



ERIK PENSER BANK

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Zwipe

Rights issue to ensure financing until year-end 2024

Taking in NOK 35m in new capital

Zwipe has announced a fully guaranteed rights issue of NOK 35m, with the possibility of further proceeds in December 2024 through the exercising of warrants that accompany the rights issue. The company has called an EGM on 22 November and the outcome of the rights issue will be published on 13 December. The dilution from the first part of the rights issue is 50%, with further dilution through the exercising of the warrants.

Anticipating substantial acceleration in both Pay and Access in 2024

This capital raise offers an opportunity to accelerate the commercialisation of the company's two platforms. Pay has 20 partnerships that are in their turn undertaking around negotiations with potential users. The commercial launches with Kuwait International Bank (KIB) and Middle East Payment Services (MEPS) during Q2 has prompted interest from other institutions in the Middle East, the majority considering going direct to launch, rather than running pilot schemes. In Access, Zwipe has signed partnerships with global companies including Schneider Electric, Certego, AWT, Mc Dean, and Matrix, while Berkshire Hathaway Energy Group, Richmond airport, Prosegur, and one of the three largest cloud suppliers in the world are all running pilot schemes. We find it likely that at least some of these pilot schemes will result in orders in the coming quarters.

Positive that uncertainty over raising of capital now eliminated

Following the full implementation of the announced cost-savings programme, the cash base will decrease by more than 40% in H2 2023 versus H1. We also expect the negative cash flows of NOK -9m per month in Q3 will narrow to NOK 5–6m per month. Given a cash position of NOK 48m as of the end of Q3, the market had speculated about a rights issue, and so we consider it positive that these conjectures are now resolved. This allows for more focus on the actual business at hand.

Estimate changes				Forecast (NOK m)				Valuation and risk			
	23e	24e	25e		2022	2023e	2024e	2025e	Fair value	NOK10,7 – 10,9	
Total revenue	0,0%	0,0%	0,0%	Total revenue	4	8	157	429	Share price	NOK0,9	
EBIT, adj.	0,0%	0,0%	0,0%	Revenue growth	55%	94%	>100%	>100%	Risk level	High	
EPS, adj.	0,0%	0,0%	0,0%	EBITDA, adj.	-96	-88	2	126	12-mth share price development		
Upcoming events				EBIT, adj.	-98	-89	0	125			
Q4 - report	22 February 2024			EPS, adj.	-2,6	-1,5	0,0	1,6			
Q1 - report	25 April 2024			EPS growth, adj.	N.m.	N.m.	N.m.	>100%			
Company details (NOKm)				BV/share	1,5	1,1	1,1	2,8			
Number of shares	58m			EBIT margin	Neg.	Neg.	0,3%	29,1%			
Market capitalisation	53			ROE, adj.	Neg.	Neg.	0,5%	84,1%			
Net debt	-48			ROCE, adj.	Neg.	Neg.	0,5%	93,3%			
EV	5			EV/Sales	30,6x	0,6x	0,0x	0,0x			
Free float	51%			EV/EBITDA	Neg.	-0,1x	2,8x	0,0x			
Daily trading volume, average	40k			EV/EBIT	Neg.	-0,1x	11,9x	0,0x			
Bloomberg Ticker	ZWIPE NO EQUITY			P/E, adj.	-0,3x	-0,6x	165,2x	0,6x			
Analyst				FCF yield	-322%	-157%	-75%	85%			
Markus Almerud				Net debt / EBITDA	0,5x	0,8x	-15,4x	-0,6x			
markus.almerud@penser.se								Conflicts of interest			
										Yes	No
										Market maker	✓
										Certified adviser	✓
										Transactions, 12 mth	✓

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