

Buy EUR 4.00 Price EUR 3.16 Upside 26.6 %	Value Indicators: EUR DCF: 3.96	Warburg Risk Score: 1.9 Balance Sheet Score: 3.8 Market Liquidity Score: 0.0	Description: Cyan specializes in network security and fraud prevention.
	Market Snapshot: EUR m Market cap: 66.2 No. of shares (m): 20.9 EV: 65.5 Freefloat MC: 22.5 Ø Trad. Vol. (30d): 11.56 th	Shareholders: Freefloat 34.00 % Inst. Investors 66.00 %	Key Figures (WRE): 2024e Beta: 1.1 Price / Book: 2.2 x Equity Ratio: 89 %

Strategic focus on cybersecurity market yields growth potential

Cyan is a provider of cybersecurity solutions, specializing in network-integrated security and fraud prevention for telecom providers, financial institutions, and businesses in Europe and worldwide. The company offers advanced threat detection, AI-driven risk-management, and seamless security integration, helping clients safeguard their digital ecosystems. Founded in 2006 and headquartered in Munich and Vienna, Cyan has established itself as a key security player in the telecommunications industry, with a strong presence across Europe, Latin America, and Asia. Its innovative technology and strategic partnerships with major mobile network operators reinforce its position as a trusted provider of scalable, embedded security solutions.

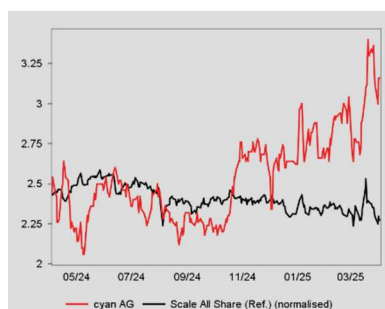
Building on its strong foundation in the telecommunications sector, Cyan is well positioned to broaden its customer spectrum to new verticals and capitalize on the increasing demand for cybersecurity solutions across industries. The rise in cyberattacks, stricter regulatory requirements, and the growing reliance on digital transactions create significant opportunities for the company to expand into areas such as insurance, healthcare, and government sectors, where data security is critical. Following **the divestment of the BSS/OSS segment in 2023**, management is now fully focused on the higher-growth and higher-margin cybersecurity segment, streamlining operations to enhance efficiency and innovation. In this segment, Cyan adopts a **point-solution model** rather than expensive software suites, offering a cost advantage to telecom partners and SMEs. This approach ensures affordability while maintaining high-performance security standards, making cybersecurity accessible to a broader range of businesses.

By embedding security at the network level and taking a white-label approach, Cyan enables customers to offer cybersecurity services without incurring costly licensing fees or complex IT integration. This model not only enhances adoption rates but also strengthens long-term client relationships, as businesses can seamlessly scale their security infrastructure without major disruption.

With its strategic shift toward cybersecurity, Cyan is now able to exclusively allocate resources to growth opportunities within this segment. This targeted approach is expected to accelerate revenue growth while optimizing operational costs, **paving the way for the company to achieve positive earnings and cash flows** faster than with its previous product line-up. The combination of fast-growing demand, recurring revenue streams, and an attractive margin offer opportunities for Cyan.

Driven by strong demand for B2B2C cybersecurity solutions in the telecommunications sector and a growing product portfolio that enables growth in new verticals such as insurance or SMEs, revenues are expected to grow at a CAGR of 32.6% until 2026. On the basis of fast growth and **economies of scale** as well as **prudent cost management**, Cyan could achieve positive EBITDA as soon as in FY25. Given the strong earnings potential in the cybersecurity segment (mostly recurring revenue and attractive margin profile), Cyan enjoys strong mid-term earnings growth prospects.

Given upside to our DCF-derived PT of EUR 4.00, we initiate coverage with a Buy rating. Next catalysts for the share are a potential breakeven on EBITDA-level, a continuation of strong top-line growth as management responds to market opportunities, and the successful repositioning following the first full year after the divestment of the BSS/OSS segment.

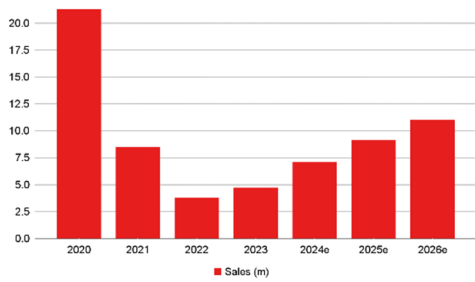


Rel. Performance vs Scale All Share	
1 month:	19.3 %
6 months:	46.2 %
Year to date:	22.3 %
Trailing 12 months:	35.0 %

Company events:	
15.05.25	FY 2024
11.07.25	AGM
25.09.25	Q2

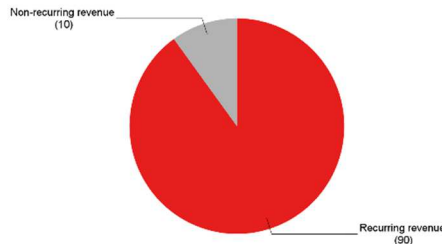
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	32.6 %	21.3	8.5	3.8	4.7	7.1	9.1	11.0
Change Sales yoy		-20.4 %	-60.2 %	-55.2 %	24.0 %	50.6 %	28.7 %	20.4 %
Gross profit margin		89.4 %	27.3 %	76.7 %	73.2 %	80.0 %	82.0 %	83.0 %
EBITDA	-	-5.1	-12.3	-4.4	-4.5	-1.6	-0.5	1.0
Margin		-23.7 %	-145.2 %	-114.8 %	-94.8 %	-23.0 %	-5.0 %	9.5 %
EBIT	-	-11.0	-18.1	-7.0	-7.0	-4.0	-2.3	-0.8
Margin		-51.8 %	-212.9 %	-184.3 %	-148.6 %	-56.1 %	-25.3 %	-7.4 %
Net income	-	-9.3	-13.9	-14.7	-20.6	-2.5	-1.3	0.2
EPS	-	-0.95	-1.04	-0.87	-1.02	-0.12	-0.06	0.01
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FCFPS	-	-0.34	-0.61	-0.63	-0.13	-0.11	0.04	0.08
FCF / Market cap	-	-2.5 %	-8.0 %	-26.0 %	-8.1 %	-3.4 %	1.4 %	2.4 %
EV / Sales		6.4 x	12.0 x	10.4 x	6.3 x	9.7 x	7.4 x	6.0 x
EV / EBITDA		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	63.8 x
EV / EBIT		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	316.0 x
FCF Potential Yield		-2.8 %	-8.6 %	-30.3 %	-60.4 %	-0.2 %	0.8 %	3.1 %
Net Debt		3.1	-0.5	-1.6	-2.0	0.3	-0.6	-2.3
ROCE (NOPAT)		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.6 %
Guidance:		Revenue: EUR 8.4-9.2m; significant EBITDA improvement						
Adjustments:		2023 and 2022 figures are adjusted for sale of BSS/OSS segment, 2021 and 2020 figures include old entities.						

Sales development
in EUR m



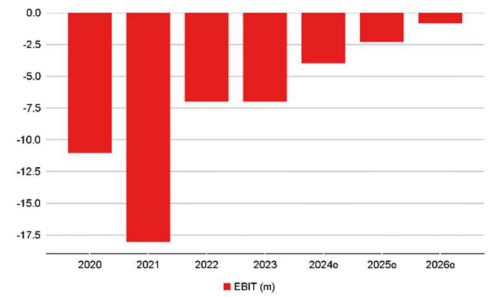
Source: Cyan, Warburg Research

Revenue split
H1/24; in %



Source: Cyan, Warburg Research

EBIT development
in EUR m



Source: Cyan, Warburg Research

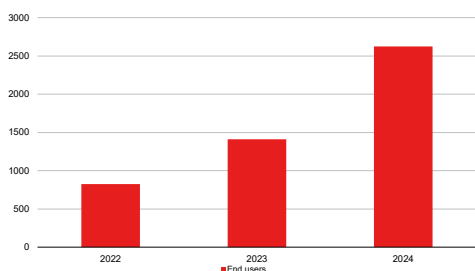
Company Background

- Cyan is a cybersecurity provider specializing in network-integrated security and fraud prevention for telecom, finance, and global businesses.
- It offers AI-driven threat-detection, risk management, and seamless security integration to protect digital ecosystems.
- Founded in 2006, Cyan has a strong global presence and partners with major mobile network operators to provide scalable security solutions.

Competitive Quality

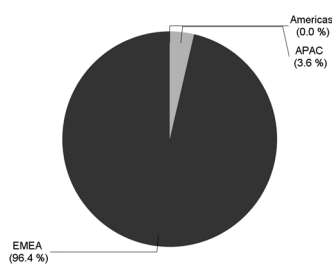
- Following the BSS/OSS divestment, Cyan is concentrating on expanding its presence in the cybersecurity industry.
- Cyan has established a strong foothold in telecom cybersecurity, providing white-label, network-integrated solutions.
- Its point-solution approach enables customers to access tailored, cost-effective cybersecurity services with less deployment complexity.

Subscribers
in thousands



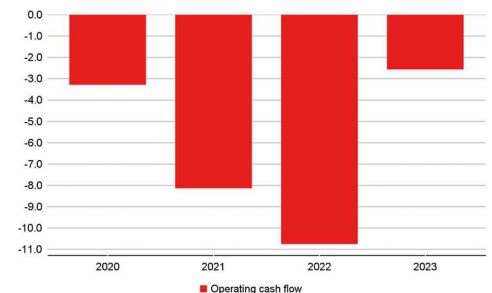
Source: Cyan, Warburg Research

Sales by region
2024e; in %



Source: Cyan, Warburg Research

Operating cash flow
in EUR m



Source: Cyan, Warburg Research

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Summary of Investment Case

Investment triggers

- 2024 results will mark the first full year as a fully-focused cybersecurity company. Cyan is on track for stellar revenue growth and, with strong potential for economies of scale, the results could show investors the capability of the new business model.
- A clear path to EBITDA and cash-flow breakeven in 2025 coupled with a solid early execution track record of the new management team should attract investor attention.

Valuation

- The PT of EUR 4.00 is based on a DCF model.
- Compared to a peer group of cybersecurity and software providers, Cyan trades at higher multiples which are mostly explained by higher growth rates.

Growth

- Cyan is fully focused on the cybersecurity market which is projected to grow at a CAGR of 7.9% p.a. until 2029. As the number and complexity of cyberthreats grow, adequate protection is increasingly important for companies and end-users.
- The company's streamlined operations after divesting its BSS/OSS segment enhance agility, allowing greater focus on high-margin cybersecurity offerings.
- Cyan is driving sustainable growth by expanding in telecom, targeting new sectors like banking and e-commerce, developing SME-focused security solutions, and monetizing cybersecurity insights.
- On the basis of economies of scale, efficient cost management and a high share of recurring revenue from long-term contracts, management aims to achieve positive EBITDA and cash flow by FY25.

Competitive quality

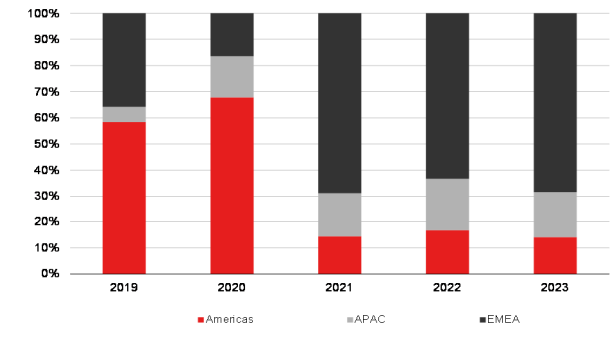
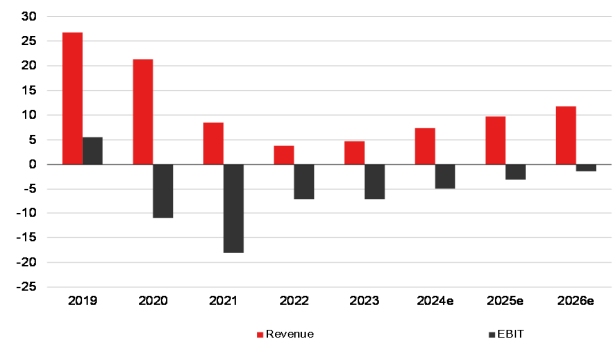
- Following the divestment of the BSS/OSS segment, Cyan is focusing all resources on further expanding the company's position within the fragmented cybersecurity industry.
- Cyan has built a strong position in cybersecurity within the telecommunications industry, offering white-label, network-integrated solutions.
- The company's point-solution approach allows customers to access tailored, cost-effective cybersecurity services, reducing deployment complexity.

Company Overview

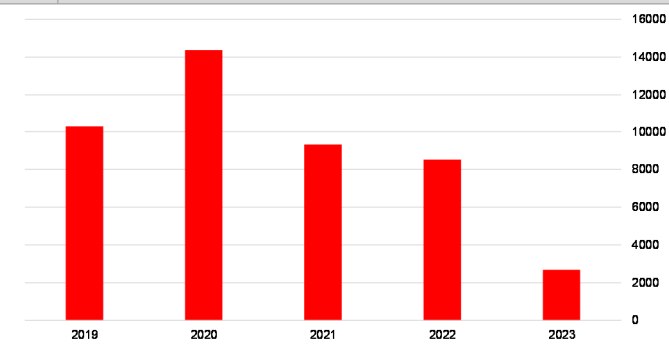
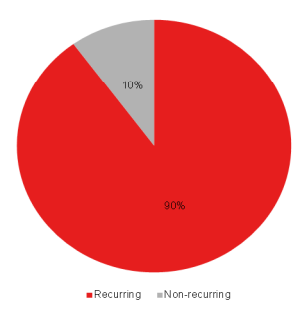


Segments	Cybersecurity		
Description	Cyan is a provider of cybersecurity solutions for TelCos, MNOs and ISPs to protect their end-users from phishing, clickjacking, identity theft, malware and other cyber threats.		
Product Portfolio	Network-based security: white-label solutions, can be rapidly rolled out		B2B2C end-point based security: security services integrated into applications
	OneNet Core • Beginner products • One configuration for all • Integrates Cyan filter solution into network • Only 6 weeks for full implementation	OneNet Plus • More complex • Advanced features • Additional customization make it adjustable to individual client needs	OnDevice • Intuitive-to-use applications • Protection of end-customer on and off the carrier network
Customers			
Market	• Global cybersecurity market is projected to grow at a CAGR of 7.9% in the next four years • AI will lead to new dimensions of cyber threats		
Competitors			

Growth and profitability **Revenue split by region**



Recurring revenue share **Long-term debt**



Sources: Cyan, Warburg Research

Competitive Quality

- Following the divestment of the BSS/OSS segment, Cyan is focusing all resources on further expanding the company's position within the fragmented cybersecurity industry.
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Refocussing the company on cybersecurity business

Cyan has undergone significant changes in its core business areas in the recent past, transitioning from a dual-segment company to a focused cybersecurity solutions provider. The company made a strategic decision to sell its BSS/OSS segment (i-new) in 2023, which was completed on 1 January 2024, allowing Cyan to concentrate entirely on its cybersecurity business.

In the BSS/OSS segment, the company offered services for mobile virtual network providers (MVNOs). The business mix grew by acquisition and complexity increased which contributed to losses and a lack of focus at group level. The new management team is now sharpening Cyan's strategic focus.

In its current form, Cyan is positioning itself as a **leading provider of intelligent cybersecurity solutions related to phishing and other malware**, with a particular focus on the B2B2C model in the telecommunications sector.

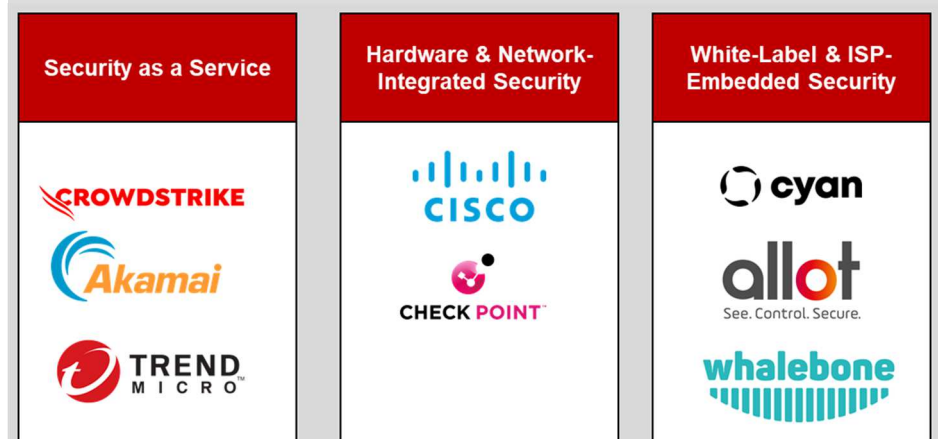
With a concentration of resources on the cybersecurity segment, the company has been expanding its partnerships with major telecom groups, such as Orange, and entering new verticals like the insurance industry, demonstrating a clear development towards becoming a specialized and growth-oriented cybersecurity firm.

Number of specialised providers rises as technology and customer needs evolve

Cyan focuses on core strengths in fragmented market

There is increasing public awareness of cybersecurity in light of the consequences of digitalization, data protection concerns, and high-profile IT security incidents, which has led to greater awareness of, and investment in, cybersecurity solutions. The market is characterised by a high degree of fragmentation. There are several reasons for this including the rapid evolution of cyber threats, the diverse needs of various industries, and the proliferation of specialized solutions addressing specific security challenges. This has led to a landscape where numerous vendors offer niche products, making integration and unified threat management more complex. Additionally, varying security certification schemes from country to country contribute to market fragmentation and create regulatory barriers.

Competitive landscape



Sources: Cyan, Warburg Research

Cyan aims to leverage experience from TelCo into new verticals

Established strength in TelCo industry

Cyan has carved out a strong competitive position in the cybersecurity market, particularly within the telecommunications sector. The company has leveraged its expertise to form key partnerships with telecom providers, offering white-label cybersecurity solutions that seamlessly integrate into their networks. This strategy has driven significant growth, with an 86% increase in subscribers in 2024, surpassing expectations.

Cyan's solutions are unique in that they **operate directly within telecom infrastructures**, eliminating the need for end-user downloads and providing security across multiple devices, including smartphones, PCs, and fixed-line connections.

Beyond telecom, Cyan is expanding into new markets, securing partnerships in North and South America and Asia while also launching products tailored for small and medium-sized businesses. The recent introduction of Guard 360 reflects the company's push to address broader cybersecurity needs.

Compared to competitors like CrowdStrike, which primarily focuses on endpoint detection, or Akamai, which specializes in cloud security, Cyan's strength lies in its ability to secure entire networks at the provider level. With strong subscriber growth, geographic expansion, and a business model that fosters **long-term partnerships with the largest telecom companies**, Cyan is positioned as a strong player in the evolving cybersecurity landscape.

Point-solution rather than software-suite model offers price advantage

Cyan's cybersecurity strategy is built around a point-solution model rather than an all-encompassing software suite, providing a significant price and complexity advantage for its telecom partners and SMEs. Unlike competitors that bundle multiple security features into suites, Cyan focuses on targeted, high-performance solutions that integrate directly – e.g. into telecom infrastructures.

This **white-label approach** allows telecom providers to offer cybersecurity as an added service to their customers without the need for costly software licensing or extensive IT integration. By embedding security at the network level, Cyan ensures seamless protection while keeping costs low, making it an attractive option in a market where affordability and ease of deployment are key deciding factors. Furthermore, Cyan's flexible, modular pricing structure enables customers to pay only for the security services they need rather than investing in broad, one-size-fits-all solutions.

Cyan's recent launch of Guard 360 for SMEs further exemplifies this strategy of delivering cost-effective, targeted cybersecurity solutions tailored to smaller businesses that lack the resources or use-case for enterprise-level security suites. By prioritizing affordability and seamless integration, Cyan positions itself as a high-value cybersecurity provider, leveraging its point-solution model to drive adoption and market growth.

TelCo most important vertical, but new sectors offer opportunities

Growing customer base

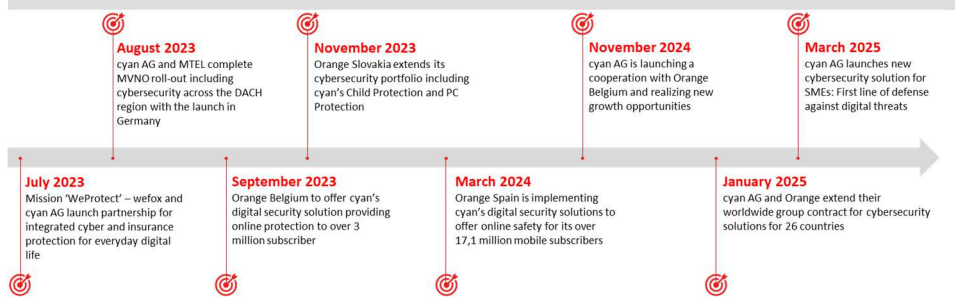
Magenta, a leading provider of mobile and fixed broadband services in Austria, partnered with Cyan to create a secure internet experience for its private and business customers, addressing the demand for digital security in mobile and fixed segments. As part of the partnership, Cyan enabled Magenta to launch six Magenta branded security solutions built using Cyan’s OnNet, OnDevice, Business Protections and Child Protection products, all part of Cyan’s white-label product suite.

The security solutions included Child Protection, an app-based parental control tool and Magenta Internet Protection, a solution securing individual users on Magenta’s mobile network. Additionally, Cyan and Magenta developed Internet Protection Plus, a bundled solution offering protection both on and off Magenta’s network and Internet Protection Home, a security system protecting all customer home network-connected devices, powered by Cyan’s Threat Intelligence. The partnership resulted in Magenta generating incremental revenue by **addressing market demand for enhanced cybersecurity** while achieving **higher-than-expected penetration rates and higher monthly gross-adds** in comparison with competitors.

MTEL, a MVNO operating in the DACH region, partners with Cyan to provide additional security services with its customers tariff bundles and subsequently create a competitive advantage. As part of the partnership, Cyan offered its OnNet Security product to create NetProtect Internetschutz, a B2C tariff-integrated cybersecurity solution for MTEL’s post-paid customer base. The solution is seamless, does not require installation or manual set-up and offers network-level security protection from malware, phishing, data loss and cyber fraud. According to MTEL, the solution resulted in a big market advantage for the company and provides customers with peace of mind. Future plans for the partnership include solutions to enhance the MTEL child protection app, giving parents more control over children’s phones, offering them a simple solution to manage website access with just a few clicks.

The advantages of working with Cyan rather than other cybersecurity solution providers include key factors such as the simplicity of processes, fast time-to-market and proactive updating and offering of new features. Products are requested, quickly integrated and yet run smoothly. **After implementation, Cyan continues to nurture partnerships** by updating solutions and providing clients with new possibilities.

Selection of milestones



Sources: Cyan, Warburg Research

Analysis of return on capital

- The balance sheet reflects Cyan's low capital intensity due to the asset-light structure and high scalability, which is typical for a software company.
- Following the takeover of Cyan Security Group by Cyan as part of the company's listing in 2018, the company's balance sheet shows a significant goodwill position.
- Financial debt has decreased significantly (partly with the divestment of the BSS/OSS segment) which leads to improved balance-sheet quality and gearing.

Balance sheet reflects capital-light business model

Cyan's business activity is characterised by low capital intensity, as revenues are generated by software sales. This is reflected in the balance sheet, as assets consist mostly of intangible assets and receivables. Goodwill represents about half of the company's assets following the takeover of Cyan Security Group by Cyan as part of the company's listing in 2018.

Balance sheet as of 31 December 2023



Sources: Cyan, Warburg Research

- The largest asset category in Cyan's balance sheet is goodwill of EUR 21.8m or 50% of total assets. This position results from the takeover of Cyan Security Group by Cyan as part of the company's IPO in 2018. The goodwill is fully attributable to the Cybersecurity segment, which is now the core of the business.
- As of 31 December 2023, 15% of assets or EUR 6.6m were bookmarked for sale as part of the divestment of the BSS/OSS business. As the sale became effective on 1 January 2024, this was only a timing consideration for the 2023 report. As of 30 June 2024, Cyan no longer shows any of these assets.
- Intangible assets (excl. goodwill) are another important asset category. They amount to EUR 5.6m which represents 13% of total assets. The largest positions are patents, customer relationships and other rights at EUR 4.3m. The customer relationships were capitalised as part of a PPA in 2018 and will continue to be amortised on a linear basis over the next 5 years.
- Following two capital measures in 2022 and 2023, the company held EUR 2.9m in cash as of December 2023 which represented 7% of assets. As of June 2024, the cash position decreased to EUR 1.4m.

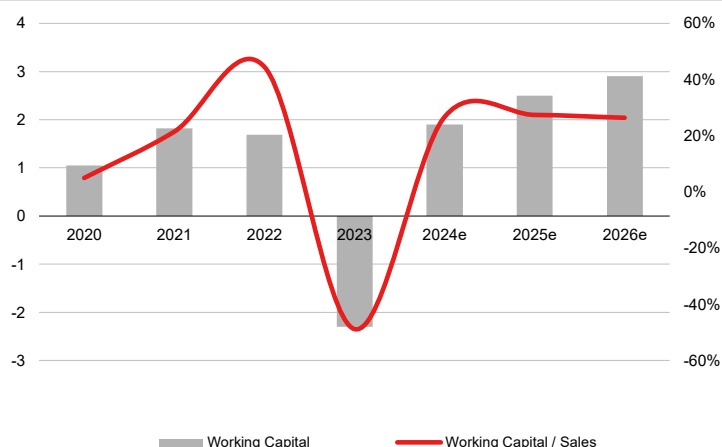
- In relation to the divestment of the BSS/OSS business, EUR 3.5m in liabilities have been recognised as liabilities directly related to asset sales. Given the completion of the transaction in January 2024, the position was fully eliminated as of June 2024. In addition, EUR 3.1m are recognised for upfront payments related to the BSS/OSS business. These are shown under other liabilities in the chart above.
- Besides equity, which makes up 73% of liabilities, liabilities related to leasing contracts for office space, server capacity and vehicles amount to EUR 1.4m and represent 3%. Leasing liabilities are offset by rights-of-use assets of EUR 1.3m which is mostly related to office space.
- Accounts payable amounted to EUR 0.2m as of 31 December 2023. Cyan's payable collection period was short at 19 days in 2023.

Working capital

Cyan's working capital is (typically) positive due to very short payables collection periods. In 2023, one-off effects related to the BSS/OSS sale resulted in significantly negative working capital.

Going forward, working capital is anticipated to increase at a similar rate as revenue given the company's growth trajectory.

Working capital development



Sources: Cyan, Warburg Research

Sale of BSS/OSS segment

Cyan's former management team, led by interim CEO and CTO Markus Cserna, decided to concentrate on the cybersecurity segment in 2023 as a future growth driver. In order to focus resources, the BSS/OSS segment was sold to telecommunication specialist Compax. In December 2023, the two parties signed a framework agreement. Effective on 1 January 2024, the following entities were sold:

- cyan Digital Security GmbH (former I-New Unified Mobile Solutions GmbH)
- cyan Seamless Solution Mexico, S.A. de C.V. (former I-New Unified Mobile Solutions S.A. de C.V.)
- cyan security Chile S.p.A
- cyan security Colombie S.A.S
- cyan security Peru S.A.C.
- cyan security USA, Inc.
- I-New Bangladesh Ltd.

- I-New Hungary Kft.
- smartpsace GmbH

The former I-New entity was sold in an **asset deal**. All other entities were sold in **share deals**. As a result of the transactions, Cyan recorded net cash inflows of EUR 1.1m so far. In addition, **earn-out clauses** have been agreed, which rely on revenue thresholds between 2024 and 2027. After the sale, the equity ratio remains broadly stable, but the balance sheet is shorter.

Capital structure

Over the years, cyan has conducted a series of capital increases to finance growth.

In FY 2019, Cyan carried out two capital increases in Q1 and Q3 respectively. The total increase in share capital for the year amounted to EUR 1.01m while the increase in capital reserves amounted to EUR 25.6m.

The next capital increases followed in FY 2021. To secure liquidity during the transformation year, the issuance of convertible bonds totalling EUR 4.2m was resolved at the beginning of the fiscal year. In Q3, a cash capital increase was conducted with subscription rights (subscription ratio 4:1) for existing shareholders. The offer period ran from September 2 to September 15, with an issue price of EUR 3.22 per share. The offering was fully subscribed by the exercise of subscription rights and additional demand in a private placement. The capital increase generated a gross issuance volume of EUR 8.0m. In Q4, the company partially utilized its authorized capital in a private placement. 977,453 new bearer shares were issued against cash contributions, excluding subscription rights. The placement price was set at EUR 4.15 per share, and the offering was exclusively directed at institutional investors as part of a private placement. This transaction resulted in a gross issuance volume of EUR 4.0m.

In FY 2022, in response to inflationary pressure and a focus on turnaround, the group aimed to ensure sustainable operations with the primary goal of self-financing while maintaining growth opportunities. In Q1, Cyan reached an agreement with a creditor to convert claims totalling approximately EUR 3.9m into equity. This was implemented by a capital increase in kind, granting the creditor 1,503,816 shares in exchange for their claims. In Q3 a capital increase with subscription rights (subscription ratio 7:1) was conducted for existing shareholders. The offer period went from September 5 to September 1 and the issue price amounted to EUR 2.63 per share. Unsubscribed shares were placed in a private placement. The transaction generated a gross issuance volume of EUR 5.6m.

In FY 2023, Cyan undertook further capital measures to safeguard its financial position. In Q1, an agreement was reached with its creditors to convert outstanding claims into equity. As part of this non-cash capital increase, claims totalling EUR 3m were contributed in exchange for 1,868,592 shares at an issue price of EUR 1.63 per share. In Q3, Cyan conducted two capital increases to raise additional liquidity. In a private placement, 523,316 shares were issued at a price of EUR 1.90, excluding shareholder subscription rights. The company further utilized authorized capital by issuing new shares against cash contributions of EUR 1.80 per share later in the quarter.

In December 2023, Cyan AG's management board, with supervisory board approval, resolved to issue a 1% convertible bond 2024 with a total nominal value of up to EUR 1.5m, divided into 1.5m bearer bonds at EUR 1.00 each. Shareholders could subscribe via an indirect subscription right at a 13:1 ratio (13 shares entitle to 1 bond). The bond was fully converted in 2024 resulting in an increase of total shares outstanding to 21.7m.

Following the capital measures and the sale of the BSS/OSS business, Cyan is not in need for further capital to sustain the current business operations in our view as the company is on track to reach positive cash flow by 2025.

Growth / Financials

- Cyan is fully focused on the cybersecurity market which is projected to grow at a CAGR of 7.9% p.a. until 2029. As the number and complexity of cyberthreats grow, adequate protection is increasingly important for companies and end-users.
- The company's streamlined operations after divesting its BSS/OSS segment enhance agility, allowing for greater focus on high-margin cybersecurity offerings.
- Cyan is driving sustainable growth by expanding in telecom, targeting new sectors like banking and e-commerce, developing SME-focused security solutions, and monetizing cybersecurity insights.
- On the basis of economies of scale, efficient cost management and a high share of recurring revenue from long-term contracts, management aims to achieve positive EBITDA and cash flow by FY25.

Cybersecurity market projected to grow by 7.9% p.a. until 2029

Business focus on growing cybersecurity market

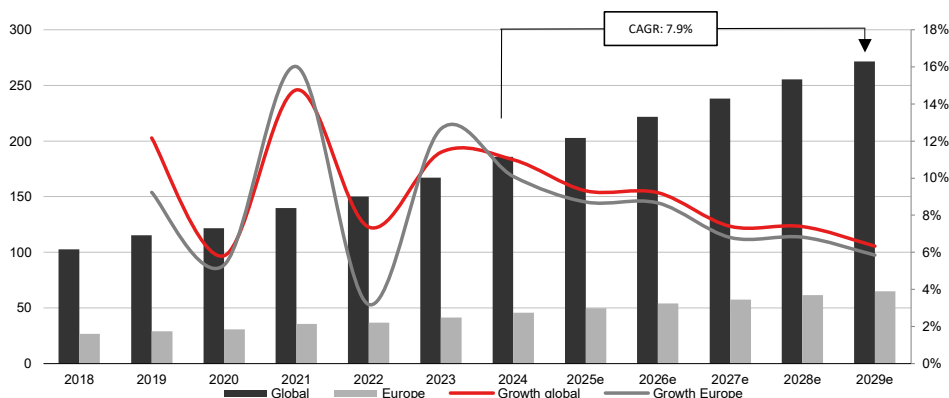
Following the divestment of its BSS/OSS segment, Cyan is fully focused on its cybersecurity solution portfolio. By providing security solutions for service and app providers (e.g. in the telecommunication sector) in Europe and increasingly abroad, Cyan is well-positioned to participate in growth in the European and global cybersecurity market.

The **global cybersecurity market** is projected to reach EUR 184.9bn in 2025 and grow at a CAGR of 7.9% to EUR 247bn until 2029. North America and especially the United States have driven growth and are expected to continue to do so with rising investment in cybersecurity according to Statista.

The **European cybersecurity market** is projected to reach EUR 45.26bn in revenue by 2025 and grow with a CAGR of 7.0% (2025-2029) to EUR 59.34bn by 2029. Germany is at the forefront of the European market, owing to a strong national focus on data protection and regulations. Worldwide and in Europe, increasing awareness of data-breach and malware risks and subsequent integration of cybersecurity into top-level strategic planning have driven market growth.

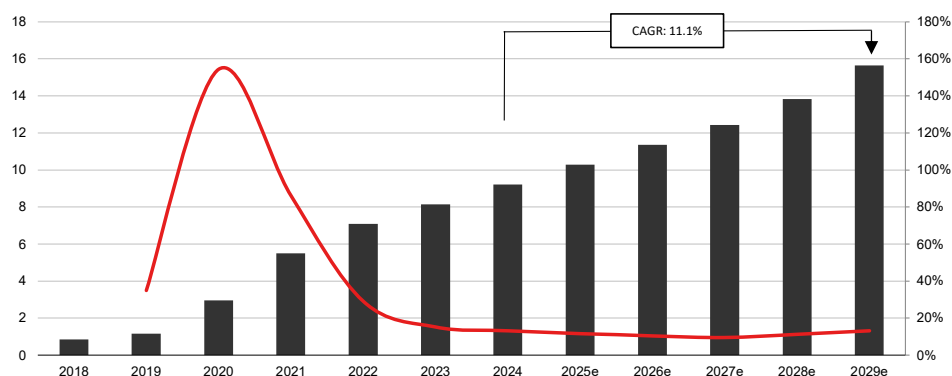
This awareness comes with the significant increase in the number of cyberattacks and the associated costs in recent years, partially as a result of growing internet penetration and the COVID-19 crisis, as vulnerabilities in remote work and virtual IT environments become apparent. As of 2024, **communications is among the top four most targeted industries**, with education and research leading the ranks. According to CISCO (February 2024), the most significant cybersecurity threats worldwide are ransomware attacks followed by malware and email-fraud. The estimated cost of cybercrime is expected to reach USD 10.29tn by the end of 2025 and USD 15.63tn by 2029 according to Statista.

Cybersecurity market in billion USD



Sources: Statista, Warburg Research

Annual cost of cybersecurity in trillion USD



Sources: Statista, Warburg Research

Niche market for phishing protection

A subcategory of the global cybersecurity market, the **phishing protection market**, is set to witness particularly strong growth, aligning well with Cyan's business model and service offering. The global phishing protection market is projected to grow from USD 2.2bn in 2023 to USD 4.1bn by 2028, at a **CAGR of 13.5%** according to research platform MarketsandMarkets.

Growth in this particular market is driven by the **increasing number and sophistication of phishing attacks**, the rise and the integration of cloud-based communication channels. Thus, organizations are investing in advanced cybersecurity measures to mitigate financial and reputational risks.

The Asia Pacific phishing protection market is experiencing particularly significant market growth due to rapid digitalization and a higher frequency of cyber threats, offering Cyan room for expansion. The share of users encountering phishing in 2023 was the largest worldwide in Vietnam (18.91%), with Taiwan ranking at number three worldwide (15.59%), underlining the severity of the issue in Asia and Asia-Pacific.

Need for protection increases

AI simplifies creation and distribution of malware

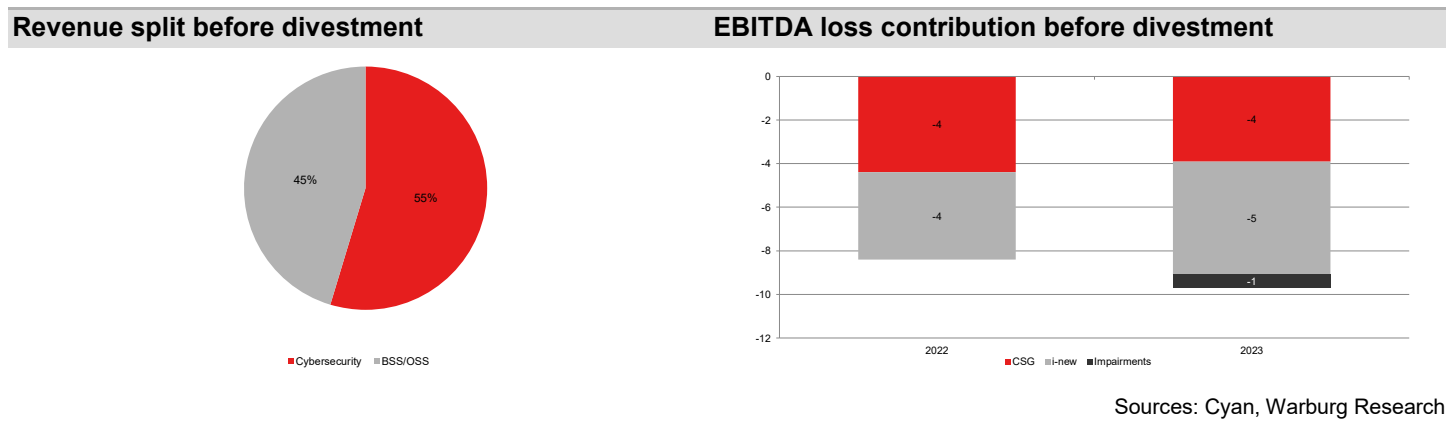
AI-powered tools enable cybercriminals to craft highly personalized and convincing phishing emails and automated malware distribution at an unprecedented scale. This increase in AI-driven threats elevates the need for robust cybersecurity solutions that can adapt in real time to evolving attack vectors. Companies specialized in AI-driven cybersecurity and phishing protection, such as Cyan, are well-positioned to benefit from this trend, as businesses and consumers increasingly seek advanced security measures to counteract these threats.

With the growing ease of generating and distributing malware with AI, the demand for proactive and AI-enhanced security solutions is surging. Cyan's offerings, particularly its embedded security solutions for telecom providers and financial institutions, align well with this market shift. As phishing attacks become more convincing, real-time threat detection and automated response mechanisms become essential. This increased demand for protection presents an opportunity for Cyan to expand its market presence by offering cutting-edge, AI-driven cybersecurity solutions that safeguard users against the next generation of digital threats.

Strategic focus on growth markets

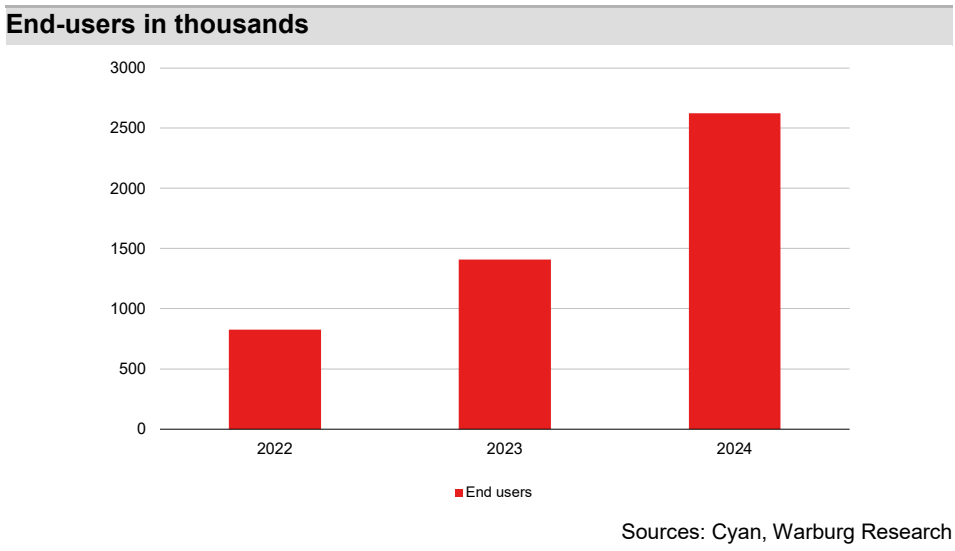
With the divestment of the BSS/OSS business, Cyan is strategically focusing its resources on the high-growth cybersecurity segment compared to the lower-growth network services division. The focus on its core strength cybersecurity solutions is also aligned with industry trends, as cybersecurity is a structural growth market fuelled by increasing digital threats, stricter regulations, and rising demand for embedded security solutions from telecom and financial services providers (see above).

With this streamlined focus, Cyan is now better positioned to **capitalize on a market with higher growth potential and a more attractive margin profile**. The cybersecurity solutions business represents a scalable, subscription-based revenue model with strong profitability potential.



Market tailwinds translate into customer growth

Cyan has successfully leveraged the overall growth of the cybersecurity industry to expand its customer base. As global demand for advanced digital security solutions continues to rise, the company has capitalized on this trend by offering innovative and scalable cybersecurity products. Through strategic partnerships and a strong market presence in the TelCo sector, Cyan has managed to translate industry-wide momentum into tangible customer growth, reinforcing its position as a key player in the sector.



Highly scalable business model

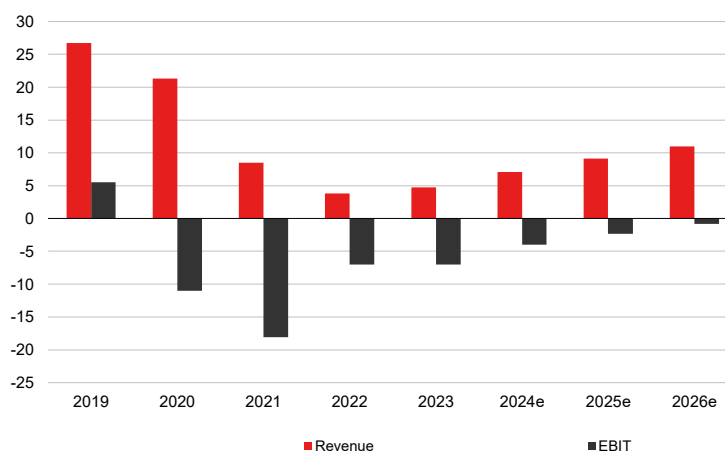
Growth strategy

As the global cybersecurity market continues to grow, Cyan is leveraging this momentum to drive sustainable business growth. The company has refined its strategic focus, building on past successes and expanding into new areas based on four key pillars:

- **Telecommunications Sector Expansion:** Cyan remains committed to growing its customer base in the telecom industry. By leveraging AI-driven technology for early cyberthreat detection, the company offers network and device-based security solutions that are both easy to integrate and user-friendly. **Investments will primarily focus on sales efforts** to acquire new customers in existing and emerging markets.
- **SME-Focused Security Solutions:** Recognizing the cybersecurity challenges faced by small and medium-sized enterprises, Cyan has developed a new security product “Guard 360” designed for both network protection and end-device security. This solution enhances traditional antivirus software by offering an additional layer of defence against phishing attacks, which often serve as the entry point for cybercriminals.
- **New Customer Segments:** Cyan is broadening its reach by targeting industries such as insurance, banking, and e-commerce. By integrating its software development kit (SDK) into existing apps, the company provides tailored security solutions that effectively protect against phishing and malware attacks.
- **Monetization of Cybersecurity Insights:** By analysing security data, Cyan aims to create new revenue streams while providing valuable insights to its partners. This approach strengthens the company’s position as a technology leader and unlocks long-term business opportunities.

With this multi-faceted growth strategy, Cyan is not only reinforcing its core strengths but also positioning as an innovator in the evolving cybersecurity landscape.

Expected growth path



2023 and 2022 are adjusted for sale of BSS/OSS segment; sources: Cyan, Warburg Research

Solid execution on targets

The new management team has demonstrated a strong track record in meeting strategic targets, reinforcing confidence in the company's path to profitability. With a clear focus on execution, the team has already delivered key milestones outlined in the 2024 roadmap, including the successful sale of the BSS/OSS segment, which streamlined operations and strengthened the company's financial position. The **roadmap** for late 2023 and the FY24 included:

- Sale of BSS/OSS segment (i-new brand)
- Launch of Orange Spain partnership
- OnNet Core product launch
- First insurance customer launch (wefox)
- Claro Chile launch
- Orange Belgium launch
- Addition new customer launches

Based on these projects, management outlined the **2024 financial targets** of:

- Customer growth above 50%
- Revenue growth above 50%
- Operating cash flow breakeven in Q424

Moreover, Cyan has launched new cybersecurity products and secured partnerships with telecom providers, expanding its customer base and enhancing revenue potential. These developments highlight the management's commitment to delivering on strategic goals, positioning the company for sustained growth and a return to profitability.

New targets for 2025 are expected to be published in due course. We anticipate strong double-digit revenue growth but model slower sequential growth rates (WRe CAGR: 35.8% p.a. until 2026) as the company increases in scale.

Lower cost base and higher growth potential in cybersecurity

Road to profitability

Management is focused on achieving positive EBITDA by 2025, driven by a combination of cost reductions, revenue growth, and operational efficiency.

- **Lower cost base:** A key factor in this strategy is the lower cost base following the sale of its BSS/OSS segment, which has allowed the company to streamline its operations and focus exclusively on its core cybersecurity business. This divestment reduces cash drain and enables Cyan to allocate resources more effectively, ensuring a leaner and more agile business structure.
- **Economies of scale:** Cyan looks set to benefit from rapid revenue growth and economies of scale in its cybersecurity segment. As demand for cybersecurity solutions rises, the company is leveraging its point-solution model to attract telecom providers and SMEs, driving higher sales volumes and improved margins.
- **No meaningful increase in opex:** Importantly, this growth is being achieved without a significant increase in operating expenses, as Cyan implements more efficient internal processes and a strengthened sales strategy. By optimizing its go-to-market approach and enhancing sales execution, the company is positioning itself for sustainable profitability.

Economies of scale enable margin expansion

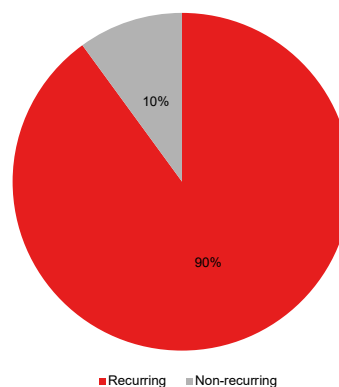
in EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	21.3	8.5	3.8	4.7	7.1	9.1	11.0
Increase / decrease in inventory	2.0	-0.8	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	23.3	7.7	3.8	4.7	7.1	9.1	11.0
Material Expenses	-4.3	5.4	0.9	1.3	1.4	1.6	1.9
Gross profit	19.0	2.3	2.9	3.5	5.7	7.5	9.1
Personnel expenses	11.1	11.4	5.0	5.1	5.2	5.7	5.9
Other operating income	2.1	3.1	1.2	0.8	1.4	1.4	1.7
Other operating expenses	15.1	6.3	3.4	3.6	3.6	3.7	3.9
EBITDA	-5.1	-12.3	-4.4	-4.5	-1.6	-0.5	1.0
Depreciation of fixed assets	1.1	1.1	0.5	0.4	0.4	0.4	0.4
EBITA	-6.1	-13.4	-4.9	-4.8	-2.0	-0.8	0.7
Amortisation of intangible fixed assets	4.9	4.6	2.1	2.2	2.0	1.5	1.5
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-11.0	-18.1	-7.0	-7.0	-4.0	-2.3	-0.8
Interest income	0.7	0.7	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.2	0.1	0.0	0.0	0.0	0.0
Financial result	0.6	0.6	-0.1	0.0	0.0	0.0	0.0
Recurring pretax income from cont. operations	-10.5	-17.5	-7.1	-7.0	-4.0	-2.3	-0.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-10.5	-17.5	-7.1	-7.0	-4.0	-2.3	-0.8
Taxes total	-1.2	-3.6	2.9	-1.7	-1.5	-1.0	-1.0
Net income from continuing operations	-9.3	-13.9	-10.0	-5.3	-2.5	-1.3	0.2
Income from discontinued operations (net of tax)	0.0	0.0	-4.7	-15.3	0.0	0.0	0.0
Net income before minorities	-9.3	-13.9	-14.7	-20.6	-2.5	-1.3	0.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-9.3	-13.9	-14.7	-20.6	-2.5	-1.3	0.2

2023 and 2022 are adjusted for sale of BSS/OSS segment; sources: Cyan, Warburg Research

High share of recurring revenue

Cyan's revenue model is built around software sales – generated either by **licensing fees** or **per-user revenue-sharing agreements**. Apart from an implementation phase and smaller services projects, revenue is thus mostly recurring over multi-year contracts.

Revenue split 2023



Sources: Cyan, Warburg Research

**Guidance reached and strong
subscriber growth in 2024**

Preliminary 2024 figures show significant improvements

On 13 March 2025, the company published preliminary results for FY24. The final results and the annual report are scheduled to be published in May 2025.

Before the figures (on 3 February), Cyan already released subscriber figures for 2024 which show stellar growth of 86% in the subscriber base compared to 2023. Subscriber figures are a leading indicator for future revenue in our view which bodes well for 2025 revenue growth.

Based on preliminary figures, revenue increased to EUR 7.1m which represents growth of 50.6% yoy. EBITDA increased significantly as well to EUR -1.6m compared to EUR -4.5m last year.

For 2025, management anticipates revenue in the range of EUR 8.4m to 9.2m driven by further subscriber growth and additional impulses such as new customer launches and additional market potential with the new Cyan Guard 360.

Preliminary FY24 results

in EUR m	H1/24	H1/23	yoy	H2/24	H2/23	yoy	2024	2023	yoy
Sales	3.2	2.1	55.5%	3.9	2.7	46.7%	7.1	4.7	50.6%
EBITDA margin	-1.1	-2.0	-	-0.5	-2.5	-	-1.6	-4.5	-

Sources: Cyan, Warburg Research

Valuation

- The PT of EUR 4.00 is based on a DCF model.
- Compared to a peer group of cybersecurity and software providers, Cyan trades at higher multiples which are mostly explained by higher growth rates.

DCF model

The DCF model is based on the following assumptions:

Revenue growth 2023-2026 at a CAGR of 32.6% on the basis of:

- Focus on growing cybersecurity market and strong pipeline of new customers especially in the telecommunications sector.
- Growing base of end-customers within existing customer base.

As Cyan is still at an early stage of the growth cycle in the (new core) cybersecurity segment, we **assume strong growth over the medium term** yet sequentially slowing growth rates as the company reaches scale. The company's business model appears to be ideally suited to benefit from the growing importance and increasing complexity of threat detection and cybersecurity.

A long-term growth rate of 3.5 % is approximated in the terminal value.

EBITDA is currently negative, but we assume **a return to profitability** as the company focuses on cybersecurity and leverages economies of scale and prudent cost management. As the business model is highly scalable and capital-light, we assume a long-term EBIT margin of 32.0 %.

The core assumptions of our DCF model are a risk-free interest rate of 2.75% and a market risk premium of 5.50%. We assume a beta of 1.12 which leads to weighted average costs of capital of 8.67%.

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	7.1	9.1	11.0	13.2	15.8	19.0	22.8	26.2	30.2	34.7	38.2	40.1	41.5	
Sales change	50.6 %	28.7 %	20.4 %	20.0 %	20.0 %	20.0 %	20.0 %	15.0 %	15.0 %	15.0 %	10.0 %	5.0 %	3.5 %	3.5 %
EBIT	-4.0	-2.3	-0.8	0.3	0.8	2.9	4.3	5.2	7.5	10.4	12.2	12.8	13.3	
EBIT-margin	-56.1 %	-25.3 %	-7.4 %	2.0 %	5.0 %	15.0 %	19.0 %	20.0 %	25.0 %	30.0 %	32.0 %	32.0 %	32.0 %	
Tax rate (EBT)	37.7 %	43.3 %	123.2 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	
NOPAT	-2.5	-1.3	0.2	0.2	0.5	1.9	2.9	3.5	5.1	7.0	8.2	8.6	8.9	
Depreciation	2.4	1.9	1.9	1.3	1.6	1.5	1.1	0.8	0.9	1.0	1.1	1.2	1.2	
in % of Sales	33.1 %	20.3 %	16.8 %	10.0 %	10.0 %	8.0 %	5.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	4.2	0.6	0.4	1.1	0.0	-0.2	-0.4	-0.8	0.4	0.5	0.3	0.2	0.1	
- Capex	1.0	1.0	1.0	1.1	1.3	1.3	1.1	0.8	0.9	1.0	1.1	1.2	1.2	
Capex in % of Sales	14.1 %	10.9 %	9.1 %	8.0 %	8.0 %	7.0 %	5.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
- Other	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-5.6	-1.4	0.3	-0.7	0.8	2.3	3.3	4.3	4.7	6.5	7.8	8.4	8.8	9
PV of FCF	-5.8	-1.3	0.3	-0.6	0.6	1.5	2.0	2.5	2.4	3.1	3.5	3.4	3.3	66
share of PVs	-8.31 %			27.01 %										81.30 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	Financial Strength	0.90
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.40
Market return	8.25 %	Cyclicality	1.00
Risk free rate	2.75 %	Transparency	1.00
		Others	1.30
WACC	8.67 %	Beta	1.12

Valuation (m)

Present values 2036e	15		
Terminal Value	66		
Financial liabilities	1		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	3	No. of shares (m)	20.9
Equity Value	83	Value per share (EUR)	3.96

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		2.75 %	3.00 %	3.25 %	3.50 %	3.75 %	4.00 %	4.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.31	9.7 %	2.85	2.93	3.01	3.11	3.21	3.31	3.43	1.31	9.7 %	2.92	2.98	3.04	3.11	3.17	3.23	3.29
1.22	9.2 %	3.18	3.28	3.38	3.50	3.62	3.76	3.91	1.22	9.2 %	3.29	3.36	3.43	3.50	3.56	3.63	3.70
1.17	8.9 %	3.36	3.47	3.59	3.72	3.86	4.02	4.19	1.17	8.9 %	3.51	3.58	3.65	3.72	3.79	3.86	3.93
1.12	8.7 %	3.57	3.69	3.82	3.96	4.12	4.30	4.50	1.12	8.7 %	3.74	3.81	3.89	3.96	4.04	4.11	4.19
1.07	8.4 %	3.79	3.92	4.07	4.24	4.42	4.62	4.85	1.07	8.4 %	4.00	4.08	4.16	4.24	4.32	4.40	4.47
1.02	8.2 %	4.03	4.18	4.35	4.54	4.75	4.98	5.24	1.02	8.2 %	4.29	4.37	4.45	4.54	4.62	4.71	4.79
0.93	7.7 %	4.59	4.79	5.01	5.25	5.53	5.85	6.21	0.93	7.7 %	4.97	5.06	5.16	5.25	5.35	5.45	5.54

- Strength in the growing cybersecurity market should enable Cyan to achieve strong revenue growth.
- Highly scalable business model makes high EBIT margins appear possible.
- The higher depreciation expense from leased property in the detailed forecast period is adjusted for in Other.
- High depreciation rates stemming from PPA-related intangible assets are anticipated to decrease.

Peer-group valuation

For a peer-group comparison, international and domestic cybersecurity companies were taken into consideration. While this comparison serves to derive information regarding the value indication, it is weakened by differences between the companies in terms of growth drivers, geographic positioning, the size of the company or competitive positioning.

Check Point Software Technologies Ltd.

Employees: approx. 6,000

Check Point Software Technologies Ltd. is engaged in the development and marketing of software and hardware solutions for information technology security. Its products include Quantum, CloudGuard, Harmony, and Infinity-Vision. The company was founded in July 1993 and is headquartered in Tel Aviv, Israel.

Trend Micro Incorporated

Employees: approx. 7,000

Trend Micro, Inc. engages in the development and sale of security-related products and services for computers and the internet. The company provides data security and cybersecurity solutions for businesses, data centres, cloud environments, networks, and others. The company was founded in August 1988 and is headquartered in Tokyo, Japan.

F-Secure Oyj

Employees: approx. 500

F-Secure Oyj is a cybersecurity company that develops and delivers security and privacy products and services to protect consumers from online threats. The company also provides privacy and digital identity protection for consumers' devices, networks and networked devices. The company was founded in 1988 and is headquartered in Helsinki, Finland.

Fortinet, Inc.

Employees: approx. 13,000

Fortinet, Inc. is a multinational corporation that specializes in cybersecurity solutions and services. Founded in 2000, Fortinet is known for its comprehensive network security products, including firewalls, antivirus, intrusion prevention systems, virtual private network (VPN) technology, and endpoint security. The company is a major player in the cybersecurity industry, offering a range of solutions for businesses, enterprises, and service providers to protect their networks and data from various cyber threats. The company is headquartered in California, USA.

Fabasoft AG

Employees: approx. 500

Fabasoft AG, based in Austria, is a software company specialising in cloud solutions for enterprise content management and collaboration. It offers solutions for document management, electronic archiving, workflow automation and secure collaboration within organisations. The company was founded in 1988 and is headquartered in Linz, Austria.

secunet Security Networks AG

Employees: approx. 1,000

Secunet Security Networks AG, based in Germany, provides IT security solutions and services for government, public sector, and enterprise customers. Its portfolio includes products and solutions for encryption, digital signatures, and authentication, as well as consulting and support services.

CrowdStrike Holdings, Inc.

Employees: approx. 7,000

CrowdStrike is a cybersecurity company specializing in endpoint protection and threat intelligence. Established in 2011, the company is renowned for its cloud-native platform, Falcon, which provides advanced protection against malware, ransomware, and other cyber threats. CrowdStrike's approach combines artificial intelligence, machine learning, and behavioural analytics to detect and respond to cyber threats in real time. The company is headquartered in Texas, USA.

Adtran Networks SE

Employees: approx. 3,000

Adtran Networks SE engages in the development, manufacture, and sale of optical and ethernet-based networking solutions. Its products and services include scalable optical transport, carrier ethernet access, and automated network management. The company was founded in 1994 and is headquartered in Munich, Germany.

NCC Group

Employees: approx. 2,000

NCC Group Inc. provides cybersecurity and risk management services, specializing in software escrow, application security, and threat intelligence. Its services help organizations protect critical digital assets and ensure business continuity. The company was founded in 1999 and is headquartered in Manchester, United Kingdom.

Zscaler, Inc.

Employees: approx. 7,000

Zscaler Inc. provides cloud-based cybersecurity solutions, specializing in zero-trust architecture, secure web gateways, and data protection. Its services help organizations securely connect users, devices, and applications while preventing cyber threats. The company was founded in 2007 and is headquartered in San Jose, California, USA.

Frequentis AG

Employees: approx. 2,000

Frequentis AG develops and provides communication and information systems for safety-critical industries, specializing in air traffic management, public safety, and defence. Its solutions ensure secure and efficient operations for aviation, maritime, and emergency services. The company was founded in 1947 and is headquartered in Vienna, Austria.

Basic data of the peer-group analysis

Company	LC	Price in LC	MC in LC m	EV in LC m	EPS			Sales				EBITDA			EBIT		
					24e	25e	26e	24e	25e	26e	CAGR	24e	25e	26e	24e	25e	26e
Check Point Software Technologies	USD	223.48	24,579.0	23,970.7	9.16	9.90	10.85	2,565.0	2,713.5	2,862.8	5.6%	1,121.5	1,174.4	1,244.8	1,097.5	1,152.0	1,220.9
Trend Micro Incorporated	JPY	10,880.00	1428,513.5	1239,969.8	259.05	296.65	366.15	272,638.0	288,800.0	306,315.6	6.0%	77,032.0	84,050.0	94,200.0	48,105.0	60,169.4	68,250.0
F-Secure Oyj	EUR	1.63	285.1	452.9	0.15	0.16	0.18	146.3	151.9	160.1	4.6%	52.8	53.4	56.9	38.5	40.8	44.6
Fortinet, Inc.	USD	101.72	78,220.0	75,524.6	2.37	2.45	2.75	5,955.8	6,750.8	7,584.5	12.8%	2,185.0	2,320.5	2,629.2	2,085.3	2,166.2	2,471.2
Fabasoftware AG	EUR	19.20	208.7	193.9	0.85	0.82	0.92	89.5	98.5	108.8	10.3%	23.5	25.0	27.7	14.7	14.4	16.0
secunet Security Networks AG	EUR	197.60	1,278.4	1,274.6	4.43	4.64	5.26	407.0	433.0	472.0	7.7%	61.0	65.4	72.3	42.0	45.1	51.1
CrowdStrike Holdings, Inc. Class A	USD	347.73	85,649.7	81,611.9	3.93	3.41	4.47	3,953.6	4,775.8	5,806.3	21.2%	1,025.6	1,186.0	1,583.7	837.7	966.5	1,336.3
Adtran Networks SE	EUR	20.20	1,051.4	1,124.2	-0.15	-0.05	0.18	429.6	472.5	519.8	10.0%	43.4	56.7	73.8	-22.0	-9.8	6.1
NCC Group plc	GBP	1.33	406.6	486.8	0.06	0.05	0.07	329.2	316.4	333.6	0.7%	49.7	44.2	48.5	27.5	27.5	33.9
Zscaler, Inc.	USD	202.16	31,019.2	29,424.4	3.19	3.08	3.55	2,167.8	2,647.4	3,177.9	21.1%	508.6	666.4	849.0	442.2	567.5	708.2
Frequentis AG	EUR	36.90	489.6	470.3	1.68	1.82	2.05	477.7	500.3	541.1	6.4%	51.7	54.4	59.3	30.5	33.1	37.4
cyan AG	EUR	2.78	58.2	58.5	-0.12	-0.06	0.01	7.1	9.1	11.0	24.5%	-1.6	-0.5	1.0	-4.0	-2.3	-0.8

Sources: Factset, Warburg Research

Peer-group comparison

As the P/E ratio is often distorted by the capital structure of a company, we typically base our valuation on EV/EBIT. As Cyan's EBIT is still negative, we also consider EV/sales multiples. While Cyan's valuation is above the peer group median on an EV/sales basis and EBIT is still negative, the valuation differential is largely due to differences in expected growth rates. Cyan is still at an early stage as a fully-focused cybersecurity company with comparatively low revenue and high growth rates. These characteristics are unique in the peer group.

Peer-group comparison

Company	LC	Price in LC	MC in LC m	EV in LC m	P / E			EV / Sales			EV / EBITDA			EV / EBIT		
					24e	25e	26e	24e	25e	26e	24e	25e	26e	24e	25e	26e
Check Point Software Technologie	USD	223.48	24,579.0	23,970.7	24.5 x	22.7 x	20.7 x	9.3 x	8.8 x	8.4 x	214 x	20.4 x	19.3 x	218 x	20.8 x	19.6 x
Trend Micro Incorporated	JPY	10,880.00	1428,513.5	1239,969.8	39.4 x	34.4 x	27.9 x	4.5 x	4.3 x	4.0 x	16.1 x	14.8 x	13.2 x	25.8 x	20.6 x	18.2 x
F-Secure Oyj	EUR	1.63	285.1	452.9	111x	10.4 x	9.0 x	3.1x	3.0x	2.8 x	8.6 x	8.5 x	8.0 x	118 x	111x	10.2 x
Fortinet, Inc.	USD	101.72	78,220.0	75,524.6	42.1x	40.8 x	36.4 x	12.7 x	11.2 x	10.0 x	34.6 x	32.5 x	28.7 x	36.2 x	34.9 x	30.6 x
Fabasoftware AG	EUR	19.20	208.7	193.9	216 x	22.4 x	19.9 x	2.2 x	2.0 x	1.8 x	8.3 x	7.8 x	7.0 x	13.2 x	13.5 x	12.1 x
secunet Security Networks AG	EUR	197.60	1,278.4	1,274.6	44.7 x	42.7 x	37.7 x	3.1x	2.9x	2.7 x	20.9x	19.5 x	17.6 x	30.3x	28.3 x	25.0 x
CrowdStrike Holdings, Inc. Class A	USD	347.73	85,649.7	81,611.9	84.5 x	97.4 x	74.3 x	20.6 x	17.1x	14.1x	79.6 x	68.8 x	51.5 x	97.4 x	84.4 x	61.1x
Adtran Networks SE	EUR	20.20	1,051.4	1,124.2	n.a.	n.a.	109.8 x	2.6 x	2.4 x	2.2 x	25.9 x	19.8 x	15.2 x	n.a.	n.a.	165.5 x
NCC Group plc	GBP	1.33	406.6	486.8	22.0 x	24.9 x	18.6 x	15 x	15 x	15 x	9.8 x	11.0 x	10.0 x	17.7 x	17.7 x	14.4 x
Zscaler, Inc.	USD	202.16	31,019.2	29,424.4	64.5 x	66.8 x	57.9 x	13.6 x	11.1x	9.3 x	57.9 x	44.2 x	34.7 x	66.5 x	519 x	416 x
Frequentis AG	EUR	36.90	489.6	470.3	22.0 x	20.3 x	18.0 x	10 x	0.9 x	0.9 x	9.1x	8.6 x	7.9 x	15.4 x	14.2 x	12.6 x
Average					37.7 x	38.3 x	39.1x	6.8 x	5.9 x	5.2 x	26.5 x	23.3 x	19.4 x	33.6 x	29.7 x	39.2 x
Median					32.0 x	29.6 x	27.9 x	3.1x	3.0 x	2.8 x	20.9 x	19.5 x	15.2 x	23.8 x	20.7 x	19.6 x
cyan AG	EUR	2.78	58.2	58.5	neg.	neg.	278.0 x	8.2 x	6.4 x	5.3 x	n.a.	n.a.	56.3 x	n.a.	n.a.	n.a.
Valuation difference to Median					n.a.	n.a.	-90%	-62%	-53%	-47%	n.a.	n.a.	-73%	n.a.	n.a.	n.a.
Fair value per share based on Median					n.a.	n.a.	0.28	105	129	147	n.a.	n.a.	0.74	n.a.	n.a.	n.a.

Sources: Factset, Warburg Research

Company & Products

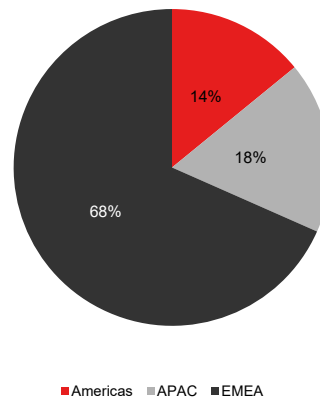
Company profile

Cyan, which is headquartered in Munich, Germany and Vienna, Austria, is a provider of cybersecurity solutions, specializing in protecting against phishing, malware, and identity-theft threats. Core to Cyan's operations is the proprietary Cyan engine inside technology, which combines human intelligence and machine learning to enable near real-time cyber threat detection by analysing anonymized DNS requests around the clock.

This technology powers Cyan's white-label cybersecurity offerings, including network-based solutions for telecommunication clients, securing entire customer bases, as well as network-independent, endpoint-based solutions for customer security both on and off the carrier network.

Cyan's revenues are recurring and are generated by revenue-sharing models and software license contracts. Previously, Cyan also operated a business support system/operation support system segment which it sold at the end of 2023.

Revenue split FY23

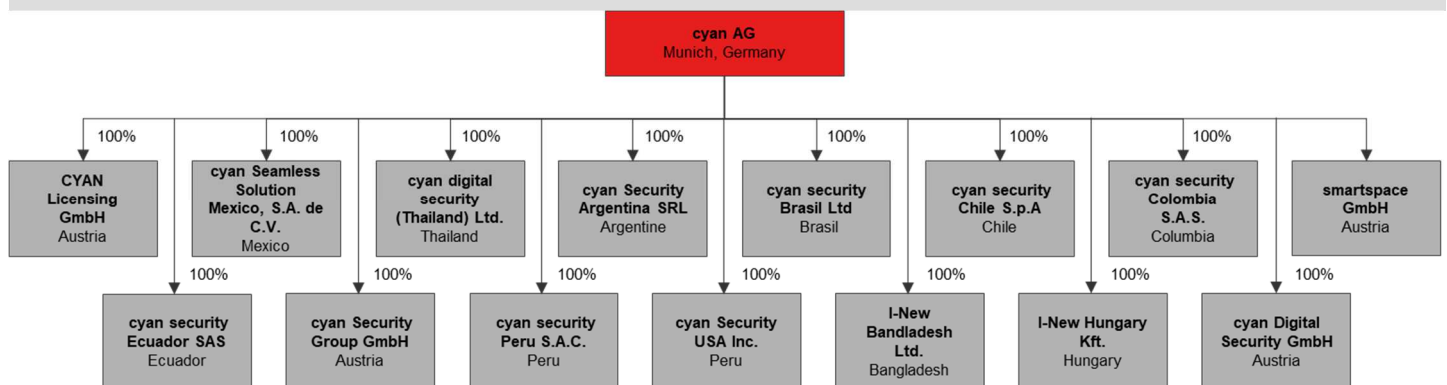


Sources: Cyan, Warburg Research

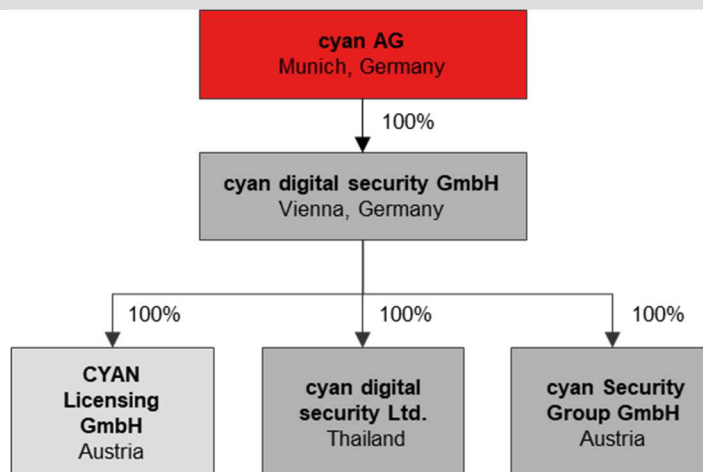
Group structure

Cyan has significantly reduced its operational complexity as part of the divestments of the BSS/OSS segment. In the following charts, we show the group structure before and after the transaction. Note that the CYAN Licensing GmbH is currently being liquidated which will further simplify the organisation.

Until December 2023



Sources: Cyan, Warburg Research

Since January 2024


Sources: Cyan, Warburg Research

Employees

In 2023, Cyan had a workforce of 156 employees across all business units and locations. 78% or 97 of those 156 employees are working in the operations, development and research divisions. Geographically, most employees are based in Vienna, which is the primary location. After the sale of the Business and Operations Support System segment, effective since 01.01.2024, Cyan's workforce has decreased significantly and the number of employees now totals 45.

Solution offering

Cyan's network-based security segment offers white-label solutions for TelCos, MNOs (mobile network operators) and ISPs (internet service providers) to protect their networks against cybersecurity threats. Cyan's white-label solutions are customizable, mass-market-ready and can be rapidly rolled out. This segment includes the OnNet Core and OnNet Plus solutions. The OnNet Core solution provides a seamlessly integrated and highly effective solution to protect operator networks against unwanted traffic and content (phishing, malware, etc.). The solution protects all devices on the mobile network without requiring further software installation by integrating the Cyan filter solution into the partner's network. The OnNet Plus solution provides protection for the entire customer base while also offering advanced features and additional customization. It is aimed at all end-users with internet-ready devices and can be adjusted to individual client needs.

Expanding product offering			
Segment	Solution	Modules	Description
Telecommunication core business	Network-based security	OnNet Core	Base product, one-size-fits-all solution
			Fast implementation with 6-week roll-out period
		OnNet Plus	Advanced solution with B2C, Child Protection and B2B features for customer base
			Customizable with detailed user metrics and endpoint applications
All industries (incl. TelCo)	B2B2C end-point based security	OnDevice	Cloud-based Software Development Kit solution with Web APIs
			Allows for the development of stand-alone cybersecurity protection applications
			Fast 3-5-week roll-out period
Outlook	Range of solutions and offerings	TBD	Increased focus on B2B and SME's
			Additional product partnerships to strengthen market position
			New features

Sources: Cyan, Warburg Research

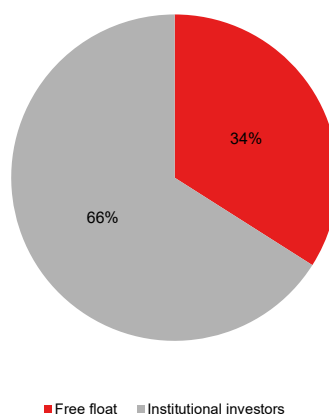
Global footprint

Following the divestment of the BSS/OSS segment, Cyan's global footprint and complexity has decreased. Most of the business is generated in Austria and Germany. The company operates a subsidiary with 2 FTEs in Thailand to service local customers.

Shareholder structure

Cyan issued bearer shares, which is why the company's shareholder structure is based on assumptions. Among the institutional investors, Hallmann Holding International Investment GmbH is the largest with a stake of 25%.

Shareholder structure



Sources: Cyan, Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	7.1	9.1	11.0	13.2	15.8	19.0	22.8	26.2	30.2	34.7	38.2	40.1	41.5	
Sales change	50.6 %	28.7 %	20.4 %	20.0 %	20.0 %	20.0 %	20.0 %	15.0 %	15.0 %	15.0 %	10.0 %	5.0 %	3.5 %	3.5 %
EBIT	-4.0	-2.3	-0.8	0.3	0.8	2.9	4.3	5.2	7.5	10.4	12.2	12.8	13.3	
EBIT-margin	-56.1 %	-25.3 %	-7.4 %	2.0 %	5.0 %	15.0 %	19.0 %	20.0 %	25.0 %	30.0 %	32.0 %	32.0 %	32.0 %	
Tax rate (EBT)	37.7 %	43.3 %	123.2 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	33.0 %	
NOPAT	-2.5	-1.3	0.2	0.2	0.5	1.9	2.9	3.5	5.1	7.0	8.2	8.6	8.9	
Depreciation	2.4	1.9	1.9	1.3	1.6	1.5	1.1	0.8	0.9	1.0	1.1	1.2	1.2	
in % of Sales	33.1 %	20.3 %	16.8 %	10.0 %	10.0 %	8.0 %	5.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	4.2	0.6	0.4	1.1	0.0	-0.2	-0.4	-0.8	0.4	0.5	0.3	0.2	0.1	
- Capex	1.0	1.0	1.0	1.1	1.3	1.3	1.1	0.8	0.9	1.0	1.1	1.2	1.2	
Capex in % of Sales	14.1 %	10.9 %	9.1 %	8.0 %	8.0 %	7.0 %	5.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
- Other	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-5.6	-1.4	0.3	-0.7	0.8	2.3	3.3	4.3	4.7	6.5	7.8	8.4	8.8	9
PV of FCF	-5.8	-1.3	0.3	-0.6	0.6	1.5	2.0	2.5	2.4	3.1	3.5	3.4	3.3	66
share of PVs	-8.31 %			27.01 %										81.30 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	Financial Strength	0.90
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.40
Market return	8.25 %	Cyclicality	1.00
Risk free rate	2.75 %	Transparency	1.00
		Others	1.30
WACC	8.67 %	Beta	1.12

Valuation (m)

Present values 2036e	15		
Terminal Value	66		
Financial liabilities	1		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	3	No. of shares (m)	20.9
Equity Value	83	Value per share (EUR)	3.96

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		2.75 %	3.00 %	3.25 %	3.50 %	3.75 %	4.00 %	4.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.31	9.7 %	2.85	2.93	3.01	3.11	3.21	3.31	3.43	1.31	9.7 %	2.92	2.98	3.04	3.11	3.17	3.23	3.29
1.22	9.2 %	3.18	3.28	3.38	3.50	3.62	3.76	3.91	1.22	9.2 %	3.29	3.36	3.43	3.50	3.56	3.63	3.70
1.17	8.9 %	3.36	3.47	3.59	3.72	3.86	4.02	4.19	1.17	8.9 %	3.51	3.58	3.65	3.72	3.79	3.86	3.93
1.12	8.7 %	3.57	3.69	3.82	3.96	4.12	4.30	4.50	1.12	8.7 %	3.74	3.81	3.89	3.96	4.04	4.11	4.19
1.07	8.4 %	3.79	3.92	4.07	4.24	4.42	4.62	4.85	1.07	8.4 %	4.00	4.08	4.16	4.24	4.32	4.40	4.47
1.02	8.2 %	4.03	4.18	4.35	4.54	4.75	4.98	5.24	1.02	8.2 %	4.29	4.37	4.45	4.54	4.62	4.71	4.79
0.93	7.7 %	4.59	4.79	5.01	5.25	5.53	5.85	6.21	0.93	7.7 %	4.97	5.06	5.16	5.25	5.35	5.45	5.54

- Strength in the growing cybersecurity market should enable Cyan to achieve strong revenue growth.
- Highly scalable business model makes high EBIT margins appear possible.
- The higher depreciation expense from leased property in the detailed forecast period is adjusted for in Other.
- High depreciation rates stemming from PPA-related intangible assets are anticipated to decrease.

Peer Group

Company	LC	Price in LC	MC in LC m	EV in LC m	P / E			EV / Sales			EV / EBITDA			EV / EBIT		
					24e	25e	26e	24e	25e	26e	24e	25e	26e	24e	25e	26e
Check Point Software Technologies L	USD	223.48	24,579.0	23,970.7	24.5 x	22.7 x	20.7 x	9.3 x	8.8 x	8.4 x	21.4 x	20.4 x	19.3 x	21.8 x	20.8 x	19.6 x
Trend Micro Incorporated	JPY	10,880.00	1428,513.5	1239,969.8	39.4 x	34.4 x	27.9 x	4.5 x	4.3 x	4.0 x	16.1 x	14.8 x	13.2 x	25.8 x	20.6 x	18.2 x
F-Secure Oyj	EUR	1.63	285.1	452.9	11.1 x	10.4 x	9.0 x	3.1 x	3.0 x	2.8 x	8.6 x	8.5 x	8.0 x	11.8 x	11.1 x	10.2 x
Fortinet, Inc.	USD	101.72	78,220.0	75,524.6	42.1 x	40.8 x	36.4 x	12.7 x	11.2 x	10.0 x	34.6 x	32.5 x	28.7 x	36.2 x	34.9 x	30.6 x
Fabasoftware AG	EUR	19.20	208.7	193.9	21.6 x	22.4 x	19.9 x	2.2 x	2.0 x	1.8 x	8.3 x	7.8 x	7.0 x	13.2 x	13.5 x	12.1 x
secunet Security Networks AG	EUR	197.60	1,278.4	1,274.6	44.7 x	42.7 x	37.7 x	3.1 x	2.9 x	2.7 x	20.9 x	19.5 x	17.6 x	30.3 x	28.3 x	25.0 x
CrowdStrike Holdings, Inc. Class A	USD	347.73	85,649.7	81,611.9	84.5 x	97.4 x	74.3 x	20.6 x	17.1 x	14.1 x	79.6 x	68.8 x	51.5 x	97.4 x	84.4 x	61.1 x
Adtran Networks SE	EUR	20.20	1,051.4	1,124.2	n.a.	n.a.	109.8 x	2.6 x	2.4 x	2.2 x	25.9 x	19.8 x	15.2 x	n.a.	n.a.	185.5 x
NCC Group plc	GBP	1.33	406.6	486.8	22.0 x	24.9 x	18.6 x	1.5 x	1.5 x	1.5 x	9.8 x	11.0 x	10.0 x	17.7 x	17.7 x	14.4 x
Zscaler, Inc.	USD	202.16	31,019.2	29,424.4	64.5 x	66.8 x	57.9 x	13.6 x	11.1 x	9.3 x	57.9 x	44.2 x	34.7 x	66.5 x	51.9 x	41.6 x
Frequentis AG	EUR	36.90	489.6	470.3	22.0 x	20.3 x	18.0 x	1.0 x	0.9 x	0.9 x	9.1 x	8.6 x	7.9 x	15.4 x	14.2 x	12.6 x
Average					37.7 x	38.3 x	39.1 x	6.8 x	5.9 x	5.2 x	26.5 x	23.3 x	19.4 x	33.6 x	29.7 x	39.2 x
Median					32.0 x	29.6 x	27.9 x	3.1 x	3.0 x	2.8 x	20.9 x	19.5 x	15.2 x	23.8 x	20.7 x	19.6 x
cyan AG	EUR	2.78	58.2	58.5	neg.	neg.	278.0 x	8.2 x	6.4 x	5.3 x	n.a.	n.a.	56.3 x	n.a.	n.a.	n.a.
Valuation difference to Median					n.a.	n.a.	-90%	-62%	-53%	-47%	n.a.	n.a.	-73%	n.a.	n.a.	n.a.
Fair value per share based on Median					n.a.	n.a.	0.28	1.05	1.29	1.47	n.a.	n.a.	0.74	n.a.	n.a.	n.a.

Valuation

	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	1.8 x	1.4 x	0.9 x	1.0 x	2.2 x	2.2 x	2.1 x
Book value per share ex intangibles	1.41	1.37	0.88	0.19	0.19	0.27	0.37
EV / Sales	6.4 x	12.0 x	10.4 x	6.3 x	9.7 x	7.4 x	6.0 x
EV / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	63.8 x
EV / EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	72.7 x	41.8 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	316.0 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	316.0 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	-2.8 %	-8.6 %	-30.3 %	-60.4 %	-0.2 %	0.8 %	3.1 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	21.3	8.5	3.8	4.7	7.1	9.1	11.0
Change Sales yoy	-20.4 %	-60.2 %	-55.2 %	24.0 %	50.6 %	28.7 %	20.4 %
Increase / decrease in inventory	2.0	-0.8	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	23.3	7.7	3.8	4.7	7.1	9.1	11.0
Material expenses	4.3	5.4	0.9	1.3	1.4	1.6	1.9
Gross profit	19.0	2.3	2.9	3.5	5.7	7.5	9.1
<i>Gross profit margin</i>	<i>89.4 %</i>	<i>27.3 %</i>	<i>76.7 %</i>	<i>73.2 %</i>	<i>80.0 %</i>	<i>82.0 %</i>	<i>83.0 %</i>
Personnel expenses	11.1	11.4	5.0	5.1	5.2	5.7	5.9
Other operating income	2.1	3.1	1.2	0.8	1.4	1.4	1.7
Other operating expenses	15.1	6.3	3.4	3.6	3.6	3.7	3.9
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-5.1	-12.3	-4.4	-4.5	-1.6	-0.5	1.0
<i>Margin</i>	<i>-23.7 %</i>	<i>-145.2 %</i>	<i>-114.8 %</i>	<i>-94.8 %</i>	<i>-23.0 %</i>	<i>-5.0 %</i>	<i>9.5 %</i>
Depreciation of fixed assets	1.1	1.1	0.5	0.4	0.4	0.4	0.4
EBITA	-6.1	-13.4	-4.9	-4.8	-2.0	-0.8	0.7
Amortisation of intangible assets	4.9	4.6	2.1	2.2	2.0	1.5	1.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-11.0	-18.1	-7.0	-7.0	-4.0	-2.3	-0.8
<i>Margin</i>	<i>-51.8 %</i>	<i>-212.9 %</i>	<i>-184.3 %</i>	<i>-148.6 %</i>	<i>-56.1 %</i>	<i>-25.3 %</i>	<i>-7.4 %</i>
EBIT adj.	-11.0	-18.1	-7.0	-7.0	-4.0	-2.3	-0.8
Interest income	0.7	0.7	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.2	0.1	0.0	0.0	0.0	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-10.5	-17.5	-7.1	-7.0	-4.0	-2.3	-0.8
<i>Margin</i>	<i>-49.2 %</i>	<i>-206.3 %</i>	<i>-186.7 %</i>	<i>-149.3 %</i>	<i>-56.1 %</i>	<i>-25.3 %</i>	<i>-7.4 %</i>
Total taxes	-1.2	-3.6	2.9	-1.7	-1.5	-1.0	-1.0
Net income from continuing operations	-9.3	-13.9	-10.0	-5.3	-2.5	-1.3	0.2
Income from discontinued operations (net of tax)	0.0	0.0	-4.7	-15.4	0.0	0.0	0.0
Net income before minorities	-9.3	-13.9	-14.7	-20.6	-2.5	-1.3	0.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-9.3	-13.9	-14.7	-20.6	-2.5	-1.3	0.2
<i>Margin</i>	<i>-43.5 %</i>	<i>-163.6 %</i>	<i>-387.4 %</i>	<i>-436.2 %</i>	<i>-35.0 %</i>	<i>-14.3 %</i>	<i>1.7 %</i>
Number of shares, average	9.8	13.4	17.0	20.2	20.9	21.7	21.7
EPS	-0.95	-1.04	-0.87	-1.02	-0.12	-0.06	0.01
EPS adj.	-0.95	-1.04	-0.87	-1.02	-0.12	-0.06	0.01

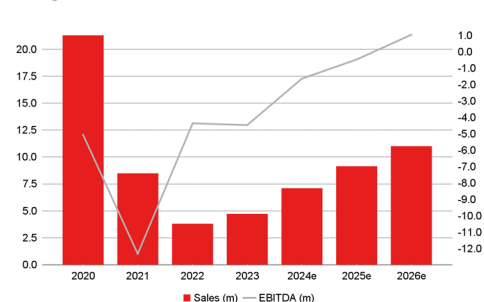
*Adjustments made for:

Guidance: Revenue: EUR 8.4-9.2m; significant EBITDA improvement

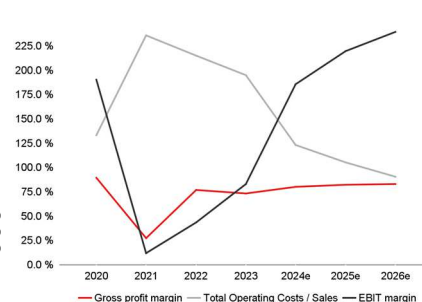
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	133.2 %	235.8 %	214.8 %	194.8 %	123.0 %	105.0 %	90.6 %
Operating Leverage	n.a.	-1.1 x	1.1 x	0.0 x	-0.9 x	-1.5 x	-3.2 x
EBITDA / Interest expenses	n.m.	n.m.	n.m.	n.m.	n.a.	n.a.	n.a.
Tax rate (EBT)	11.6 %	20.7 %	-40.8 %	24.6 %	37.7 %	43.3 %	123.2 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

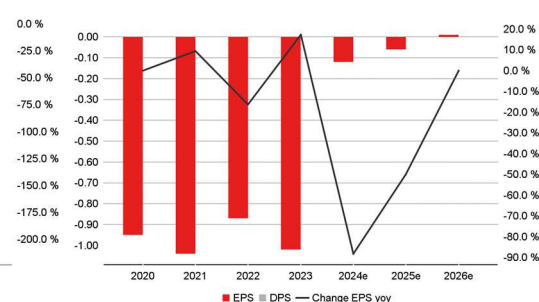
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

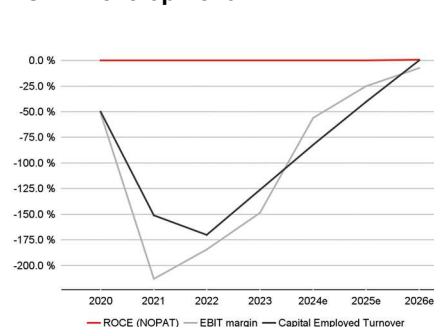
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	58.9	54.5	30.6	28.1	26.6	25.6	24.6
thereof other intangible assets	27.2	22.8	8.0	5.6	4.1	3.1	2.1
thereof Goodwill	30.8	30.8	21.8	21.8	21.8	21.8	21.8
Property, plant and equipment	6.0	4.9	3.3	2.1	2.3	2.4	2.6
Financial assets	0.6	0.3	0.1	0.0	0.0	0.0	0.0
Other long-term assets	19.7	17.6	10.7	0.0	0.0	0.0	0.0
Fixed assets	85.2	77.3	44.8	30.2	28.8	28.0	27.1
Inventories	0.0	0.4	0.0	0.0	1.0	1.3	1.6
Accounts receivable	3.1	2.5	2.9	1.0	1.4	1.8	2.1
Liquid assets	2.5	8.5	5.3	2.9	0.5	1.5	3.1
Other short-term assets	5.4	7.1	7.4	9.6	3.0	3.0	3.0
Current assets	11.1	18.5	15.7	13.5	5.9	7.5	9.8
Total Assets	96.3	95.7	60.4	43.7	34.7	35.5	36.9
Liabilities and shareholders' equity							
Subscribed capital	9.8	13.4	17.0	20.2	20.2	20.2	20.2
Capital reserve	68.2	78.6	62.5	66.4	66.4	66.4	66.4
Retained earnings	-5.3	-19.2	-33.9	-54.6	-57.1	-58.4	-58.2
Other equity components	0.0	0.0	0.0	0.0	1.3	3.3	4.3
Shareholders' equity	72.7	72.8	45.6	32.0	30.8	31.5	32.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	72.7	72.8	45.6	32.0	30.8	31.5	32.7
Provisions	1.9	0.3	0.0	0.1	0.1	0.1	0.1
thereof provisions for pensions and similar obligations	1.9	0.3	0.0	0.1	0.1	0.1	0.1
Financial liabilities (total)	3.7	7.6	3.7	0.7	0.7	0.7	0.7
Short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	2.1	1.0	1.2	0.2	0.5	0.6	0.8
Other liabilities	16.0	14.0	9.9	10.7	2.6	2.6	2.6
Liabilities	23.6	23.0	14.8	11.7	3.9	4.0	4.2
Total liabilities and shareholders' equity	96.3	95.7	60.4	43.7	34.7	35.5	36.9

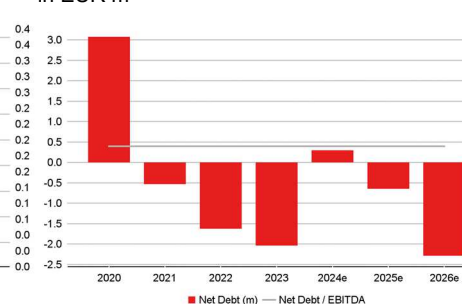
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	3.0 x	1.3 x	0.8 x	-26.6 x	1.7 x	1.9 x	2.0 x
Capital Employed Turnover	0.3 x	0.1 x	0.1 x	0.2 x	0.2 x	0.3 x	0.4 x
ROA	-10.9 %	-18.0 %	-32.9 %	-68.1 %	-8.6 %	-4.7 %	0.7 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.6 %
ROE	-12.0 %	-19.1 %	-24.9 %	-53.0 %	-7.9 %	-4.2 %	0.6 %
Adj. ROE	-12.0 %	-19.1 %	-24.9 %	-53.0 %	-7.9 %	-4.2 %	0.6 %
Balance sheet quality							
Net Debt	3.1	-0.5	-1.6	-2.0	0.3	-0.6	-2.3
Net Financial Debt	1.2	-0.9	-1.6	-2.1	0.2	-0.7	-2.4
Net Gearing	4.2 %	-0.7 %	-3.6 %	-6.4 %	1.0 %	-2.0 %	-7.0 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	7.4	5.4	2.7	1.6	1.4	1.5	1.5
Book value per share ex intangibles	1.4	1.4	0.9	0.2	0.2	0.3	0.4

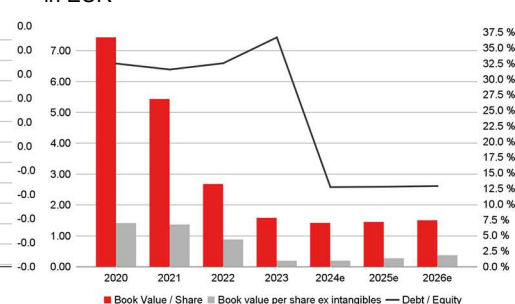
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

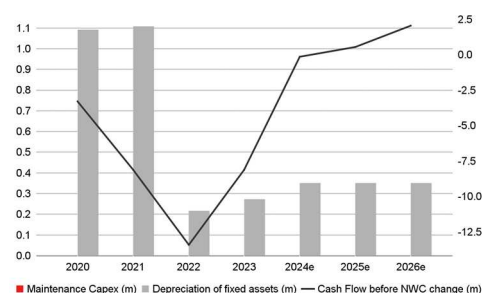
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	-9.3	-13.9	-14.7	-20.6	-2.5	-1.3	0.2
Depreciation of fixed assets	1.1	1.1	0.2	0.3	0.4	0.4	0.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.9	4.6	3.2	3.2	2.0	1.5	1.5
Increase/decrease in long-term provisions	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	-2.3	8.9	0.0	0.0	0.0
Cash Flow before NWC change	-3.3	-8.1	-13.4	-8.1	-0.1	0.5	2.0
Increase / decrease in inventory	0.0	0.0	0.0	0.0	-1.0	-0.3	-0.3
Increase / decrease in accounts receivable	0.0	0.0	-0.3	-1.2	-0.4	-0.4	-0.3
Increase / decrease in accounts payable	0.0	0.0	-1.4	2.1	-2.8	0.1	0.2
Increase / decrease in other working capital positions	0.0	0.0	4.4	4.7	3.0	2.0	1.0
Increase / decrease in working capital (total)	0.0	0.0	2.7	5.6	-1.2	1.4	0.6
Net cash provided by operating activities [1]	-3.3	-8.1	-10.7	-2.6	-1.3	1.9	2.6
Investments in intangible assets	0.0	0.0	0.0	0.0	-0.5	-0.5	-0.5
Investments in property, plant and equipment	0.0	0.0	0.0	0.0	-0.5	-0.5	-0.5
Payments for acquisitions	0.0	0.0	-0.8	-0.7	0.0	0.0	0.0
Financial investments	0.0	0.0	0.3	0.2	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	0.0	0.0	-0.6	-0.5	-1.0	-1.0	-1.0
Change in financial liabilities	0.0	0.0	-4.0	-1.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	1.5	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	9.5	2.4	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	0.0	0.0	5.5	2.9	0.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	-3.3	-8.1	-5.8	-0.1	-2.3	0.9	1.6
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	5.2	-5.6	2.7	5.2	0.5	1.5	3.1

Financial Ratios

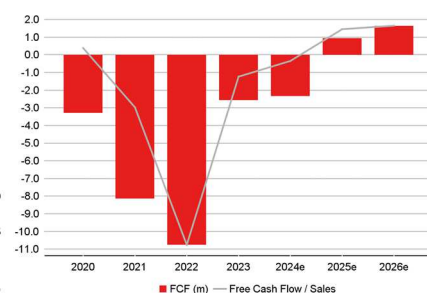
	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	-3.3	-8.1	-10.7	-2.6	-2.3	0.9	1.6
Free Cash Flow / Sales	-15.4 %	-95.9 %	-282.7 %	-54.4 %	-32.9 %	10.3 %	14.9 %
Free Cash Flow Potential	-3.8	-8.7	-12.0	-18.0	-0.1	0.5	2.0
Free Cash Flow / Net Profit	35.5 %	58.6 %	73.0 %	12.5 %	94.0 %	-72.1 %	869.8 %
Interest Received / Avg. Cash	12.8 %	13.2 %	0.1 %	0.3 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	7.8 %	2.9 %	1.6 %	2.0 %	0.0 %	0.0 %	0.0 %
Management of Funds							
Investment ratio	0.0 %	0.0 %	0.0 %	0.0 %	14.1 %	10.9 %	9.1 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	0.0 %	0.0 %	0.0 %	0.0 %	42.5 %	54.0 %	54.0 %
Avg. Working Capital / Sales	3.6 %	16.9 %	46.2 %	-6.5 %	-2.8 %	24.1 %	24.5 %
Trade Debtors / Trade Creditors	151.7 %	250.6 %	239.9 %	430.9 %	280.0 %	300.0 %	262.5 %
Inventory Turnover	427.4 x	15.2 x	22.1 x	n.a.	1.4 x	1.3 x	1.2 x
Receivables collection period (days)	54	107	277	81	72	72	70
Payables payment period (days)	177	68	495	70	129	133	156
Cash conversion cycle (Days)	-125	62	-214	n.a.	200	227	226

CAPEX and Cash Flow in EUR m



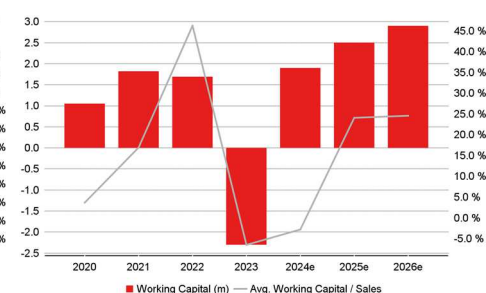
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
cyan AG	5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A2E4SV8.htm

INVESTMENT RECOMMENDATION

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

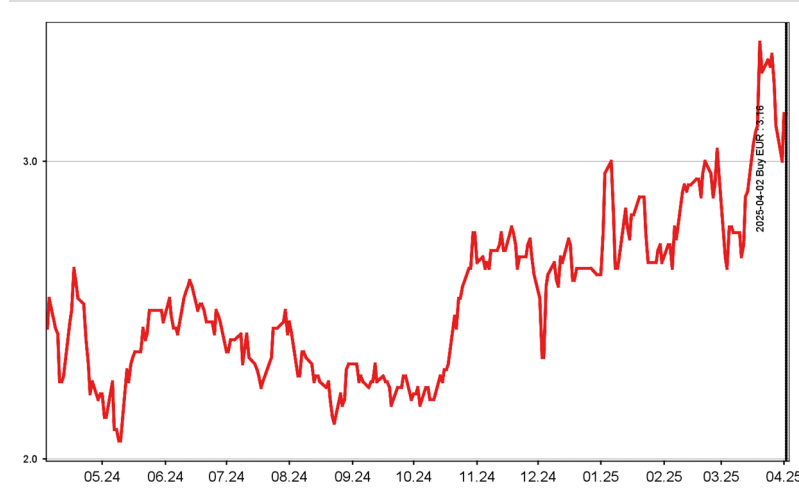
Rating	Number of stocks	% of Universe
Buy	145	73
Hold	43	22
Sell	6	3
Rating suspended	6	3
Total	200	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	39	76
Hold	8	16
Sell	1	2
Rating suspended	3	6
Total	51	100

PRICE AND RATING HISTORY CYAN AG AS OF 03.04.2025



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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