

tokenus investment AG

Germany | Technology | MCap EUR 12.7m

14 July 2022

UPDATE



Celsius files for Chapter 11; PT down

What's it all about?

A few hours ago, Celsius Network, a portfolio company of tokenus, announced that it had voluntarily filed for Chapter 11 reorganization. Chapter 11 provides the company with an opportunity to stabilize the business and undergo a comprehensive restructuring while continuing to operate. The outcome of a Chapter 11 reorganization is difficult to predict, possibilities include a sale to a third party, or a reorganization plan approved by a government-appointed committee. In both cases, shareholders may be compensated, but there is also a possibility of a substantial or total loss. To reflect this, we cautiously apply an 80% discount to Celsius' valuation of the last funding round, leading to a new price target of EUR 2.76 (old: EUR 3.50). Even with this steep discount, tokenus would fully recover its initial investments and looks attractively valued: BUY.

BUY (BUY)

Target price	EUR 2.76 (3.50)
Current price	EUR 1.51
Up/downside	82.8%



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Celsius files for Chapter 11; PT down

Celsius files for Chapter 11. As discussed in our comment one month ago, the extreme conditions in the crypto market have caused severe problems at Celsius Network. Celsius is one of the biggest players in the digital lending market, providing users with the ability to lend out their tokens in return for interest. The company had to block customers from pulling funds from its platform following accelerating withdrawals. It seems that Celsius had the classical "bank run" problem, i.e., long-term illiquid assets financed by short-term liabilities (customer deposits). A few hours ago, Celsius announced that it had voluntarily filed for Chapter 11 reorganization. Chapter 11 provides the company with an opportunity to stabilize the business and undergo a comprehensive restructuring while continuing to operate. Celsius states that the aim of the process is to maximize value for all stakeholders.

Possible outcomes. There is a full range of possible outcomes of a Chapter 11 reorganization. One option is the sale of the entire company with the court's approval. Two weeks ago, FTX was in talks with Celsius regarding a purchase, but pulled out citing concerns about the balance sheet and difficulties in dealing with Celsius. However, other suitors may come to a different conclusion. If Celsius is acquired, the purchase price would determine if and how much shareholders of Celsius are compensated, but often it is not a very favorable outcome. Alternatively, a reorganization plan can be negotiated with a government-appointed committee of company stakeholders, which is typically made up of creditors and can also include company shareholders. The plan may offer shareholders compensation, such as cash or shares in the reorganized company, but it may also fully wipe out shareholders.

Adjusting PT; reiterate BUY. tokentus holds 0.22% in Celsius. To determine NAV, we so far used the valuation in the last financing round to value the equity stake. In the case of Celsius, this was USD 3bn. To reflect the Chapter 11 filing, we apply an 80% discount to this valuation. Even with this steep discount, tokentus would fully recover its initial investments. Updating the NAV, we come to a new fair value of EUR 2.76 (old: EUR 3.50), with substantial upside in the case of a favorable outcome for Celsius shareholders. Remains a BUY.



High/low 52 weeks 3.00 / 2.20
Price/Book Ratio 1.0x

Ticker / Symbols

ISIN DE000A3CN9R8
WKN A3CN9R
Bloomberg 14D:GR

Changes in estimates

		Sales	EBIT	EPS
2021	old	00.0	00.0	00.0
	Δ	-	-	-
2022	old	00.0	00.0	00.0
	Δ	-	-	-
2023	old	00.0	00.0	00.0
	Δ	-	-	-

Key share data

Number of shares: (in m pcs) 8.43
Book value per share: (in EUR) 1.45
Ø trading volume: (12 months) 400

Major shareholders

Jörg Erler 8.0%
PP Ventures GmbH 6.4%
Free Float 85.6%

Company description

tokentus is a highly focused investment company, investing into private blockchain companies and related tokens.

tokentus investment AG	2019	2020	2021E	2022E	2023E	2024E
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Growth yoy	na	na	-99.0%	0.0%	na	0.0%
EBITDA	0.0	-0.5	-1.0	-1.6	-1.7	-1.8
EBIT	0.0	-0.5	-1.0	-1.6	-1.7	-1.8
Net profit	0.0	-0.5	-0.6	-1.0	-1.1	-1.1
Net debt (net cash)	0.0	-1.4	-11.2	-10.2	-9.1	-8.0
EPS recurring	0.0	-0.12	-0.08	-0.12	-0.13	-0.14
DPS	0.0	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	na	100.0%	na	na	na	100.0%
EBIT margin	na	na	na	na	na	na
ROCE	na	-20.0%	-8.2%	-14.3%	-15.1%	-16.1%
EV/EBITDA	na	-24.3x	-1.5x	-1.6x	-2.2x	-2.7x
EV/EBIT	na	-24.0x	-1.5x	-1.6x	-2.2x	-2.7x
PER	na	-12.7x	-19.6x	-12.2x	-11.7x	-11.1x
FCF yield	na	-7.9%	-6.7%	-8.2%	-8.6%	-9.0%

Source: Company data, AlsterResearch

Valuation

Valuation tokentus

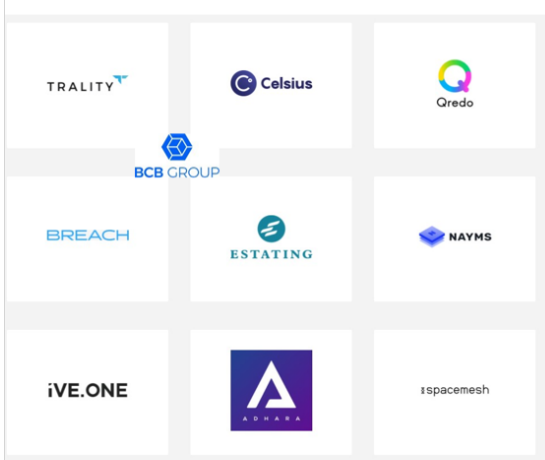
Company / Fund	Company Value (EUR m)	Valuation base	Equity stake	Investment value (EUR k)
Trality	2,9	latest post-money valuation	4,07%	118
Adhara	na	valuation prospectus	1,15%	231
Qredo	459,1	latest post-money valuation	1,66%	7.621
Breach	na	Investment via SAFE	na	124
BCB Group	na	latest post-money valuation	na	499
gumi CCF II	na	investment value (fund)	na	998
Nayms	7,6	latest post-money valuation	3,38%	258
IVE.ONE	na	convertible loan agreement	na	250
Estating	12,5	latest post-money valuation	1,19%	149
Celsius	598,8	latest post-money valuation	0,22%	1.317
spacemesh	na	valuation prospectus (Unruly)	0,20%	189
			equity total	11.753
Token	Number tokens (m)	Valuation base		
Qredo	12,2	coinmarketcap 30d avg (USD)	0,39	
		Exchange rate	1,00	
		Price per token (EUR)	0,39	
		Discount for lockup	20%	
		Adj. price per token (EUR)	0,31	3.818
			token total	3.818
			+ equity total	11.753
			portfolio value	15.571
		- 8 years discounted steady state costs		1.145
			+ current cash	8.833
			NAV	23.259
			number shares (k)	8.431
			NAV per share (EUR)	2,76

7/14/2022

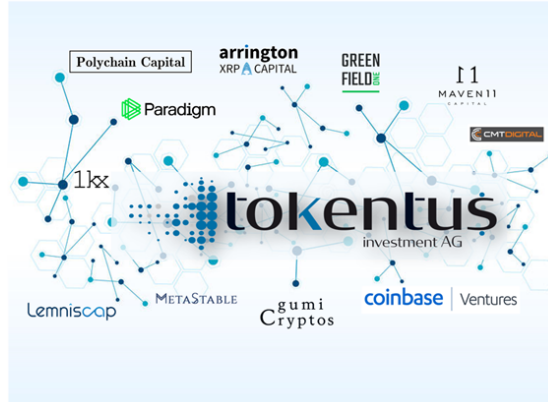
Source: AlsterResearch

Investment case in six charts

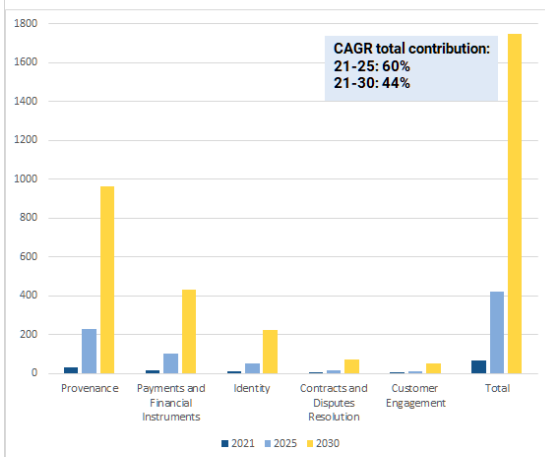
Portfolio Companies



Network of Prestigious Co-investors

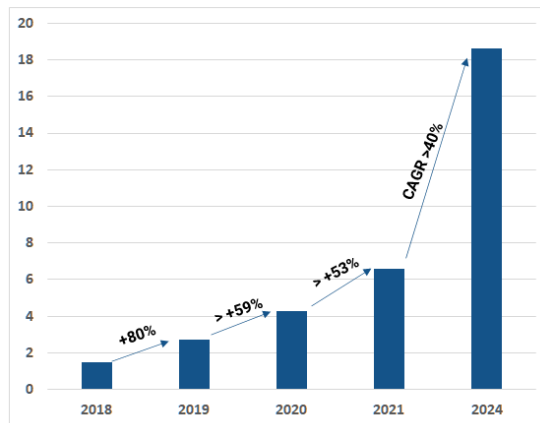


Blockchain's Economic Contributions (USD bn)



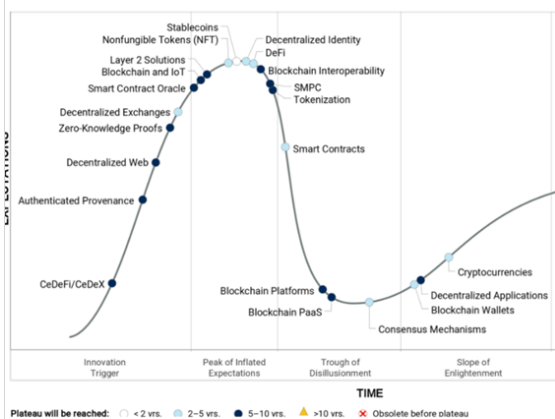
Source: PwC, Time for Trust, October 2020

Global Spending on Blockchain Solutions (USD bn)



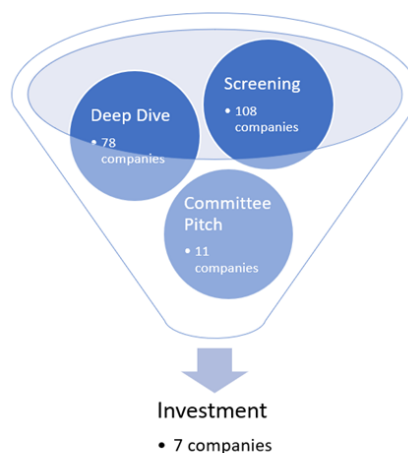
Source: IDC

The Gartner Blockchain Hype Cycle



Source: Gartner (July 2021)

Investment Funnel



Source : Company data, AlsterResearch

Financials

Profit and loss (EUR m)	2019	2020	2021E	2022E	2023E	2024E
Net sales	0.0	0.0	0.0	0.0	0.0	0.0
Sales growth	na	na	-99.0%	0.0%	na	0.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.0	0.0	0.0	0.0	0.0	0.0
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	0.1	0.3	0.5	0.8	0.8	0.8
Other operating expenses	0.1	0.2	0.5	0.8	0.9	0.9
EBITDA	-0.2	-0.5	-1.0	-1.6	-1.7	-1.8
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-0.2	-0.5	-1.0	-1.6	-1.7	-1.8
Amortization of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-0.2	-0.5	-1.0	-1.6	-1.7	-1.8
Financial result	0.0	0.0	0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	-0.2	-0.5	-1.0	-1.6	-1.7	-1.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-0.2	-0.5	-1.0	-1.6	-1.7	-1.8
Taxes	0.0	0.0	-0.3	-0.6	-0.6	-0.6
Net income from continuing operations	-0.2	-0.5	-0.6	-1.0	-1.1	-1.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-0.2	-0.5	-0.6	-1.0	-1.1	-1.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-0.2	-0.5	-0.6	-1.0	-1.1	-1.1
Average number of shares	3.98	3.98	8.43	8.43	8.43	8.43
EPS reported	-0.05	-0.12	-0.08	-0.12	-0.13	-0.14

Profit and loss (common size)	2019	2020	2021E	2022E	2023E	2024E
Net sales	na	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	na	0%	0%	0%	0%	0%
Total sales	na	100%	100%	100%	100%	100%
Material expenses	na	0%	0%	0%	0%	0%
Gross profit	na	100%	100%	100%	100%	100%
Other operating income	na	0%	0%	0%	0%	0%
Personnel expenses	na	na	na	na	na	na
Other operating expenses	na	na	na	na	na	na
EBITDA	na	na	na	na	na	na
Depreciation	na	20%	0%	0%	0%	0%
EBITA	na	na	na	na	na	na
Amortization of goodwill and intangible assets	na	0%	0%	0%	0%	0%
EBIT	na	na	na	na	na	na
Financial result	na	2%	0%	0%	0%	0%
Recurring pretax income from continuing operations	na	na	na	na	na	na
Extraordinary income/loss	na	na	na	na	na	na
Earnings before taxes	na	na	na	na	na	na
Taxes	na	na	na	na	na	na
Net income from continuing operations	na	na	na	na	na	na
Result from discontinued operations (net of tax)	na	na	na	na	na	na
Net income	na	na	na	na	na	na
Minority interest	na	0%	0%	0%	0%	0%
Net profit (reported)	na	na	na	na	na	na

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2019	2020	2021E	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	1.0	1.0	1.0	1.0	1.0
FIXED ASSETS	0.0	1.0	1.0	1.0	1.0	1.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	2.2	1.4	11.2	10.2	10.1	10.0
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	2.2	1.4	11.2	10.2	10.1	10.0
TOTAL ASSETS	2.2	2.4	12.3	11.2	11.1	11.0
SHAREHOLDERS EQUITY	2.1	2.2	12.3	11.2	10.1	9.0
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.2	0.2	0.0	0.0	0.0	0.0
Non-current liabilities	0.2	0.2	0.0	0.0	0.0	0.0
short-term liabilities to banks	0.0	0.0	0.0	0.0	1.0	2.0
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	1.0	2.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2.2	2.4	12.3	11.2	11.1	11.0

Balance sheet (common size)	2019	2020	2021E	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0%	1%	0%	0%	0%	0%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	0%	42%	8%	9%	9%	9%
FIXED ASSETS	0%	42%	8%	9%	9%	9%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	0%	0%	0%	0%	0%	0%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	100%	58%	92%	91%	91%	91%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	100%	58%	92%	91%	91%	91%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	92%	91%	100%	100%	91%	82%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	0%	0%	0%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	7%	7%	0%	0%	0%	0%
Non-current liabilities	7%	7%	0%	0%	0%	0%
short-term liabilities to banks	0%	0%	0%	0%	9%	18%
Accounts payable	1%	1%	0%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	1%	0%	0%	0%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	1%	1%	0%	0%	9%	18%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021E	2022E	2023E	2024E
Net profit/loss	-0.2	-0.5	-0.6	-1.0	-1.1	-1.1
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	-0.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-0.2	-0.5	-0.8	-1.0	-1.1	-1.1
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	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	-0.0	0.0	0.0	0.0
Increase/decrease in other w/c positions	0.0	0.0	-0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	0.0	-0.0	0.0	0.0	0.0
Cash flow from operating activities	-0.2	-0.5	-0.9	-1.0	-1.1	-1.1
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	-1.0	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	0.0	-1.0	0.0	0.0	0.0	0.0
Cash flow before financing	-0.2	-1.5	-0.9	-1.0	-1.1	-1.1
Increase/decrease in debt position	0.0	0.0	0.0	0.0	1.0	1.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	2.2	0.6	10.7	0.0	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	2.2	0.6	10.7	0.0	1.0	1.0
Increase/decrease in liquid assets	2.0	-0.9	9.9	-1.0	-0.1	-0.1
Liquid assets at end of period	2.2	1.4	11.2	10.2	10.1	10.0

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021E	2022E	2023E	2024E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.0	0.0	0.0	0.0	0.0	0.0

Regional sales split (common size)	2019	2020	2021E	2022E	2023E	2024E
Domestic	na	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	na	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	na	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	na	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	na	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	na	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2019	2020	2021E	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.05	-0.12	-0.08	-0.12	-0.13	-0.14
Cash flow per share	-0.05	-0.12	-0.10	-0.12	-0.13	-0.14
Book value per share	0.52	0.55	1.45	1.33	1.20	1.06
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-30.8x	-12.7x	-19.6x	-12.2x	-11.7x	-11.1x
P/CF	-30.8x	-12.6x	-14.9x	-12.2x	-11.7x	-11.1x
P/BV	2.9x	2.7x	1.0x	1.1x	1.3x	1.4x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-3.3%	-7.9%	-6.7%	-8.2%	-8.6%	-9.0%
EV/Sales	na	na	na	na	na	na
EV/EBITDA	na	na	na	na	na	na
EV/EBIT	na	na	na	na	na	na
Income statement (EURm)						
Sales	0.0	0.0	0.0	0.0	0.0	0.0
yoy chg in %	na	na	-99.0%	0.0%	na	0.0%
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
Gross margin in %	na	100.0%	na	na	na	100.0%
EBITDA	-0.2	-0.5	-1.0	-1.6	-1.7	-1.8
EBITDA margin in %	na	na	na	na	na	na
EBIT	-0.2	-0.5	-1.0	-1.6	-1.7	-1.8
EBIT margin in %	na	na	na	na	na	na
Net profit	-0.2	-0.5	-0.6	-1.0	-1.1	-1.1
Cash flow statement (EURm)						
CF from operations	-0.2	-0.5	-0.9	-1.0	-1.1	-1.1
Capex	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-0.2	-0.5	-0.9	-1.0	-1.1	-1.1
Balance sheet (EURm)						
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	2.1	2.2	12.3	11.2	10.1	9.0
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.2	0.2	0.0	0.0	1.0	2.0
Net financial debt	-2.2	-1.4	-11.2	-10.2	-9.1	-8.0
w/c requirements	-0.0	-0.0	0.0	0.0	0.0	0.0
Ratios						
ROE	-9.5%	-21.5%	-5.3%	-9.3%	-10.8%	-12.8%
ROCE	-8.8%	-20.0%	-8.2%	-14.3%	-15.1%	-16.1%
Net gearing	-108.6%	-63.1%	-91.7%	-91.0%	-90.0%	-88.7%
Net debt / EBITDA	11.5x	3.0x	11.2x	6.4x	5.4x	4.5x

Source: Company data; AlsterResearch

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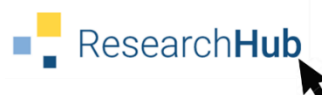
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