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Travel Services
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MyHotelMatch

Preparing to launch Matching App

Opinion	**Buy**
Upside (%)	2,122
Price (€)	0.33
Target Price (€)	7.29
Bloomberg Code	MHM FP
Market Cap (€M)	1.90
Enterprise Value (€th)	18,163

Momentum	UNFAVORABLE
Sustainability	2/10
Credit Risk	DDD→

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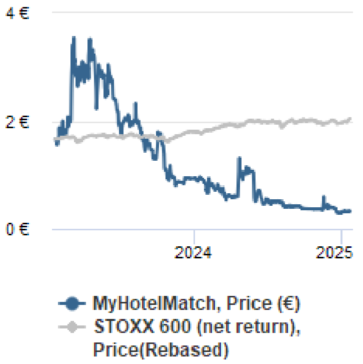

PROS

- Facing Booking, Tripadvisor or Airbnb, MHM intervenes on the mature hotel market. It wants to build on two advantages: strengthening the customer & hotel experience, and the price competitiveness of its service
- On a market scale, the creation of the MHM platform requires little investment until the proof of concept (about €20-25m by 2025)
- Very high risk project, therefore with related leverage and expected return

CONS

- The financing structure of the project, as well as the valuation, remain dependent on significant subsequent fundraising at the scale of the company
- In its first stage (development of the application, deployment), the model requires high fixed costs, with significant operational losses
- The speed of development, and therefore of revenue and the achievement of the operational break-even point, is highly dependent on a double effect of proliferation: reference hoteliers and client-matchers

KEY DATA	12/21A	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	**ns**	**-19.8**	**-7.98**	**-0.50**	**-0.45**
Dividend yield (%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
EV/EBITDA(R) (x)	-41.6	-16.5	-7.88	-1.92	-3.74
Adjusted EPS (€)	**-0.05**	**-0.12**	**-0.24**	**-1.20**	**-0.73**
Growth in EPS (%)	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Dividend (€)	0.00	0.00	0.00	0.00	0.00
Sales (€th)	0.00	7,753	13,800	15,780	19,569
EBIT margin (%)	*ns*	*-15.4*	*-14.8*	*-48.2*	*-24.8*
Attributable net profit (€th)	-15.0	-705	-1,399	-6,949	-4,211
ROE (after tax) (%)	**0.29**	**39.6**	**56.8**	**126**	**49.2**
Gearing (%)					

Conflicts of interest

Corporate broking	No
Trading in corporate shares	No
Analyst ownership	No
Advice to corporate	No
Research paid for by corporate	No
Corporate access	No
Brokerage activity at AlphaValue	No
Client of AlphaValue Research	No
Research paid for by investor	Yes

Detailed financials at the end of this report

Key Ratios

		12/22A	12/23E	12/24E	12/25E
Adjusted P/E	x	-19.8	-7.98	-0.50	-0.45
EV/EBITDA	x	-16.5	-7.88	-1.92	-3.74
P/Book	x	-204	-1.34	-0.56	-0.17
Dividend yield	%	0.00	0.00	0.00	0.00
Free Cash Flow Yield	%	-21.6	-76.0	-229	-272
ROE (after tax)	%	39.6	56.8	126	49.2
ROCE	%	-28.3	-32.8	-114	-69.1
Net debt/EBITDA	x	-3.14	-4.49	-1.39	-3.21

Consolidated P&L

		12/22A	12/23E	12/24E	12/25E
Sales	€th	7,753	13,800	15,780	19,569
EBITDA	€th	-567	-2,048	-7,598	-4,860
Underlying operating profit	€th	-567	-2,048	-7,598	-4,860
Operating profit (EBIT)	€th	-657	-2,049	-7,599	-4,861
Net financial expenses	€th	285	-0.01	-0.01	-0.01
Pre-tax profit before exceptional items	€th	-372	-2,049	-7,599	-4,861
Corporate tax	€th	-55.0	0.00	0.00	0.00
Attributable net profit	€th	-705	-1,399	-6,949	-4,211
Adjusted attributable net profit	€th	-705	-1,399	-6,949	-4,211

Cashflow Statement

		12/22A	12/23E	12/24E	12/25E
Total operating cash flows	€th	-1,284	-4,685	-7,598	-4,860
Capital expenditure	€th	-588	-300	-300	-300
Total investment flows	€th	-588	-300	-300	-300
Dividends (parent company)	€th	0.00	0.00	0.00	0.00
New shareholders' equity	€th	4,496	778	5,569	0.00
Total financial flows	€th	3,997	317	9,517	2,150
Change in net debt position	€th	2,624	-7,413	-1,381	-5,010
Free cash flow (pre div.)	€th	-1,587	-4,985	-7,898	-5,160

Balance Sheet

		12/22A	12/23E	12/24E	12/25E
Goodwill	€th	1,518	1,818	2,118	2,418
Total intangible	€th	1,518	1,818	2,118	2,418
Tangible fixed assets	€th	154	153	152	151
Right-of-use	€th	1.00	1.00	1.00	1.00
WCR	€th	-52.0	2,585	2,585	2,585
Total assets (net of short term liabilities)	€th	1,745	4,681	4,980	5,279
Ordinary shareholders' equity (group share)	€th	-36.0	-4,892	-6,125	-10,986
Provisions for pensions	€th	0.00	0.00	0.00	0.00
Net debt / (cash)	€th	1,783	9,196	10,578	15,588
Total liabilities and shareholders' equity	€th	1,745	4,681	4,980	5,279
Gross Cash	€th	1,350	-3,318	-1,699	-4,709

Per Share Data

		12/22A	12/23E	12/24E	12/25E
Adjusted EPS (bfr gwill amort. & dil.)	**€**	**-0.12**	**-0.24**	**-1.20**	**-0.73**
Net dividend per share	**€**	**0.00**	**0.00**	**0.00**	**0.00**
Free cash flow per share	€	-0.27	-0.86	-1.36	-0.89
Book value per share	€	-0.01	-1.44	-1.06	-1.90
Number of diluted shares (average)	**Th**	**5,789**	**5,789**	**5,789**	**5,789**

Contents

Businesses & Trends

Introduction and background

MHM (ex-SPAC, Société Parisienne d'Apports en Capital, ex-Foncière Paris Nord, itself ex-ADT SIIC) is a long-standing listed company. Over the past ten years, its strategy has often varied. SPAC contributed up to €76m of assets and cash in 2005. Following the sale and distribution of the bulk of its assets until 2018, the company was left with only one asset in Blanc-Mesnil (France) with a consolidated balance sheet total reduced to €19m (FY19). Since 2020 and the sale of PAMIER SARL to FIPP (the company's reference shareholder), SPAC (name adopted in 2021) had become an empty shell with no significant assets or cash. In the absence of any shareholding, and therefore of a consolidated balance sheet, the company's balance sheet total amounted to €200k at the end of 2020.

Renamed MyHotelMatch in 2022, the company is now hosting a new project under the leadership of the OTT Group. Jean-François OTT is a real estate and hotel professional who has created, developed and accompanied the deployment of projects and assets in Europe over the last thirty years for several billion euros. He is also active in the capital of several listed companies. MHM is developing a platform aimed at optimising the hotel experience and creating a market niche in the face of the sector's leaders (such as Airbnb). Governance has been completely overhauled with the appointment of Mr OTT (28% of the capital) as CEO / chairman in 2022.

A market of $600bn

The global hotel market is made up of 700,000 establishments, offering 18m rooms for $600bn in turnover. Three quarters of the latter are now formalised or booked *online* either through "proprietary" applications (hotel website, group website in the case of hotel chains and brands) or via OTAs (Online Travel Agencies). In the space of barely twenty years, the internet has totally revolutionised the way this industry operates. By allowing direct price competition and giving visibility on the whole of the available offer, applications such as Booking.com or Airbnb have replaced the *offline* reservation business (travel agencies, which occupied the market for more than a century). The emergence of "rating agencies" such as Tripadvisor adds an evaluation of the quality of the establishment which completes the guest's choice.

Apart from the budget hotel sector, which is subject to consumption constraints, this transparency has accentuated the "hourglass effect" by encouraging owners of leisure establishments to invest in assets and the service offered. The best ratings obviously offer the establishments concerned occupancy rates well above the average (around 60% in France). In a business with 85% fixed costs (rent / property, heating, etc.), the TO increment is a determinant of the economic performance of the asset. This development has also enabled rental between individuals (Airbnb) with the emergence of "specialised local concierge services" operating as subcontractors on behalf of multiple owners. These players will contribute to the professionalisation of the business and the optimisation of marketing methods (including average commission rates).

The evolution of distribution opens up market niches
Hoteliers have been able to focus on product improvement while giving up control of the bulk of their distribution and delegating part of their *pricing* policy to the market. The middle products are the most vulnerable: they pay high commissions which deprive them of a substantial part of their profits. However, in an industry driven by costs, we do not exclude that OTAs have had a significant inflationary effect on the price of overnight stays, which is counter-intuitive. In other words, once the OTAs were consolidated, hotel segment margins would have increased significantly. However, this increment is largely captured by the independent distribution networks.

In our view, the size of these margins will favour the emergence of optimisation models in *low fees* format. While this offer should have a symmetrical deflationary effect on the price of overnight stays in the long term by increasing the intensity of competition, the quasi-oligopolistic nature of distribution gives it an opportunity for growth over a decade by capturing part of the flow by niche operators.

Putting the whole of the instant hotel offer on the shelf has a notable disadvantage: the guest has to endure a long and tedious search for a hotel in his own time. More generally, the internet has resulted in the search for productivity and scale gains supported by the time – very important – that customers now allocate to it. By guiding the choices of customers (back to the principle of the travel agency), one of the objectives of MHM is precisely to enable the guest to save time by means of *matching* proposals adapted to his profile.

MHM's offer can also reach a fringe of guests who consider the hotel as a destination in itself, unlike the majority of customers who look for a hotel as a stopover after taking a flight. This change in the relationship with the "product" is in itself a differentiating factor.

What is hotel *matching*?
The concept of MHM is to duplicate the Meetic (or Match.com) model by applying it to the hotel industry. Qualify the offer (the hotel) and propose it via an algorithm to the *Matcher* (the consumer). This practice feeds on the data of the *Matchers* themselves: consumption behaviour on the platform, pages visited, aggregation and digestion of data (*big data* approach) with therefore a layer of personalised processing. The idea of MHM is also to add a collective expression area in *chat* format in order to encourage direct exchange between *Matchers*. The conviviality of sharing experiences is also a powerful vector of personal enhancement for the consumer. To this end, the platform could be a vehicle for "physical" meetings between *Matchers*, for example, present in a hotel on the same date. As it stands, the only "tool" that exists in the current hotel market is the bar in a palace. Getting rooms to "talk to each other", encouraging meetings, leading to joint excursions, in short "creating links", will be a differentiating argument in the MHM offer.

Deploying communities

In the nascent *matching* offer, the multiplier effect develops first in communities sharing a common culture (and language). MHM plans to address the French accommodation market as a priority for French customers. As France is still the world's leading destination, this approach also makes it possible to build up a database to be marketed to foreigners in the future.

The economic performance of OTAs (Online Travel Agencies) is now showing the first signs of maturity. This phase lends itself to the emergence of market niches. According to INSEE ("Les logements touristiques de particuliers loués via Internet toujours séduisent", June 2019), seasonal rentals offered by individuals grew by 15% in 2018 vs. 25% in 2016. However, marketing to foreigners is still growing significantly more. Accommodation offered by private individuals now represents around 15% of the supply.

The French market is made up of 18,000 hotels (excluding campsites, holiday villages and tourist residences and private individuals) offering around 650,000 rooms for a TO (Occupancy Rate) of around 62% (75% in the Paris region). The profession's turnover is €17bn for around 220m overnight stays and relatively moderate annual growth (+14% cumulative between 2009 and 2018). 62% of the clientele is French and the average stay is 1.8 days (1.6 for the French, 2.1 for foreigners). In 2019, in the most dynamic segment of holiday rentals, Airbnb marketed a third of the supply in France. Our estimates are based on the equivalent of 900 MHM partner hotels, i.e. around 5% of the available hotel supply. Insofar as 82% of hotels are independent (18% for chains, which nevertheless market half of the offer), and 46% are between 3 and 5 stars, there is a real place for marketing niche products that are friendly, original, and of value to the guest and his community, corresponding to the positioning sought by MHM.

Competition from OTAs

The table below describes the main competitor distributors in a market whose structure is now locked in. The power of the installed brands, as well as their technological advantage, makes the rapid emergence of new powerful competitors unlikely: Airbnb is targeting 1bn annual users by 2028, Booking.com is an established leader. The failure of Accor's *market place* has clearly shown this and the attrition of independent affiliate networks is very high (-30% in 10 years). Nevertheless, changes in the hierarchy can be observed: Google has not finished gaining power. This may be an opportunity (paid for, of course) for direct marketing.

Marque commerciale	Société cotée	Ticker	Création	IPO	Market Cap (M)
Booking.com	Booking Holding Inc	BKNG	1996	1999	93 558
Tripadvisor	Tripadvisor Inc	TRIP US	2000	2011	3 411
Airbnb	Airbnb Inc	ABNB	2008	2020	78 221
Match.com	Match Group Inc	MTCH	1995	2015	22 967
Amadeus	Amadeus IT Group	AMS SM	1987	2010	25 120
Expedia	Expedia Group Inc	EXPE	1996	1999	19 164

Source: Bloomberg, AV, Juin 2022

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Marque commerciale	2018-24	2022-24
Booking.com	7,8	13,8
Tripadvisor	2,4	14,8
Airbnb	21,6	19,4
Match.com	1,7	17,0
Amadeus	3,3	13,2
Expedia	5,1	13,4

Source: Bloomberg, AV, Juin 2022

A niche positioning that does not seek frontal competition, there are in our view sub-markets that can be addressed or created by relying on the lasting defect of the *leaders* offer. The product will also find a sympathetic ear with independent hotels, for whom a saving of several thousand euros a year in marketing costs is an opportunity. The gradual resumption of direct distribution is also a sign of professionalisation and adaptation of the offer: aggregators will find their place there.

	Marge EBITDA						
Marque commerciale	2018	2019	2020	2021	2022E	2023E	2024E
Booking.com	39,5	38,9	12,9	26,5	30,6	33,1	34,9
Tripadvisor	26,0	21,5	-0,7	11,9	20,1	26,0	28,3
Airbnb	2,8	-6,4	-95,4	21,2	29,7	30,8	32,2
Match.com	17,6	34,5	33,9	31,6	35,0	36,2	36,7
Amadeus							
Expedia	15,7	16,9	-9,1	13,9	21,2	22,7	23,6

Source: Bloomberg, AV, Juin 2022

	EV / EBITDA						EV / EBIT			PER		
Marque commerciale	2019	2020	2021	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Booking.com	14	n.s.	31	15	11	10	16	12	10	21	15	13
Tripadvisor	12	n.s.	37	10	7	5	15	8	6	24	11	9
Airbnb	n.s.	n.s.	160	23	19	15	35	26	20	45	36	28
Match.com	n.s.	54	43	20	16	14	24	19	16	28	23	19
Amadeus	15	n.s.	49	15	12	9	23	17	13	31	22	17
Expedia	9	n.s.	31	8	7	6	12	9	7	15	11	9

Source: Bloomberg, AV, Juin 2022

Against leaders achieving around $100bn in gross annual bookings, our estimates for MHM reflect €10m in gross bookings by 2026 (approaching operating breakeven). With the leaders billing around 500m nights, MHM would achieve just over 0.7m. These market shares of MHM would be compatible with that of a niche player. They do not include the effect of viral development of the application, which could have a multiplier effect on market share.

Divisional Breakdown Of Revenues

	Sector	12/22A	12/23E	12/24E	12/25E	Change 23E/22		Change 24E/23E	
						€th	of % total	€th	of % total
Total sales		**7,753**	**13,800**	**15,780**	**19,569**	**6,047** ↑	**100%**	**1,980** ↑	**100%**
Rents	Property	0.00	0.00	0.00	0.00	0 ↑	0%	0 ↑	0%
Property development	Property	0.00	0.00	0.00	0.00	0 ↑	0%	0 ↑	0%
Concierge Business	Travel Services	7,753	13,800	14,352	14,926	6,047 ↑	100%	552 ↑	28%
Matching Internet Platform	Travel Services	0.00	0.00	1,428	4,643	0 ↑	0%	1,428 ↑	72%
Other		0.00	0.00	0.00	0.00	0 ↑	0%	0 ↑	0%

Key Exposures

	Revenues	Costs	Equity
Dollar	0.0%	0.0%	0.0%
Emerging currencies	0.0%	0.0%	0.0%
Euro	100.0%	100.0%	100.0%
Long-term global warming	0.0%	0.0%	0.0%

Sales By Geography

France	100.0%

We address exposures (eg. how much of the turnover is exposed to the $) rather than sensitivities (say, how much a 5% move in the $ affects the bottom line). This is to make comparisons easier and provides useful tools when extracting relevant data.
Actually, the subject is rather complex on the ground. The default position is one of an investor managing in €. An investor in £ will obviously not react to a £ based stock trading partly in € as would a € based investor. In addition, certain circumstances can prove difficult to unravel such as for eg. a € based investor confronted to a Swiss company reporting in $ but with a quote in CHF... Sales exposure is probably straightforward but one has to be careful with deep cyclicals. Costs exposure is a bit less easy to determine (we do not allow for hedges as they can only be postponing the day of reckoning). How much of the equity is exposed to a given subject is rarely straightforward but can be quite telling
In addition, subjects are frequently intertwined. A $ exposure may encompass all revenues in $ pegged currencies and an emerging currency exposure is likely to include $ pegged currencies as well.
Exposure to global warming issues is frequently indirect and may require to stretch a bit imagination.

Money Making

Creating a Community model

The concept of MHM is to duplicate the experience of human dating sites (such as match.com), applying it to the hotel industry. Based on the opinions expressed by the matchers, the community created would increase the occupancy rate of the accommodation establishments recruited while minimising the latter's distribution costs. The MHM platform will therefore compete with the Airbnb or Tripadvisor models. By adding a layer of interactivity, MHM wishes to offer the possibility for hoteliers and guests to go beyond the usual price/location binary. The first criterion for consulting OTAs remains the price/location pair. The second is "getting the best room": it is this latter motivation that MHM will address.

The platform must allow interaction between the hotelier and the guests, on the one hand, but essentially between guests themselves. The analysis of user profiles via AI (Artificial Intelligence) should make it possible to optimise the products offered to the guests' profiles. Thus "MyHotelmatch intends to take up the challenge of offering its customers, for each destination, a personalised selection of hotels that correspond as closely as possible to their expectations according to personal criteria that go far beyond price alone. The evolution of the distribution mode, now largely based on the time allocated in research by the guest himself, makes it useful to have a platform to pre-select ideas.

The idea of MyHotelMatch emerged in 2019 with the first investments dedicated to the creation of an IT platform that was in the state of an unmarketed test in 2022. The total investment between 2019 and 2022 (pre-sale) is around €5m. The asset thus created was contributed by the OTT Group in consideration for the delivery of 66m existing MHM warrants (Bons de Souscription d'Actions). The exercise of these warrants corresponds to a potential cash-in of €3.3m. To date, these warrants have not been exercised to our knowledge. In the end, MHM has not acquired in cash the intellectual property related to the 2019-22 development: the *cash* expenditure is nil, the exercise of the BSAs will have to finance the opex/capex needs by H1 23.

Enhance customer experience

Unlike "simple" rating or booking models, MHM wants to focus the end customer on their experience in the broadest sense and its transferability between *matchers*. Artificial intelligence will be used. The desired improvement in customer experience will be achieved by: i/ simplifying the tedious search for accommodation (pre-selection of opportunities by MHM), and ii/ a better degree of qualification of offers by directing the guest to the opportunities that best suit his profile.

In addition, MHM acquired MyAgency in June 2022. Its 30 employees offer premium services to a hyper-active, urban and wealthy clientele through its brands MyConcierge, MyEvent, MyDriver, MyTravel and MyProperty. Created in 2004, this group was developing €8m of business volume in 2019. It develops tailor-made services (concierge services, events, mobility, business and property) with, in particular, a single point of contact at all times. My Agency has a portfolio of 800 international clients (€10,000 in annual business volume per client), more than 20,000 partners (an average of €400 in annual services per provider) and has organised nearly 80,000 experiences since its creation. MyAgency was not profitable in 2020-21. This company, created in 2001, was under a safeguard plan in 2020-21 with equity of less than €0.1m. The acquisition price, the payment structure, and the debt taken over were not disclosed, nor was the gross margin specific to this type of activity (here 15%, AV estimate, +/- 500bp). MHM expects this acquisition to cross-fertilise its costs and revenues in the medium term. Given the size of MyAgency's portfolio (800 clients) vs. MHM's positioning (*mass market*), we do not anticipate large scale operational synergies.

Look for a price advantage

- Integrate the OTA margin

Traditional marketing platforms known as OTAs (*Online Travel Agencies* such as Airbnb, Booking.com, etc.) take up to 25% of a hotel's turnover through two channels: a service invoiced to the hotelier (3-7%) and a service invoiced to the guest up to 18% of the reservation price. This marketing method, whose promised counterpart is an improved occupancy rate, is equivalent to depriving hoteliers of around 25% of their turnover on the part entrusted to the OTAs.

On an emerging Booking model, the theory of booking optimisation works: the commissions paid are then consistent with the improved occupancy rate (TO). In a space now largely dominated by the said platforms, the offensive and differentiating argument of improved occupancy rates no longer holds. On the other hand, delisting would result in a significant drop in the hotelier's business. The leading platforms have thus succeeded in building a model of pure captive rent, by creating a dependency derived from the exploitation of the original argument of improved customer (TO) profitability. However, OTAs have become an indispensable commercial showcase.

The interest of MyHotelMatch is to offer the hotelier a service of the same nature (TO optimisation) with a much lower commission rate. In this respect, MHM is a clear example of the emergence of competition from models with monopolistic contours and behaviour. MHM is now operating in a totally locked-in competitive context. We detect isolated initiatives seeking to optimise the cost/attendance ratio by multiplying distribution channels, particularly via intermediaries such as "Airbnb concierge services". The aim is to position the expensive Booking.com & co on the marketing of the "last" unrented rooms (i.e. "peak" or back-up marketing) to leave the "basic" marketing to less expensive models (including direct marketing). This nascent structuring is fully in line with the MHM concept.

In the foreseeable future, given the supposedly slow deployment speed of these alternative concepts (slow on the scale of the entire market), we do not anticipate any defensive reaction from the industry's *leaders*. Given their profitability levels, it cannot be ruled out in the long term that they will adjust their commission rates in order to protect their overnight stay volumes. In this case, there would be an overall attrition of margins, which would also be passed on to the second tier players (including MHM) who would have to reduce their commission rates to maintain their price advantage. Nevertheless, also on a defensive basis, lateral integration of know-how by acquiring adjacent niches (such as MHM) remains a realistic option enabling them to maintain their commission rates. In our view, MHM will be among the leaders' targets in case of successful deployment.

The delicate creation of a multiplier effect

- Customer recruitment

The spillover effect can only occur once a sufficient number of hotels have been recruited. If it is possible to launch the application with 100 to 200 destinations, we estimate that 900-1,500 establishments are needed to reach the break-even point via a sufficiently diverse offer.

- Recruitment of *matchers* and *tchurn rate*.

In a market already busy with booking applications of all kinds, differentiation will come through the perceived quality of the service. Given the ambition of MHM, a guest disappointed by the lack of depth of the application will be lost for a long time. There is therefore a need to build (financial risk) a sufficient product base prior to marketing the service. MHM may have to manage the creation of a "mirror" website for each hotel listed, in order to improve its attractiveness and replace the direct distribution channel, the form and user-friendliness of which (including ease of navigation) are necessarily heterogeneous (nearby tourist sites, access by transport, professional photographs of the hotel, videos that have become indispensable, GPS coordinates, parking, rates for ancillary services etc.). At this stage, MHM has not decided whether it is necessary to visit the hotels prior to their listing in order to document its platform (a "mini website" type), nor on the associated unit cost.

As loyalty is a key parameter in the face of customers with opportunistic and erratic consumption behaviour, it is not possible at this stage to estimate the cost of winning over a permanent active customer, nor the annual *tchurn*. For a new product, customer recurrence (ticket per night, average annual number of nights per customer) can be better assessed in 2023-24. We believe that MHM has the potential to reverse some of the consumption behaviour by recommending a residence to the guest. In contrast, generalist sites mainly respond to a demand for accommodation once a destination has been chosen. At a certain point, the hotel can become the destination. This requires a real product differentiation, which by its very nature restricts the number of establishments that can be referenced. It may be noted maliciously that hotels rated 8-9 on Tripadvisor would simply be the best candidates.

Turnover

The *business model* is essentially based on the classic commission per night. At this stage, MHM does not plan to develop revenues based on advertising or on the marketing of the customer data collected. The latter will be processed by internal algorithms and artificial intelligence (AI) in order to increase the rate and quality of *matching* (customer suggestion) and thus optimise turnover. MHM does not currently envisage a fixed annual subscription system per hotelier (cf. Vrbo / Homeaway).

Fixed costs to be deployed until break-even

Beyond a budget of around €6m to bring the concept online with substantial recruitment of hoteliers and initial Google listings, we anticipate fixed costs of around €10m per year, a large part of which concerns the listing and payment system. The *backoffice* and other OpEx costs (excluding MyAgency costs) should be contained to €1-3m annually in the start-up phase.

Assuming the application is profitable in N+5 (2027), the approximate cumulative cash requirement is around €50m. Initially, the €20-25m commitment would allow a milestone in 2024-25. The total exercise of the warrants for approximately €8m suggests an additional fundraising of around €15-20m in 2022-23. At the current price, the December 2023 fully diluted market cap of €15m (subject to full exercise of outstanding warrants) would result in a 2x to 3x increase in the number of shares outstanding.

In the long term: variable costs and profitability

At full maturity, *dating* platforms (such as match.com) show significant gains in scale linked to the acquisition of a dominant position. Founded in 1993, Match.com (Interactive Corp group) has nevertheless taken 30 years to achieve an EBIT margin of 28% in 2021. Also in 2021, Airbnb reports $6bn in revenues for $0.4bn in EBIT after $1.4bn in marketing expenses. Outside the advertising-based models, we do not detect any significant niche markets within MHM's scope of activity with EBIT margins of 50%.

Defending a dominant position by increasing marketing costs may limit margins. For this reason, we do not envisage margins exceeding 25-30% on MHM in the foreseeable future. The achievement of this threshold, apart from the massification of attendance in the first instance, will also depend on the price policy of the leaders in the longer term. As it stands, we believe that there is room for a niche market in hotel *dating*.

Business plan and estimates

MHM does not provide a *Business Plan*. The following estimates are subject to significant future adjustment, either upwards or downwards, due to the overall high risk of the project. We have based our estimates on a cost approach before applying a gradual ramp-up in attendance and revenue. The *back testing* of the model is carried out by cross-referencing average effective revenue per night, per active customer, number of nights per stay and MHM's contribution to the referenced hotelier's TO. It is obvious that the multiplication of hypotheses leaves room for a high risk of approximation. As a matter of principle, we do not anticipate that the breakeven point will be reached before N+5. At this stage, the mere possibility of reaching the break-even point remains an assumption to be validated throughout the critical *ramp-up* phase, i.e. 2022-24.

We present below a summary of the assumptions underlying our valuation. These concern only the *Matching* activity without considering the loss-making activity of MyAgency in 2022 and 2023. They assume an operating breakeven point (EBITDA) around 2026-27. These figures do not take into account any Research Tax Credit.

Hypothèses de fréquentation, prix moyen, client actifs	2023	2024	2025	2026	2027
Durée moyenne du séjour (jours)	1,5	1,6	1,7	1,8	1,8
Nombre de réservations annuel par client	1,0	2,0	3,0	3,0	3,0
Nombre de réservations	10 000	60 000	180 000	300 000	390 000
Nombre de nuitées réservées	15 000	96 000	306 000	540 000	702 000
Nombre de nuitées France 2019 (M, hors hôtellerie de plein air)	214	214	214	214	215
PdM MHM en volume	0,01%	0,04%	0,14%	0,25%	0,33%
Nombre de clients actifs	10 000	30 000	60 000	100 000	130 000
Prix moyen par nuitée (TTC)	140	143	146	149	152
Prix moyen par séjour (TTC)	210	228	248	267	273
Panier annuel moyen par client (TTC)	210	457	743	802	818
Chiffre d'affaires hôtels brut (TTC, EUR M)	2,1	13,7	44,6	80,2	106,4
Chiffre d'affaires hôtels brut (HT, EUR M)	2,0	13,0	42,2	76,0	100,8
TVA hôtelière	5,5%	5,5%	5,5%	5,5%	5,5%
CA hôtel net (HT, EUR M)	1,8	11,6	37,6	67,7	89,8

Source: Estimations AV

Revenus et OpEx	2023	2024	2025	2026	2027
Taux de commissionnement MHM	12,50%	12,50%	12,50%	12,50%	12,50%
Chiffre d'affaires MHM (TTC, EUR M)	0,26	1,71	5,57	10,03	13,30
Chiffre d'affaires MHM (HT, EUR M)	0,22	1,43	4,64	8,36	11,08
TVA MHM	20%	20%	20%	20%	20%
Economie hôtel vs. commission 20% (EUR M)	0,18	1,17	3,81	6,85	9,09
Economie par hôtel en moyenne (EUR / an)	1 794	3 903	9 517	8 565	9 564
Chiffre d'affaires MHM (EUR M, HT)	0,2	1,4	4,6	8,4	11,1
OpEx	9,0	9,0	10,0	11,0	11,0
- Réf GOOGLE	7	7	7	8	8
- Autres OpEx	2	2	3	3	3
EBITDA	-8,8	-7,6	-5,4	-2,6	0,1

Source: Estimations AV

Validation croisée des hypothèses opérationnelles retenues	2023	2024	2025	2026	2027
Nombre total d'hôtels référencés	100	300	400	800	950
France	100	300	400	700	750
Europe hors France	0	0	0	100	200
Nombre de chambres moyen par hôtel	30	30	30	30	30
Nombre de nuités à 100%	1 095 000	3 285 000	4 380 000	8 760 000	10 402 500
TO usuel France	60%	60%	60%	60%	60%
TO sur hôtels ciblés	70%	70%	70%	70%	70%
Nombre de nuités louées	766 500	2 299 500	3 066 000	6 132 000	7 281 750
Nombre d'hôtels France	18 000	18 000	18 000	18 000	18 000
Nombre d'hôtels référencés	100	300	400	700	750
Taux de pénétration MHM France	1%	2%	2%	4%	4%
Nuités placées MHM	15 000	96 000	306 000	540 000	702 000
Soit PdM MHM vs. hôtels partenaires	2%	4%	10%	9%	10%

Source: Estimations AV

Although in accounting terms, start-up losses can be partly capitalised until the platform is delivered (IT costs to be amortised, launch marketing), we have included them in operating expenses to simplify the reading. Pure investment expenses (computer equipment and miscellaneous) are limited or nil in relative terms. MHM is assumed to benefit from the Research Tax Credit (CIR) to the tune of €1m per year between 2023 and 2025. The architecture is assumed to be “rented” (SaaS, *cloud*, etc.). The significant operational expenses are: i/ delivery and management of the platform (internal/external staff costs, *back office*, moderation); ii/ Google referencing; and iii/ transaction costs (cash management).

In contrast, the cash flow gap is recorded as net debt in our model. It allows us to position in time the approximate size and *timing* of the financial needs. At this stage, we do not scenario the subsequent capital increases, which are nevertheless necessary and substantial: MHM could resort in part to quasi-equity (including CBs), and the issue price of new shares to be issued remains to be evaluated.

Divisional EBIT

	12/22A	12/23E	12/24E	12/25E	Change 23E/22		Change 24E/23E	
					€th	of % total	€th	of % total
Total	**-1,194**	**-2,049**	**-7,599**	**-4,861**	**-855↓**	**100%**	**-5,550↓**	**100%**
Rents								
Property development								
Concierge Business	463	552	574	597	89↑	-10%	22↑	0%
Matching Internet Platform	-1,000	-2,601	-8,173	-5,458	-1,601↓	187%	-5,572↓	100%
Other/cancellations	-657				657↑	-77%		

Divisional EBIT margin

	12/22A	12/23E	12/24E	12/25E
Total	**-15.4%**	**-14.8%**	**-48.2%**	**-24.8%**
Rents				
Property development				
Concierge Business	5.97%	4.00%	4.00%	4.00%
Matching Internet Platform			-572%	-118%

Valuation

Equity financing

Given the maturity of the concept at an early stage, financing by third-party resources (traditional bank debt) is not feasible. Recourse to hard capital or, failing that, *high yield* debt (convertible bonds) will therefore have to assume the entire financial need linked to the development. The valuation of MHM will therefore be closely linked to the way in which its development is financed.

Cost of capital and DCF

The cost of capital can be equated with the WACC if the company is financed exclusively with equity or similar funds (CB). On an *early stage green field* model of a *start up* with limited initial development resources (below €50m), we apply a discount rate (CoE) of 15%. This rate may be revised upwards or downwards depending on the evolution of the perceived risk during the *ramp-up* phase in 2022-24.

Reverse valuation

Based on our current valuation of €0.05 per share (€28m market capitalisation *fully diluted* at the price target), the discount rate used leads to a *forward* 5-year valuation of €56m. Taking into account future dilutions to finance the completion of the platform as well as the commercial roll-out would correspond to an ex-post valuation of around €80m over a 5-year period.

If the success of the MHM platform is confirmed around 2024 (visitor dynamics and volume, hotel referrals, revenues, cost control, etc.), we would have to gradually revise the associated risk. We may have to significantly reduce the discount rate in stages and thus increase the valuation.

Alternative valuation models

- Comparables

As the platform's activity is nil or low in 2022-23, the application of a valuation model based on revenue, profit or per *matcher* multiples is not relevant.

At maturity, and depending on the pace of growth, MHM could be valued using comparables in the same segment (Airbnb, Tripadvisor), similar segments (air ticket or travel booking, such as booking.com), or technological reservation models by extension (Amadeus), or even software or IT services players.

- NAV

We define a NAV which is by nature close to our DCF result. It also results from the sum of the investments to be made, which are deemed to have at least the same value in the event of the sale of the company.

- Dividends

We do not expect MHM to pay dividends in the foreseeable future. The investment and deployment phase should cover at least 2022-25.

- Exit value in majority price

In the event of success or viral development, the maximum value of MHM would be reached in the event of the sale of the company to a major player in the sector wishing to broaden its offer or distribution model (a typical acquirer: Airbnb or Tripadvisor) or to acquire it on a defensive basis. In this case, the valuation would be disconnected from the company's economic performance. It is common for start-ups to be valued at €50-100m once the proof of concept is done. Compared to the size and solvency of potential buyers, these amounts are insignificant.

The reference shareholder of MHM has informed us of its intention to operate MHM in the long term without considering a transaction. We therefore do not include this valuation in our model. It is in fact a free option for the shareholder whose value will only be detectable once the proof of concept has been achieved, accompanied by strong growth to ensure that the operational break-even point is reached.

- International deployment

MHM will initially focus on the French market, which is sufficiently deep to allow the model to be tested. If successful, and in a second phase (beyond 2025), the duplication of the model internationally could prove to be a powerful driver of value by simply extending the platform. However, MHM will have to multiply the advertising costs (Google referencing, €6-10m per country per year) by as many locations. The referencing of hotels abroad, for French guests, allows for the most obvious target enlargement at the lowest cost. MHM will thus be able to prepare, from its French customer base, the expansion of its geographical coverage of *matchers*. In addition to the necessary local referencing, the adaptation of the platform will be necessary (multiplication of languages / translation in particular).

Valuation Summary

Benchmarks	Values (€)	Upside	Weight
NAV/SOTP per share	5.70	1,638%	75%
DCF	12.0	3,573%	25%
Target Price	**7.29**	**2,122%**	

Comparison based valuation

Computed on 18 month forecasts
Peers ratios
MyHotelMatch's ratios
Premium
Default comparison based valuation (€)
Amadeus IT Group
Intercontinental Hotels Group
AccorHotels
TUI Group
Seera Group Holding
Melia Hotels International
eDreams Odigeo
Voyageurs du monde
HomeToGo SE
Thomas Cook
Tui Travel
Kuoni
Booking Holdings

DCF Valuation Per Share

WACC	%	9.95	Avg net debt (cash) at book value	€th	9,887
PV of cashflow FY1-FY11	€th	4,975	Provisions	€th	0.00
FY11CF	€th	16,275	Unrecognised actuarial losses (gains)	€th	0.00
Normalised long-term growth"g"	%	2.00	Financial assets at market price	€th	0.00
Sustainability "g"	%	1.55	Minorities interests (fair value)	€th	377
Terminal value	€th	193,734	Equity value	€th	69,741
PV terminal value	€th	75,030	Number of shares	Th	5,789
PV terminal value in % of total value	*%*	*93.8*	**Implied equity value per share**	**€**	**12.0**
Total PV	€th	80,005	Sustainability impact on DCF	%	-5.74

Assessing The Cost Of Capital

Synthetic default risk free rate	%	3.50	Company debt spread	bp	700
Target equity risk premium	%	5.00	Marginal Company cost of debt	%	10.5
Tax advantage of debt finance (normalised)	%	25.0	**Company beta (leveraged)**	**x**	**3.00**
Average debt maturity	Year	5	Company gearing at market value	%	484
Sector asset beta	x	2.10 (1)	Company market gearing	%	82.9
Debt beta	x	1.40	**Required return on geared equity**	**%**	**18.5**
Market capitalisation	€th	1,899	Cost of debt	%	7.88
Net debt (cash) at book value	€th	9,196	**Cost of ungeared equity**	**%**	**14.0**
Net debt (cash) at market value	€th	7,821	WACC	%	9.95

1. Cost of capital estimated at 14-15% in line with similar early stage files

DCF Calculation

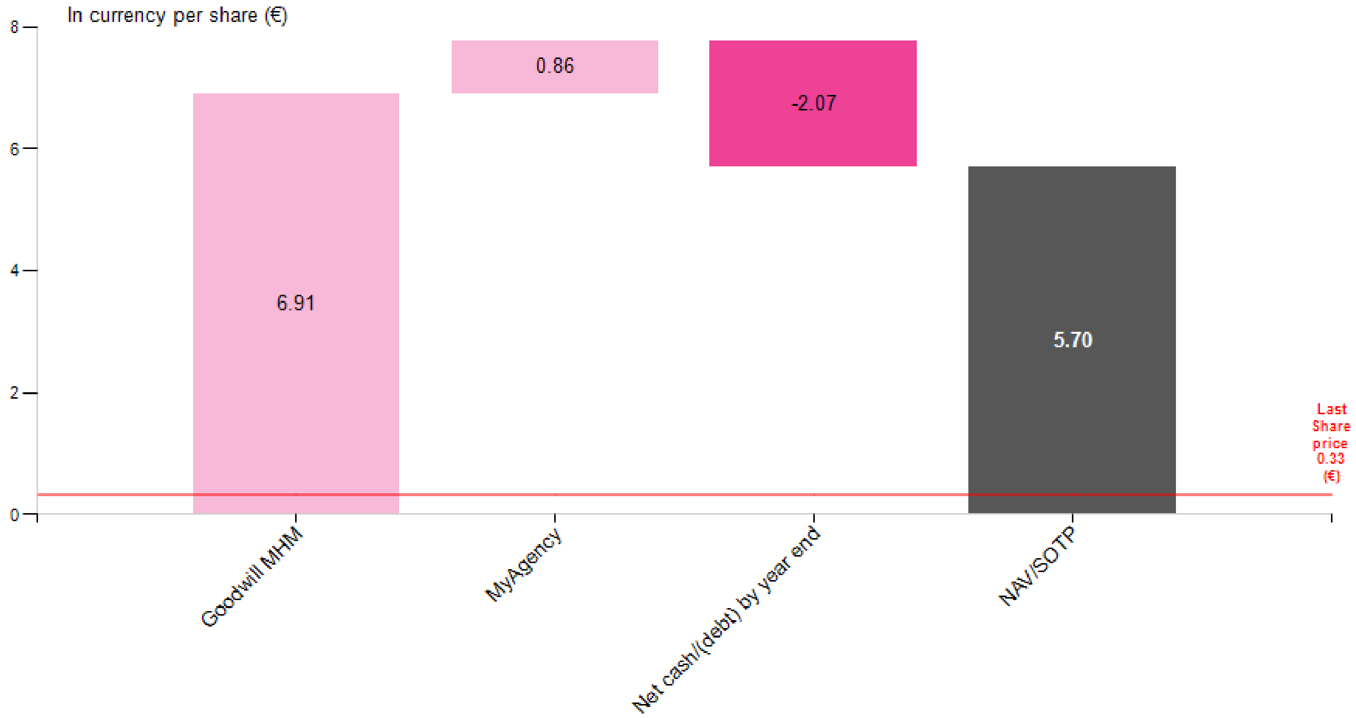
		12/22A	12/23E	12/24E	12/25E	12/26E	Growth	12/27E	12/33E
Sales	€th	7,753	13,800	15,780	19,569	23,880	**5.00%**	25,074	33,602
EBITDA	€th	-567	-2,048	-7,598	-4,860	-2,122	**3.50%**	-2,196	-2,700
EBITDA Margin	*%*	*-7.31*	*-14.8*	*-48.1*	*-24.8*	*-8.89*		*-8.76*	*-8.03*
Change in WCR	€th	-1,250	-2,637	0.00	0.00	0.00	**0.00%**	0.00	0.00
Total operating cash flows (pre tax)	€th	-1,229	-4,685	-7,598	-4,860	-2,122		-2,196	-2,700
Corporate tax	€th	-55.0	0.00	0.00	0.00	0.00	**3.00%**	0.00	0.00
Net tax shield	**€th**	**71.3**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00%**	**0.00**	**0.00**
Capital expenditure	€th	-588	-300	-300	-300	-300	**2.00%**	-306	-345
Capex/Sales	*%*	*-7.58*	*-2.17*	*-1.90*	*-1.53*	*-1.26*		*-1.22*	*-1.03*
Pre financing costs FCF (for DCF purposes)	€th	-1,801	-4,985	-7,898	-5,160	-2,422		-2,502	-3,044
Various add backs (incl. R&D, etc.) for DCF purposes	€th		9,392 (2)	650	650	650		3,479	19,000
Free cash flow adjusted	**€th**	**-1,801**	**4,407**	**-7,248**	**-4,510**	**-1,772**		**977**	**15,956**
Discounted free cash flows	**€th**	**-1,801**	**4,407**	**-6,592**	**-3,731**	**-1,333**		**669**	**6,179**
Invested capital	€	1.74	4.68	4.98	5.28	5.58		9.17	65.3

2. Net of the conversion of the convertible bonds and warrants, virtually entirely non-cash

NAV/SOTP Calculation

	% owned	Valuation technique	Multiple used	Valuation at 100% (€th)	Stake valuation (€th)	In currency per share (€)	% of gross assets
Goodwill MHM	100%	AlphaValue valuation		40,000	40,000	6.91	88.9%
MyAgency	100%	GAV		5,000	5,000	0.86	11.1%
Other					0.00	0.00	0.00%
Total gross assets					**45,000**	**7.77**	**100%**
Net cash/(debt) by year end					-12,000 (1)	-2.07	-26.7%
Commitments to pay							
Commitments received					(2)		
NAV/SOTP					33,000	5.70	73.3%
Number of shares net of treasury shares - year end (Th)					**5,789** (3)		
NAV/SOTP per share (€)					**5.70**		
Current discount to NAV/SOTP (%)					**94.2**		

1. Based on the liabilities payable in 2025, after deduction of the exceptional €5m gain in 2021 from optimisation of the balance sheet liability (AV estimate).
2. Net of the conversion of the convertible bonds and warrants, virtually entirely non-cash. Full dilution in 2023.
3. Fully diluted number of shares



Debt

Developing in equity

As a first step, the reference shareholder informed us of its desire to finance the operation through the exercise of already issued and outstanding warrants. As at 27 October 2021, of the 147m warrants held by the company itself, 294m shares could be issued at 0.025 per share, corresponding to a potential *cash in* of €7.3m. At the same date, outstanding warrants held outside the company could add €1.5m if exercised. The Ott Group, the reference shareholder, has not communicated the timetable for the exercise of the warrants it holds but has expressed its wish to support the Company by intervening, if necessary, in addition via a shareholder current account. These warrants were issued in October 2014 with a maturity of 5 years, i.e. 2019, at a subscription price of €0.050 per share. In December 2019, the maturity of these warrants was extended to December 2023 in return for a two-for-one split of the subscription price to €0.025 per unit. The initial *cash-in* of the 345m warrants issued was thus halved to €8.6m.

We neutralise the residual NRS (Bonds Redeemable in Shares), the conversion of which will not bring any cash to the Company. Their redemption will simply reduce the Company's external financial debt in exchange for a foreseeable dilution (increase in the number of shares in circulation). Following the exercise of several tranches of NRS during 2021-22 (FIPP, GLOBALTECH, OTT, source: AMF notice) the number of NRS outstanding is not precisely known at this date.

As of the date hereof, and excluding the payment of targets in securities, the *fully diluted* capital is 578m shares. It should be noted that the significant dilution occurring at €0.025 per share reduces the valuation leverage by nature. Finally, financial theory allows us to consider as significant the valuation benchmark given by the *strike* of these warrants in the short term.

Start-up losses and raising equity capital

We estimate the cumulative start-up losses – before reaching the break-even point – in a wide range of €30-50m depending on the speed of maturation of the model and the assumptions made. The exercise of the outstanding warrants will allow the financing of approximately €9m. By deduction, MHM will need to raise €20-40m between 2022 and 2025 to finance its deployment.

Research Tax Credit

Our projections include a Research Tax Credit (RTC) benefit of €4m spread by agreement evenly over 2023 to 2026 in annual instalments of €0.8m. This amount will be specified at a later date once the eligibility of MHM's expenditure for this scheme has been established.

Balance sheet risk and dilution

MHM is, and in the short term will remain, highly dependent on significant further fundraising to enable it to continue its investments to bring the service online and ensure continuity of operation. The speed of growth of the activity, with the corollary of reaching the operational break-even point, will also determine the size of the operational losses to be assumed and financed over the first few years. At this stage, this environment does not take into account an additional deployment abroad, which is assumed to be successful in relation to the French deployment.

As it stands, as reflected in the discount rate used, the Company has visibility of around 12-18 months on the financing of its expenses. Cumulative fundraising in the order of €20-40m should be expected in return for a very significant increase in the number of shares outstanding in relation to the company's market capitalisation (c.€28m *fully diluted 2023* at the target price). The issue price of the securities to be issued will depend on multiple factors, including mainly the quality of the application's deployment and the time perspective for reaching breakeven. Thus, it cannot be ruled out that subsequent fundraising will be carried out at a unit price significantly lower than the current listing or our price target, resulting in a very significant dilution of these two indicators and thus a significant loss of substance of the shares currently in circulation. By virtue of a decision of the General Meeting of 27 July 2021 valid for 26 months (until September 2023), the Board of Directors is authorised to issue up to €500m of shares vs. a market capitalisation in 2023 (*fully diluted*, based on the current share price) of less than €15m.

Finally, the valuation per share will depend significantly on the issue price of future shares and therefore on the issue schedule. The most favourable schedule for the shareholder (risk reward management) is a gradual issue accompanying the maturity of the platform (higher issue prices over time). However, from the point of view of the project and the company, it is the riskiest in the event of a slow *ramp-up* (low issue price of tranches 2 and 3, very high dilution, difficulty in raising additional funds).

Given the issue authorisations available to management, we do not rule out a private fundraising. In this type of case, it seems appropriate to consider raising €50-100m in Silicon Valley with the support of international venture capitalists rather than proceeding with €10-20m issues every 12 or 24 months focused on France (market depth). At this stage, MHM has not informed us of its intention to seek funds in this category. In our view, it is however important to consider the leverage and freedom that a major fundraising can bring, securing the development of the project, on the one hand, and finally favouring a majority price transaction with a major competitor, if necessary by setting a market value beforehand.

Support from the reference shareholder

The DUMENIL group (approximately 16% of the capital) committed in 2020 to support MHM to the tune of approximately €0.7m until April 2022, subject to the absence of a change of majority in the Board of Directors. As the 2021 accounts are not yet available, we do not know the amount of FIPP's commitment as at December 2021, nor that as at the end of April 2022. Factually, the Board's control has not evolved until April 2022.

It will be up to MHM to reimburse this contribution, in particular, no doubt, via the exercise of the warrants before the end of 2023.

Detailed financials at the end of this report

Funding - Liquidity

		12/22A	12/23E	12/24E	12/25E
EBITDA	€th	-567	-2,048	-7,598	-4,860
Funds from operations (FFO)	€th	-34.0	-2,048	-7,598	-4,860
Ordinary shareholders' equity	**€th**	**-36.0**	**-4,892**	**-6,125**	**-10,986**
Gross debt	€th	3,133	5,879	8,879	10,879
+ Gross Cash	€th	1,350	-3,318	-1,699	-4,709
= Net debt / (cash)	**€th**	**1,783**	**9,196**	**10,578**	**15,588**
Undrawn committed financing facilities	€th	0.00 (3)	0.00 (3)	0.00	0.00
Gearing (at book value)	%				
Equity/Total asset (%)	%	-2.06	-105	-123	-208
Adj. Net debt/EBITDA(R)	*x*	*-3.14*	*-4.49*	*-1.39*	*-3.21*
Adjusted Gross Debt/EBITDA(R)	*x*	*-5.53*	*-2.87*	*-1.17*	*-2.24*
Adj. gross debt/(Adj. gross debt+Equity)	*%*	*101*	*596*	*322*	*-10,139*
Ebit cover	*x*	*1.99*	*-204,800*	*-759,792*	*-486,017*
FFO/Gross Debt	*%*	*-1.09*	*-34.8*	*-85.6*	*-44.7*
FFO/Net debt	*%*	*-1.91*	*-22.3*	*-71.8*	*-31.2*
FCF/Adj. gross debt (%)	*%*	*-50.6*	*-84.8*	*-89.0*	*-47.4*
(Gross cash+ "cash" FCF+undrawn)/ST debt	*x*	*-0.11*	*-1.41*	*-1.08*	*-0.91*
"Cash" FCF/ST debt	*x*	*-0.88*	*-0.85*	*-0.89*	*-0.47*

3. Following the partial divestment by FIPP in H1 20, to our knowledge FPN does not benefit from any firm cash commitment from its shareholders as of 2 July 2020. Ongoing operations in 2021 thus depend on non-secured resources.

Worth Knowing

Tax losses carried forward

Based on the information available, we do not identify any activatable tax loss carry-forwards that could constitute a valuable asset.

Performance risks

As the project is at the start-up stage, the general risks are very high, with the financing of the ramp-up phase requiring a significant and lasting injection of funds. The support of the reference shareholder (OTT Group from now on) is therefore essential and decisive. In the event of failure (insufficient profitability not allowing continued operation under acceptable risk conditions), MHM will have consumed several tens of millions of euros in pure losses over 2022-25.

We are not in a position to measure the technical execution risk related to MHM's IT team. This risk is partly linked to the financial resources deployed or to be deployed. At first sight (AV estimate, not validated by MHM), the deployment of MHM up to its hardware *proof of concept* (approaching operational break-even point) could require about €50m of investment.

The *matching* concept is based on the rapid creation of a multiplier effect between supply and demand. Insufficient supply (hotels) will prevent the development of the *matching* community. The development of supply must therefore precede the development of demand, otherwise the latter cannot be satisfied, with the corollary of the exhaustion of the concept. In this respect, MHM will have to inject significant costs before launching its full commercialisation/marketing phase.

MHM will seek a viral development rather than a mainstream advertising phase. This strategy minimises the risk of large-scale cash burn with mainstream budgets of typically €20-50m per campaign. In contrast, the viral effect is by nature uncontrollable. It is essentially based on fashion effects or knock-on effects whose origin cannot be controlled.

Sustainability of the competitive advantage

A success that required a *cash burn* of €50m does not give MHM an unassailable competitive advantage in the face of the size of very powerful peers. In other words, Booking.com or Tripadvisor have the means to evolve their model, or to create *spin-offs* based on the same idea as that developed by MHM, while using existing technological (IT teams) or informational (customer database) bricks.

The evolution of human dating models (match.com, meetic, etc.) have demonstrated the low probability of remaining a profitable independent player in this type of segment. As the idea is not patentable by nature, and therefore not intellectually protected, the risk of international copying is to be envisaged (search for a premium for the first local entrant by a competitor). To counter this serious risk, the strategy generally used by the *leaders* is a simultaneous "global" deployment (such as Uber) regardless of the level of losses incurred. This strategy is not within the reach of MHM in the foreseeable future. For this reason, the maximum market value of MHM in the event of a transaction could be reached on the eve of an international deployment, once the functioning and relevance of the model in France have been validated (2024-26?).

At this stage, given the maturity of the project and the forecast resources allocated, our opinion is that MHM has the opportunity to open up a niche on a national level (France) or even in certain European countries with large numbers of visitors (Spain/Italy) without being able to establish or defend a competitive advantage on a global scale in the long term. This strategy would require an immediate injection of €150-200m to absorb start-up losses in 5-10 countries at the same time. Given the size of the addressable sub-markets, and in the short term, we do not anticipate the emergence of strong specific competition beyond the possibility of seeing the *leaders* models evolve in the medium term.

Distribution of capital

As at 22 April 2022 (source: AMF), following the exercise of ORAs during 2021 and early 2022, the capital was divided between the OTT Group (28%), FIPP (Alain DUMENIL, 16%), GLOBALTECH (14%) and Mr Bernard GAUTHIER (9%). The free float was, by deduction, 34%. As at 22 April 2022, the residual number of outstanding NRS as well as the number of warrants remaining to be exercised was not precisely known. The share capital consisted of 218m shares (116m at end 2020). The *fully diluted* capital at the end of 2023 remains 578m shares compared to 83m at the end of 2018.

Presentation of accounts and 2022 AGM

At the end of 2021, MHM did not have any subsidiaries to our knowledge and was only required to publish corporate accounts. As at 08 June 2022, the 2021 accounts were not available. The Annual General Meeting to approve the 2021 accounts will be held before 29 July 2022.

With the acquisition of MyAgency in 2022, the group will probably publish consolidated accounts from 2022 onwards.

Shareholders

Name	% owned	Of which % voting rights	Of which % free to float
OTT Heritage	25.4%	25.4%	0.00%
FIPP	10.0%	10.0%	0.00%
FINAREA CAP PME	9.21%	9.21%	0.00%
Bernard GAUTHIER	6.56%	6.56%	0.00%
MYRR	4.53%	4.53%	0.00%
NISALAVARA	4.05%	4.05%	0.00%
Financiere du Voyage	3.68%	3.68%	0.00%
Xavier URBAIN	3.28%	3.28%	0.00%
KENNIE CAPITAL	2.96%	2.96%	0.00%
MHM Treasury shares	0.00%	0.00%	0.00%
Apparent free float			**30.3%**

Sustainability

Sustainability of the activity

By extension, the development model can be considered sustainable. In *run rate*, the application consumes few incremental resources. MHM has the opportunity to promote sustainable tourism by favouring green tourism by nature (type of accommodation) or proximity (limitation of carbon emissions).

MHM reporting

As MHM's activity is embryonic, the company does not publish an environmental report.

Sustainability score

Sustainability is made of analytical items contributing to the E, the S and the G, that can be highlighted as sustainability precursors and can be combined in an intellectually acceptable way. This is the only scale made available

	Score	Weight
Governance		
Independent directors rate	**2/10**	25%
Board geographic diversity	**4/10**	20%
Chairman vs. Executive split	✗	5%
Environment		
CO^2 Emission	**1/10**	25%
Water withdrawal	**2/10**	10%
Social		
Wage dispersion trend	**0/10**	5%
Job satisfaction	**0/10**	5%
Internal communication	**10/10**	5%
Sustainability score	**2.2/10**	100%

Governance & Management

Evolution of the profile

The history of MHM (ex-Foncière Paris Nord) has been marked by the complete reorientation of its historical corporate purpose, which was the ownership of rental properties. The company became SPAC (Société Parisienne d'Apports en Capital) in 2021 and then MHM (MyHotelMatch) in 2022, and is now exclusively dedicated to the development of its hotel *matching* application. The company no longer holds any real estate assets. To our knowledge, there are no significant litigation proceedings.

The entities of the OTT Group announced on 12 June 2020 that they held 29.9% of the capital of Foncière Paris Nord (FPN). According to the AMF notice of 10 May 2021, it holds 19% of the capital, then 28% on 13 April 2022. FIPP (DUMENIL family) holds 16% of the capital. There is no action in concert or shareholder agreement between any of the above entities except between entities of the OTT group. Following the sale by SPAC of 60,000,000 units of Bonds Redeemable in Shares to PAMIER SARL (controlled by FIPP) in 2020, the DUMENIL family retains the option to increase its shareholding to approximately 35% of the capital *fully diluted* (AV estimates, excluding the exercise of any BSA) by 2023. As the distribution of the balance of the outstanding NRS and warrants is not public (in particular following the exercise of 30m units by GLOBALTECH in 2021), we cannot determine precisely what the *fully diluted* capital will look like at the end of 2023 (including the OTT share).

Evolution of shareholding and governance

MHM has a Board of Directors. In June 2021, the Board of Directors was 100% composed of members of the DUMENIL group, FPN's reference shareholder with 15% of the capital (as of 10 May 2021). The DUMENIL group holds its stake in SPAC via FIPP and a minority stake via the latter's subsidiary, PAMIER SARL. The DUMENIL group includes Acanthe Développement, which focuses on high-end real estate assets in Paris. Mr DUMENIL is the CEO of Acanthe, Ms Laurence DUMENIL (his daughter) is also a director as well as her sister, Ms Valérie GIMOND-DUMENIL. Since April 2022, the DUMENIL family (3 seats out of 8) no longer holds a majority on the Board of Directors.

The concentration of the existing warrants in the hands of the company itself (before substantial redistribution to the shareholders in 2021) and the interest of the OTT Group for this structure have encouraged the reception of a new project formalised in the Combined General Assembly of 8 April 2022: MHM. Governance now seems to have stabilised.

Reinforced governance including specialists

The substantial change in governance made at the General Meeting of 8 April 2022 has strengthened the Board of Directors by bringing in individuals with profiles suited to the company's project. Since 2022, the Board of Directors has welcomed Mr Bradley TAYLOR (ex-ORCO Property group, OTT Group), high level manager of luxury hotels (including formerly MaMaison – OTT Group – and Hyatt), Mr Yves ABITBOL, founder and manager of MyConcierge (acquired in 2022 by MHM), Mrs Charlotte GAUTHIER (considered independent, entrepreneur). Following four appointments in April 2022, the OTT Group has, in our opinion, a direct influence on four of the eight directorships (excluding the director considered independent). Two of the three mandates of the DUMENIL family expire in 2023.

Governance score

Company (Sector)	Independent board
4.8 (6.1)	No

Parameters	Company	Sector	Score	Weight
Number of board members	6	11	9/10	5.0%
Board feminization (%)	33	39	6/10	5.0%
Board domestic density (%)	83	63	4/10	10.0%
Average age of board's members	52	59	9/10	5.0%
Type of company : Small cap, controlled			4/10	10.0%
Independent directors rate	16	39	2/10	20.0%
One share, one vote			✓	10.0%
Chairman vs. Executive split			✗	0.0%
Chairman not ex executive			✗	5.0%
Full disclosure on mgt pay			✗	5.0%
Disclosure of performance anchor for bonus trigger			✗	5.0%
Compensation committee reporting to board of directors			✗	5.0%
Straightforward, clean by-laws			✓	15.0%
Governance score			**4.8/10**	**100.0%**

Management

Name		Function	Birth date	Date in	Date out	Compensation, in k€ (year) Cash	Equity linked
Yves ABITBOL	M	CEO	1964	2023		(2023)	(2023)
David STYBR	M	Partner		2022		(2023)	(2023)
Nicolas TOMMASINI	M	Partner	1971	2022		(2023)	(2023)
Jean-François OTT	M	Chairman	1965	2021		(2023)	(2023)
Laurence CHOPARD	F	CFO		2022		(2023)	(2023)
COUILLEC YOANN	M	CTO	1988	2022		(2023)	(2023)
Rebecca CHAUSSAT	F	Senior Executive		2022		(2023)	(2023)
Fabrice MARTIN-ASTRE	M	Executive Officer		2022		(2023)	(2023)

Board of Directors

Name		Indep.	Function	Completion of current mandate	Birth date	Date in	Date out	Fees / indemnity, in k€ (year)	Value of holding, in k€ (year)
Jean-François OTT	M	✗	President/Chairman of th...	2026	1965	2021		(2023)	(2023)
Yves ABITBOL	M	✗	Member	2026	1964	2022		(2024)	(2024)
Auriane DE CASTELNAU	F	✓	Member	2029	1992	2023		(2024)	(2024)
Alain DUMENIL	M	✗	Member	2026	1949	2012		(2023)	(2023)
Charlotte GAUTHIER	F	✗	Member	2028	1994	2022		(2023)	(2023)
Brad TAYLOR	M	✗	Member	2024	1973	2022		(2023)	(2023)

Environment

Direct impact

As a service business with a high technical and technological content (IT, algorithms, data management), the impact on the environment concerning scope 1 & scope 2 is reduced to the operation of the application: energy (mainly electricity) and data storage (datacentre). We do not consider that the environmental costs associated with the hotel business are part of MHM's scopes 1&2. As a simple intermediary between the consumer and the hotelier, the responsibility for scope 3 lies with the first two.

Indirect impact

The models for optimising the use of infrastructure help to limit the development of under-utilised (cold bed type) or under-performing assets. They are therefore by nature considered to have a positive impact on the environment. Nevertheless, this effect cannot be quantified.

Through the creation of "sub-communities", MHM has the opportunity to highlight and promote low environmental impact accommodation models.

MHM environmental reporting

Because MHM's business is in its infancy, the company does not publish an environmental report. It does not publish forecasts of emissions of any kind. The production of waste and the consumption of water in scopes 1 and 2 can nevertheless be anticipated as marginal even in the mature phase of the project.

Environmental score

Data sets evaluated as trends on rolling calendar, made sector relative

Parameters	Score	Sector	Weight
CO² Emission	1/10	4/10	30%
Water withdrawal	2/10	4/10	30%
Energy	1/10	4/10	25%
Waste	2/10	3/10	15%
Environmental score	**1.5**		**100%**

Company (Sector)

1.5 (3.9)

Environmental metrics

	Company					Sector
	2021	2022	2023	2024	2025	2023
Energy (GJ) per €m in capital employed	n/a	n/a	n/a			305
		1.2	1.2	1.3	1.5	4.1
Tons waste generated per €m in capital employed	n/a	n/a	n/a			6
Cubic meter water withdrawal per €m in capital employed	n/a	n/a	n/a			671

Sector figures

Company	Country	Environment score	Energy (total, in GJ)	CO2 Emissions (in tons)	Water Withdrawal (in m3)	Waste (total, (in tons)
Entain		8/10	418,369	31,318	n/a	4,123
MyHotelMatch		1/10	n/a		n/a	n/a
La Française des Jeux		9/10	75,814	1,494	14,965	
AccorHotels		2/10	49,363,200	3,643,000	105,000,000	200,000

Compass		6/10	2,831,762	196,996		
OPAP		10/10	35,921	3,352	67,591	1,219
Sodexo		8/10	1,856,772	111,411	3,046,600	
TUI Group		1/10	81,337,550	5,953,187		
Intercontinental Hotels Group		2/10	51,426,324	2,662,434	123,587,331	829,424
Whitbread		8/10	2,571,942	152,965	5,659,000	n/a
Mitchells & Butlers		5/10	2,650,909	151,237		
Minor Hotels Europe & Americas		8/10	1,965,924	83,953	3,783,672	20,550
Flutter Entertainment		6/10	178,942	18,342	n/a	n/a
Melia Hotels International		8/10	1,623,368	139,509	8,578,000	19,863
J D Wetherspoon		5/10	1,361,644	93,788		52,781
Elior		8/10	433,786	54,000	260,723	

Social

Team

MHM has built a small team in “commando format” to complete the development of the platform and prepare for launch. Following the acquisition of MyAgency, the number of direct employees of the group is expected to be in the range of 30-33. With the launch of the application, we expect the number of employees (backoffice, moderation, IT maintenance, payment) to increase to around 50-60 by the time it reaches breakeven. This figure does not take into account the possibility of using staff via external subcontractors (SSII) or an international deployment.

Social reporting MHM

As MHM’s activity is in its infancy, the company does not publish a social report. The remuneration policies are not known to date, nor their structure (internal / external to MHM). To our knowledge, at the end of 2021, there were no specific regulated agreements to be continued in 2023.

Social score

Company (Sector)

3.1 (6.3)

Quantitative metrics (67%)

Set of staff related numerical metrics available in AlphaValue proprietary modelling aimed at ranking on social/HR matters

Parameters	Score	Weight
Staffing Trend	5/10	20%
Average wage trend	1/10	35%
Share of added value taken up by staff cost	1/10	25%
Share of added value taken up by taxes	1/10	20%
Wage dispersion trend	0/10	0%
Pension bonus (0 or 1)	0	
Quantitative score	**1.8/10**	**100%**

Qualitative metrics (33%)

Set of listed qualitative criterias and for the analyst to tick

Parameters	Score	Weight
Accidents at work	10/10	25%
Human resources development	6/10	35%
Pay	0/10	20%
Job satisfaction	0/10	10%
Internal communication	10/10	10%
Qualitative score	**5.6/10**	**100%**

AlphaValue analysts tick boxes on essential components of the social/HR corporate life.
Decision about ticking Yes or No is very much an assessment that combines the corporate's communication on relevant issue and the analyst's better judgment from experience.

Qualitative score

Parameters	Yes ✔ / No ✘	Weight
Accidents at work		**25%**
Set targets for work safety on all group sites?	✔	10.0%
Are accidents at work declining?	✔	15.0%
Human resources development		**35%**
Are competences required to meet medium term targets identified?	✔	3.5%
Is there a medium term (2 to 5 years) recruitment plan?	✔	3.5%
Is there a training strategy tuned to the company objectives?	✔	3.5%
Are employees trained for tomorrow's objectives?	✔	3.5%
Can all employees have access to training?	✘	3.5%
Has the corporate avoided large restructuring lay-offs over the last year to date?	✔	3.5%
Have key competences stayed?	✔	3.5%
Are managers given managerial objectives?	✘	3.5%
If yes, are managerial results a deciding factor when assessing compensation level?	✘	3.5%
Is mobility encouraged between operating units of the group?	✘	3.5%
Pay		**20%**
Is there a compensation committee?	✘	6.0%
Is employees' performance combining group AND individual performance?	✘	14.0%
Job satisfaction		**10%**
Is there a measure of job satisfaction?	✘	3.3%
Can anyone participate ?	✘	3.4%
Are there action plans to prop up employees' morale?	✘	3.3%
Internal communication		**10%**
Are strategy and objectives made available to every employee?	✔	10.0%
Qualitative score	**5.6/10**	**100.0%**

Staff & Pension matters

Team

In 2022, the OTT Group has put together an experienced IT, financial and commercial team to take on the planned development of MHM including the completion of its platform. This team is in addition to the 30 employees taken over from the MyAgency group (acquired in June 2022). At the end of June 2022, the full number of employees is not known.

In-house vs. outsourced workforce

MHM does not exclude completing the development of the platform internally or externally. The use of external service providers (SSII) remains an option, although the group chooses to internalise the bulk of the remaining development of the tool.

Social reporting MHM

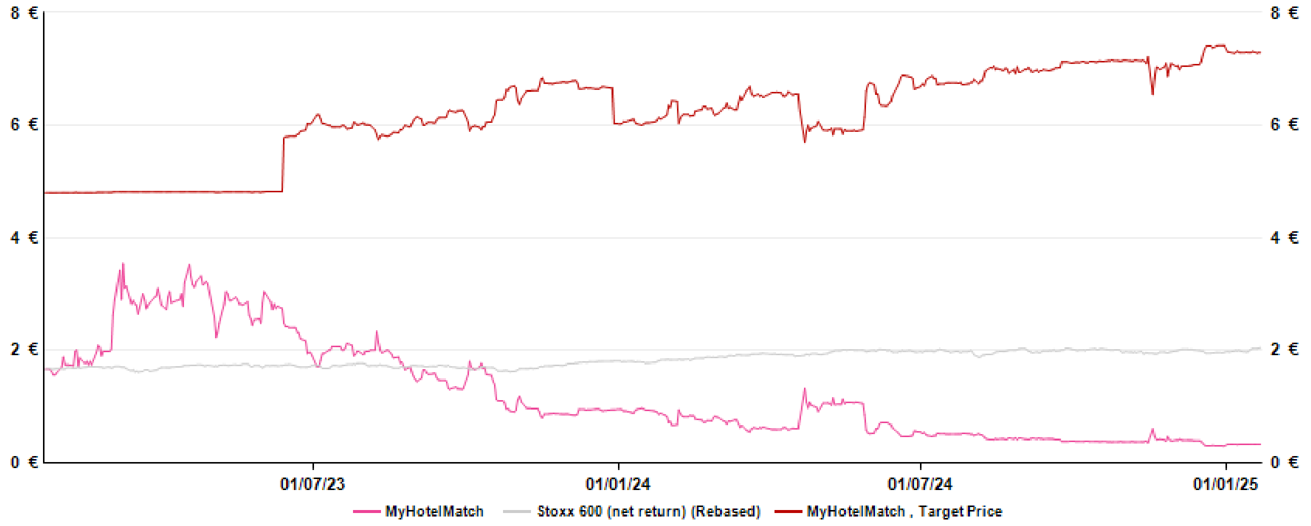
As MHM's activity is embryonic, the company does not publish a social report. The activity of MHM consists of pure services. There is no public recruitment plan.

Remuneration

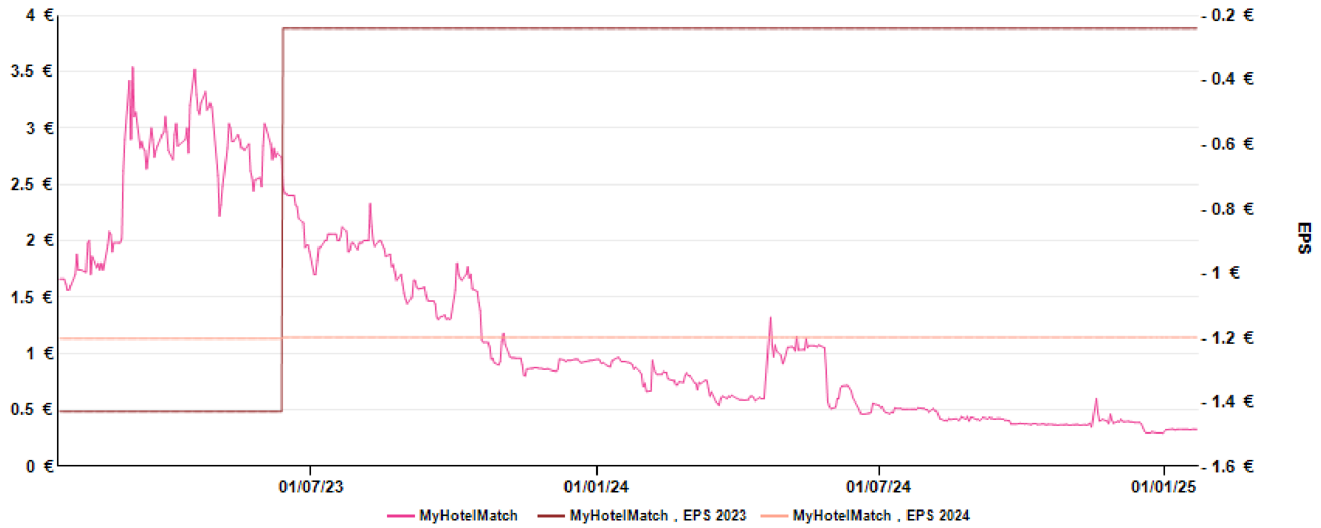
As Mr OTT was recently appointed CEO, the future remuneration policy is not known. To our knowledge, the directors do not receive an attendance fee. At this stage, we are not aware of any regulated agreements that may exist between the OTT group and MHM, possibly relating to the re-invoicing of expenses relating to personnel (MHM's IT/finance team) whose time could be shared within the OTT group.

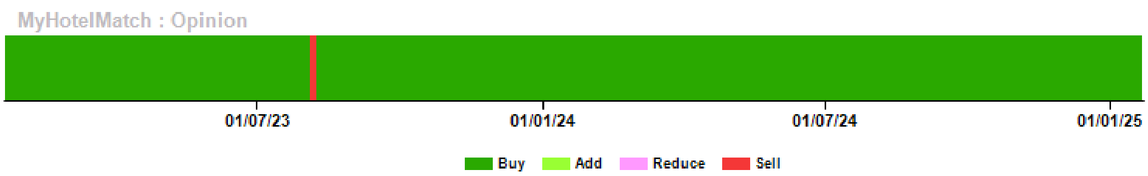
As a reminder, as the company will no longer have any operational activity in 2020-21, its workforce consisted of one person at the end of 2020. Its CEO was paid €36,000 per annum (excluding expenses, AR 2020). The directors did not receive a director's fee.

Stock Price and Target Price

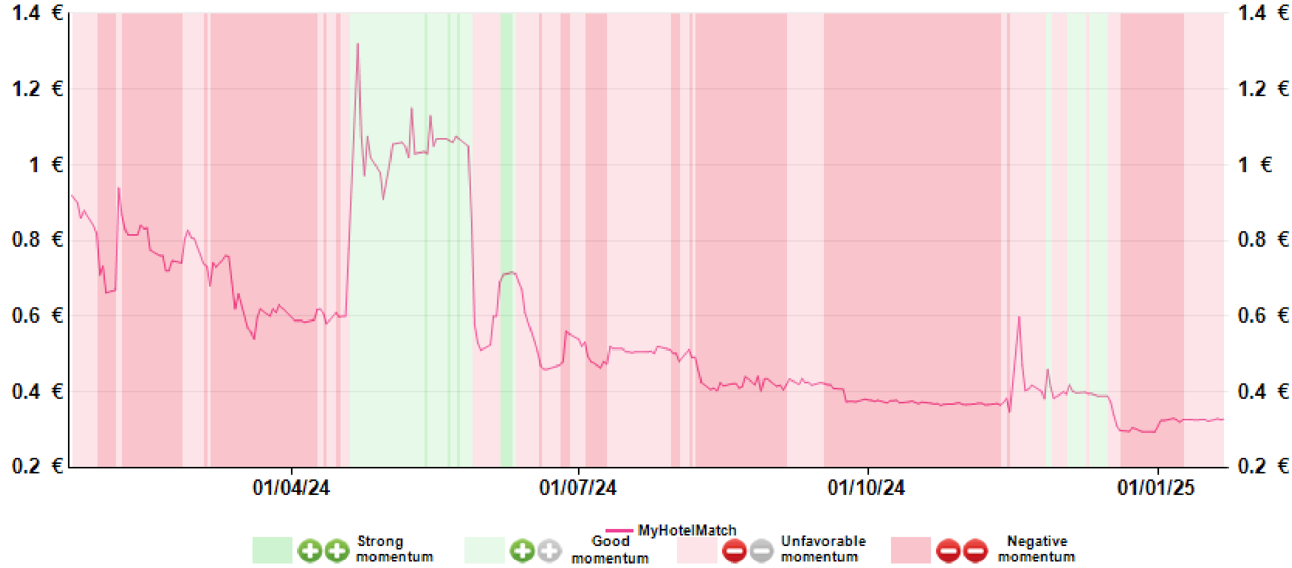


Earnings Per Share & Opinion





Momentum



Momentum analysis consists in evaluating the stock market trend of a given financial instrument, based on the analysis of its trading flows.
The main indicators used in our momentum tool are simple moving averages over three time frames: short term (20 trading days), medium term (50 days) and long term (150 days). The positioning of these moving averages relative to each other gives us the direction of the flows over these time frames.
For example, if the short and medium-term moving averages are above the long-term moving average, this suggests an uptrend which will need to be confirmed. Attention is also paid to the latest stock price relative to the three moving averages (advance indicator) as well as to the trend in these three moving averages - downtrend, neutral, uptrend - which is more of a lagging indicator.
The trend indications derived from the flows through moving averages and stock prices must be confirmed against trading volumes in order to confirm the signal. This is provided by a calculation based on the average increase in volumes over ten weeks together with a buy/sell volume ratio.

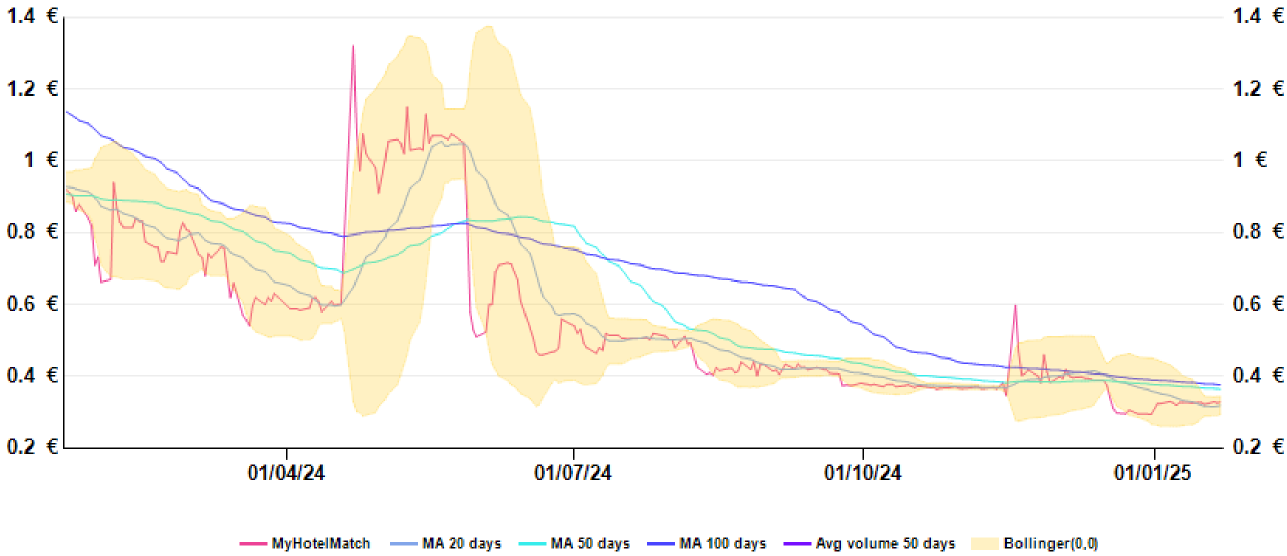
: Strong momentum corresponding to a continuous and overall positive moving average trend confirmed by volumes

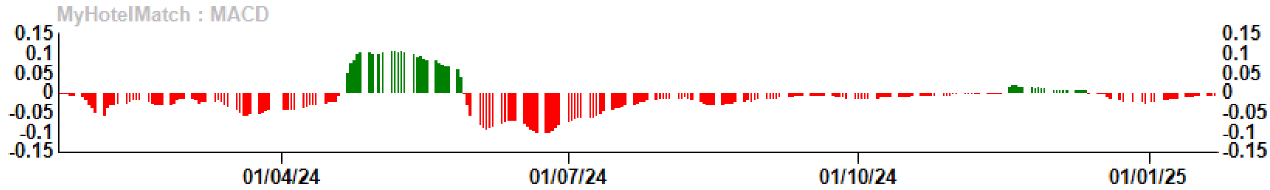
: Relatively good momentum corresponding to a positively-oriented moving average, but offset by an overbought pattern or lack of confirmation from volumes

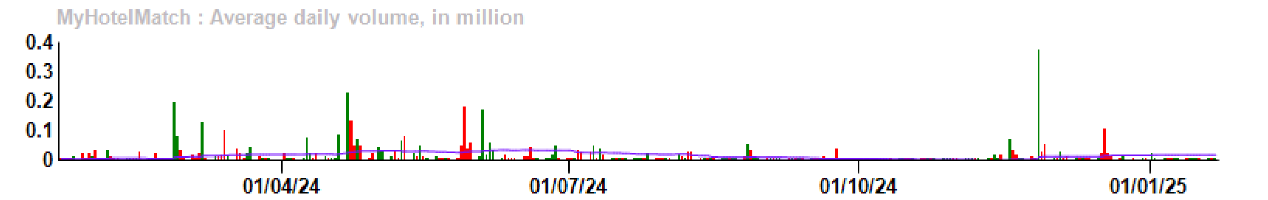
: Relatively unfavorable momentum with a neutral or negative moving average trend, but offset by an oversold pattern or lack of confirmation from volumes

: Strongly negative momentum corresponding to a continuous and overall negative moving average trend confirmed by volumes

Moving Average MACD & Volume

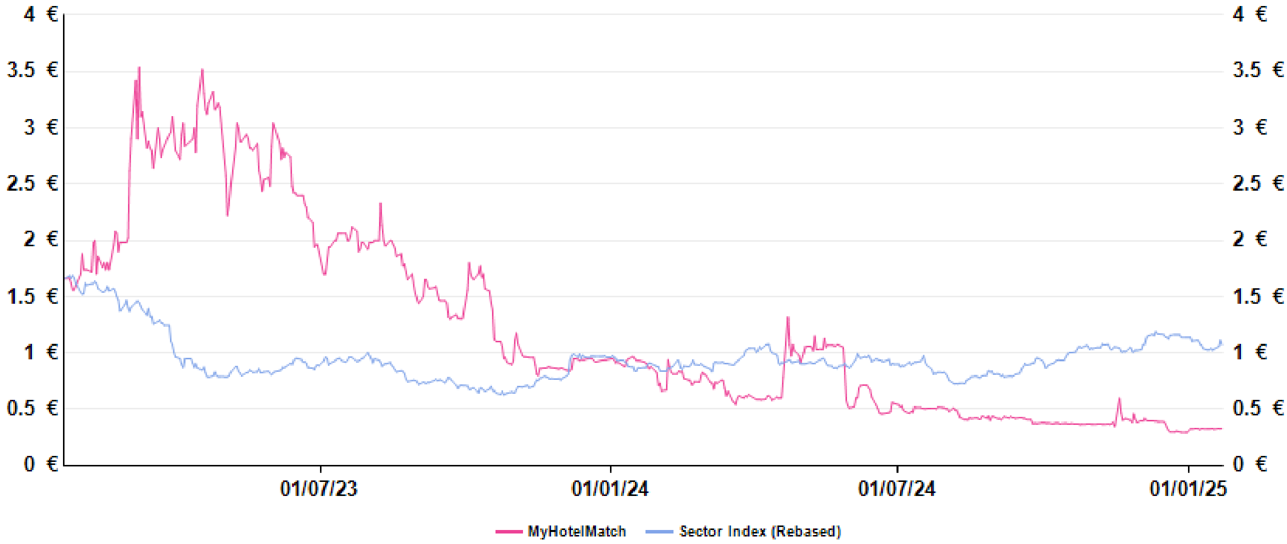






Euro sensitivity

Sector Hotel, Catering & Leisure



Detailed Financials

Valuation Key Data		12/22A	12/23E	12/24E	12/25E
Adjusted P/E	**x**	**-19.8**	**-7.98**	**-0.50**	**-0.45**
Reported P/E	x	-10.4	-4.69	-0.50	-0.45
EV/EBITDA(R)	**x**	**-16.5**	**-7.88**	**-1.92**	**-3.74**
EV/EBIT	x	-16.5	-7.88	-1.92	-3.74
EV/Sales	x	1.21	1.17	0.92	0.93
P/Book	**x**	**-204**	**-1.34**	**-0.56**	**-0.17**
Dividend yield	**%**	**0.00**	**0.00**	**0.00**	**0.00**
Free cash flow yield	*%*	*-21.6*	*-76.0*	*-229*	*-272*
Average stock price	€	2.41	1.93	0.60	0.33

Consolidated P&L

		12/22A	12/23E	12/24E	12/25E
Sales	€th	7,753	13,800	15,780	19,569
Sales growth	*%*	*ns*	*78.0*	*14.3*	*24.0*
Sales per employee	*€th*	*235*	*383*	*395*	*466*
Purchases and external costs (incl. IT)	€th	-8,320	-15,848	-23,378	-24,429
Staff costs	€th	-1,207	-1,500	-1,523	-1,545
Operating lease payments	€th	0.00	0.00	0.00	0.00
Cost of sales/COGS (indicative)	€th	0.00	0.00	0.00	0.00
EBITDA	€th	-567	-2,048	-7,598	-4,860
EBITDA(R)	€th	-567	-2,048	-7,598	-4,860
EBITDA(R) margin	*%*	*-7.31*	*-14.8*	*-48.1*	*-24.8*
EBITDA(R) per employee	*€th*	*-17.2*	*-56.9*	*-190*	*-116*
Depreciation	€th	0.00	0.00	0.00	0.00
Depreciations/Sales	*%*	*0.00*	*0.00*	*0.00*	*0.00*
Amortisation	€th	0.00 (4)	0.00 (4)	0.00 (4)	0.00 (5)
Underlying operating profit	€th	-567	-2,048	-7,598	-4,860
Underlying operating margin	*%*	*-7.31*	*-14.8*	*-48.1*	*-24.8*
Other income/expense (cash)	€th	0.00	0.00	0.00	0.00
Other inc./ exp. (non cash; incl. assets revaluation)	€th	-90.0	-1.00	-1.00	-1.00
Mark to market on various operation-related hedges	€th	0.00	0.00	0.00	0.00
Earnings from joint venture(s)	€th	0.00	0.00	0.00	0.00
Actual dividends from Jvs	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Actual accrued cash flows from JV	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Impairment charges/goodwill amortisation	€th	0.00	0.00	0.00	0.00
Operating profit (EBIT)	€th	-657	-2,049	-7,599	-4,861
Interest expenses	€th	-12.0	-0.01 (6)	-0.01	-0.01
of which effectively paid cash interest expenses	*€th*	*-0.01*	*-0.01*	*-0.01*	*-0.01*
Financial income	€th	297	0.00	0.00	0.00
Other financial income (expense)	€th	0.00	0.00	0.00	0.00
Net financial expenses	€th	285	-0.01	-0.01	-0.01
of which related to pensions	*€th*		*0.00*	*0.00*	*0.00*
Pre-tax profit before exceptional items	€th	-372	-2,049	-7,599	-4,861
Exceptional items and other (before taxes)	€th	-143	800 (7)	800 (7)	800 (7)
of which cash (cost) from exceptionals	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Current tax	€th	-55.0	0.00	0.00	0.00
Impact of tax loss carry forward	€th	0.00	0.00	0.00	0.00
Deferred tax	€th	0.00	0.00	0.00	0.00
Corporate tax	€th	-55.0	0.00	0.00	0.00
Tax rate	*%*	*-14.8*	*0.00*	*0.00*	*0.00*
Net margin	*%*	*-5.51*	*-14.8*	*-48.2*	*-24.8*
Equity associates	€th	0.00	0.00	0.00	0.00
Actual dividends received from equity holdings	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Minority interests	€th	-135	-150	-150	-150
Actual dividends paid out to minorities	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Income from discontinued operations	€th	0.00	0.00	0.00	0.00
Attributable net profit	€th	-705	-1,399	-6,949	-4,211
Impairment charges/goodwill amortisation	€th	0.00	0.00	0.00	0.00
Other adjustments	€th	0.00 (8)	0.00 (8)	0.00 (9)	0.00 (10)
Adjusted attributable net profit	€th	-705	-1,399	-6,949	-4,211
Interest expense savings	€th	0.00	0.00	0.00	0.00
Fully diluted adjusted attr. net profit	€th	-705	-1,399	-6,949	-4,211
NOPAT	€th	-493	-1,537	-5,699	-3,646

4. Non-cash amounts, i.e. revaluation of the asset at its market value as of the first forecast year. FPN booked the asset using the historical amortised cost method until 2019. As of the first forecast year, we adopt a mark-to-market valuation method in line with the EPRA presentation standards adopted by most of the real estate companies under AlphaValue's coverage.
5. Non-cash amounts, i.e. revaluation of the asset at its market value from the first year of the forecast. FPN recognizes the asset at its historical value amortized until 2019. From the first year of the forecast, we adopt a mark-to-market valuation in accordance with the EPRA presentation standards adopted by most of the real estate companies covered by AlphaValue. The 2025 flow includes the potential development margin in the event that FPN carries out the redevelopment of the site itself.
6. In 2023, FPN will pay (included in the entry balance sheet/convertible bonds) the capitalised interest expenses linked to the convertible bonds, i.e. a maximum of around 4m euros.
7. Research Tax Credit
8. To derive a cash result, we restate the non-cash elements in the income statement (revaluations and balance sheet optimisation).
9. To derive a cash result we restate the non-cash elements in the income statement (revaluations and balance sheet optimisation).
10. To derive a cash result, we restate the non-cash elements in the income statement (revaluations and balance sheet optimisation). As delivery of the asset is assumed to be after 2025, the forecast developer margin is thus deemed to be non-cash.

Cashflow Statement

		12/22A	12/23E	12/24E	12/25E
EBITDA	€th	-567	-2,048	-7,598	-4,860
Change in WCR	€th	-1,250 (11)	-2,637	0.00	0.00
of which (increases)/decr. in receivables	*€th*	*-3,469*	*0.00*	*0.00*	*0.00*
of which (increases)/decr. in inventories	*€th*		*0.00*	*0.00*	*0.00*
of which increases/(decr.) in payables	*€th*	*2,219*	*-2,637*	*0.00*	*0.00*
of which increases/(decr.) in other curr. liab.	*€th*		*0.00*	*0.00*	*0.00*
Actual dividends received from equity holdings	€th	0.00	0.00	0.00	0.00
Paid taxes	€th	-55.0	0.00	0.00	0.00
Exceptional items	€th	588	0.00	0.00	0.00
Other operating cash flows	€th	0.00	0.00	0.00	0.00
Total operating cash flows	€th	-1,284	-4,685	-7,598	-4,860
Capital expenditure	€th	-588	-300	-300	-300
Capex as a % of depreciation & amort.	*%*	*58,800,000*	*30,000,100*	*30,000,100*	*30,000,100*
Net investments in shares	€th	0.00	0.00	0.00	0.00
Other investment flows	€th	0.00	0.00	0.00	0.00
Total investment flows	€th	-588	-300	-300	-300
Net interest expense	€th	285	-0.01	-0.01	-0.01
of which cash interest expense	*€th*	*-0.01*	*-0.01*	*-0.01*	*-0.01*
Dividends (parent company)	€th	0.00	0.00	0.00	0.00
Dividends to minorities interests	€th	0.00	0.00	0.00	0.00
New shareholders' equity	€th	4,496	778 (12)	5,569	0.00
of which (acquisition) release of treasury shares	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Change in gross debt	€th	-499	2,746	3,000	2,000
Other financial flows	€th	0.00	-3,206 (13)	948	150
Total financial flows	€th	3,997	317	9,517	2,150
Change in scope of consolidation, exchange rates & other	€th	0.00	0.00 (14)	0.00 (14)	0.00 (14)
Change in cash position	€th	2,125	-4,668	1,619	-3,010
Change in net debt position	€th	2,624	-7,413	-1,381	-5,010
Free cash flow (pre div.)	€th	-1,587	-4,985	-7,898	-5,160
Operating cash flow (clean)	€th	-1,872	-4,685	-7,598	-4,860
Reinvestment rate (capex/tangible fixed assets)	*%*	*382*	*196*	*197*	*199*

11. FPN having no activity as of 2020, we progressively normalise the WCR towards neutrality.
12. Effect of the conversion of the outstanding convertible bonds and warrants, net of the almost complete neutralisation of the latter as of H1 20 (source: Ott Partners).
13. Estimated cash cost of the capitalised interest expenses on the convertible bonds. AV estimate.
14. Convertible bonds, non cash

Balance Sheet

Balance Sheet		12/22A	12/23E	12/24E	12/25E
Capitalised R&D	€th	0.00	0.00	0.00	0.00
Goodwill	€th	1,518	1,818	2,118	2,418
Other intangible assets	€th	0.00	0.00	0.00	0.00
Total intangible	€th	1,518	1,818	2,118	2,418
Tangible fixed assets	€th	154 (15)	153 (16)	152 (15)	151 (17)
Right-of-use	€th	1.00	1.00	1.00	1.00
Financial fixed assets (part of group strategy)	€th	124	124	124	124
Financial hedges (LT derivatives)	€th	0.00	0.00	0.00	0.00
Other financial assets (investment purpose mainly)	€th	0.00	0.00	0.00	0.00
of which available for sale	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
WCR	€th	-52.0	2,585	2,585	2,585
of which trade & receivables (+)	*€th*	*2,585*	*2,585*	*2,585*	*2,585*
of which inventories (+)	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
of which payables (+)	*€th*	*2,637*	*0.00*	*0.00*	*0.00*
of which other current liabilities (+)	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Other current assets	€th	0.00	0.00	0.00	0.00
of which tax assets (+)	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Total assets (net of short term liabilities)	€th	1,745	4,681	4,980	5,279
Ordinary shareholders' equity (group share)	€th	-36.0	-4,892	-6,125	-10,986
Quasi Equity & Preferred	€th	0.00	0.00	0.00	0.00
Minority interests	€th	227	377	527	677
Provisions for pensions	€th	0.00	0.00	0.00	0.00
Other provisions for risks and liabilities	€th	0.00	0.00	0.00	0.00
Deferred tax liabilities	€th	0.00	0.00	0.00	0.00
Other liabilities	€th	-229	0.00	0.00	0.00
Net debt / (cash)	€th	1,783	9,196	10,578	15,588
Total liabilities and shareholders' equity	€th	1,745	4,681	4,980	5,279
Gross Cash	€th	1,350	-3,318	-1,699	-4,709
Average net debt / (cash)	€th	2,708	5,490	9,887	13,083
Adjusted net debt	€th	1,783	9,196	10,578	15,588

15. Balance sheet valued at its market value (AV estimate), i.e. a change in accounting method vs. the initial historical amortised cost methodology. No flow impact on debt or cash.
16. Balance sheet value revalued at market value (AV estimate), i.e. a change in accounting method vs. the initial one of historical acquisition cost amortized. Flow without impact on debt or cash, but favourably affecting book equity.
17. Balance sheet value revalued at market value (AV estimate), i.e. a change in accounting method vs. the initial one of historical acquisition cost amortised. Flow without impact on debt or cash, but favourably affecting book equity. We include here the potential promotion margin.

EV Calculations

EV Calculations		12/22A	12/23E	12/24E	12/25E
EV/EBITDA(R)	**x**	**-16.5**	**-7.88**	**-1.92**	**-3.74**
EV/EBIT	**x**	**-16.5**	**-7.88**	**-1.92**	**-3.74**
EV/Sales	**x**	**1.21**	**1.17**	**0.92**	**0.93**
EV/Invested capital	x	5.36	3.45	2.92	3.44
Market cap	€th	7,346	6,560	3,451	1,899
+ Provisions (including pensions)	€th	0.00	0.00	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00	0.00
+ Net debt at year end (ex Right-of-use from 2019)	€th	1,782	9,195	10,577	15,587
+ Right-of-use (from 2019)/Leases debt equivalent	€th	0.00	0.00	0.00	0.00
- Financial fixed assets (fair value) & Others	€th				
+ Minority interests (fair value)	€th	227	377	527	677
= Enterprise Value	**€th**	**9,355**	**16,132**	**14,555**	**18,163**

Per Share Data

		12/22A	12/23E	12/24E	12/25E
Adjusted EPS (bfr gwill amort. & dil.)	**€**	**-0.12**	**-0.24**	**-1.20**	**-0.73**
Growth in EPS	*%*	*n/a*	*n/a*	*n/a*	*n/a*
Reported EPS	€	-0.23	-0.41	-1.20	-0.73
Net dividend per share	**€**	**0.00**	**0.00**	**0.00**	**0.00**
Of which exceptional pay out	€	0.00	0.00	0.00	0.00
Free cash flow per share	€	-0.27	-0.86	-1.36	-0.89
Operating cash flow per share	€	-0.77	-1.45	-1.65	-0.84
Book value per share	€	-0.01	-1.44	-1.06	-1.90
Restated NAV per share	€	0.04	0.04	0.04	0.05
Number of ordinary shares	**Th**	**3,050**	**3,402** [18]	**5,789**	**5,789**
Number of equivalent ordinary shares (year end)	Th	3,050	3,402	5,789	5,789
Number of shares market cap.	Th	3,050 [19]	3,402 [18]	5,789	5,789
Treasury stock (year end)	Th				
Number of shares net of treasury stock (year end)	Th	3,050	3,402	5,789	5,789
Number of common shares (average)	**Th**	**2,437**	**3,226**	**4,595**	**5,789**
Conversion of debt instruments into equity	Th	200	160 [20]	0.00	0.00
Settlement of cashable stock options	Th				
Probable settlement of non mature stock options	Th				
Other commitments to issue new shares	Th	2,539 [21]	2,228 [22]	0.00	0.00
Increase in shares outstanding (average)	Th	3,352	2,563	1,194	0.00
Number of diluted shares (average)	**Th**	**5,789**	**5,789**	**5,789**	**5,789**
Goodwill per share (diluted)	€	0.00	0.00	0.00	0.00
EPS after goodwill amortisation (diluted)	€	-0.12	-0.24	-1.20	-0.73
EPS before goodwill amortisation (non-diluted)	€	-0.29	-0.43	-1.51	-0.73
Preferential dividend	€	0.00	0.00	0.00	0.00
Payout ratio	**%**	**0.00**	**0.00**	**0.00**	**0.00**
Capital payout ratio (div +share buy back/net income)	**%**	**0.00**	**0.00**	**0.00**	**0.00**

18. The full conversion of the convertible bonds and 2014 warrants in circulation increases the number of shares to their maximum diluted amount. Excluding 2020-23 issuance of new dilutive instruments.
19. Shares market cap, 218m shares, AMF, 20 April 2022
20. All the convertible bonds and warrants are assumed to be converted/exercised before 31 December 2023 (maturity). The dilution is thus complete, excluding the dilution to come (2020-23) from the issuance of other dilutive instruments or conversion of the debt into equity.
21. According to Ott Partners, the quasi totality of the warrants were repurchased by FPN and neutralised in H1 20.
22. Following the operation to neutralise the warrants in H1 20 by FPN itself, the warrants remaining in circulation are assumed to be exercised in full before 31 December 2023.

Funding - Liquidity

Funding - Liquidity		12/22A	12/23E	12/24E	12/25E
EBITDA	€th	-567	-2,048	-7,598	-4,860
Funds from operations (FFO)	€th	-34.0	-2,048	-7,598	-4,860
Ordinary shareholders' equity	**€th**	**-36.0**	**-4,892**	**-6,125**	**-10,986**
Gross debt	€th	3,133	5,879	8,879	10,879
o/w Less than 1 year - Gross debt	€th	2,136	5,879 [23]	8,879	10,879
o/w 1 to 5 year - Gross debt	€th	997	0.00	0.00	0.00
of which Y+2	€th	997	0.00	0.00	0.00
of which Y+3	€th	0.00	0.00	0.00	0.00
of which Y+4	€th	0.00	0.00	0.00	0.00
of which Y+5	€th	0.00	0.00	0.00	0.00
o/w Beyond 5 years - Gross debt	€th	0.00	0.00	0.00	0.00
+ Gross Cash	€th	1,350	-3,318	-1,699	-4,709
= Net debt / (cash)	**€th**	**1,783**	**9,196**	**10,578**	**15,588**
Bank borrowings	€th	879	879	879	879
Issued bonds	€th	997 [24]	0.00	0.00	0.00
Financial leases liabilities	€th	0.00	0.00	0.00	0.00
Mortgages	€th	0.00 [25]	0.00 [25]	0.00 [25]	0.00 [25]
Other financing	€th	1,257	5,000	8,000	10,000
of which commercial paper	€th	0.00	0.00	0.00	0.00
Undrawn committed financing facilities	€th	0.00 [3]	0.00 [3]	0.00	0.00
Gearing (at book value)	%				
Equity/Total asset (%)	%	-2.06	-105	-123	-208
Adj. Net debt/EBITDA(R)	*x*	*-3.14*	*-4.49*	*-1.39*	*-3.21*
Adjusted Gross Debt/EBITDA(R)	*x*	*-5.53*	*-2.87*	*-1.17*	*-2.24*
Adj. gross debt/(Adj. gross debt+Equity)	*%*	*101*	*596*	*322*	*-10,139*
Ebit cover	*x*	*1.99*	*-204,800*	*-759,792*	*-486,017*
FFO/Gross Debt	*%*	*-1.09*	*-34.8*	*-85.6*	*-44.7*
FFO/Net debt	*%*	*-1.91*	*-22.3*	*-71.8*	*-31.2*
FCF/Adj. gross debt (%)	*%*	*-50.6*	*-84.8*	*-89.0*	*-47.4*
(Gross cash+ "cash" FCF+undrawn)/ST debt	*x*	*-0.11*	*-1.41*	*-1.08*	*-0.91*
"Cash" FCF/ST debt	*x*	*-0.88*	*-0.85*	*-0.89*	*-0.47*

23. ORA (convertible bond) maturity 2023. Full conversion assumed before 31 December 2023.

24. ORA (convertible bond)

25. Includes the shareholder loans, although not backed by mortgages (2019 first half report). The shareholders are assumed to continue to inject cash into the company to ensure its status as a going concern.

3. Following the partial divestment by FIPP in H1 20, to our knowledge FPN does not benefit from any firm cash commitment from its shareholders as of 2 July 2020. Ongoing operations in 2021 thus depend on non-secured resources.

ROE Analysis (Dupont's Breakdown)

ROE Analysis (Dupont's Breakdown)		12/22A	12/23E	12/24E	12/25E
Tax burden (Net income/pretax pre excp income)	x	1.90	0.68	0.91	0.87
EBIT margin (EBIT/sales)	%	-8.47	-14.8	-48.2	-24.8
Assets rotation (Sales/Avg assets)	%	839	430	327	381
Financial leverage (Avg assets /Avg equity)	x	-0.52	-1.30	-0.88	-0.60
ROE	**%**	**39.6**	**56.8**	**126**	**49.2**
ROA	%	-40.6	-45.0	-157	-94.3

Shareholder's Equity Review (Group Share)

Shareholder's Equity Review (Group Share)		12/22A	12/23E	12/24E	12/25E
Y-1 shareholders' equity	€th	-3,528	-35.7	-4,892	-6,125
+ Net profit of year	€th	-705	-1,399	-6,949	-4,211
- Dividends (parent cy)	€th	0.00	0.00	0.00	0.00
+ Additions to equity	€th	4,496	778	5,569	0.00
o/w reduction (addition) to treasury shares	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
- Unrecognised actuarial gains/(losses)	€th	0.00	0.00	0.00	0.00
+ Comprehensive income recognition	€th	-299	-4,236	148	-650
= Year end shareholders' equity	**€th**	**-35.7**	**-4,892**	**-6,125**	**-10,986**

Staffing Analytics

		12/22A	12/23E	12/24E	12/25E
Sales per staff	€th	235	383	395	466
Staff costs per employee	€th	-36.6	-41.7	-38.1	-36.8
Change in staff costs	*%*	*7,444*	*24.3*	*1.50*	*1.50*
Change in unit cost of staff	*%*	*136*	*13.9*	*-8.65*	*-3.33*
Staff costs/(EBITDA+Staff costs)	*%*	*189*	*-274*	*-25.1*	*-46.6*
Average workforce	**unit**	**33.0**	**36.0**	**40.0**	**42.0**
Europe	unit	33.0	36.0	40.0	42.0
North America	unit	0.00	0.00	0.00	0.00
South Americas	unit	0.00	0.00	0.00	0.00
Asia	unit	0.00	0.00	0.00	0.00
Other key countries	unit	0.00	0.00	0.00	0.00
Total staff costs	**€th**	**-1,207**	**-1,500**	**-1,523**	**-1,545**
Wages and salaries	€th	-1,207	-1,500	-1,523	-1,545
Pension related costs	€th	0.00	0.00	0.00	0.00

Divisional Breakdown Of Revenues

		12/22A	12/23E	12/24E	12/25E
Total sales	**€th**	**7,753**	**13,800**	**15,780**	**19,569**
Rents	€th	0.00	0.00	0.00	0.00
Property development	€th	0.00	0.00	0.00	0.00
Concierge Business	€th	7,753	13,800	14,352	14,926
Matching Internet Platform	€th	0.00	0.00	1,428	4,643
Other	€th	0.00	0.00	0.00	0.00

Divisional Breakdown Of Earnings

		12/22A	12/23E	12/24E	12/25E
EBIT Analysis					
Rents	€th				
Property development	€th				
Concierge Business	€th	463	552	574	597
Matching Internet Platform	€th	-1,000	-2,601	-8,173	-5,458
Other/cancellations	€th	-657			
Total	**€th**	**-1,194**	**-2,049**	**-7,599**	**-4,861**
EBIT margin	%	-15.4	-14.8	-48.2	-24.8

Revenue Breakdown By Country

		12/22A	12/23E	12/24E	12/25E
France	%	100	100		
Other	%	0.00	0.00		

ROCE		12/22A	12/23E	12/24E	12/25E
ROCE (NOPAT+lease exp.(1-tax))/(net) cap employed adjusted*	*%*	*-28.3*	*-32.8*	*-114*	*-69.1*
CFROIC	*%*	*-91.0*	*-107*	*-159*	*-97.8*
Goodwill	€th	1,518	1,818	2,118	2,418
Accumulated goodwill amortisation	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
All intangible assets	€th	0.00	0.00	0.00	0.00
Accumulated intangible amortisation	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
Financial hedges (LT derivatives)	€th	0.00	0.00	0.00	0.00
Capitalised R&D	€th	0.00	0.00	0.00	0.00
Rights of use/ Capitalised leases	€th	0.00	0.00	0.00	0.00
Other fixed assets	€th	154	153	152	151
Accumulated depreciation	*€th*	*0.00*	*0.00*	*0.00*	*0.00*
WCR	€th	-52.0	2,585	2,585	2,585
Other assets	€th	124	124	124	124
Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00	0.00
Capital employed after deprec. (Invested capital)	**€th**	**1,744**	**4,680**	**4,979**	**5,278**
Capital employed before depreciation	€th	1,744	4,680	4,979	5,278

Divisional Breakdown Of Capital Employed		12/22A	12/23E	12/24E	12/25E
Rents	€th				
Property development	€th				
Concierge Business	€th				
Matching Internet Platform	€th				
Other	€th	1,744	4,680	4,979	5,278
Total capital employed	**€th**	**1,744**	**4,680**	**4,979**	**5,278**

Fundamental Opinion

It is implicit that recommendations are made in good faith but should not be regarded as the sole source of advice.

Recommendations are geared to a **“value”** approach.

Valuations are computed from the point of view of a **secondary market minority holder** looking at a medium term (say 6 months) performance.

Valuation tools are built around the concepts of **transparency,** all underlying figures are accessible, and **consistency,** same methodology whichever the stock, allowing for differences in nature between financial and non financial stocks. A stock with a target price below its current price should not and will not be regarded as an Add or a Buy.

Recommendations are based on target prices with no allowance for dividend returns. The thresholds for the four recommendation levels may change from time to time depending on market conditions. Thresholds are defined as follows, ASSUMING long risk free rates remain in the 2-5% region.

Recommendation	Low Volatility 10 < VIX index < 30	Normal Volatility 15 < VIX index < 35	High Volatility 35 < VIX index
Buy	More than 15% upside	More than 20% upside	More than 30% upside
Add	From 5% to 15%	From 5% to 20%	From 10% to 30%
Reduce	From -10% to 5%	From -10% to 5%	From -10% to 10%
Sell	Below -10%	Below -10%	Below -10%

There is deliberately no “neutral” recommendation. The principle is that there is no point investing in equities if the return is not at least the risk free rate (and the dividend yield which again is not allowed for).

Although recommendations are automated (a function of the target price whenever a new equity research report is released), the management of AlphaValue intends to maintain global consistency within its universe coverage and may, from time to time, decide to change global parameters which may affect the level of recommendation definitions and /or the distribution of recommendations within the four levels above. For instance, lowering the risk premium in a gloomy context may increase the proportion of positive recommendations.

Valuation

Valuation processes have been organized around transparency and consistency as primary objectives.

Stocks belong to different categories that recognise their main operating features : Banks, Insurers and Non Financials.

Within those three universes, the valuation techniques are the same and in relation to the financial data available.

The weighting given to individual valuation techniques is managed centrally and may be changed from time to time. As a rule, all stocks of a similar profile are valued using equivalent weighting of the various valuation techniques. This is for obvious consistency reasons.

Within the very large universe of Non Financials, there are in effect 4 sub-categories of weightings to cater for subsets: 1) 'Mainstream' stocks; 2) 'Holding companies' where the stress is on NAV measures; 3) 'Growth' companies where the stress is on peer based valuations; 4) 'Loss making sectors' where peers review is essentially pointing nowhere (ex: Bio techs). The bulk of the valuation is then built on DCF and NAV, in effect pushing back the time horizon.

Valuation Issue	Normal industrials	Growth industrials	Holding company	Loss runners	Bank	Insurers
DCF	35%	35%	10%	40%	0%	0%
NAV	20%	20%	55%	40%	50%	15%
PE	10%	10%	10%	5%	10%	20%
EV/EBITDA	20%	20%	0%	5%	0%	0%
Yield	10%	10%	20%	5%	10%	15%
Book	5%	5%	5%	5%	10%	10%
Banks' instrinsic method	0%	0%	0%	0%	10%	0%
Embedded Value	0%	0%	0%	0%	0%	40%
Mkt Cap/Gross Operating Profit	0%	0%	0%	0%	10%	0%