

## Business description

IFFE Futura (IFFE) is a small holding based in Oleiros (Galicia) whose activity is diversified in three segments: (i) services, through a business school and consultancy business, (ii) real estate development with a purchase option on various pieces of land, and (iii) industrial, with a large plant for the production of Omega-3: a project which is at the funding stage and which, if successful, would imply a significant step-up in scale.

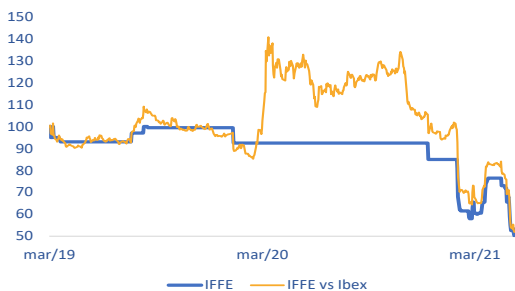
## Market Data

Market Cap (Mn EUR and USD)	23.5	28.5
EV (Mn EUR and USD) <sup>(1)</sup>	23.9	29.1
Shares Outstanding (Mn)	23.0	
-12m (Max/Med/Min EUR)	1.85 / 1.69 / 1.00	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation <sup>(2)</sup>	2.6	
Refinitiv / Bloomberg	IFFE.MC / IFF SM	
Close fiscal year	31-Dec	

## Shareholders Structure (%)

David Carro	58.8
Atlas Holding	9.4
Autocartera	5.5
Free Float	26.3

## Relative performance (Base 100)



## Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	-34.6	-18.7	-45.9	n.a.
vs Ibex 35	-37.9	-27.0	-60.0	n.a.
vs Ibex Small Cap Index	-32.8	-20.9	-64.2	n.a.
vs Eurostoxx 50	-34.4	-24.0	-61.6	n.a.
vs Sector benchmark <sup>(3)</sup>	-34.6	-23.2	-46.4	n.a.

(1) Please refer to Appendix 1.

(2) Rotation is the % of the capitalisation traded - 12m.

(3) vs TR Europe Food Processing.

(\*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Refinitiv and Lighthouse

## NYSESA takeover of IFFE has been cancelled. The spotlight remains on raising capital

**IT HAS BEEN AGREED NOT TO CONTINUE WITH THE TAKEOVER OF IFFE...** In February 2021, NYESA signed a framework agreement with IFFE's controlling shareholder with the aim of formalising a possible voluntary bid to acquire all IFFE's shares (via an exchange of newly issued NYESA shares that implied a value for IFFE of c. EUR 46Mn). However, on conclusion of the reciprocal due diligence process, IFFE and NYESA have announced that, by mutual agreement, they have decided not to continue with the deal "as the circumstances are not ideal for exploiting the initially envisaged synergies".

**... WHICH MOVES THE SPOTLIGHT BACK ONTO THE PROCESS OF RAISING CAPITAL TO FUND THE OMEGA-3 PROJECT.** With the cancellation of the takeover, IFFE is left on its own again to raise the capital required to finalise its Omega-3 project: an absolute priority for the company. The project, which aims to produce 10,000Tn/year of Omega-3 (RBD 30%, 180 EPA/120 DHA), has a degree of completion of c. 80% and requires c. EUR 7Mn for its completion. Raising capital is, therefore, an essential prerequisite for IFFE being able to begin its activity as a manufacturer of Omega-3.

**2020 RESULTS: CORE BUSINESSES (EDUCATION AND CONSULTANCY) CONTINUE TO PLAY A KEY ROLE.** Despite not providing critical mass, the core businesses continue to underpin the P&L, bearing the cost of the wait for the start-up of the Omega-3 plant. After a 2020 impacted by Covid-19, the main figures are: Revenue EUR 1.0Mn vs EUR 1.4Mn in 2019 (-28% vs 2019), Rec. EBITDA EUR -0.2Mn (vs EUR 0.1Mn in 2019) and Net Profit of EUR 0.6Mn, boosted by c. EUR 0.9Mn in extraordinary revenue.

Net debt is EUR 3.2Mn (vs EUR 3.4Mn in 2019), associated mainly with the property development activity IFFE carries out in Oleiros (A Coruña, Galicia). At the date of this report, the approval of the partial plan for the SUD 6 area that involves the building of 374 homes and the development of 12,000m<sup>2</sup> of commercial space has been obtained (property development can be seen as an additional option, although its development will require funding).

**IN CONCLUSION, IFFE'S BIG CHALLENGE REMAINS TO MATERIALISE ITS OMEGA-3 PROJECT.** With the focus on the market value, IFFE is still a project at the investment stage, and a long way from generating FCF (after raising the capital, IFFE will need eight months to begin activity as a manufacturer of omega-3). The big challenge is still the raising of capital and the funding of the project: at the date of this report, the combination of debt and equity (and its cost in terms of servicing the debt and dilution) that will finally be taken on remains the big unresolved question.

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## IFFE Futura (IFFE) is a BME Growth company

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## Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	23.5	
+ Minority Interests	0.5	12m Results 2021
+ Provisions & Other L/T Liabilities	0.0	12m Results 2021
+ Net financial debt	3.2	12m Results 2021
- Financial Investments	3.3	12m Results 2021
+/- Others		
<b>Enterprise Value (EV)</b>	<b>23.9</b>	

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
18-May-2021	n.a.	1.02	n.a.	n.a.	Important news	David López Sánchez
23-Feb-2021	n.a.	1.23	n.a.	n.a.	Important news	David López Sánchez
28-Oct-2020	n.a.	1.85	n.a.	n.a.	6m Results 2020	David López Sánchez
09-Jul-2020	n.a.	1.85	n.a.	n.a.	Initiation of Coverage	David López Sánchez

