

Update

2020-04-20

Crunchfish: Turning eastward

- Vast opportunities in Indian mobile payments
- We include India in our model but scale back on other areas
- Together we see a higher fair value for the share

Analysts

Alf Riple, CFA

073-840 4008

alf.riple@vhcorp.se

Pascal Dettwiler

073-332 1473

pascal.dettwiler@vhcorp.se

Stock ticker:	CFISH
Industry:	Technology
Listed on:	Nasdaq First North
Latest stock price (SEK):	15,55
Market cap (MSEK):	453,3
Enterprise Value (MSEK):	431,7
Total number of shares (M):	28,35
- of which free float (M):	14,92

VHCF fair value per share

DCF model 25,30 - 40,10 SEK

Crunchfish AB

Address: Stora Varvsgatan 6A
211 19 Malmö
Webpage: crunchfish.com
CEO: Joachim Samuelsson

Main owners (20 mar 2020)

Capital (%)

Femari Invest AB	26,2
Midroc Invest AB	17,3
Paul Cronholm	4,1
Carlquist Holding AB	3,8
Coeli Abs European Equity	3,0

Stock price history

Crunchfish AB vs. OMXS30



Source: FactSet Prices

	-1m	-3m	-12m
Change (%)	5,6	104,1	-11,0
52 w k range (Low /Hi) - SEK		6,99 / 20,94	

Source: FactSet

Crunchfish is investing ever more time and effort in the Indian market. What sounded like a distant opportunity only six months ago, is rapidly being transformed into a firm strategy. With its huge size and explosive growth, the Indian mobile payments business could emerge as the most attractive use case in Crunchfish' portfolio of opportunities. We have therefore decided to include the Indian market in our valuation model at this point. We still see considerable risk in the venture; therefore, we apply tough risk adjustment for now and make only a modest valuation upgrade at this juncture.

The company has been clear about its increasing focus on the fintech business recently, which is justified given the attractive business opportunities in the near term. The Gesture business is still continued, but Crunchfish believes that its time to shine will come only when the market for consumer AR glasses takes off. Therefore, the Gesture business will take the backseat for now.

The mobile payments business in Sweden meanwhile continues forward. The company's joint venture with ClearOn, named Blippit, hit a roadblock late last year due to delays on the part of ClearOn. A planned pilot study to be run on ClearOn's cash registers fell through because of this. But Blippit then turned to other pilot partners who would use cash registers from different vendors. Currently, pilot installations are being prepared with Tickster, who will enable customers to pay with the Swish app on Blippit terminals at their checkout points. Tickster's checkout systems are found at many sports, music and culture venues. Next in line will be EG Retail who will open for Blippit payments at 5 000 checkout points at fashion and sporting goods stores in the Nordic countries.

Table 1: Financial Overview

MSEK	2 018	2 019	2020e	2021e	2022e
Total revenues	13,8	21,1	23,5	84,9	169,8
Grow th (%)	7,6%	52,7%	11,1%	262,1%	100,0%
EBITDA	(17,1)	(15,6)	(20,3)	29,2	107,5
EBITDA margin (%)	neg	neg	neg	34,4%	63,3%
EBT	(22,0)	(24,0)	(30,3)	26,8	113,0
Cash holdings	21,4	13,2	3,9	28,2	145,9
Total assets	46,6	43,0	38,5	65,2	186,1
Total equity	40,3	36,3	29,8	56,6	177,2
Solidity (%)	86,3%	84,5%	77,5%	86,8%	95,2%
P/E	neg	neg	neg	16,9	4,0
ROE	neg	neg	neg	47,3%	63,8%
EV/EBIT (x)	neg	neg	neg	18,8	4,2
EV/Sales (x)	31,2	20,4	18,4	5,1	2,5

Source: Västra Hamnen Corporate Finance

Management’s increasing focus on India is logical. There are many factors suggesting that India is a good fit with Crunchfish’ technology, and that the timing is right:

Size: India has the world’s second-largest population and fifth-largest GDP. The country has one billion mobile telephone users. Around the country there are tens of millions of retail stores, many of which are cash-only at present.

Growth: Mobile payment transactions in India are growing at an immense pace. According to PayTM, a payment provider, there were 9 billion mobile payments at merchants in 2019. Around 80 percent of these were either mobile real-time payments or mobile wallet payments. The number of mobile real-time payments is currently growing at a monthly rate of 7 percent, which amounts to 125 percent per year.

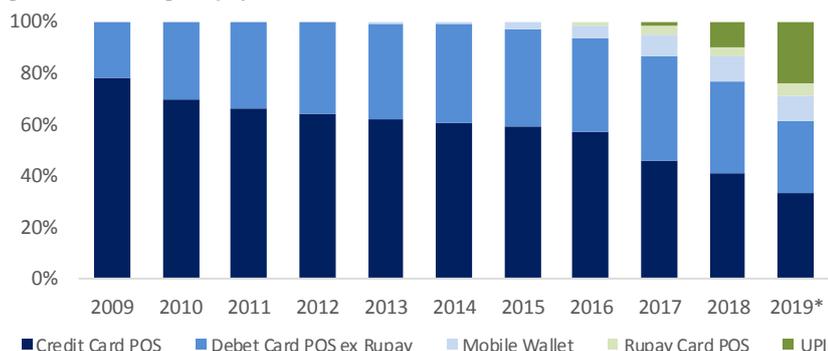
Stage of development: Around 80 percent of India’s payment transactions are made in cash, but the central government is working hard to replace cash with non-cash transactions. Credit and debit cards have low market shares while mobile phones are abundant, so the logical consequence is a direct switch to mobile. The central bank has promoted the establishment of a real-time interbank payment system for mobile payments called UPI. It has around 150 banks participating and is a flexible and open standard facilitating 120 different apps. To pay by mobile at a merchant, most users today scan a QR code within their app to get the payment details and thereafter verify the payment on their device.

Internet and mobile penetration: Most of India is covered by mobile internet, but the coverage is notoriously unstable, especially in rural areas. Crunchfish has a special benefit to offer as it has invented a method to make mobile payments independent of continuous internet connections (see below). It has also submitted a patent application for enabling mobile payments from simpler feature phones, which suits the Indian market where smartphones make up less than half of all mobiles.

Mobile payment players: Many payment app providers compete for market share. The dominant three, with 90 percent market share, are PayTM, GooglePay and PhonePe. Summing up their numbers suggests they have around half a billion app users and in the area of 20 million active merchants, but there may be some overlap in the numbers. Their rivalry is positive for Crunchfish because any payment provider who decides to incorporate Crunchfish’ solutions could get a leg up on the competition.

Model for others: The success of UPI sets a model for other countries and several governments have reportedly looked to India to implement UPI in their markets as well. Examples include countries with large Indian populations, such as Singapore and the United Arab Emirates, but others could join the bandwagon. Commercial success in this ecosystem may therefore open for similar successes around the world.

Figure 1: India digital payments mix



* 1st quarter 2019
 Source: "Real-Time Payments Systems & Third Party Access", Google Payments, Nov 2019

Crunchfish has established presence in India

There is little doubt about the sincerity of Crunchfish' dedication to the Indian market. Management has spent a lot of time travelling and meeting with the involved government bodies and service providers. It has hired a local representative, Mr Vijay Raghunathan, to work full-time on Crunchfish' strategy for India. Mr Raghunathan has wide experience and a strong network of connections from spending 25 years involved in developing the country's digital payments system. Due to increasing workload, his office has hired an associate and is looking to add another one. Crunchfish has also contracted Business Sweden to help getting in contact with customer groups outside of retail. Examples include sectors with a significant government involvement such as healthcare and transport.

India is currently in complete lockdown due to the COVID-19 pandemic. The initial 21-day lockdown announced on 24 March has been extended nationwide until 3 May. This naturally slows the process, but Crunchfish' business strategy is otherwise clear. Crunchfish' objective is to have its payment solutions incorporated in apps from service providers such as PayTM, GooglePay, PhonePe and Amazon Pay. For the benefit of using Crunchfish' solution, customers will pay a monthly fee depending on their level of service. The fee could be invoiced directly to merchants, but more realistically Crunchfish will invoice the service providers based on their usage statistics. The monthly charges will be based on the number of checkout points that have the service enabled, whereas the shopper side usage will be free of charge.

Two-way payment link

The aBubbl and Blippit interaction solution

In January Crunchfish described how its invention aBubbl would be used in mobile payments. aBubbl is a new way of doing mobile payments through a two-way link between the payer and the payee. The solution is based on Bluetooth technology and enables mobile payments between a payer's mobile app and the receiving merchant's mobile or tablet app. If the merchant is using a POS terminal they would have to use the Blippit hardware terminal for enabling an aBubbl payment function. This means that Crunchfish can support two-way linked mobile payments, either if the merchant is using a mobile app or a POS terminal for receiving payments.

Figure 2: aBubbl and Blippit



Safe payments

With aBubbl, the payment is not initiated with a "blip" but when the payer is within one meter from the merchant that is requesting a payment. The name, aBubbl, refers to the payer being in a bubble surrounding the payee. The transaction is as safe as any other mobile payment and the payer still needs to verify the payment with biometrics or a pin-code through the payment app.

Dynamic QR-codes is the current standard

The standard mobile payment around the world is using dynamic QR-codes for the payer to retrieve information about what amount that should be payed and to what account. The downside of this system is that it only supports a one-way information flow. Hence, when the merchant only gets information about its customer, the payment has already taken place, taking away the option of additional sales, use of loyalty programs, or digital coupons to enjoy discounts.

Two-way communication with aBubbl

The advantage of using aBubbl for mobile payments is that it allows for two-way communication between the payer and the merchant. This is possible since the merchant gets information about the customer before the transaction has been initiated, thereby leaving room for tailoring the purchase for the customer at hand. aBubbl is a software solution and is offered as an SDK both for both the payer and the merchant mobile app or POS terminal

with aBubbl service. It is therefore necessary for the payment provider apps to integrate the aBubbl SDK into its app for it to work.

At the end of January Crunchfish also announced a patent pending innovation that enables frictionless mobile payments, regardless of whether the payer and the payee is offline. The company says that the breakthrough has a strong potential to change the global payment ecosystem and accelerate the transition from card payments to real-time payment systems.

Frictionless offline payments

The transaction works even if neither the payer nor the merchant has internet access. This is made possible by separating the moment of payment from the transfer of money in the cloud. For the offline transaction to work, the payer needs to have digital cash on their mobile wallet app for offline use. This can be compared to a physical withdrawal of money from an ATM and put into a wallet. The offline payment works just as well for aBubbl, where the transaction is done to an app on the payee's mobile or tablet app, as it does for Blippit, where the transaction goes via Blippit's app terminal to a POS terminal in store.

The technology works by the transaction being digitally signed by the payer and transmitted locally to the payee. The payee receives a digitally signed commitment, similar to a guaranteed check. If both parties are offline at the moment of payment, the clearing will take place later when one of the parties connects to the internet and access to the payment service's back-end in the cloud. A transaction is logged locally by both the payer and the payee and the offline digital balance of both parties is updated. If one or both parties are online during the payment, the transfer of money takes place at immediately. The offline function makes sure that the payment interaction will always work at the moment of payment, and the transaction will always be perceived as a real-time payment, regardless of internet connectivity.

Huge possibilities

This creates huge advantages for markets where internet connection and sometimes even mobile coverage is inadequate. The two largest markets in the world for real time payments, China and India, experience these problems but the problems can exist everywhere, even in countries with relatively good connectivity.

Revising old assumptions

We update our valuation model

With these innovations in mobile payments, Crunchfish is targeting new market segments, with the main focus on India. We have therefore revised our valuation model to incorporate these changes. Seeing the shift of priorities between the company's business interests, we have also decided to modify some of our previous assumption regarding the payments business in Sweden and in Gesture technology:

- First, we have lowered the estimated revenue from Blippit transactions in Sweden since the company has communicated that it expects transaction fees to be less important than access fees in the Swedish market. We had previously forecasted transaction fees to make up a noticeable part of revenues.
- Second, we have removed our previous sum-up of international opportunities as being equivalent to "one additional Sweden". Instead we have modelled India explicitly but otherwise left international opportunities to be added later.
- Third, we have reduced some of the revenue estimates of the Gesture business model, reflecting the company's clear expression that revenues in this area will increase substantially only when consumer AR glasses take off.

Vast market potential in India

All of these changes affect the valuation model negatively but are more than compensated by our inclusion of India in our model. Based on available information we assume that the number of potential merchants in India is 60 million. A majority of these will have poor or non-existent internet connectivity at present, so we assume that the offline capability will be a major selling point. Still, as the offline feature will be priced higher, we assume a 50/50 split between merchants who choose only the online aBubbl solution and those who

choose aBubbl plus the offline feature. We have estimated a pricing model of 30 SEK/quarter for aBubbl online and 120 SEK/quarter for merchants using aBubbl with the offline function. We guess that this is on the conservative side compared with Crunchfish’ own expectations.

As for market penetration, we have assumed the first revenues to occur in Q1 2021, and we have then modelled a gradual increase in market share every quarter until the company reaches a penetration rate of 5 percent. This will happen at the end of 2028.

We apply tough risk-adjustment to Indian revenues

We have chosen to apply tough risk-adjustment to these revenue streams to account for the fact that the company’s venture into India is still at an early stage. Among the major risks, it is worth highlighting that the business model is untested, that the product is new and that Crunchfish is dependent on partners to implement their solution before it can be brought to end users. These partners are currently not charging for their services and may constitute tough negotiation partners towards Crunchfish. Therefore, we have chosen to multiply all cashflows from the Indian market by a risk factor of 50 percent. After this, we reach a turnover estimate of just shy of SEK 400 million when reaching the 5 percent market penetration in 2028. The risk-adjusted revenue forecast is illustrated in Figure 3 below.

Figure 3: Revenue forecast divided by business segment



Source: Västra Hamnen Corporate Finance

We increase our valuation interval to SEK 25.30 – 40.10 per share

We have only incorporated aBubbl, with online and offline payments in our model and we have not modelled any use of Blippit hardware in India. This is still a possible scenario and could potentially make a significant addition to revenues in the future. Furthermore, as the business plan unfolds and turns into reality, we may scale back our risk factor which all else equal could lead to a doubling of expected cash flows from India. However, we prefer to keep our model simple and conservative for now and leave room for further upgrades down the road.

After updating our valuation model, it indicates a somewhat higher valuation range. **We therefore raise our fair value interval to SEK 25.30 – 40.10 per share.**

Income Statement - Annual Data

kSEK	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Net revenues	2 690	3 203	3 510	14 565	16 887	77 981	162 522	229 554
Capitalised development cost	8 175	7 602	6 769	4 623	4 343	4 530	4 678	4 829
Other revenues	2 301	2 041	3 548	1 928	2 225	2 408	2 607	2 822
Total revenues	13 166	12 847	13 827	21 115	23 455	84 920	169 807	237 205
Cost of goods sold	-	-	-	(91)	(550)	(2 750)	(4 400)	(4 400)
Personnel costs	(12 141)	(14 324)	(14 784)	(15 496)	(19 528)	(23 932)	(26 165)	(28 606)
Other external costs	(10 854)	(15 290)	(14 637)	(20 714)	(20 504)	(25 129)	(27 473)	(30 036)
Other operating expenses	(192)	(285)	(1 554)	(379)	(3 203)	(3 925)	(4 291)	(4 691)
EBITDA	(10 020)	(17 053)	(17 148)	(15 564)	(20 329)	29 184	107 478	169 472
Amortisation & depreciation	(2 149)	(3 433)	(4 748)	(6 936)	(7 116)	(6 231)	(5 706)	(5 405)
EBIT	(12 169)	(20 486)	(21 896)	(22 501)	(27 446)	22 954	101 772	164 067
Profit from affiliated companies	-	-	(180)	(1 527)	(2 776)	3 881	11 291	18 709
Other financial items, net	(365)	(293)	50	27	(63)	(63)	(63)	(63)
EBT	(12 534)	(20 779)	(22 027)	(24 001)	(30 285)	26 771	113 000	182 712
Taxes	-	-	-	-	-	-	-	(31 653)
Net profit	(12 534)	(20 779)	(22 027)	(24 001)	(30 285)	26 771	113 000	151 059
Earnings per share (SEK)	(0,96)	(1,35)	(1,30)	(0,97)	(1,10)	0,94	3,90	5,19
Growth (%)								
Net revenues	na	19,1%	9,6%	315,0%	15,9%	361,8%	108,4%	41,2%
EBITDA	na	na	na	na	na	na	268,3%	57,7%
EBIT	na	na	na	na	na	na	343,4%	61,2%
Net profit	na	na	na	na	na	na	322,1%	33,7%
% of revenues (%)								
EBITDA margin	neg	neg	neg	neg	neg	34,4%	63,3%	71,4%
EBIT margin	neg	neg	neg	neg	neg	27,0%	59,9%	69,2%
EBT margin	neg	neg	neg	neg	neg	31,5%	66,5%	77,0%
Profit margin	neg	neg	neg	neg	neg	31,5%	66,5%	63,7%
Personnel costs	451,4%	447,1%	421,2%	106,4%	115,6%	30,7%	16,1%	12,5%
Total OPEX	862,0%	933,4%	882,5%	251,2%	256,0%	67,9%	35,6%	27,6%
Profitability (%)								
ROE	neg	neg	neg	neg	neg	47,3%	63,8%	46,0%
ROIC	neg	neg	neg	neg	neg	61,1%	247,0%	371,6%
ROCE	neg	neg	neg	neg	neg	31,4%	44,9%	39,2%

Source: Västra Hamnen Corporate Finance

Balance Sheet - Annual Data

kSEK	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Subscribed but not paid equity	-	-	-	-	-	-	-	-
Inventories	-	-	-	30	181	362	362	362
Account receivable	1 545	1 824	356	2 424	1 723	5 186	9 046	11 752
Receivables fr affiliated comp	-	-	1 118	841	2 240	2 440	2 534	2 869
Prepaid costs & accrued inco	1 415	992	1 089	1 066	1 485	1 726	1 835	1 907
Other receivables	2 039	984	475	361	657	744	779	816
Cash and cash equivalents	44 077	21 164	21 362	13 181	3 876	28 150	145 924	294 672
Total current assets	49 076	24 963	24 400	17 902	10 162	38 608	160 479	312 379
Tangible assets	222	728	522	1 606	1 310	1 069	872	712
Intangible assets	14 520	18 655	20 402	18 052	15 577	14 120	13 290	12 876
Long-term receivables	-	373	373	-	-	-	-	-
Affiliated companies	-	-	945	5 418	11 418	11 418	11 418	11 418
Total fixed assets	14 742	19 757	22 242	25 076	28 305	26 606	25 580	25 005
Total assets	63 818	44 720	46 642	42 978	38 467	65 213	186 058	337 384
Accounts payable	1 610	2 640	2 280	984	2 520	2 173	2 184	2 191
Accrued cost & prepaid inco	3 265	3 287	3 177	4 023	4 317	4 600	4 780	5 007
Other liabilities	424	963	917	843	990	1 030	1 061	1 093
Total current liabilities	5 299	6 889	6 373	5 850	7 828	7 802	8 024	8 291
Total non-current liabilities:	-	62	-	789	789	789	789	789
Total equity	58 519	37 768	40 269	36 310	29 821	56 592	177 215	328 275
Total equity and liabilities	63 818	44 720	46 642	42 949	38 437	65 184	186 029	337 354

Source: Västra Hamnen Corporate Finance

Cash flow statement

kSEK	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Operating activities	(10 609)	(16 767)	(16 868)	(15 211)	(23 168)	33 002	118 706	156 465
Changes in working capital	(2 757)	2 266	369	(2 090)	413	(4 196)	(3 876)	(2 885)
Investing activities	(8 216)	(7 975)	(6 823)	(11 597)	(10 345)	(4 532)	(4 680)	(4 831)
Financing activities	54 980	(163)	23 356	20 743	23 796	-	7 623	-
Cash flow for the period	39 348	(22 640)	34	(8 156)	(9 305)	24 275	117 773	148 748
Beginning cash balance	4 729	44 077	21 164	21 362	13 181	3 876	28 150	145 924
Adjustments	-	(273)	165	(26)	-	-	-	-
Ending cash balance	44 077	21 164	21 362	13 181	3 876	28 150	145 924	294 672

Source: Västra Hamnen Corporate Finance

Income Statement - Quarterly Data

kSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020e	Q2 2020e	Q3 2020e	Q4 2020e
Net revenues	3 973	2 466	2 600	5 526	3 310	3 680	4 082	5 815
Capitalised development cost	1 024	1 608	1 032	958	1 084	1 099	1 075	1 086
Other revenues	433	484	482	529	540	551	562	573
Total revenues	5 430	4 558	4 114	7 014	4 934	5 330	5 718	7 473
Cost of goods sold	-	-	-	(91)	-	-	-	(550)
Personnel costs	(3 573)	(4 042)	(3 669)	(4 211)	(4 544)	(4 525)	(5 116)	(5 343)
Other external costs	(5 329)	(5 911)	(4 966)	(4 509)	(4 772)	(4 751)	(5 372)	(5 610)
Other operating expenses	-	(329)	(32)	(19)	(745)	(742)	(839)	(876)
EBITDA	(3 472)	(5 724)	(4 553)	(1 815)	(5 127)	(4 688)	(5 609)	(4 905)
Amortisation & depreciation	(1 623)	(1 698)	(1 767)	(1 849)	(1 886)	(1 809)	(1 742)	(1 679)
EBIT	(5 095)	(7 422)	(6 320)	(3 664)	(7 013)	(6 497)	(7 351)	(6 584)
Profit from affiliated companies	(268)	(424)	(393)	(443)	(780)	(780)	(780)	(436)
Other financial items, net	22	2	88	(85)	(16)	(16)	(16)	(16)
EBT	(5 341)	(7 843)	(6 625)	(4 192)	(7 809)	(7 293)	(8 147)	(7 036)
Taxes	-	-	-	-	-	-	-	-
Net profit	(5 341)	(7 843)	(6 625)	(4 192)	(7 809)	(7 293)	(8 147)	(7 036)
Earnings per share (SEK)	(0,25)	(0,30)	(0,26)	(0,16)	(0,30)	(0,26)	(0,29)	(0,25)
Y-o-Y Growth (%)								
Net revenues	86,3%	(37,9%)	5,4%	112,5%	(40,1%)	11,2%	10,9%	42,5%
EBITDA	na							
EBIT	na							
Net profit	na							
% of revenues (%)								
EBITDA margin	neg							
EBIT margin	neg							
EBT margin	neg							
Profit margin	neg							
Personnel costs	89,9%	163,9%	141,1%	76,2%	137,3%	122,9%	125,3%	91,9%
Total OPEX	224,1%	417,0%	333,3%	158,1%	303,9%	272,2%	277,5%	203,4%
Profitability (%)								
ROE	neg							
ROIC	neg							
ROCE	neg							

Source: Västra Hamnen Corporate Finance

Balance Sheet - Quarterly Data

kSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020e	Q2 2020e	Q3 2020e	Q4 2020e
Subscribed but not paid equity	21 475	-	-	-	-	-	-	-
Inventories	-	-	-	30	-	-	-	181
Account receivable	3 176	942	212	2 424	830	1 109	1 412	1 723
Receivables fr affiliated comp	1 366	2 159	1 451	841	1 800	1 800	1 800	2 240
Prepaid costs & accrued inco	1 230	1 110	1 203	1 066	1 325	1 353	1 422	1 485
Other receivables	751	825	738	361	716	706	674	657
Cash and cash equivalents	12 913	25 960	19 464	13 181	6 252	21 662	12 554	3 876
Total current assets	19 435	30 996	23 069	17 902	10 924	26 629	17 862	10 162
Tangible assets	457	1 645	1 568	1 606	1 526	1 450	1 378	1 310
Intangible assets	19 869	19 527	18 838	18 052	17 331	16 697	16 102	15 577
Long-term receivables	373	373	373	-	-	-	-	-
Affiliated companies	1 677	2 253	3 860	5 418	6 918	8 418	9 918	11 418
Total fixed assets	22 375	23 798	24 639	25 076	25 775	26 565	27 398	28 305
Total assets	63 286	54 795	47 709	42 978	36 699	53 194	45 260	38 467
Accounts payable	3 127	2 619	2 142	984	2 464	2 473	2 498	2 520
Accrued cost & prepaid inco	4 222	3 373	3 417	4 023	4 022	3 968	4 127	4 317
Other liabilities	758	823	847	843	893	930	959	990
Total current liabilities	8 107	6 816	6 405	5 850	7 379	7 372	7 585	7 828
Total non-current liabilities:	-	853	802	789	789	789	789	789
Total equity	55 179	47 126	40 501	36 310	28 501	45 004	36 857	29 821
Total equity and liabilities	63 286	54 795	47 709	42 949	36 669	53 165	45 230	38 437

Source: Västra Hamnen Corporate Finance

Cash flow statement

kSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020e	Q2 2020e	Q3 2020e	Q4 2020e
Operating activities	(3 475)	(5 401)	(4 535)	(1 800)	(5 923)	(5 484)	(6 405)	(5 357)
Changes in working capital	(2 916)	1 473	1 018	(1 665)	1 579	(303)	(128)	(735)
Investing activities	(2 024)	(3 793)	(3 033)	(2 747)	(2 584)	(2 600)	(2 575)	(2 586)
Financing activities	(49)	20 831	(49)	9	-	23 796	-	-
Cash flow for the period	(8 465)	13 110	(6 598)	(6 202)	(6 928)	15 409	(9 108)	(8 678)
Beginning cash balance	21 362	12 913	25 960	19 464	13 181	6 252	21 662	12 554
Adjustments	16	(63)	102	(82)	-	-	-	-
Ending cash balance	12 913	25 960	19 464	13 181	6 252	21 662	12 554	3 876

Source: Västra Hamnen Corporate Finance

Disclaimer

This marketing material has been prepared by Västra Hamnen Corporate Finance AB ("Västra Hamnen").

The material has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report.

The material has been prepared on the basis of publicly available information that Västra Hamnen has deemed to be reliable. However, it cannot be guaranteed that the information is correct. The material is published for marketing purposes and does not purport to constitute a basis for any investment decision. The information provided herein does not constitute investment advice and neither does the information take into consideration the individual needs, goals and circumstances of any particular recipient of this material. The reader is recommended to seek supplementary information elsewhere and to obtain relevant and specific professional advice before making any investment decision.

All views, opinions and conclusions communicated through this material shall be seen as valid on the publication date of this report only and are subject to change without notice. None of the information herein shall be construed as a recommendation or solicitation for the purchase or sale of any financial instrument.

In no event will Västra Hamnen be liable for direct, indirect or incidental damages resulting from the information in this report. Financial instruments can decrease as well as increase in value. Past performance is not indicative of future results.

The material is not directed at any such person, physical or legal, to whom the distribution of such material would imply a risk of violation of any laws or regulations applicable in Sweden or any other jurisdiction.

Contents of this report shall not be copied, reproduced or distributed to any third party without prior written permission from Västra Hamnen.

Conflicts of interest

Recipients should note that this material has been commissioned by the company mentioned in this report and that Västra Hamnen has received remuneration from the company for the production of the report. The remuneration is fixed and predetermined and in no way dependent on the content of the report or the views expressed herein.

The company mentioned in the report has reviewed the material prior to publication. The recipient may assume that this review has led to changes in the factual information presented in the report. Any assumptions, conclusions and scenarios are however the result of Västra Hamnen's own analysis of available information.

Västra Hamnen has internal rules prohibiting all of its employees from buying or selling shares issued by companies with which Västra Hamnen has ongoing agreements to produce marketing material like the present.

Readers of this material are made aware that one of Crunchfish's main owners is Midroc New Technology AB, whose ownership interest is 17.3 percent of the capital and votes. Midroc New Technology AB is a fully owned subsidiary to Midroc Invest AB, which also holds a minority stake in Västra Hamnen. Midroc Invest AB has in no way been involved in the production of this material nor influenced its contents.

Västra Hamnen has a separate agreement with Crunchfish AB to act as its Certified Adviser on Nasdaq First North.

Västra Hamnen Corporate Finance AB

Jungmansgatan 12

211 11 Malmö

Telefon: +46 40 200 250

E-post: info@vhcorp.se

www.vhcorp.se

