The community is almost equally split male / female, with 63% being Gen-Z or millennials. Members usually have a university degree and roughly half are freelancing in different forms.

Revenues are generated with more than 250 enterprise customers. In the platform business, enterprise customers include clients who purchase content based on one job or assignment at a time, and those that buy bulk contracts for access to library content. For video production services, Talenhouse's customers include creative agencies without in-house staff in required locations. In the content business (Coolabi), customers are distributors, streaming platforms, publishers or TV stations who sign distribution agreements for branded content (books, TV series, etc.) and participation fees for use of branded content (digital games, for instance).

Across its business units, Talenhouse serves many blue-chip brands from diverse sectors:

Clients



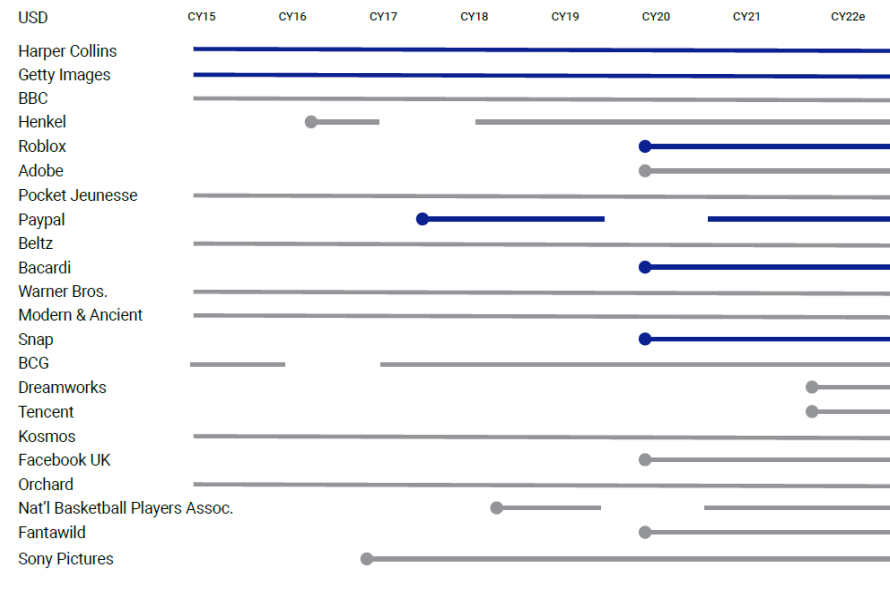
Source: Talenhouse listing prospectus

Overall, the customer base is rather fragmented: the largest customer contributes roughly 11% of sales and the top 20 customers account for roughly half of all sales.

In principle, customers could create their own content with in-house creative departments, and partly they do. However, the global footprint and diverse pool of talent of Talenhouse allows enterprise customers to connect with content producers in every regional market and receive bespoke, localized creative content that builds brand advocacy through authentic engagement with target audiences. This helps brands tackle the problem of an increasingly fragmented global environment suffering from media fatigue.

Generally, customers are not overly price sensitive as the services provided by the creatives on Talenthouse's platforms make up only a small fraction of their marketing budget but have a large relevance for the success of a campaign or a product launch. Thus enterprise customers are likely to stick with a platform that has produced good results in the past, even if switching generally is possible with limited costs. The next graph shows that Talenthouse has long-term relationships with many blue-chip key accounts:

Relations with blue-chip key accounts



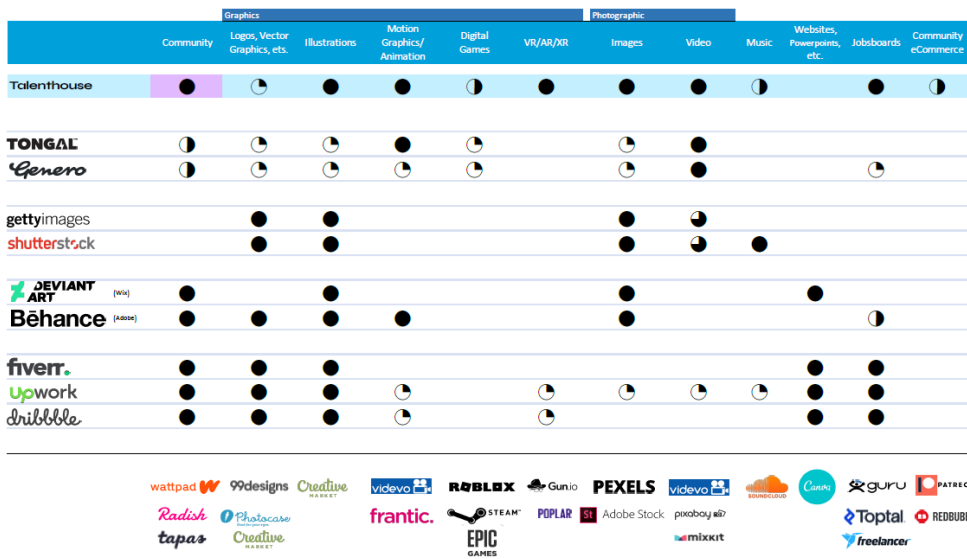
Source: Talenthouse

Competition

The platform business of connecting brands with creators is a two-sided market with positive cross-side network effects: brands benefit from a higher number of creators on the platform as it increases the diversity of the talent pool to work on the briefs. Creators benefit from more brands as the frequency and choice of briefs increases the chances of finding assignments that match the own interests, capabilities and resource availability. For the creators, there are also positive same-side network effects, as a growing community provides more opportunities for social interaction (but also more rivals on briefs). These positive network effects are self-reinforcing in a virtuous cycle.

The following chart shows the main competitors of Talenthouse in each category. It shows that Talenthouse has one of the most comprehensive offerings, covering almost all aspects of the creator economy:

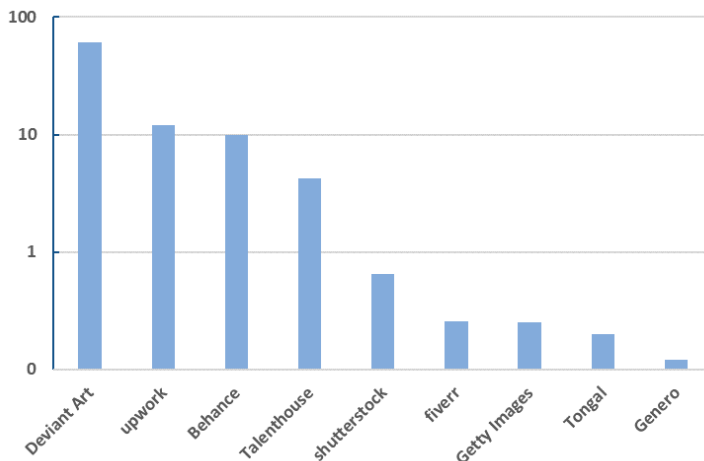
Main competitors per category



Source: Talenthouse

Especially for the platform business, the size of the platform matters as a competitive defense and as an attraction to both sellers (creators) and buyers (usually corporate clients). The following shows the number of creators on each platform, as reported by the companies themselves. Note that the definition of a creator may vary between platforms. For example, fiverr only reported active sellers, i.e. those that sold a gig over the last 12 months, and the latest available data was from 2019. For DeviantArt, only the number of registered users was available, so the number probably overstates actual contributors. For these reasons, the comparison should be taken with a grain of salt but still gives an idea of the dimension of the platforms:

Number of creators (million, log scale)

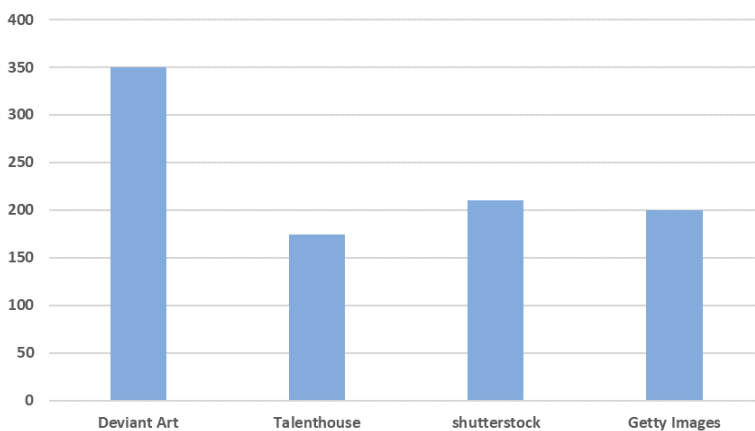


Sources: AlsterResearch, wikipedia, company websites

The chart shows that Talenhouse has reached a critical scale and is among the mid-sized platforms, clearly outperforming smaller platforms for bespoke content, like Tongal and Genero.

For stock content, the number of assets provides a useful metric to compare:

Number of Items in Catalogue (m)



Sources: wikipedia, company websites

Here, Talenhouse with almost 171m items is almost on the level of the market leaders Getty Images, shutterstock and DeviantArt (no data was available for Behance). The number of items includes non-commercial items, the number of commercial assets at Talenhouse stands at c. 50m. Any scale disadvantage at Talenhouse is compensated: creators can choose to automatically co-list their contributions also on Getty Images and shutterstock, so they get the exposure of multiple platforms (over 29% of Getty's original content is powered by EyeEm's photographic library images).

So Talenhouse is a well-positioned mid-sized competitor in each of its platform business lines. What sets the company apart from its competitors is the breadth of services the company is offering especially to the creative community. Not only is it a platform to offer stock content and to engage in briefs, but also an opportunity to network with other creatives, a freelancing platform (ElloWorks) and a financial services platform (ElloU). This growing ecosystem will increase the attractiveness to creatives and as a consequence also for enterprise customers in need of creative support.

Moreover, Talenhouse has proprietary technology built on AI that automatically categorizes assets, amplifies search capabilities to get more relevant results and helps curate content (including non-photography assets). The technology has the potential to be further developed to allow clients to search for similar assets in terms of conceptual styles or graphic features, to better understand complex elements of content, such as emotions, ideas, actions without being limited to a set number of keywords. Further it can be used to increase efficiency of workflows providing faster routes to content licensing and to curate packages for galleries and museums.

As an example, clients require a wide variety of high-quality, authentic, and relevant content that reflects their brand values and is suited to local markets or cultures. While community-generated content provides an ideal way of meeting this demand, it tends to be associated with high processing costs. Often the requirement to search through large libraries with low relevance and minimal search-word hit rates, provides inaccurate results in a non-personalized environment. However, using the proprietary personalized image search, customers can quickly find “on-brand”, unique and diverse content in an effective and efficient manner. This proprietary patented AI-based technology automatically curates high volumes of images, generating significant time and cost savings in processing, while hit rates increase with client usage.

This technology also includes tagging and captioning capabilities which enable the detection of abstracts (visual preferences), emotions and generic features (front view, demographic group etc.), as well as facial recognition and image theft checks.

Talenhouse catalogue



Source: AlsterResearch

The IP of Talenhouse is protected by **5 patents**:

- one patent covers **tagging, face recognition** and **image theft** checks,
- three patents cover quality and aesthetic scoring to **automatically reject low-quality or commercially hopeless content**
- one patent covers the personalized aesthetics search engine, which provides highly tailored content based on formulated input

Turning to Coolabi, the production, acquisition and distribution of children’s motion picture, TV and streaming content is highly competitive. Coolabi has a catalog of IP, the most successful being Warriors, Clangers, Beast Quest and Scream Street. Given that creating new content is expensive, Coolabi plans to exploit existing brand content across geographies and languages while expanding the brands across other channels such as digital games, video, books and licensing and merchandising. The successful monetization of new brands depends on the correct anticipation of trends and the correct choice of format.

In Coolabi’s main business area of children’s IP and distribution, key competitors are MoonBug, Disney, BoatRocker Media, and CocoMelon. In merchandising, Coolabi competes against Disney, Nickelodeon Studios and the Cartoon Network.

Suppliers

As an IT-based platform company, Talenthouse does not source any critical raw materials or components. However, Talenthouse needs highly-skilled personnel, including software engineers as well as creative, technical, managerial and sales personnel. There is intense competition for qualified personnel from numerous software, content creation and other technology companies.

With ambitious growth targets and a strategy that includes acquisitions, Talenthouse also requires significant financial means which cannot be generated internally. As the not yet fully executed takeover of Quest demonstrates, it can be a challenge to meet obligations relating to acquisitions. The stock market listing of Talenthouse will significantly facilitate the access to funding, as is also demonstrated in the arrangement with GEM: Talenthouse may draw down up to CHF 200m over 3 years and can pay back in shares.

SWOT analysis

Strengths

- unique VC styled and creator-centric approach to building the business
- footholds in all major categories of the enterprise-facing creator economy
- large, loyal and growing community of creators and blue-chip enterprise client base
- quality, relevance and breadth of content
- fast-moving and innovative in building a creator ecosystem
- proprietary technology for the curation and search of assets
- valuable portfolio of branded children's content (Coolabi)

Weaknesses

- limited integration of different platforms and services
- small share of recurring revenues
- high intensity buy-and-build strategy could stretch management capacity thin and obscure underlying financial performance
- limited and complex group financial history
- high R&D expenses needed to keep platforms state-of-the-art
- high level of debt related to Coolabi acquisition
- potential dilution through ESOP (up to 16% @ exercise price CHF 0,10) and GEM facility

Opportunities

- strong growth of addressable market
- fragmented market provides external growth opportunities
- no dominant C2B creators' platform yet
- financial services ElloU offers large upside (but needs proof of concept)

Threats

- big tech (e.g. Alphabet, Apple, Meta) entering the market
- disintermediation (creatives working directly with brands)
- regulatory clampdown against the gig economy and freelancing
- legal and financial risks in connection with multiple agreements related to corporate transactions (see listing prospectus)

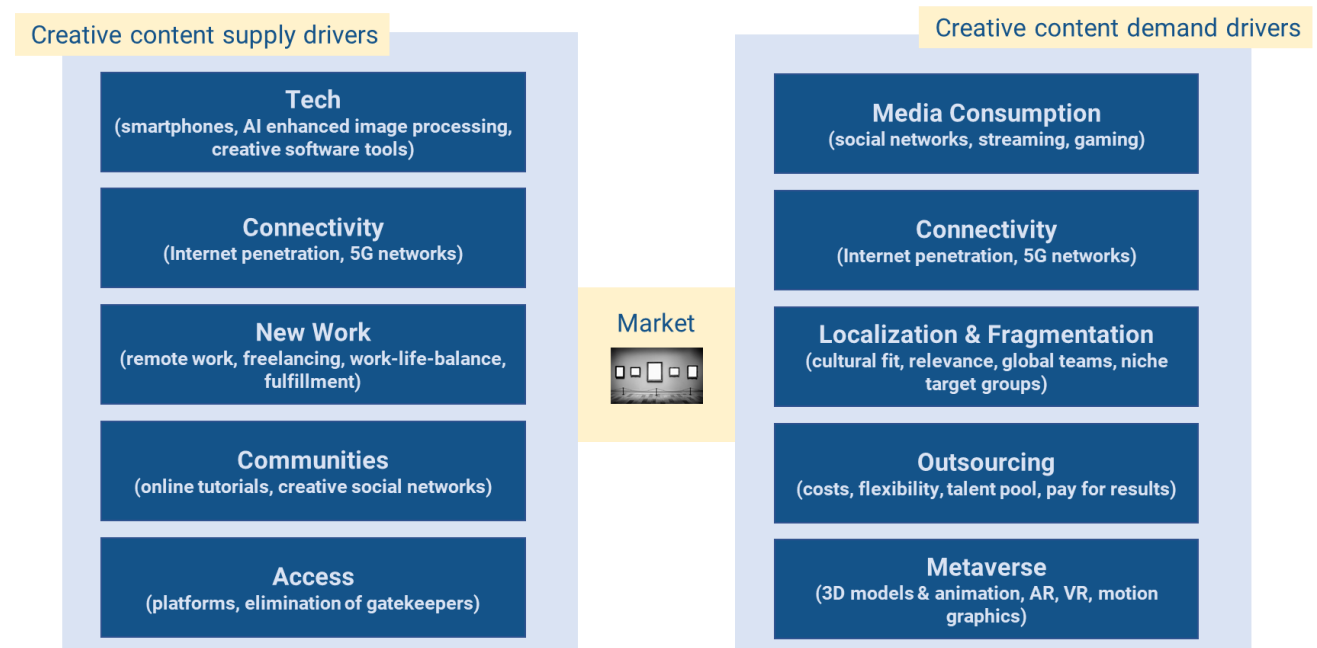
Growth

Talenthouse is part of the creator economy, i.e. the ecosystem of software and finance tools that helps over 50 million independent content creators, curators, and community builders to advertise and monetize their work. The better-known segment of this market is what can be described as C2C, i.e. creators providing their content directly to the consumer and monetize it via advertising revenue, sponsoring, product placement, tipping, paid subscriptions, merchandising etc. The main platforms for this type of monetization are YouTube, Instagram, Snapchat, Twitch, TikTok, Substack, Patreon, and OnlyFans.

Talenthouse is active in a segment of the creator economy that can be described as C2B or CaaS, i.e. creators providing content to enterprise clients. While many creators may have the requisite talent, expertise, and local culture sensitivity to provide relevant high-quality work, they often lack the business resources to promote and monetize it and protect it with IP.

On the other hand, enterprise clients, mostly brands, may have resources but lack the human capital and outreach capability that creators have. This presents an opportunity for companies to connect creators with brands. Moreover, software technology developments allow companies to efficiently manage and promote creator-customer relationships. Considering this, the growth of the creator economy is driven by both sides: an increase in the demand coinciding with an increase in the supply of digital creative content.

Supply and demand drivers for creative content



Source: AlsterResearch

1. Increasing supply of creative digital content

Under the traditional creative model, content was expensive for an individual to produce and promote. There were no iPhones to film videos or take digital photos; expensive, high-end production equipment was inaccessible to everyday individuals. Creating content required specialized knowledge and expertise; there were no creators online sharing tutorials on the fly. Most importantly, even the best content would not see the light of day without “receiving approval” from industry gatekeepers; there was no way for an individual to reach a large audience through their own efforts.

The surge of the internet, smartphone penetration and technological advances in digital photography and video have removed many barriers for creators of digital content. For example in photography and digital video, social media and smart phones with AI enhanced image processing capabilities have revolutionized the market, allowing users to quickly produce high-quality images or videos and share them instantly via 5G networks or Wi-Fi. This has led to a surge in the number of creators, which is likely to further rise with increasing adoption for example in China, India, and Indonesia.

The emergence of platforms like Talenhouse has democratized the tools of the trade and removed the traditional gatekeepers, making room for innovative, nimbler, creator-centric business models and opening up the market to a much wider pool of creative talent.

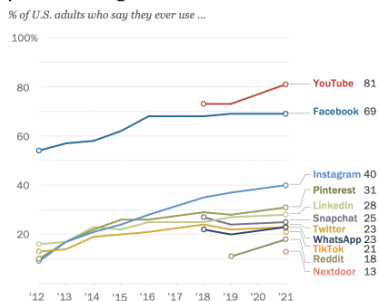
Finally, software developments and remote working have created new freelancing and outsourcing models and marketplaces, enabled remote work and connected markets that were previously blocked by geographic barriers. Creative talent from emerging markets with increasing internet penetration now has access to demand from high-income countries.

2. Increasing demand for creative digital content

Media consumption has changed drastically over the last years. While 10 years ago, less than 20% of U.S. adults used Instagram, Pinterest, or LinkedIn, that share has doubled now. More than 80% of U.S. adults use YouTube, and of these more than half visit the site at least once a day. In 2015, children consumed 44% of content online. This rate has risen to 80% currently.

Social media usage in the USA

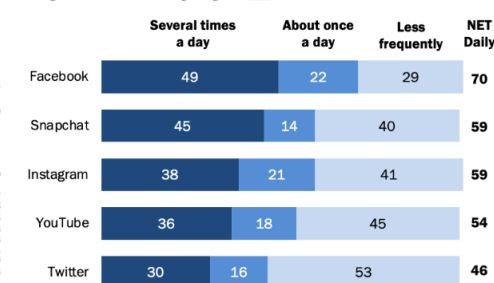
Growing share of Americans say they use YouTube; Facebook remains one of the most widely used online platforms among U.S. adults



Note: Respondents who did not give an answer are not shown. Pre-2018 telephone poll data is not available for YouTube, Snapchat and WhatsApp; pre-2019 telephone poll data is not available for Reddit; Pre-2021 telephone poll data is not available for TikTok. Trend data is not available for Nextdoor.
Source: Survey of U.S. adults conducted Jan. 25-Feb. 8, 2021.
“Social Media Use in 2021”
PEW RESEARCH CENTER

Seven-in-ten Facebook users say they visit site daily

Among U.S. adults who say they use ____, % who use that site ...



Note: Respondents who did not give an answer are not shown. “Less frequently” category includes users who visit these sites a few times a week, every few weeks or less often.
Source: Survey of U.S. adults conducted Jan. 25-Feb. 8, 2021.
“Social Media Use in 2021”
PEW RESEARCH CENTER

Source: PEW Research Center

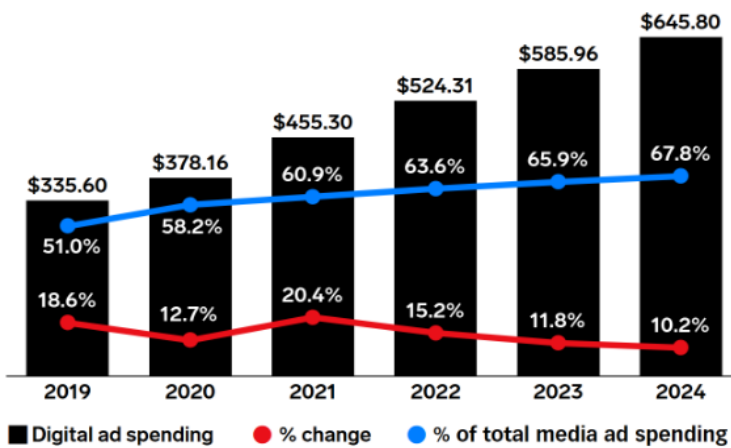
The shift in consumption of media content is striking. Traditional TV, newspapers, and radio have been losing their audiences. In 2021, 1.1 billion cinema tickets were sold, but there were 2.7 billion gamers and 1.5 billion video streamers.

New media platforms are important channels for accessing niche groups with highly targeted content, which drives outsize retention as compared to the catch-all traditional media. Adding to this highly targeted content the ability to pay creatives as a part of the communities they serve, plus the benefit of recruiting a much broader cohort of creatives than traditional media can enfranchise, results in a compounding effect of user retention and loyalty, and additional demand for the creator community.

This shift in consumption is driving the exponential growth of the digital advertising sector, as companies expand their advertising in social media and digital video. As the internet-connected population and the digital economy continue to grow, companies are expected to increase their competition for digital advertising space, continue shifting their budgets from the traditional to the digital advertising sector, and focusing on the right message and content, and less on the concept. Further outsourcing of content creation is expected. In 2021, the digital advertising market is estimated to have reached USD 465bn in 2021, growing to USD 683bn by 2026 at a CAGR of 8% (source: statista Digital Advertising Report 2021). In the medium term until 2024, growth rates are expected to be even higher:

Digital ad spending worldwide

Digital Ad Spending Worldwide, 2019-2024
billions, % change, and % of total media ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS, and P2P messaging-based advertising
Source: eMarketer, March 2021

The growth rate for outsourced production will even surpass those rates, as global companies are constantly looking for creators that are sensitive to the local culture and audiences. Moreover, companies are increasingly outsourcing creative content to drive efficiency and speed when responding to changing marketing needs. By decreasing the content creation time, companies ensure that the produced content remains relevant.

And finally, the emerging Metaverse is a brand-new playing field and demand driver for creative work in the form of 3D models, 3D animation and motion graphics. Talenthouse is an early mover in this exponentially growing segment of the market with the specialized platform Reality.House.

3. Putting it all together

There are only few reliable and current statistics regarding the size and growth of the creator economy. The current (2021) size of the market is believed to be between “more than USD 20bn” (Reza Izad on Bloomberg) and “at least USD 104.2bn” (The Creator Economy 2021 Report). Given a lack of a common understanding of the delimitation and size of the market, estimates regarding the growth rates are prone to be even more unreliable. Some experts expect it to grow to the size of the gig economy (more than USD 1,000bn), however without being specific about the time frame.

Lacking reliable estimates for market growth, a good starting point is the growth rate of the digital advertising market at low double digits over the next years. The growth rate of the addressable market for Talenthouse is likely to be higher, as value is shifting from captive corporate creation into outsourced work. While difficult to quantify, we believe that the **addressable market for Talenthouse is growing in excess of 20% p.a., and that Talenthouse can gain some market share** with its creator-centric model. So as an organic growth rate for the current core business, we assume around 30% going forward.

Adding to this are **strategic initiatives** that did not contribute to sales in 2021 but should start doing so in 2022:

- **EloU, vertical banking:** Talenthouse sees significant commercial potential in this initiative, with more than 3m addressable clients and very low customer acquisition costs. Annual ARPU for Neobanks are between USD 10 and 200, depending on the scope of services provided. So potentially, this business could in the medium to long term add double-digit million Euro to the top line. With the soft launch only recently, it is too early to make robust estimations on the growth trajectory. We assume that the launch is successful and Talenthouse can convert c. 10% of its creatives by 2024, with an ARPU of USD 40, thus reaching revenues of USD 12m.
- **EloWorks, jobs board:** The platform to connect Talenthouse’s creative community members with jobs and projects being offered by enterprise clients is still in beta mode. It is a gig economy freelancing platform similar to, for example, Fiverr (2021 revenues USD 298m) and Upwork (USD 503m), but more specialized for a sharper defined set of buyers and sellers. Given the startup nature and narrower focus, we believe that in 2024 Talenthouse can achieve a scale of c. 2% of the size of Fiverr today.
- **As a wild card, Metaverse activities:** Talenthouse has real estate in the metaverse (Sandbox) and is in the process of developing NFT programs. The company plans to launch at least one metaverse to support creative content galleries and to support e-commerce opportunities for the Talenthouse community, as well as to provide a secure method to lock-down creative digital assets. These activities are not included in revenue projections.
- The final contribution to top line growth comes from the **full acquisition of Coolabi**. The growth potential of Coolabi mostly comes from the additional monetization opportunities of the popular Clangers (e.g., launched in China in 2021) and the Warriors (e.g. introduction of a popular Roblox game, steeply increasing merchandising and licensing revenue).

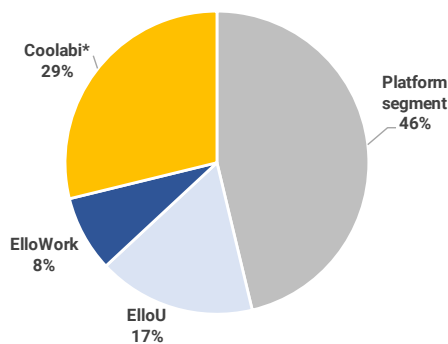
Further M&A activities are likely to contribute to the top line, but are not included in estimates. The following table displays our growth expectations for the individual segments.

Sales in USDm	2019	2020	2021	2022E	2023E	2024E
Platform segment	14,6	11,2	14,7	19,9	25,8	33,1
yoy growth in %		-23%	32%	35%	30%	28%
ElloU	0	0	0	0,3	6,5	12,0
yoy growth in %		na	na	na	2067%	85%
ElloWork	0	0	0	0,8	2,4	5,8
yoy growth in %		na	na	na	200%	142%
Total sales	14,6	11,2	14,7	21,0	34,7	50,9
yoy growth in %		-23%	32%	42%	66%	46%
Coolabi*	8,7	9,5	10,8	12,8	16,7	20,6
yoy growth in %		9%	14%	19%	30%	23%
Total sales pro forma	14,6	11,2	14,7	27,4	51,4	71,5
yoy growth in %		-23%	32%	86%	88%	39%

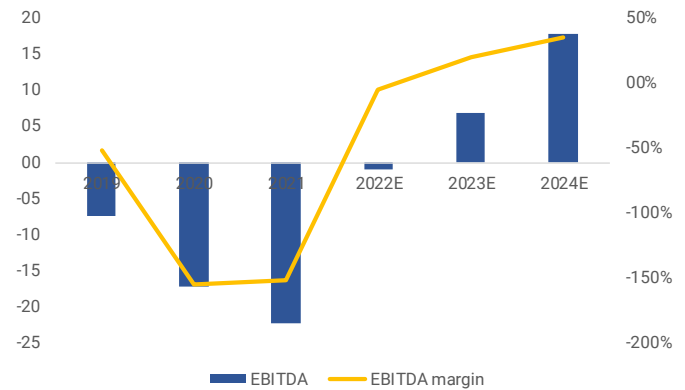
Source: Company data, AlsterResearch, * Coolabi consolidated as of July 2022

BY 2024E, according to our forecasts, Coolabi will represent c. 30% of total sales, whereas the legacy platform segment will account for just under half of total revenues. ElliWorks and ElloU will account for 8% and 17% respectively.

Share of sales by segment in % - 2024E



EBITDA in EURm (ls); EBITDA margin in % (rs)



Source: Company data; AlsterResearch

To sum it all up, Talenthouse is set to engage into a vivid growth trajectory with CAGR 2021-2024E growth of nearly 70%. Also, EBITDA margins are forecasted to increase to 25% - similar to other content / platform companies.

Growth table (USDm)	2019	2020	2021	2022E	2023E	2024E
Sales	14.6	11.2	14.7	27.4	51.4	71.5
Sales growth	na	-23.5%	31.9%	86.0%	87.9%	39.0%
EBITDA	-7.5	-17.3	-22.4	-1.1	6.9	17.9
EBITDA margin	-51.6%	-155.1%	-152.1%	-4.0%	13.5%	25.0%
EBIT	-7.5	-17.6	-22.7	-1.4	6.6	17.6
EBIT margin	-51.6%	-157.8%	-154.2%	-5.1%	12.9%	24.6%
Net profit	-8.5	-19.0	-22.3	-10.1	0.1	10.6

Source: Company data; AlsterResearch

Theme

With the release of its Q1 2022 results, Talenhouse, for the first time since its stock listing on the Swiss Stock Exchange "SIX", gave an insight into its operating performance. The main highlights on the operating side have been:

1. 45 custom productions on behalf of clients completed
2. Over 1,900 assets produced, including videos, custom photo shoots and interactive comics for Snapchat
3. Nearly 3m assets launched
4. Increased headcount by 16%

During the reporting period, Talenhouse secured key clients who have confirmed an ongoing partnership with the company for 2022. Notable are the signing of **Snap**, which will double its revenue with Talenhouse in Q2, and the first transactions for **Media Foundry**, including **Snowcastle** and **Directive Games**. In total, these transactions are expected to result in at least USD 0.5m in additional revenue in Q2 – according to the press release of Talenhouse. Existing partners extended their relationships with the company into 2022, including **Warner Media** (now including Warner Games), **Activision** (focused on Call of Duty), **Henkel**, **BCG** and **EY**. These extensions underpin the visibility of future revenues and enable the Company to further optimize its operational and financial structures.

Talking about financials, Talenhouse continued on its growth trajectory. Q1 2022 pro forma sales increased more than 3-fold – from USD 1.5m in Q1 2021 to c. USD 4.9m in the last three months. These revenues include the pro forma consolidation of Coolabi as if it was 100% owned in Q1 2022; Talenhouse currently owns "only" 33% but intends to complete the full acquisition in the course of Q2 2022.

Content Monetization accounted for 53% of reported revenue, with Content Creation accounting for the remainder (47%). This split reflects a shift in first quarter growth from Content Monetization to Content Creation, notwithstanding the impact of seasonal licensing revenue. Community Empowerment is under development, but the development of ElloU, Elloworks, and Media Foundry should result in this area contributing to revenue before the end of 2022, which will have a positive impact on earnings given the relatively low launch costs.

The pro forma gross profit also increased 3-fold and amounted to USD 3.1m after the first three months of 2022 (Q1 2021: USD 1.0m).





On a more cautionary note the auditors of Talenhouse AG, BDO AG, Zurich, have informed the Board of Directors that they will no longer stand for election at the 2022 Annual General Meeting. Due to the decision of the Board of Directors to extend the financial year of Talenhouse AG until December 31, 2022 (see press release dated March 31, 2022), BDO AG has decided to resign its mandate.

Valuation

In order to derive at a fair value for Talenhouse, we have conducted several valuation approaches. These are

1. **DCF Model**
2. **Adj. FCF yield**
3. **Peer group analysis for both content and platform businesses**

The following table summarizes the potential range of fair values for Talenhouse, using the different valuation approaches. Please note that all valuation methods are based in USD values. **The table below already shows fair values converted in CHF.**

Valuation overview - in CHF		Fair Value
Peer Group platform business EV/EBITDA 24E		0.43
Peer Group content business EV/EBITDA 24E		0.28
Average	X	0.45
adj. FCF yield 2025E -2026E		0.43-0.52
DCF		0.59
0,20 0,25 0,30 0,35 0,40 0,45 0,50 0,55 0,60 0,65 0,70 0,75 0,80		

Source: AlsterResearch estimates; Current USD/CHF fx-rate: 1.00

In theory, for the calculation of the fair value of Talenhouse we see a DCF derived price target as the most accurate valuation technique as it best reflects the long term growth trajectory of the company. Also, it allows to incorporate the full earnings potential of the company, once the buy-and-built strategy has been completed and results are no longer distorted by one-off effects. However, in order to account for the current trading environment – mainly the multiple compression of growth stocks – we are opting for a blended price target, including our peer group analysis and our adj. FCF yield computation.

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between USD 0.43 per share based on 2024E and USD 0.67 per share on 2026E estimates. **We value Talenthouse AG on 2024 estimates**, which best supports our blended fair value calculations.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in USDm	2022E	2023E	2024E	2025E	2026E
EBITDA	-1.1	6.9	17.9	23.2	27.9
- Maintenance capex	0.3	0.3	0.3	0.3	0.3
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	0.0	0.0	1.2	4.8	6.1
= Adjusted FCF	-1.4	6.6	16.4	18.1	21.5
Actual Market Cap	94.1	94.1	94.1	94.1	94.1
+ Net debt (cash)	55.7	50.1	39.2	21.7	1.6
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.0	0.0	0.0	0.0	0.0
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	55.7	50.1	39.2	21.7	1.6
= Actual EV'	149.8	144.2	133.4	115.9	95.7
Adjusted FCF yield	na	4.6%	12.3%	15.6%	22.4%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	na	94.9	234.1	259.0	306.8
- <i>EV Reconciliations</i>	55.7	50.1	39.2	21.7	1.6
Fair Market Cap	na	44.8	194.9	237.3	305.2
No. of shares (million)	452.6	452.6	452.6	452.6	452.6
Fair value per share in USD	na	0.10	0.43	0.52	0.67
Premium (-) / discount (+)	-180.3%	-52.4%	107.1%	152.1%	224.2%

Sensitivity analysis FV

	5.0%	-0.2	0.2	0.6	0.8	0.9
Adjusted hurdle rate	6.0%	-0.2	0.1	0.5	0.6	0.8
	7.0%	-0.2	0.1	0.4	0.5	0.7
	8.0%	-0.2	0.1	0.4	0.5	0.6
	9.0%	-0.2	0.1	0.3	0.4	0.5

Source: Company data; AlsterResearch

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Peer Group

A peer group has been conducted consisting primarily of other more or less comparable platform companies. However, there are considerable differences between the companies in terms of geographic orientation, focus, size, profitability and/or growth prospects. Therefore, we consider our peer group only as a "proxy" to determine a fair valuation of Talenhouse.

In order to get some more granularity into our peer group valuation, we have opted for two different peer groups:

1. Content businesses
2. Platform businesses

The following tables gives an overview of Talenhouse's peer groups:

Peer group - content business

Company name	Market data													
	Sales		ROCE		% of			EBITDA Margin			EBIT margin			Sales CAGR
	2021	2021	Share price	52 wk high	Market Cap	EV	2022	2023	2024	2022	2023	2024	2021-2024	
Tinybuild Inc	44	18,2%	2,09	-37%	422	376	38,5%	40,3%	40,3%	34,9%	36,9%	36,6%	20,0%	
Chicken Soup for The Soul Entrtr	93	-21,9%	5,26	-89%	78	122	20,3%	21,6%	21,3%	-21,3%	-13,8%	-14,5%	32,5%	
Boat Rocker Media Inc	392	2,6%	2,24	-67%	73	192	7,4%	8,8%	10,4%	4,7%	6,1%	6,4%	3,6%	
Storytel AB (publ)	271	-23,7%	6,32	-73%	432	324	-2,0%	4,0%	4,5%	-6,9%	-3,8%	-1,0%	17,4%	
WildBrain Ltd	296	9,4%	2,02	-35%	636	1.213	18,4%	19,1%	22,2%	20,6%	20,0%	20,0%	17,0%	
Shutterstock Inc	654	27,9%	60,68	-51%	2.199	1.951	25,6%	26,4%	28,4%	22,0%	23,1%	19,6%	13,6%	
Median		6,0%			427	350	19,3%	20,4%	21,8%	12,6%	13,0%	13,0%	17,2%	
Mean		2,1%			640	696	18,0%	20,0%	21,2%	9,0%	11,4%	11,2%	17,3%	
Talenhouse AG	15	-33,0%	0,21	-86%	96	152	-4,0%	13,5%	25,0%	-5,1%	12,9%	24,6%	69,3%	

Source: FactSet estimates

Company name	EV/Sales			EV/EBITDA			EV/EBIT			P/E Ratio		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Tinybuild Inc	6,0x	5,5x	4,9x	15,6x	13,7x	12,2x	17,2x	15,0x	13,4x	24,1x	22,1x	7,1x
Chicken Soup for The Soul Entrtr	0,9x	0,7x	0,6x	4,3x	3,2x	2,6x	-4,1x	-4,9x	-3,9x	-2,2x	-3,2x	3,8x
Boat Rocker Media Inc	0,4x	0,4x	0,4x	5,9x	4,7x	4,2x	9,4x	6,7x	6,8x	27,9x	10,0x	7,2x
Storytel AB (publ)	1,0x	0,9x	0,7x	-50,1x	21,6x	16,5x	-14,4x	-22,7x	-71,4x	-13,9x	-34,8x	-49,4x
WildBrain Ltd	3,2x	2,9x	2,6x	17,7x	15,3x	11,5x	15,7x	14,7x	12,8x	64,5x	17,4x	11,3x
Shutterstock Inc	2,4x	2,2x	2,0x	9,4x	8,4x	7,2x	10,9x	9,7x	10,4x	17,4x	15,6x	13,3x
Median	1,7x	1,5x	1,4x	7,7x	11,1x	9,3x	10,2x	8,2x	8,6x	20,7x	12,8x	7,1x
Mean	2,3x	2,1x	1,9x	0,5x	11,2x	9,0x	5,8x	3,1x	-5,3x	19,6x	4,5x	-1,1x
Talenhouse AG	5,5x	2,8x	1,9x	na	21,0x	7,6x	na	22,0x	7,7x	na	811,1x	9,1x

Source: FactSet estimates

Talenhouse AG	Sales			EBITDA			EBIT			EPS		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Financial data (eAR)	27	51	71	-1	7	18	-1	7	18	-0,02	0,00	0,02
Fair multiple	1,7x	1,5x	1,4x	7,7x	11,1x	9,3x	10,2x	8,2x	8,6x	20,7x	12,8x	7,1x
Fair EV	47	80	99	-8	77	167	-14	54	151			
Net debt (cash)	56	56	39	56	56	39	56	56	39			
Pension provisions	0	0	0	0	0	0	0	0	0			
Fair equity value	-9	24	60	-64	21	128	-70	-1	112			
Number of shares	452,6	452,6	452,6	452,6	452,6	452,6	452,6	452,6	452,6			
Fair value per share	na	0,05	0,13	na	0,05	0,28	na	0,00	0,25	na	0,00	0,17

Source: FactSet estimates

Peer description – content business

tinyBuild, Inc. is a video games publisher and developer. The Company's portfolio of games includes approximately 40 titles and its games pipeline includes 23 titles. It secures access to Internet protocol (IP) and partners with developers to establish a platform on which to build multi-game and multimedia franchises. Its games include Hello Engineer, Hello Puppets!, Startup Panic, Despot's Game, Happy's Humble Burger Farm, Expedition Zero, Pigeon Simulator, Trash Sailors, Cartel Tycoon and Not For Broadcast.

Chicken Soup for the Soul Entertainment Inc. is a streaming video-on-demand (VOD) company. The Company operates Crackle Plus, a portfolio of ad-supported VOD streaming services and free ad-supported television linear channels (FAST), as well as Screen Media, Halcyon Television, the Chicken Soup for the Soul Television Group, and various affiliates, collectively enable it to acquire, produce, co-produce and distribute content, including its original and exclusive content. Crackle Plus is comprised of curated streaming services, each delivers contents focused on specific themes, such as drama, comedy, horror, paranormal, documentaries and sports. Through its Chicken Soup for the Soul streaming service, it offers lifestyle, family and kid's content. Its Crackle Plus portfolio of streaming services includes Crackle, Chicken Soup for the Soul, Popcornflix, Popcornflix Kids, Truli, Espanoflix and FrightPix. It distributes content in approximately 56 countries and territories worldwide.

Boat Rocker Media Inc. is a Canada-based entertainment company. The Company creates and produces television and film content across genres, distributes content worldwide and represents on-screen talent and celebrities. Its segments include Television, Kids and Family, and Representation. Television includes live action scripted and unscripted content production and owned intellectual property distribution. Kids and Family includes kids and family live action scripted and unscripted content, all animated content, owned intellectual property distribution, and brand and merchandising. Representations includes brand and management services to talent and intellectual property representation and distribution services to third-party intellectual property owners. The Company, independently and in partnership with creators, writers, producers and global buyers, creates and develops the underlying creative materials, based on existing and original intellectual property.

Storytel publ AB, formerly Massolit Media publ AB, is a Sweden-based holding company whose management is mainly dealing with business development and finance. Massolit Forlag AB is a wholly owned subsidiary of the Company that publishes children's books and adult literature in current and future format, and mainly sells authorship fiction and non-health/personal development. With Massolit Interactive Studio (ub) the Company will launch a program for digital publishing (applications for smart phones and tablets) at the side of electronic books and MP3 audio books that are already given out through Elib, Storytel and iTunes, among others. The applications are primarily sold through the Apple Appstore and Google Play. The Company operates as a wholly owned subsidiary of Massolit Media AB.

WildBrain Ltd. is a Canada-based independent kids and entertainment company. The Company develops, produces and distributes films and television programs for domestic and international markets; licenses its brands in the domestic and international markets; broadcasts films and television programs in the domestic market; sells advertising on various ad-supported video-on-demand platforms, and manages copyrights, licensing and brands for third parties. Its television programs include Caillou, Chip and Potato, Degraffi, Inspector Gadget, Johnny Test, Peanuts, Strawberry Shortcake, Teletubbies and Yo Gabba Gabba!. Through its agency, WildBrain CPLG, it also licenses consumer products and location-based entertainment in every major territory for its own properties as well as for its clients and content partners. Its television group owns and operates four family entertainment channels that are viewed in Canada.

Shutterstock, Inc. is a provider of global creative platform that offers full-service solutions, content, and tools for brands, businesses, and media companies. The Company's content is distributed to customers under the Shutterstock, Bigstock, Offset and PremiumBeat brands. Its Shutterstock brand includes various content

types and offerings such as image, footage, music, 3Dimensional (3D), and creative design software. Its Bigstock brand maintains a separate content library tailored for creators seeking to incorporate imagery into their projects. Its Offset brand provides content for high-impact use cases that require images, featuring work from top assignment photographers and illustrators from around the world. Its PremiumBeat's library of music tracks provides producers, filmmakers, and marketers the ability to search handpicked production music from the composers. Its online platform provides a freely searchable collection of content for its user.

Peer group - platform business

Company name	Market data												Sales CAGR 2021-2024
	Sales		% of		Market		EBITDA Margin			EBIT margin			
	2021	2021	Share price	52 wk high	Cap	EV	2022	2023	2024	2022	2023	2024	
Fiverr International Ltd	252	3,1%	36,90	-85%	1.358	1.115	8,0%	11,4%	14,0%	7,1%	9,3%	12,6%	27,6%
Upwork Inc	425	1,6%	17,49	-72%	2.268	2.161	-1,2%	5,9%	12,2%	-3,0%	4,9%	9,9%	30,4%
Team17 Group PLC	105	19,9%	4,53	-56%	656	593	34,8%	36,0%	36,3%	31,5%	32,9%	33,7%	19,1%
Zoo Digital Group plc	34	22,8%	1,34	-26%	117	114	11,4%	11,1%	12,4%	5,3%	5,5%	7,4%	31,6%
Roblox Corp	1.624	-32,8%	31,67	-77%	18.785	16.731	14,5%	17,1%	18,9%	-19,6%	-19,0%	-16,9%	31,3%
Keywords Studios PLC	512	13,3%	26,38	-33%	2.011	1.943	19,4%	18,8%	18,3%	15,1%	14,9%	14,7%	13,9%
Gaming Realms PLC	17	15,3%	0,33	-34%	97	96	39,1%	43,7%	48,2%	16,5%	26,4%	33,1%	23,8%
Redbubble Ltd	346	34,7%	0,69	-78%	190	101	-2,5%	0,1%	3,0%	-4,9%	-1,9%	0,9%	8,9%
Median		14,3%			1.007	854	13,0%	14,3%	16,2%	6,2%	7,4%	11,2%	25,7%
Mean		9,7%			3.185	2.857	15,4%	18,0%	20,4%	6,0%	9,1%	11,9%	23,3%
Talenthouse AG	15	-33,0%	0,21	-86%	96	152	-4,0%	13,5%	25,0%	-5,1%	12,9%	24,6%	69,3%

Source: FactSet estimates

Company name	EV/Sales			EV/EBITDA			EV/EBIT			P/E Ratio		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Fiverr International Ltd	3,2x	2,6x	2,1x	40,6x	23,1x	15,2x	45,7x	28,3x	16,9x	295,5x	35,9x	19,5x
Upwork Inc	3,7x	2,9x	2,3x	-308,6x	49,8x	18,8x	-123,2x	59,6x	23,2x	-116,0x	77,8x	22,5x
Team17 Group PLC	4,0x	3,7x	3,3x	11,5x	10,2x	9,2x	12,7x	11,2x	9,9x	17,0x	15,8x	14,4x
Zoo Digital Group plc	1,9x	1,7x	1,5x	17,1x	15,0x	11,9x	36,4x	30,5x	20,0x	48,0x	46,2x	23,1x
Roblox Corp	6,1x	5,3x	4,6x	41,9x	31,0x	24,1x	-31,1x	-27,9x	-27,0x	-34,8x	-32,2x	-25,3x
Keywords Studios PLC	3,2x	2,9x	2,6x	16,5x	15,2x	14,0x	21,2x	19,2x	17,5x	28,1x	26,3x	23,7x
Gaming Realms PLC	4,2x	3,5x	3,0x	10,7x	8,0x	6,2x	25,5x	13,2x	9,0x	23,5x	12,8x	9,4x
Redbubble Ltd	0,3x	0,3x	0,2x	-12,4x	200,0x	7,6x	-6,4x	-13,9x	26,0x	-14,6x	-31,5x	57,8x
Median	3,5x	2,9x	2,4x	14,0x	19,1x	13,0x	16,9x	16,2x	17,2x	20,2x	21,1x	21,0x
Mean	3,3x	2,9x	2,4x	-22,8x	44,0x	13,4x	-2,4x	15,0x	11,9x	30,8x	18,9x	18,1x
Talenthouse AG	5,5x	2,8x	1,9x	na	21,0x	7,6x	na	22,0x	7,7x	na	811,1x	9,1x

Source: FactSet estimates

Talenthouse AG	Sales			EBITDA			EBIT			EPS		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Financial data (eAR)	27	51	71	-1	7	18	-1	7	18	-0,02	0,00	0,02
Fair multiple	3,5x	2,9x	2,4x	14,0x	19,1x	13,0x	16,9x	16,2x	17,2x	20,2x	21,1x	21,0x
Fair EV	95	149	174	-15	133	232	-24	108	302			
Net debt (cash)	56	56	39	56	56	39	56	56	39			
Pension provisions	0	0	0	0	0	0	0	0	0			
Fair equity value	40	94	134	-71	77	192	-79	52	263			
Number of shares	452,6	452,6	452,6	452,6	452,6	452,6	452,6	452,6	452,6			
Fair value per share	0,09	0,21	0,30	na	0,17	0,43	na	0,11	0,58	na	0,01	0,49

Source: FactSet estimates

Peer description – platform business

Fiverr International Ltd is an Israel-based company that operates an online marketplace worldwide. Its platform connects businesses with freelancers offering digital services in more than 200 categories, across more than seven verticals including graphic design, digital marketing, programming, video and animation. Its buyers include businesses of various sizes, as well as sellers comprise a group of freelancers and small businesses. The Company's global community of freelancers spans across more than 160 countries.

Upwork Inc. owns and operates a work marketplace that connects businesses with independent talent. The Company's independent talent refers to as freelancers, and, together with clients, as users, include independent professionals and agencies of varying sizes. The Company's marketplace offerings include Upwork Basic, Upwork Plus, Upwork Enterprise and Upwork Payroll. Upwork Basic offering provides clients with access to independent talent with verified work history on its work marketplace and client feedback; the ability to instantly match with the right freelancers, and built-in collaboration features. Upwork Plus offering is designed for teams looking to stand out to quality talent and scale hiring quickly. Upwork Enterprise offering is designed for larger clients. Upwork Payroll service offerings are available to clients when they choose to work with freelancers, where they engage through Upwork as employees.

Team 17 Group PLC, formerly Team 17 Group Limited, is a United Kingdom-based company that develops video games. The Company supports both owned first-party intellectual property (IP) and third-party IP in the development and publishing of games. The Company's portfolio includes over 100 games, including the Worms franchise, as well as Overcooked and The Escapists.

ZOO Digital Group plc is a United Kingdom-based company that provides cloud-based localization and digital media services to the global entertainment industry. The Company's principal activities include provision of a range of services to allow television and movie content to be localized in any language and prepared for sale with all online retailers and to continue with ongoing research and development of productivity software in those areas. The Company operates through three segments: Localisation, including subtitling and dubbing along with all associated services; Digital packaging, and Software solutions, including research, development, consultancy and software sales. The Company provides media services through its platforms that include ZOOsubs, ZOOdubs and ZOOstudio. The Company's services include dubbing, subtitling and captioning, metadata creation and localization, artwork localization, and media processing.

Roblox Corporation is a technology company. The Company operates a human co-experience platform or Roblox Platform, where users interact with each other to explore and develop, user-generated and 3D experiences. The Company operates the Roblox Platform as live services that allow users to play and socialize with others for free. Its platform is powered by user-generated content that draws inspiration from gaming, entertainment, social media and even toys. Upon signing up for Roblox, a user personalizes their Roblox identity, or avatar. Users are then free to immerse themselves in experiences on Roblox and can acquire experience-specific enhancements or avatar items in the Company's avatar marketplace using the virtual currency (Robux). Any user can be a developer or creator on the Company's platform using Roblox's studio of software tools. Users can purchase Robux, as one-time purchases or through monthly subscriptions through mobile payments, credit cards, or prepaid cards.

Keywords Studios Plc is an international technical services provider to the global video games industry. The Company's Art creation service line creates graphical art assets for video games and operates marketing services business. Game Development service line provides external development services to game developers and publishers. Audio service line provides multi language voice-over, original language voice recording, music, sound design and accessibility. Functional Testing line provides assurance including the discovery and documentation of game defects; and testing to ensure games are compatible with the various hardware devices. Localization service line provides translation of in-game text, audio scripts, cultural and local adaptation, packaging and marketing materials. Localization

Testing service line identifies out of context translations, truncations, overlaps, spelling, grammar, aging and cultural issues. It also provides technology-enabled asset management solutions.

Gaming Realms plc is a United Kingdom-based gaming company. The Company is a developer, publisher and licensor of mobile games, and is building a portfolio of gaming content and brands. The Company operates through two segments: Licensing and Social Publishing. Its Licensing segment includes brand and content licensing to partners in Europe and the United States. Its Social Publishing segment is engaged in providing freemium games to the United States. The Company is the creator of Slingo, bingo, slots and other casual games. The Company uses its remote game server (RGS) platform to build and engage global audiences that are expanded even further via strategic lottery, media, and platform partnerships. The Company has a portfolio of approximately 44 games hosted on its RGS platform. The Company's subsidiaries include Blastworks Limited, Alchemybet Limited, Blastworks Inc., Backstage Technologies, Inc., and others.

Redbubble Ltd is an Australia-based company, which operates an independent designers' marketplace. For men and women, the Company offers T-Shirts in styles such as Active, Baseball Sleeve, Chiffon Top, Classic, Fitted, Fitted Scoop, Fitted V-Neck, Graphic, Long Sleeve, Premium Scoop, Relaxed Fit, Sleeveless Top, Tri-blend and V-Neck. For kids, the Company offers Baby T-Shirts, Kids Masks, Kids Pullover Hoodies, Kids T-Shirts, and Baby One-Pieces. The Company also offers cases and skins, such as iPhone Cases, iPhone Wallets, Laptop Skins and Laptop Sleeves; stickers; wall art, such as Posters, Canvas Prints, Photographic Prints, Art Boards and Art Prints; home decor, such as Throw Pillows, Duvet Covers, Mugs and Clocks; stationery, such as Greeting Cards, Postcards and Calendars, and bags, such as tote bags, drawstring bags and studio pouches.

Historic M&A multiples

In order to complete the picture, we have looked at historic M&A multiples. The list below displays recent M&A transactions in the content as well as platform business. Average EBITDA multiples have been in the range of 22.6x (for content) and 29.9x (for platform) deals. However, we regard these multiples merely as an additional data point in order to assess the fair valuation for Talenthouse. In our view, historic M&A multiples are flawed to the extent that

- A) the numbers are historic by nature. Acquisition multiples might change over times. In an environment in which the market experiences significant multiple contractions, we believe that the historic values are of limited use only.
- B) the data sets are rather incomplete and might not be reliable.
- C) No forward data are available

Finally, M&A multiples might also always include some sort of control premium as the acquirer is generally taking full control of the target. In the public market environment no such control premium might exist (with the exemption of a strategic buyer taking Talenthouse private). Hence, a discount to the below calculated multiples might be necessary.

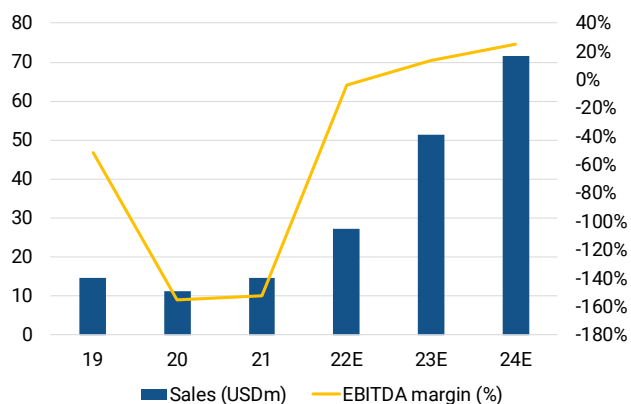
Historic M&A multiples

Target	Activities	Acq./Investor		Rev x	GM x	EBITDA x
Pond5	Video-first content marketplace for filmmakers	Shutterstock				
Untold Games	Games and IP developer	Tummeup	2022	2,9x	-	-
Pixel Vault	NFT-focused web comic creator	Velvet Sea Ventures & 01A	2022		-	-
LoopMe	Adtech: outcomes-based advertising platform	Mayfield Funds	2022	3,9x	-	18,2x
Astragon Ent.	Developer & publisher simulation games	Team17	2022	4,0x	-	20,0x
Moonbug	Small Children's Video Series Content	Blackstone / Meyer / Staggs	2021	30,0x	-	-
StoryToys	Children's content platform	Team17	2021	4,3x	-	-
Radish Media	Mobile fiction platform for serialized storytelling	Kakao Ent. Corp	2021	17,7x	-	-
Tapas Media	Storytelling, webcomics and novels platform	Kakao Ent. Corp	2021	18,2x	-	-
Wonderbly	Personalised Children's Book Publishing	Graphite	2021	-	-	-
TinyBuild	IP Game Developer	IPO	2021	10,2x	17,1x	25,3x
Zoo Digital	Content Services	Public - Latest Figures	2021	2,9x	8,4x	25,1x
Keyword Studios	Content Services	Public - Latest Figures	2021	6,6x	17,7x	33,6x
Gaming Realm	Game IP	Public - Latest Figures	2022	10,4x	-	41,0x
Roblox	Game platform	Public - Latest Figures	2021	46,8x	63,3x	-
Boat Rocker Media	TV/IP Content	IPO	2021	1,4x	3,9x	24,1x
Patreon	eCommerce hosting of Creative Content	NES, Lone Pine & Wellington	2021	15,0x	-	-
WattPad	Literary Community Content	Naver	2021	15,0x	-	-
M&A Average - 2011 to 2022				9,7x	22,1x	25,0x
Platform				12,7x	29,8x	29,9x
Content				7,1x	14,4x	22,6x

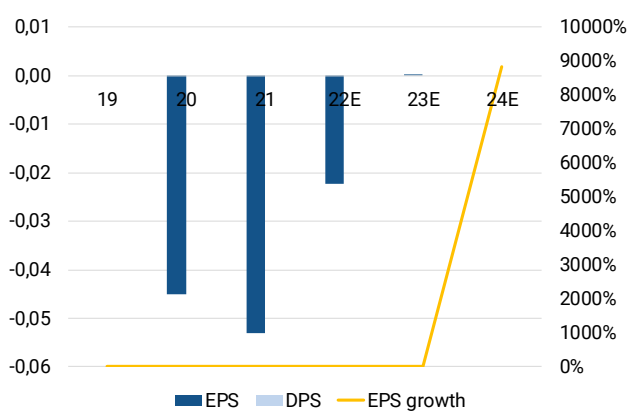
Source: Company data

Financials in six charts

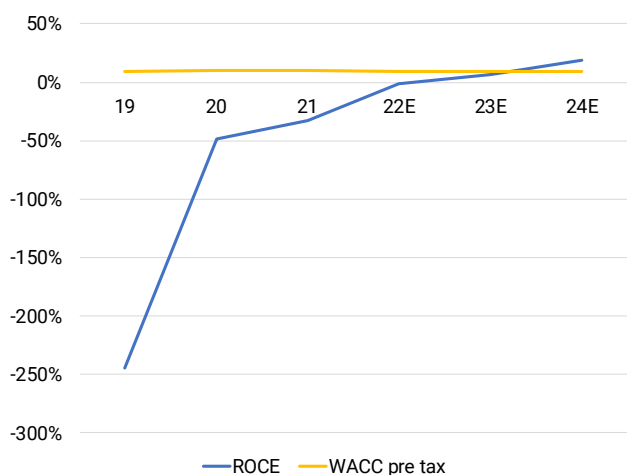
Sales vs. EBITDA margin development



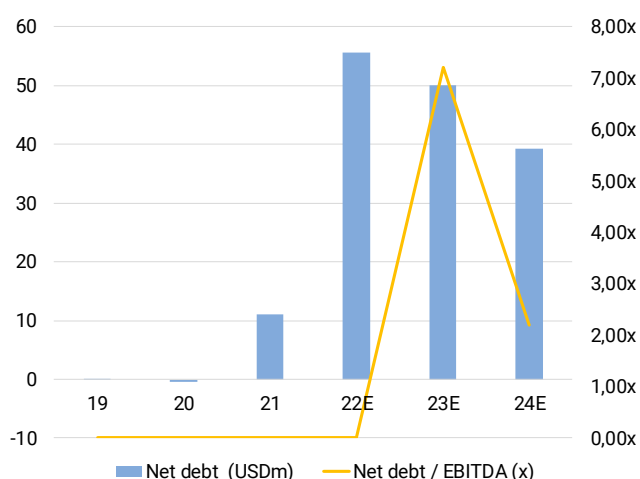
EPS, DPS in EUR & yoy EPS growth



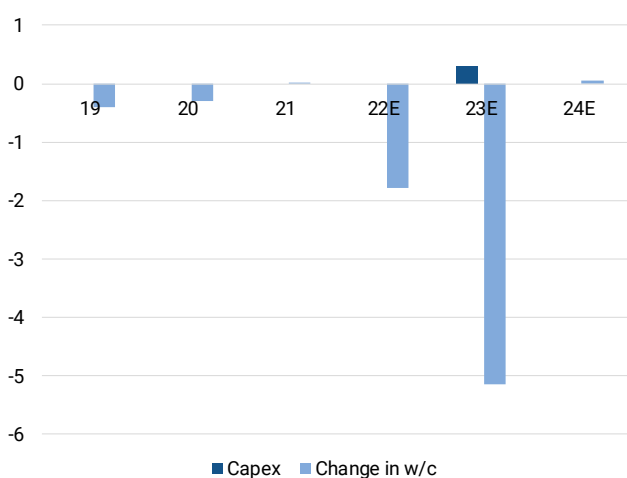
ROCE vs. WACC (pre tax)



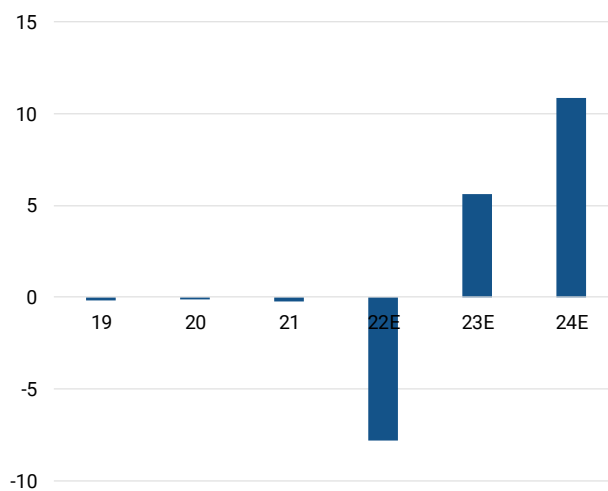
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in USDm



Free Cash Flow in USDm



Source: Company data; AlsterResearch

Financials

Profit and loss (USDm)	2019	2020	2021	2022E	2023E	2024E
Net sales	14.6	11.2	14.7	27.4	51.4	71.5
Sales growth	na	-23.5%	31.9%	86.0%	87.9%	39.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	14.6	11.2	14.7	27.4	51.4	71.5
Material expenses	6.6	5.4	6.8	9.6	15.4	17.9
Gross profit	7.9	5.8	7.9	17.8	36.0	53.6
Other operating income	0.0	0.8	0.2	0.3	0.5	0.7
Personnel expenses	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	15.5	23.9	30.5	19.2	29.6	36.4
EBITDA	-7.5	-17.3	-22.4	-1.1	6.9	17.9
Depreciation	0.0	0.3	0.3	0.3	0.3	0.3
EBITA	-7.5	-17.6	-22.7	-1.4	6.6	17.6
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-7.5	-17.6	-22.7	-1.4	6.6	17.6
Financial result	-0.3	-1.4	-0.0	-8.7	-6.5	-5.8
Recurring pretax income from continuing operations	-7.8	-19.0	-22.7	-10.1	0.1	11.8
Extraordinary income/loss	-0.7	0.0	0.4	0.0	0.0	0.0
Earnings before taxes	-8.5	-19.0	-22.3	-10.1	0.1	11.8
Taxes	0.0	0.0	-0.0	0.0	0.0	1.2
Net income from continuing operations	-8.5	-19.0	-22.3	-10.1	0.1	10.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-8.5	-19.0	-22.3	-10.1	0.1	10.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-8.5	-19.0	-22.3	-10.1	0.1	10.6
Average number of shares	421.62	421.62	421.62	452.58	452.58	452.58
EPS reported	0.00	-0.04	-0.05	-0.02	0.00	0.02

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	46%	48%	46%	35%	30%	25%
Gross profit	54%	52%	54%	65%	70%	75%
Other operating income	0%	7%	1%	1%	1%	1%
Personnel expenses	0%	0%	0%	0%	0%	0%
Other operating expenses	106%	214%	207%	70%	57%	51%
EBITDA	-52%	-155%	-152%	-4%	13%	25%
Depreciation	0%	3%	2%	1%	1%	0%
EBITA	-52%	-158%	-154%	-5%	13%	25%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	-52%	-158%	-154%	-5%	13%	25%
Financial result	-2%	-12%	-0%	-32%	-13%	-8%
Recurring pretax income from continuing operations	-54%	-170%	-154%	-37%	0%	16%
Extraordinary income/loss	-5%	0%	3%	0%	0%	0%
Earnings before taxes	-58%	-170%	-152%	-37%	0%	16%
Taxes	0%	0%	-0%	0%	0%	2%
Net income from continuing operations	-58%	-170%	-152%	-37%	0%	15%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-58%	-170%	-152%	-37%	0%	15%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-58%	-170%	-152%	-37%	0%	15%

Source: Company data; AlsterResearch

Balance sheet (USDm)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	0.0	52.1	46.1	66.1	66.1	66.1
Goodwill	0.0	26.4	26.5	46.5	46.5	46.5
Property, plant and equipment	0.0	0.1	0.1	-0.2	-0.2	-0.2
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	0.0	78.6	72.7	112.4	112.4	112.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	3.0	4.3	7.5	14.1	19.6
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.0	1.3	1.5	4.3	-5.1	0.8
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	0.0	4.3	5.8	11.8	9.0	20.4
TOTAL ASSETS	0.0	82.9	78.5	124.2	121.4	132.7
SHAREHOLDERS EQUITY	0.0	71.4	52.2	45.2	45.3	55.9
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.3	4.2	60.0	45.0	40.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.5	0.2	0.4	0.8	1.1
Non-current liabilities	0.0	0.8	4.4	60.4	45.8	41.1
short-term liabilities to banks	0.0	0.5	8.3	0.0	0.0	0.0
Accounts payable	0.0	9.5	12.7	17.1	27.5	31.8
Advance payments received on orders	0.0	0.7	0.8	1.5	2.8	3.9
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	0.0	10.8	21.9	18.6	30.3	35.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	0.0	82.9	78.5	124.2	121.4	132.7

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0%	63%	59%	53%	54%	50%
Goodwill	0%	32%	34%	37%	38%	35%
Property, plant and equipment	0%	0%	0%	-0%	-0%	-0%
Financial assets	0%	0%	0%	0%	0%	0%
FIXED ASSETS	0%	95%	93%	90%	93%	85%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	0%	4%	5%	6%	12%	15%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	0%	2%	2%	3%	-4%	1%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	100%	0%	0%	0%	0%	0%
CURRENT ASSETS	100%	5%	7%	10%	7%	15%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	0%	86%	67%	36%	37%	42%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	184%	0%	5%	48%	37%	30%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	1%	0%	0%	1%	1%
Non-current liabilities	184%	1%	6%	49%	38%	31%
short-term liabilities to banks	0%	1%	11%	0%	0%	0%
Accounts payable	0%	12%	16%	14%	23%	24%
Advance payments received on orders	0%	1%	1%	1%	2%	3%
Other liabilities (incl. from lease and rental contracts)	0%	0%	0%	0%	0%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	0%	13%	28%	15%	25%	27%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	184%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (USDm)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	-2.0	-3.8	-0.2	-10.1	0.1	10.6
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.3	0.3	0.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.4	3.4	0.0	0.2	0.4	0.3
Cash flow from operations before changes in w/c	-0.6	-0.4	-0.2	-9.6	0.8	11.2
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	-0.0	0.0	-3.2	-6.6	-5.5
Increase/decrease in accounts payable	0.0	0.0	0.0	4.4	10.4	4.3
Increase/decrease in other w/c positions	0.4	0.3	-0.0	0.7	1.3	1.1
Increase/decrease in working capital	0.4	0.3	-0.0	1.8	5.1	-0.0
Cash flow from operating activities	-0.2	-0.1	-0.2	-7.8	5.9	11.1
CAPEX	0.0	0.0	0.0	0.0	-0.3	-0.3
Payments for acquisitions	0.0	0.0	0.0	-40.0	0.0	0.0
Financial investments	-0.1	0.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.1	0.1	0.0	-40.0	-0.3	-0.3
Cash flow before financing	-0.2	-0.0	-0.2	-47.8	5.6	10.8
Increase/decrease in debt position	0.0	0.0	0.6	47.5	-15.0	-5.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	3.1	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	-0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	0.5	50.6	-15.0	-5.0
Increase/decrease in liquid assets	-0.2	-0.0	0.4	2.8	-9.4	5.8
Liquid assets at end of period	0.1	0.1	0.4	3.2	-6.1	-0.3

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.02	-0.04	-0.05	-0.02	0.00	0.02
Cash flow per share	-0.00	-0.00	-0.00	-0.02	0.01	0.02
Book value per share	0.00	0.17	0.12	0.10	0.10	0.12
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-10.3x	-4.6x	-3.9x	-9.3x	795.8x	8.9x
P/CF	-552.3x	-216.4x	-170.5x	-11.6x	16.7x	8.7x
P/BV	na	1.2x	1.7x	2.1x	2.1x	1.7x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-0.2%	-0.5%	-0.6%	-8.6%	6.0%	11.5%
EV/Sales	6.5x	8.4x	7.1x	5.5x	2.8x	1.9x
EV/EBITDA	-12.5x	-5.4x	-4.7x	-136.8x	20.8x	7.5x
EV/EBIT	-12.5x	-5.3x	-4.6x	-107.4x	21.7x	7.6x
Income statement (USDm)						
Sales	14.6	11.2	14.7	27.4	51.4	71.5
yoy chg in %	na	-23.5%	31.9%	86.0%	87.9%	39.0%
Gross profit	7.9	5.8	7.9	17.8	36.0	53.6
Gross margin in %	54.5%	52.0%	53.7%	65.0%	70.0%	75.0%
EBITDA	-7.5	-17.3	-22.4	-1.1	6.9	17.9
EBITDA margin in %	-51.6%	-155.1%	-152.1%	-4.0%	13.5%	25.0%
EBIT	-7.5	-17.6	-22.7	-1.4	6.6	17.6
EBIT margin in %	-51.6%	-157.8%	-154.2%	-5.1%	12.9%	24.6%
Net profit	-8.5	-19.0	-22.3	-10.1	0.1	10.6
Cash flow statement (USDm)						
CF from operations	-0.2	-0.1	-0.2	-7.8	5.9	11.1
Capex	0.0	0.0	0.0	0.0	-0.3	-0.3
Maintenance Capex	0.0	0.3	0.3	0.3	0.3	0.3
Free cash flow	-0.2	-0.1	-0.2	-7.8	5.6	10.8
Balance sheet (USDm)						
Intangible assets	0.0	78.5	72.6	112.6	112.6	112.6
Tangible assets	0.0	0.1	0.1	-0.2	-0.2	-0.2
Shareholders' equity	0.0	71.4	52.2	45.2	45.3	55.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.0	1.3	12.7	60.4	45.8	41.1
Net financial debt	0.0	-0.4	11.0	55.7	50.1	39.2
w/c requirements	0.0	-7.2	-9.3	-11.1	-16.2	-16.2
Ratios						
ROE	na	-26.6%	-42.8%	-22.3%	0.3%	18.9%
ROCE	na	-24.2%	-35.0%	-1.3%	7.3%	18.1%
Net gearing	na	-0.6%	21.0%	123.2%	110.4%	70.1%
Net debt / EBITDA	-0.0x	0.0x	-0.5x	-50.9x	7.2x	2.2x

Source: Company data; AlsterResearch

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