Zacks Small-Cap Research

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# Yatra Online, Inc. (NASDAQ: YTRA)

## YTRA: Yatra Returns to Profitability and Expects to Stay There Despite Seasonality; Q4 Adj. Revenues Grow 93%

Based on a 10% discount to the industry average of 2.5x EV/2023 estimated sales on a calendar year sales, we believe the stock could be worth $3.00 per share.

| | |
|---|---|
| Current Price (5/30/2023) | $1.98 |
| **Valuation** | **$3.00** |

### OUTLOOK

The March quarter completed a full year of reopened travel in India and Yatra returned to profitability in this just reported March quarter. It expects to stay profitable and pay down debt. It is participating in huge market growth as well as market share gains. Its corporate business continues to contribute a greater part of revenues and increase margins. We expect operating leverage to add increased profitability.

The company's IPO in India could act as a catalyst to attract more investors and provides a better avenue for the acquisition of Indian companies.

## SUMMARY DATA

| | |
|---|---|
| **52-Week High** | **$2.94** |
| **52-Week Low** | **$1.62** |
| **One-Year Return (%)** | **10.6** |
| **Beta** | **1.5** |
| **Average Daily Volume (sh)** | **39,027** |
| **Shares Outstanding (mil)** | **63.6** |
| **Market Capitalization ($mil)** | **$124** |
| **Short Interest Ratio (days)** | **0.2** |
| **Institutional Ownership (%)** | **51** |
| **Insider Ownership (%)** | **4** |
| **Annual Cash Dividend** | **$0.00** |
| **Dividend Yield (%)** | **0.00** |
| **5-Yr. Historical Growth Rates** | |
| **Sales (%)** | **-39.1** |
| **Earnings Per Share (%)** | **N/A** |
| **Dividend (%)** | **N/A** |
| **P/E using TTM EPS** | **N/M** |
| **P/E using FY2024 Estimate** | **49.5** |
| **P/E using FY2025 Estimate** | **39.6** |

| | |
|---|---|
| **Risk Level** | **Above Average** |
| **Type of Stock** | **Small Growth** |
| **Industry** | **Internet Services** |

## ZACKS ESTIMATES

**Revenue**
(Adjusted in millions of US$)

| | Q1 (Jun) | Q2 (Sep) | Q3 (Dec) | Q4 (Mar) | Year (Mar) |
|---|---|---|---|---|---|
| 2022 | $6.6 A | $10.6 A | $14.0 A | $12.9 A | $43.5 A |
| 2023 | $15.9 A | $18.6 A | $18.0 A | $23.1 A | $74.9 A |
| 2024 | $22.4 E | $19.7 E | $21.8 E | $26.4 E | $90.3 E |
| 2025 | | | | | $108.4 E |

**EPS (Non-IFRS)**
(adjusted in US$)

| | Q1 (Jun) | Q2 (Sep) | Q3 (Dec) | Q4 (Mar) | Year (Mar) |
|---|---|---|---|---|---|
| 2022 | -$0.01 A | -$0.01 A | -$0.01 A | -$0.01 A | -$1.05 A |
| 2023 | $0.01 A | -$0.01 A | -$0.03 A | $0.01 A | -$0.02 A |
| 2024 | $0.01 E | $0.01 E | $0.01 E | $0.01 E | $0.04 E |
| 2025 | | | | | $0.05 E |

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## WHAT'S NEW

### Yatra Reports FYQ4 Adjusted Revenue Growth of 93% and Returns to Profitability

Yatra reported its first profitable quarter in years and believes it will remain profitable going forward despite seasonality. Its operating margins are improving and the company is in the process of reducing interest expense. Business is virtually back to pre-COVID levels but this time, there is not the rampant discounting that hurt the industry before the pandemic shut down travel. While domestic travel has reached pre-COVID levels, International travel is only at 90% of pre-COVID levels. This is the last quarterly comparison with travel being restricted in India in the year-ago period, and we expect more normal growth going forward. The industry is now in its busiest quarter and we expect FYQ1 2024 to be almost as good as FYQ4 2023 even without the annual incentives earned in Q4. The company guided to revenues of US$82 million to US$92 million in FY 2024 up from US$75 million this year, and EBITDA growth of 46% to 50% from this year's US$5.1 million. We expect the Indian IPO to be completed shortly and the cash infusion will enable the company to spur growth both through internal investment and M&A.

### During the Quarter

On January 4, 2023, Yatra announced an agreement with Sabron Tech, a partner and distributor for Sabre in the East and Central African markets to license its corporate travel SaaS platform for the African region.

### FY Ending March 31, 2023

For the full year, total adjusted revenues were $74.9 million versus $40.2 million a year ago in US dollars, up 86%. Air ticketing adjusted revenues increased 96% year over year to $52.7 million, while Hotels and packages adjusted revenue was up 78% to $13.0 million. Other services grew 53% to $9.1 million and growth was primarily from advertisement income.

Air Ticketing's net revenue margin decreased to 7.2% year-over-year from 8.0%. Hotel & Packages' net revenue margin of 14.8% was down year over year from 17.2% last year. Operating expenses increased 53% to $47.9 million and were up $16.5 million due to service costs. $8.3 million of the cost increase was from other operating expenses, $6.3 million of the increase was due to service costs, and $2.6 million from marketing and sales promotion.

The net loss for the year was $3.5 million compared to a loss of $5.2 million last year. On a non-IFRS basis, adding back stock-based compensation and one-time costs would have been a loss of $1.4 million versus a loss of $3.2 million a year ago. EPS was a loss of $0.06 versus a loss of $0.10 last year. On a non-IFRS basis, taking out one-time charges and stock-based compensation, the EPS was a loss of $0.02 compared to a loss per share of $0.05 a year ago. Fully diluted shares for the year increased to 63.8 million from 62.4 million in FY2022.

### FYQ4 Ending March 31, 2023

Yatra reported adjusted revenue growth of 93% in the March quarter as air ticketing soared 119%. In US dollars, adjusted revenues were $23.6 million and beat the company's high end of guidance (US$20.5 million) as it reached hurdles to earn the top rate of payout slabs for its year-end incentives with Global Distribution Systems (GDS) and airlines. These payouts are given in Q4 and reset every fiscal year; they were the reason for the revenue beat. The incremental incentives also added $986,000 to EBITDA in Q4.

There were 25 large to medium enterprise customers signed in the March quarter bringing the total for the year to 97.

Reported revenues for Q4 were $14.5 million versus $7.4 million a year ago in dollars, up 94%. Air passengers booked increased by 60% for Yatra in the quarter and hotel room nights increased by 101%. Holiday packages sold increased from 4,000 last year to 5,000 this year.

Total adjusted revenues were $23.1 million versus $11.9 million a year ago in US dollars, up 93% and up 28% sequentially from the December quarter. Air ticketing adjusted revenues increased 119% year over year to $17.8 million, while Hotels and packages adjusted revenue was up 49% to $3.2 million. Other services grew 26% to $2.0 million and growth was primarily from advertisement income.

Air Ticketing's net revenue margin increased to 9.7% year-over-year from 7.1% and up sequentially from 7.6%. Hotel & Packages' net revenue margin of 12.7% was down year over year from 17.1% last year, and down sequentially. Operating expenses increased 61% to $13.4 million and were up $1.2 million sequentially entirely due to service costs.

Net income was $93,000 compared to a loss of $1.5 million last year and $2.6 million in FYQ3 2023 as revenue growth outpaced expense growth. On a non-IFRS basis, adding back stock-based compensation and one-time costs would have been a profit of $456,000 versus a loss of $1.0 million a year ago. EPS was breakeven versus a loss of $0.02 last year. On a non-IFRS basis, taking out one-time charges and stock-based compensation, the EPS was $0.01 up from a loss of $0.02 a year ago.

**Balance Sheet**

Yatra ended FY 2023 with cash, equivalents, and term deposits of US$13.2 million, down from US$18.0 million the year before. Working capital was a negative US$3.5 million. Debt increased to US$28.6 million. The company had an adjusted EBITDA of US$5.1 million and positive cash flow of US$2.4 million for the year and US$2.3 million and US$2.3 for the quarter respectively. Due to the positive cash flow, the company is in a position to start paying down the approximately $10 million MAK debt facility it had taken towards the end of the calendar year 2022. It will pay this off in tranches with the first starting by June 30 and expects to repay the entire facility before it is due. This loan is at 12% and the highest rate of the company’s debt.  As of March 31, 2023, 63,647,927 ordinary shares were issued and outstanding.

Yatra India plans an IPO of shares comprising a fresh issue of up to ₹7,500 million (US$91 million) by Yatra India and an offer for the sale of up to 9,328,358 equity shares. The proposed IPO is open for subscription now. We believe this transaction is on track, though it has been delayed by macro concerns.

## VALUATION

We value YTRA using a peer comparables valuation methodology based on EV/Sales for 2023 calendar estimates. The average multiple for this group is down to 2.5 times. Using that number and an estimate of calendar year sales for Yatra in 2023 of US$87 million we calculate an enterprise value and market value of $218 million, and a stock price of approximately $3.00 per share using 66.7 million diluted shares outstanding and putting a 10% discount for microcap size, single country risk, and corporate governance.

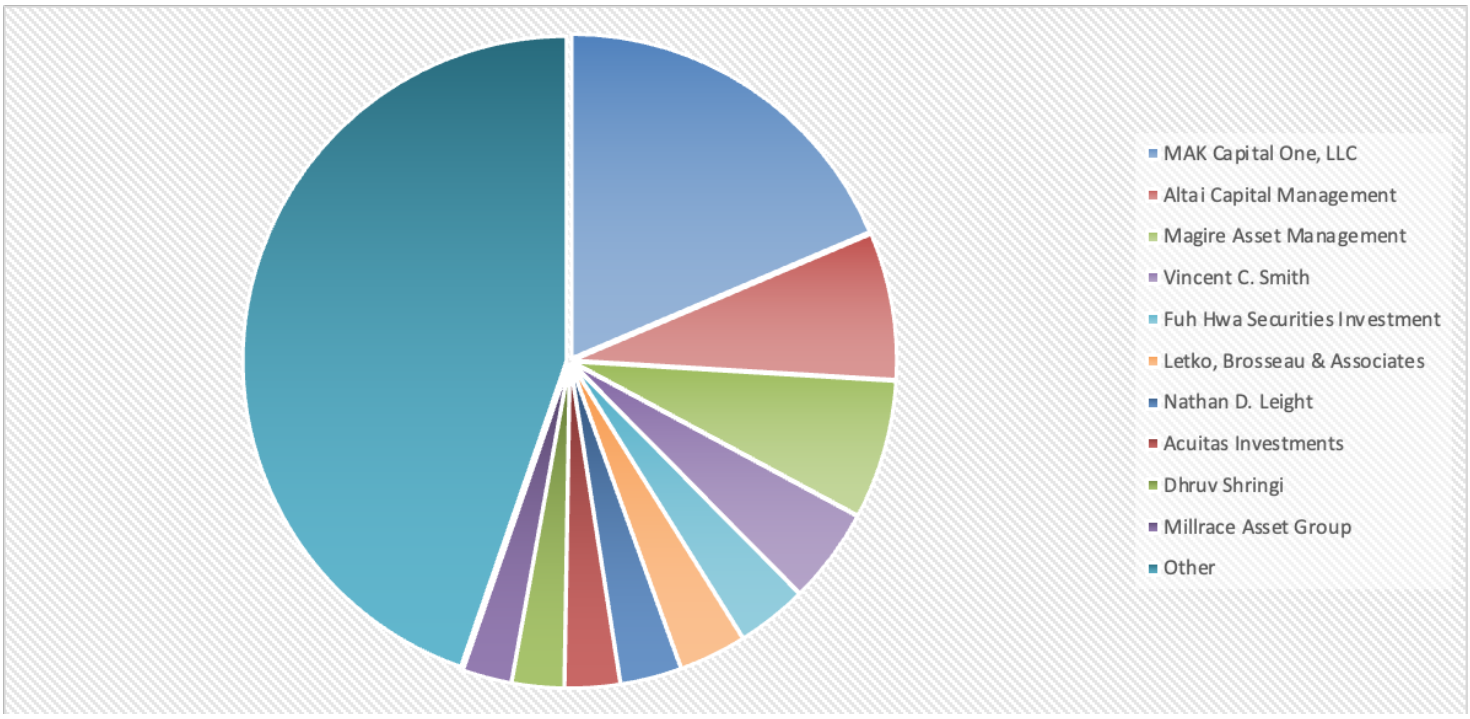
| Company | Ticker | EV | Sales 2023E | Sales 2024E | EV/Sales 2023E | EV/Sales 2024E | LTM EBITDA |
|---|---|---|---|---|---|---|---|
| MakeMyTrip (Golbibo) | MMYT | 2,570 | 738 | NA | 3.5x | NA | 51 |
| Booking Holdings (Priceline/Kayak/Agoda | BKNG | 93,820 | 20,630 | 23,030 | 4.5x | 4.1x | 5,600 |
| Expedia (Orbitz, Travelocity, Hotwire) | EXPE | 14,872 | 12,910 | 14,100 | 1.2x | 1.1x | 1,380 |
| Trip.com Group | 9961 HK | 162,361 | 37,400 | 46,760 | 4.3x | 3.5x | 960 |
| Trivago N.V. | TRVG | 155 | 604 | 651 | 0.3x | 0.2x | 64.6 |
| TripAdvisor | TRIP | 2,174 | 1,730 | 1,910 | 1.3x | 1.1x | 139 |
| Tongcheng-Elong Travel Holdings | 0780 HK | 29,280 | 11,930 | 14,730 | 2.5x | 2.0x | 1,050 |
| Easy Trip Planners* | EASEMYTF | 81,614 | 7,000 | NA | 11.7x | NA | 1,759 |
| **Peer Average** | | | | | **2.5x** | **2.0x** | |

(* Excluding Easy Trip Planner)

## RISKS

- COVID-19 pandemic or other severe illness outbreaks causing a prolonged downturn and decline in revenues due to government restrictions.
- The newly announced capital raise could dilute current shareholders if the proceeds are not deployed in an accretive way.
- Competitive landscape risks include increased competition, search engines' popularity for travel planning, or lost market share in either air ticketing or hotels and packages
- Channel partners such as airline suppliers, may reduce or eliminate commissions. Financial challenges or insolvency of major airlines like Jet Airways were experienced in 2018 and 2019 and GoAir just announced bankruptcy in May causing Yatra to take a reserve.
- History of operating losses making sustained profitability uncertain.
- Cybersecurity attacks on airline providers, hotels, or Yatra Online or acts of terrorism in India or the company's travel market countries.
- Foreign private issuer status on Nasdaq allows home country corporate governance practices (India)
- Liquidity of stock shares and float. Shares as micro-cap stock can cause large fluctuations in stock prices and bid/ask. Approximately 34% of shares are owned by insiders, directors, and affiliated companies.
- Affiliates, large shareholders, officers & directors could exert significant control over stockholder matters. Including the Investor Rights Agreement from the 2016 listing with MIHI LLC, Terrapin Sponsors, and certain Terrapin 3 Acquisition Corp holders.
- Dual classes of stock shares: Class A shares and Class F shares. Voting and holding a separate Class A shareholders meeting could be different from the rights of Class F shareholders.
- Currency Volatility: fluctuations in the value of the Indian rupee against USD, Euro, and/or British Pound.

## OWNERSHIP




## SEGMENTS & METRICS

| Key Metrics (in thousands) | June Q 2022A | Sept Q 2022A | Dec Q 2022A | Mar Q 2022A | March Yr 2022 | June Q 2023A | Sept Q 2023A | Dec Q 2023A | Mar Q 2023A | March Yr 2023A |
|---|---|---|---|---|---|---|---|---|---|---|
| Air Passengers | 415 | 896 | 1,267 | 986 | 3,564 | 1,290 | 1,266 | 1,320 | 1,725 | 5,601 |
| Hotel Room Nights | 70 | 289 | 342 | 317 | 1,018 | 585 | 412 | 398 | 425 | 1,820 |
| Holiday Packages (travelled) | 1 | 1 | 4 | 4 | 10 | 5 | 5 | 6 | 5 | 21 |
| **Growth** | **June Q 2022A** | **Sept Q 2022A** | **Dec Q 2022A** | **Mar Q 2022A** | **March Yr 2022** | **June Q 2023A** | **Sept Q 2023A** | **Dec Q 2023A** | **Mar Q 2023A** | **March Yr 2023A** |
| Air Passengers | 171% | 93% | 39% | -10% | 36% | 211% | 41% | 4% | 75% | 55% |
| Hotel Room Nights | 367% | 641% | 72% | 8% | 86% | 736% | 43% | 16% | 34% | 50% |
| Holiday Packages (travelled) | NM | 0% | 300% | 100% | 150% | 400% | 400% | 50% | 25% | 225% |
| **Gross Bookings (in INR)*** | **June Q 2022A** | **Sept Q 2022A** | **Dec Q 2022A** | **Mar Q 2022A** | **March Yr 2022A** | **June Q 2023A** | **Sept Q 2023A** | **Dec Q 2023A** | **Mar Q 2023A** | **March Yr 2023A** |
| Air Ticketing | 1,892,984 | 6,624,473 | 9,691,893 | 9,439,494 | 27,648,844 | 14,837,538 | 13,200,796 | 13,247,885 | 15,122,132 | 56,408,351 |
| Hotels & Packages | 226,911 | 988,658 | 1,221,492 | 1,050,215 | 3,487,276 | 2,204,311 | 1,947,481 | 1,918,879 | 2,107,435 | 8,178,106 |
| **Total** | **2,119,895** | **7,613,131** | **10,913,385** | **10,489,709** | **31,136,120** | **17,041,849** | **15,148,277** | **15,166,764** | **17,229,567** | **64,586,457** |
| **Bookings Growth** | **June Q 2022A** | **Sept Q 2022A** | **Dec Q 2022A** | **Mar Q 2022A** | **March Yr 2022A** | **June Q 2023A** | **Sept Q 2023A** | **Dec Q 2023A** | **Mar Q 2023A** | **March Yr 2023A** |
| Air Ticketing | NM | 320% | 89% | 45% | 113% | 684% | 99% | 37% | 60% | 104% |
| Hotels & Packages | 5263% | 798% | 98% | 8% | 104% | 871% | 97% | 57% | 101% | 135% |
| **Total** | **NM** | **351%** | **90%** | **40%** | **112%** | **704%** | **99%** | **39%** | **64%** | **107%** |
| **Net Revenue Margin %** | **June Q 2022A** | **Sept Q 2022A** | **Dec Q 2022A** | **Mar Q 2022A** | **March Yr 2022A** | **June Q 2023A** | **Sept Q 2023A** | **Dec Q 2023A** | **Mar Q 2023A** | **March Yr 2023A** |
| Air Ticketing | 16.3% | 7.7% | 7.5% | **7.1%** | **8.0%** | 5.4% | 8.1% | 7.6% | **9.7%** | **7.2%** |
| Hotels & Packages | 19.9% | 16.5% | 17.3% | **17.1%** | **17.2%** | 13.7% | 12.4% | 13.2% | **12.7%** | **14.8%** |

* Gross Bookings are net of of cancellations & refunds and include fees and other charges

# INCOME STATEMENT

| (Thousands US Dollars) | June 1Q22 | Sept 2Q22 | Dec 3Q22 | March 4Q22 | 2022 | June 1Q23 | Sept 2Q23 | Dec 3Q23 | March 4Q23 | 2023 | June 1Q24E | Sept 2Q24E | Dec 3Q24E | March 4Q24E | 2024E | 2025E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | 22,353 | | | | | 38,696 | | | | | | |
| Adjusted Revenues ** | | | | | | | | | | | | | | | | |
| Air Ticketing | 4,151 | 6,858 | 9,766 | 8,121 | **26,902** | 10,059 | 13,147 | 12,223 | 17,759 | **52,747** | 16,000 | 13,500 | 15,000 | 21,000 | **65,500** | **78,600** |
| % change (yoy) | 84% | 99% | 66% | -7% | **32%** | 140% | 92% | 25% | 119% | **96%** | 59% | 3% | 23% | 18% | 24% | 20% |
| Hotels & Packages | 607 | 2,205 | 2,833 | 2,187 | **7,290** | 3,830 | 2,958 | 3,073 | 3,265 | **12,969** | 4,200 | 3,700 | 3,800 | 3,000 | **14,700** | **17,640** |
| % change (yoy) | 284% | 256% | 89% | -13% | **52%** | 180% | 34% | 8% | 49% | **78%** | 10% | 25% | 24% | -8% | 13% | 20% |
| Other Services & Income (Rail, Bus, Freight, etc.) | 1,816 | 1,572 | 1,448 | 1,616 | **5,988** | 1,977 | 2,525 | 2,701 | 2,030 | **9,149** | 2,200 | 2,500 | 3,000 | 2,400 | **10,100** | **12,120** |
| % change (yoy) | 153% | 46% | 55% | -22% | **24%** | 35% | 61% | 87% | 26% | **53%** | 11% | -1% | 11% | 18% | 10% | 20% |
| **Adjusted Revenues **** | **6,574** | **10,635** | **14,047** | **11,924** | **40,180** | **15,866** | **18,630** | **17,997** | **23,054** | **74,865** | **22,400** | **19,700** | **21,800** | **26,400** | **90,300** | **108,360** |
| % change (yoy) | **110%** | **107%** | **69%** | **-10%** | **34%** | **141%** | **75%** | **28%** | **93%** | **86%** | **41%** | **6%** | **21%** | **15%** | **21%** | 20% |
| **Non-Adjusted Revenues:** | | | | | | | | | | | | | | | | |
| Total Rendering of Services Revenues | **3,643** | **5,654** | **7,724** | **6,724** | **22,112** | **10,300** | **8,977** | **9,348** | **13,236** | **41,861** | **13,440** | **11,820** | **13,080** | **15,840** | **54,180** | **65,016** |
| % change (yoy) | 43% | 89% | 105% | 18% | **47%** | 183% | 59% | 21% | 97% | **89%** | 30% | 32% | 40% | 20% | **29%** | 20% |
| Other Revenues (Advertising, Facilitation Fees, etc | 486 | 420 | 705 | 636 | 2,093 | 1,077 | 1,240 | 1,563 | 1,295 | 5,175 | 1,568 | 1,379 | 1,526 | 1,848 | 6,321 | 7,585 |
| % change (yoy) | 53% | -33% | 9% | -19% | -12% | 110% | 195% | 122% | 104% | 147% | 46% | 11% | -2% | 43% | 16% | 20% |
| **Reported Revenues** | 4,129 | 6,074 | 8,429 | 7,360 | **24,205** | 11,377 | 10,217 | 10,911 | 14,531 | **47,036** | 15,008 | 13,199 | 14,606 | 17,688 | **60,501** | **72,601** |
| % change (yoy) | 44% | 70% | 99% | 10% | **39%** | 176% | 68% | 29% | 97% | **94%** | 32% | 29% | 34% | 22% | **29%** | 20% |
| Other Income | 1,062 | 627 | 105 | 309 | 1,930 | 249 | 780 | 569 | 272 | 1,870 | 272 | 500 | 626 | 299 | 2,057 | 2,468 |
| % change (yoy) | 177% | 52% | -52% | -61% | 7% | -77% | 24% | 442% | -12% | -3% | 9% | -36% | 10% | 10% | 10% | 20% |
| Operating Expenses: | | | | | | | | | | | | | | | | |
| Service Cost | 127 | 316 | 1,073 | 568 | 1,938 | 1,857 | 1,157 | 2,418 | 2,777 | 8,209 | 2,852 | 2,508 | 2,775 | 3,184 | 11,318 | 13,356 |
| Personnel Expense | 2,939 | 3,988 | 3,407 | 3,094 | 12,433 | 3,416 | 3,534 | 3,767 | 3,399 | 14,116 | 3,200 | 3,168 | 3,505 | 4,245 | 14,118 | 16,660 |
| Marketing & Sales Promotion Expense | 204 | 392 | 620 | 412 | 1,510 | 391 | 999 | 989 | 1,733 | 4,112 | 1,501 | 1,320 | 1,461 | 1,946 | 6,227 | 7,472 |
| Other Operating Expenses | 2,060 | 2,761 | 3,511 | 3,337 | 10,869 | 4,836 | 4,801 | 4,530 | 4,957 | 19,124 | 6,003 | 5,016 | 5,550 | 7,075 | 23,644 | 27,191 |
| Depreciation & Amortization | 1,030 | 1,134 | 993 | 896 | 3,749 | 698 | 577 | 537 | 531 | 2,343 | 530 | 505 | 502 | 500 | 2,037 | 2,800 |
| Goodwill Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment of loan to joint venture | 0 | 0 | 964 | 12 | 885 | 13 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Expenses | 6,360 | 8,591 | 10,568 | 8,318 | **31,385** | 11,211 | 11,068 | 12,241 | 13,397 | **47,917** | 14,086 | 12,516 | 13,793 | 16,950 | **57,345** | **67,479** |
| % change (yoy) | -30% | 9% | 48% | -45% | **-20%** | 76% | 29% | 16% | 61% | **53%** | 26% | 13% | 13% | 27% | 20% | 18% |
| Operating Income (Loss) | (1,169) | (1,890) | (2,034) | (649) | **(5,250)** | 415 | (71) | (761) | 1,406 | **989** | 1,194 | 1,183 | 1,438 | 1,037 | **5,213** | **7,591** |
| Joint Venture Share of Loss | (13) | (16) | 588 | 0 | 506 | - | - | - | - | - | - | - | - | - | - | - |
| Interest Income | 307 | 178 | 93 | 60 | 582 | 131 | 117 | 57 | 160 | 465 | 200 | 200 | 200 | 200 | 800 | 200 |
| Interest Expense | (350) | (303) | (303) | (358) | (1,222) | (389) | (737) | (1,724) | (1,240) | (4,090) | (1,200) | (1,000) | (940) | (940) | (4,080) | (3,760) |
| Listing and related expenses | 0 | 0 | (294) | (447) | (679) | (135) | (77) | (39) | (41) | (292) | (40) | 0 | 0 | 0 | (40) | 0 |
| Change in Fair Value of Warrants (Loss) | 164 | 174 | 104 | 0 | 399 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income before Taxes (Loss) | (1,061) | (1,857) | (1,846) | (1,395) | **(4,985)** | 22 | (768) | (2,467) | 285 | **(2,928)** | 154 | 383 | 698 | 297 | **1,933** | **4,031** |
| Income Taxes | (21) | (35) | (99) | (65) | (206) | (112) | (107) | (162) | (192) | (573) | (100) | (190) | (190) | (100) | (792) | (891) |
| Net Income (reported) | **(1,082)** | **(1,892)** | **(1,945)** | **(1,460)** | **(5,191)** | **(90)** | **(875)** | **(2,629)** | **93** | **(3,501)** | **54** | **193** | **508** | **197** | **953** | **3,140** |
| Net Income Adjusted (Non-IFRS) | **(594)** | **(834)** | **(782)** | **(1,032)** | **(3,243)** | **392** | **(349)** | **(1,931)** | **456** | **(1,357)** | **417** | **556** | **871** | **560** | **2,405** | **3,140** |
| EPS (reported, diluted) | ($0.02) | ($0.03) | ($0.03) | ($0.02) | ($0.10) | ($0.00) | ($0.01) | ($0.04) | $0.00 | ($0.06) | $0.00 | $0.00 | $0.01 | $0.00 | $0.01 | $0.05 |
| **EPS Adjusted (Non-IFRS, diluted)** | **($0.01)** | **($0.01)** | **($0.01)** | **($0.02)** | **($0.05)** | **$0.01** | **($0.01)** | **($0.03)** | **$0.01** | **($0.02)** | **$0.01** | **$0.01** | **$0.01** | **$0.01** | **$0.04** | **$0.05** |
| **Adjusted EBITDA (Non-IFRS)** | **521** | **313** | **591** | **644** | **1,934** | **1,563** | **955** | **435** | **2,259** | **5,145** | **1,720** | **1,859** | **2,174** | **1,863** | **7,617** | **9,141** |
| Avg Diluted Shares | 62.2 | 62.4 | 62.4 | 62.5 | 62.4 | 62.6 | 62.8 | 63.0 | 66.7 | 63.0 | 66.7 | 66.7 | 66.7 | 66.7 | 66.7 | 67.0 |

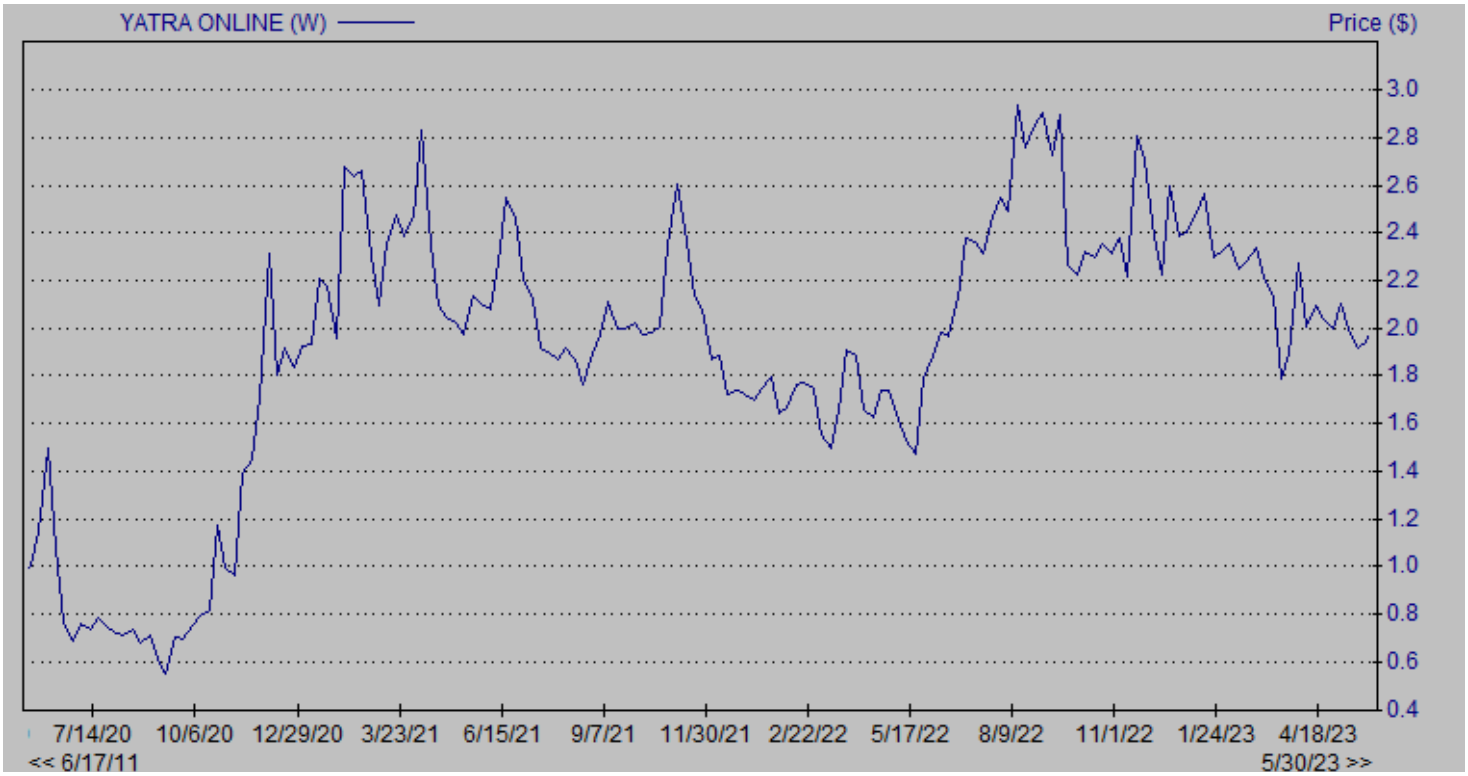
## BALANCE SHEET

| in Thousands of US Dollars | Mar 31, 2023 | Dec 31, 2022 | Qtr-to-Qtr % Change | Mar 31, 2022 | Yr-to-Yr % Change |
|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | |
| Cash and cash equivalents | **$6,127** | **$8,139** | -24.7% | **$10,548** | -41.9% |
| Term Deposits | **7,072** | **4,949** | 42.9% | **7,490** | -5.6% |
| Other financial assets | 839 | 957 | -12.3% | 901 | -6.9% |
| Income tax recoverable | 3,322 | 3,185 | 4.3% | 2,709 | 22.6% |
| Trade and other receivables | 37,398 | 31,905 | 17.2% | 25,500 | 46.7% |
| Inventories | 1 | 1 | 0.0% | 3 | -66.7% |
| Prepayments and other assets | 11,582 | 3,185 | 263.6% | 8,010 | 44.6% |
| **Total current assets** | 66,341 | 52,321 | 26.8% | 55,161 | 20.3% |
| | | | | | |
| Property, plant and equipment | 558 | 518 | 7.7% | 290 | 92.4% |
| Right of use assets | 2,443 | 2,431 | 0.5% | 3,028 | -19.3% |
| Intangible assets and goodwill | 9,478 | 9,023 | 5.0% | 9,915 | -4.4% |
| Prepayments and other | 14 | 6 | 133.3% | 12 | 16.7% |
| Other financial assets | 607 | 592 | 2.5% | 637 | -4.7% |
| Term deposits | 75 | 5 | 1400.0% | - | NA |
| Other non financial assets | 2,314 | 2,299 | 0.7% | 2,850 | -18.8% |
| Deferred tax assets | 135 | 127 | 6.3% | 132 | 2.3% |
| Total other assets | 15,624 | 15,001 | 4.2% | 16,864 | -7.4% |
| **TOTAL ASSETS** | 81,965 | 67,322 | 21.8% | 72,025 | 13.8% |
| | | | | | |
| **CURRENT LIABILITIES** | | | | | |
| Borrowings | **28,390** | **21,920** | 29.5% | **4,671** | 507.8% |
| Trade and other payables | 26,302 | 24,731 | 6.4% | 31,563 | -16.7% |
| Employee benefits | 683 | 687 | -0.6% | 846 | -19.3% |
| Deferred revenue | 556 | 1,069 | -48.0% | 2,415 | -77.0% |
| Income taxes payable | 219 | 175 | 25.1% | 53 | 313.2% |
| Lease liability | 582 | 534 | 9.0% | 514 | 13.2% |
| Other financial liabilities | 5,074 | 4,919 | 3.2% | 5,660 | -10.4% |
| Other current liabilities | 8,117 | 7,837 | 3.6% | 9,367 | -13.3% |
| Total current liabilities | 69,923 | 61,872 | 13.0% | 55,089 | 26.9% |
| | | | | | |
| **OTHER LONG-TERM LIABILITIES** | | | | | |
| Borrowings | **235** | **230** | 2.2% | **55** | 327.3% |
| Trade and other payables | - | 683 | -100.0% | 562 | -100.0% |
| Deferred tax liabilities | 87 | 94 | -7.4% | 152 | -42.8% |
| Employee benefits | 496 | 496 | 0.0% | 511 | -2.9% |
| Deferred revenue | - | - | 0.0% | 856 | -100.0% |
| Lease liability | 2,475 | 2,475 | 0.0% | 3,040 | -18.6% |
| **TOTAL LIABILITIES** | 73,216 | 65,850 | 11.2% | 60,265 | 21.5% |
| | | | | | |
| **SHAREHOLDERS EQUITY** | | | | | |
| Share capital | 10 | 10 | 0.0% | 11 | -9.1% |
| Share premium | 248,069 | 246,266 | 0.7% | 267,385 | -7.2% |
| Treasury shares | (137) | (136) | 0.7% | (148) | -7.4% |
| Other capital reserves | 3,141 | 2,988 | 5.1% | 3,473 | -9.6% |
| Accumulated deficit | (242,096) | (240,595) | 0.6% | (258,562) | -6.4% |
| Foreign currency translation reserve | (378) | (457) | -17.3% | (425) | -11.1% |
| Total shareholders equity | 8,609 | 8,076 | 6.6% | 11,734 | -26.6% |
| Total non-controlling interest | 141 | 125 | 12.8% | 26 | 442.3% |
| Total equity | 8,750 | 8,201 | 6.7% | 11,760 | -25.6% |
| **TOTAL LIABILITIES & SHAREHOLDERS EQUITY** | 81,966 | 74,051 | 10.7% | 72,025 | 13.8% |
| | | | | | |
| Cash and equivalents | $13,199 | $13,088 | 0.8% | $18,038 | -26.8% |
| Current Ratio | 0.9 | 0.8 | 12.2% | 1.0 | -5.2% |
| Quick Ratio | 0.9 | 0.8 | 12.2% | 1.0 | -5.2% |
| Working capital | (3,582) | (9,551) | -62.5% | 72 | -5075.0% |
| Debt | $28,625 | $22,150 | 29.2% | $4,726 | 505.7% |
| Debt/Total assets | 34.9% | 32.9% | 6.1% | 6.6% | 432.2% |

## CASH FLOWS

| in Thousands of US Dollars | 3 Mo Jun-21 | 3 Mo Sep-21 | 3 Mo Dec-21 | 3 Mo Mar-22 | Year FY 2022 | 3 Mo Jun-22 | 3 Mo Sep-22 | 3 Mo Dec-22 | 3 Mo Mar-23 | Year FY 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Pretax income | (1,060) | (1,858) | (1,839) | (1,378) | (6,135) | 22 | (767) | (2,457) | 265 | (2,937) |
| Adjustments for non-cash and non-operating items | 458 | 1,196 | 2,054 | 1,791 | 5,499 | 1,021 | 1,114 | 1,151 | 2,056 | 5,342 |
| CASH FLOW | (602) | (662) | 215 | 413 | (636) | 1,043 | 347 | (1,306) | 2,321 | 2,405 |
| Changes in working capital | 1,411 | (4,116) | (6,463) | (3,383) | (12,551) | (3,547) | (7,493) | (6,661) | (7,293) | (24,994) |
| Taxes paid, net | 1,140 | (121) | (212) | (432) | 375 | (416) | (346) | (239) | (286) | (1,287) |
| Net cash flow from operating activities | 1,949 | (4,899) | (6,457) | (3,405) | (12,812) | (2,920) | (7,492) | (8,206) | (5,258) | (23,876) |
| Net cash flow from investing | 544 | 515 | 376 | (2,576) | (1,141) | (162) | 1,393 | (266) | (2,741) | (1,776) |
| Net cash flow from financing | (1,972) | (273) | 2,428 | 1,600 | 1,783 | (1,657) | 4,924 | 12,224 | 5,823 | 21,314 |
| Net increase in cash | 521 | (4,657) | (3,653) | (4,380) | (12,170) | (4,739) | (1,175) | 3,752 | (2,176) | (4,338) |
| Cash at beginning | 23,026 | 23,563 | 19,032 | 15,352 | 22,558 | 10,128 | 5,355 | 3,556 | 8,139 | 9,737 |
| Effect of exchange differences | 16 | 72 | 45 | 27 | 160 | (34) | (331) | 993 | 100 | 728 |
| Cash at end of period | 23,563 | 19,032 | 15,352 | 10,548 | 10,548 | 5,355 | 3,556 | 8,139 | 6,127 | 6,127 |

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