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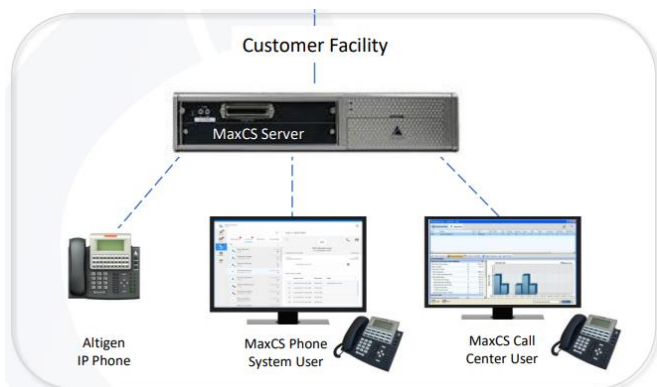
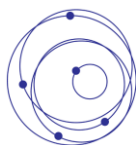
Altigen Communications, Inc. (ATGN) - Unified Communications (UC) -06/09/2021

EXECUTIVE SUMMARY

US Nano Cap (\$ 55M) specialized in cloud PBX solutions with two primary markets, an exclusive white label relationship with Fiserv and the Altigen-branded for small and medium enterprises. ATGN is transforming the business model from selling a license to subscription or UcaaS. The medium-term goal is to be the leader in all-in solutions for Microsoft Teams communications and services for small and medium enterprises. With more than 150m users globally, Teams represent the largest of three primary drivers of future growth. In 2025, we estimate it could be more than 20% of consolidated revenue. We calculate an intrinsic value of \$ 3.52 per share, which offers a potential upside of + 84% compared to our average purchase price.

INTRODUCTION

During the last twenty years, ATGN has focused on designing and selling PBX (Private Brand Exchange) telephone exchanges or private telephone networks for companies. Users of a PBX phone system can communicate inside and outside the company. They can make free calls between users and have other functionalities such as transferring calls, voicemail, call recording, interactive voice menus (IVRs) and call queues. Over time, traditional analog communication has given way to voice over IP. With a conventional PBX, you're limit to a certain maximum number of outgoing telephone lines (trunks or trunks) and a certain maximum number of extension or internal telephone devices. On the other hand, with an IP PBX (internet protocol), the possibilities open up, mostly allowing unlimited growth in extensions and trunks. These PBX systems and hardware installed in the office (“on-premises”) were the only source of revenue generation for ATGN until 2012.



The “Old” Altigen Revenue Model

- One-time, On Premises Sales
- All Software PBX at the Core, but
- Hardware Revenue > 90%
- No Recurring Revenue
- Phone Service Not Included

Figure 1: Altigen Communications legacy business model - ATGN investor presentation

In 2012, ATGN's management, with Jeremiah Fleming at the helm, made the right decision to transform its business model from the sale of hardware to the cloud (UcaaS).

	Fiscal Year Ended September 30,		
	2016	2015	2014 (1)
Hosted and service support	67%	50%	43%
Software	21%	28%	23%
Hardware and other	12%	22%	34%
Total	100%	100%	100%

(1) Prior year percentages have been revised to reflect the addition of hosted and service support streams.

Table 1: Historical Sales Segmentation by Divisions - Altigen Communications Annual Report.

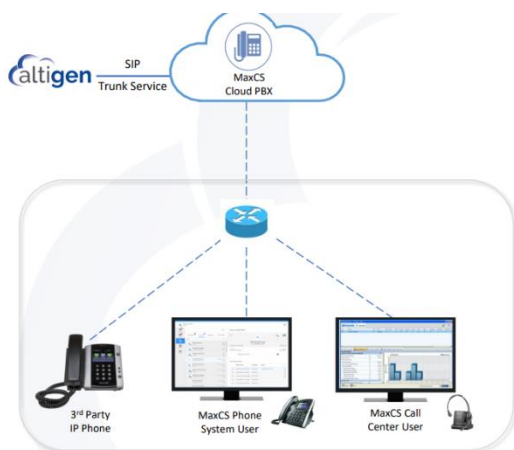
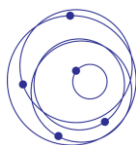
As we can see in table 1, in 2014, the cloud business already accounted for an essential part of sales. Since then, it has only grown, reaching more than 70% today.

BUSINESS MODEL.

Today its business model is based on a new cloud solution called MaxCS Cloud PBX and stopped manufacturing its old PBX terminals. But what are the advantages of a cloud-hosted PBX solution?

- **Cost savings:** It does not require a significant initial investment (CAPEX). The maintenance costs are much lower as it does not require maintenance personnel.
- Much better in a homeworking environment post-COVID-19.
- Ease and scalability in its use.

ISIN code: ESO166346033 | CNMV Company Registration Number: 1321



The "New" Altigen Revenue Model

- Cloud & Monthly Recurring Revenue
- Complete, All Software Solution
- \$0 Hardware Revenue
- 50%+ Cloud / 90% Total Recurring Revenue
- Plus Monthly Recurring SIP Revenue

Figure 2: Hosted PBX - Altigen Communications New Business Model- ATGN investor presentation

COMPETITIVE ENVIRONMENT.

The market for business communication solutions is rapidly evolving, highly competitive, and subject to rapid technological change. There are large companies such as Microsoft and Cisco Systems in internet protocol and medium-sized companies such as Avaya or Mitel Networks. As for competitors in the segment of PBX systems in the cloud and center services, we find 8x8, Ring Central, and Five 9. All these companies have more significant resources and allocate a greater investment in R&D than ATGN; therefore, someone You might think, Why are we interested in ATGN?



Graph 3: Indirect competing companies of ATGN.

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The opportunity for the future arises integration with Microsoft Teams and the agreement with Fiserv, which today represents 25% of sales. The exciting thing is that ATGN will be complementing MS Teams' offering with natively integrated apps, while others do not have this level of integration. ATGN uses Microsoft's technology platform, and the rest have their technology and software. The potential risk would be that Microsoft deciding to develop its own products that would compete with ATGN.

NASDAQ UPLISTING

They hope to begin the administrative process to go public on the Nasdaq sometime this year. It will attract the eyes of the US hedge fund managers. Therefore, there is a high probability that some investment analysis will initiate coverage. Management considers that a change of auditor is not necessary at the moment. However, it is an option to believe in the medium term. ATGN is analyzing all the documentation to be submitted according to the Sarbanes-Oxley Act, created in the US to protect small investors. We think it will be more of a 2H22 event. In terms of requirements, ATGN needs a stock price higher than \$4 per share.

LAST QUARTERLY RESULTS (2Q21).

The 2Q21 results were affected by the COVID-19 pandemic and the expected decline in the licensing segment, but in no case are they an indication of the future trend. Many small companies have had problems overcoming the economic slowdown of 2Q20, and some have had to close their activity. As a consequence, the cloud segment grew only + 1% year-on-year.

In terms of costs, the gross margin was below 73% due to higher depreciation costs due to software capitalization and a less favorable product mix. Also, the recent acquisition of Blue Panda and other personnel and structure costs contributed to this increase. All in all, the GAAP net profit was negative by - \$ 336.000. However, it would have to adjust for a non-recurring cost of \$ 313.000 relative to the cost of settling the litigation with CTI.

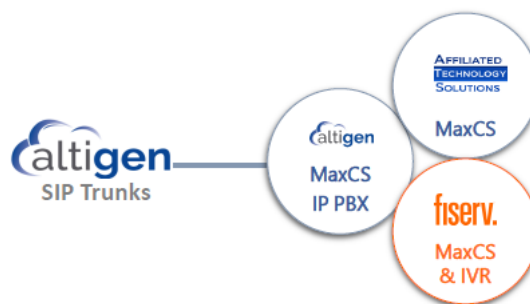
BUSINESS SEGMENTS:

1. SMB Business: MaxCS IP PBX software for small and medium businesses with between 10 and 100 employees. These are existing customers or new customers who want to migrate from "on-premises" to the cloud, usually through resellers. This segment represents 90% -95% of the cloud division's sales (\$ 7.65m as of 2020). It operates through contracts with an average duration of twelve months. There are three sales channels where ATN and Fiserv have their software and, therefore, ATGN does not bear hosting costs resulting in a 100% gross margin.

1.1. Altigen Cloud: Grow via new customers and convert existing customers "on-premises" to the cloud.

1.2. Affiliated Technology Solutions (ATS) Cloud: Offers ATGN solutions to a group of 3,000 residential service companies that make up a network worth 18M EUR.

1.3. Fiserv: Offers your solution to a network of more than 13,500 community banks and credit unions. It is an important future growth opportunity, thanks to Fiserv's size and financial sector penetration. As of 2020, Fiserv represents 25% of ATGN's sales, although, in the future, it will decline as the business with Microsoft Teams begins to grow. Last August, ATGN and Fiserv agreed to renew their collaboration contract for five more years, providing excellent visibility to this business. ATGN has also added new solutions in this agreement, with biometric and voice security applications.



Graph 4: Softwares MaxCS IP PBX for SMB (Small and medium companies).

2. MSE or "Midsize enterprises": Solutions implemented on the Microsoft UC (unified communications) technology platform. Its goal is to be the leader in ALL-IN solutions for Microsoft Teams communications and services. The current solution for Teams includes voice over internet protocol (SIP Trunks), call management (call reporting), and call recording (call recording). ATGN is incorporating new solutions such as the Core Interact management platform (Acquisition of Blue Panda). Once the Teams APIs are available, it will also offer contact center

services thanks to Front Stage. All these new applications should already be operational before the last quarter of the year (3Q21). It will be then during 2022 when the business around the Teams platform begins to grow.

Complementing Microsoft's partner network, ATGN also offers its UC (UcaaS) solutions to large customers with an employee range of 500-5,000.

VALUATION:

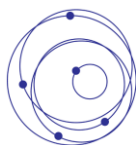
We enter the critical part of this report since it is necessary to quantify the opportunity that the agreement with Microsoft Teams represents to assess this company. *Our estimate is INTERNAL from DRACO GLOBAL and probably the only one on the market today.*

1. **SMB:** We estimate that the cloud division (cloud services) will represent about \$ 8.8M by 2021e (3Q21), assuming a sales growth of + 15% during 2021 and decreasing to 10% in 2023. Fiserv's contribution to the total will continue growing and likely to reach 30% by 2025 (Ex Teams).
2. **Opportunity with Microsoft Teams:** To quantify the Team's business opportunity, we must calculate its TAM or potential market. Let's go with the calculation of the TAM:
 - 2.1. **160M-** Number of Team users globally. We estimate that they will grow at + 10% per year.
 - 2.2. **600,000** - Number of companies that use Team globally.
 - 2.3. **60%** - Percentage of companies located in the US.
 - 2.4. **10%** - Number of companies that require an integrated Teams phone system today. It expects to grow by + 20% over the next three years.
 - 2.5. **242** - Average number of Team users per company or customer.
 - 2.6. **1800** - Number of clients (companies) needed to capture 5% of market share.

Once we know the number of potential customers, if we multiply by the average ASP or the average sale price (\$ 945 / month), we can estimate future sales.

ATGN Teams Solution	Average Revenue per Teams Phone System Customer
Direct Routing	\$800
CoreInteract	\$900
FrontStage Contact Center	\$1,500

Table 2: Average ASPs or average sales prices by type of services offered by ATGN in UC Teams.



Microsoft Teams revenue estimate.

Here's our revenue estimate for the Teams segment over the next five years (method 1).

Segment data	Sep-20 2020	Sep-21 2021E	Sep-22 2022E	Sep-22 2022E	Sep-23 2023E	Sep-24 2024E	CAGR 20-2024E
Revenue by geography							
Teams business							
Worldwide Teams users		145,00	160	175	193	212	10,00%
YoY growth			10,00%	10,00%	10,00%	10,00%	
Worldwide Total companies using Teams		0,60	0,60	0,60	0,60	0,60	
USA Teams phone systems users		87,00	95,70	105,27	115,80	127,38	
USA Teams customers		0,36	0,36	0,36	0,36	0,36	
USA Teams phone systems customers		0,036	0,036	0,054	0,072	0,090	
N° of customers for ATGN to reach 5% margin		1.798	1.798	2.696	3.595	4.494	
Total avg. revenue per Teams customer		900,00	945,00	992,25	1.041,86	1.093,96	
			5,00%	5,00%	5,00%	5,00%	
Estimate Teams phone system revenue		0,50	1,62	1,70	2,68	3,75	65,44%
YoY growth		-	223,55%	5,00%	57,50%	40,00%	

Table 3: Estimated Microsoft Teams opportunity for the next five years.

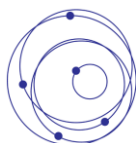
*The timing of future Teams revenue is uncertain so this estimate could change in the next following quarters.

Once we have our estimate from Teams, we can add the rest of the business to calculate the total revenue number.

Segment data	Sep-18 2018	Sep-19 2019	Sep-20 2020	Sep-21 2021E	Sep-22 2022E	Sep-22 2022E	Sep-23 2023E	Sep-24 2024E	CAGR 20-2024E
Revenue by geography									
Total revenue	10,63	10,63	11,77	13,11	15,12	16,09	17,89	20,02	
YoY Growth		6,30%	10,72%	11,35%	15,33%	6,41%	11,20%	11,93%	
Cloud segment	50,00%	58,00%	65,00%	70,95%	76,48%	79,17%	82,21%	84,81%	
Teams contribution				0,00%	0,00%	0,00%	0,00%	0,00%	
Segment data									
Cloud services - MRR	5,32	6,17	7,65	8,80	9,94	11,04	12,03	13,23	14,68%
YoY Growth		-99,99%	43,94%	15,00%	13,00%	11,00%	9,00%	10,00%	
Estimate Teams phone system revenue				0,50	1,62	1,70	2,68	3,75	65,44%
YoY growth				-	223,55%	5,00%	57,50%	40,00%	
Total Cloud service MRR method 1.			7,65	9,30	11,56	12,74	14,71	16,98	16,24%
YoY growth				21,53%	24,32%	10,16%	15,47%	15,46%	
Software assurance	3,40	2,87	2,71	2,57	2,44	2,32	2,21	2,10	-5,00%
YoY Growth		-99,93%	-5,68%	-5,00%	-5,00%	-5,00%	-5,00%	-5,00%	
Software license - ARR	1,70	1,17	0,82	0,62	0,46	0,35	0,26	0,20	-25,00%
YoY Growth		-99,99%	-51,56%	-25,00%	-25,00%	-25,00%	-25,00%	-25,00%	
Professional services	0,21	0,43	0,59	0,62	0,65	0,68	0,72	0,75	5,00%
YoY Growth		-100,00%	176,81%	5,00%	5,00%	5,00%	5,00%	5,00%	

Table 4: ATGN sales estimate for the next five years.

The business of sale of licenses and maintenance (companies that have contracted licenses) will tend to zero due to ATGN migrating its customers from "on-premises" to the cloud or UcaaS. Professional business is too small and volatile to estimate.



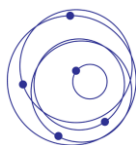
As you know, at DRACO GLOBAL we like to apply two different methods to estimate our turnover. As we know the number of yearly customers and users, the average ASPs, and the number of new quarterly Teams customers (30 in 2Q21), we can estimate the sales figure again for the next few years (method 2).

Segment data	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-22	Sep-23	Sep-24	CAGR
	2018	2019	2020	2021E	2022E	2022E	2023E	2024E	21-2024E
Revenue by geography									
Segment data									
N° of customers	576	596	611	731	891	1.051	1.211	1.371	17,03%
Change in customers	142	20	15	120	160	160	160	160	
YoY Growth	32,72%	3,47%	2,52%	5,00%	2,50%	2,50%	2,50%	2,50%	
Avg. Revenue by customer	769,10	752,00	824,00	898	943	990	1.040	1.092	5,00%
YoY Growth		-2,22%	9,57%	9,00%	5,00%	5,00%	5,00%	5,00%	
Total Cloud revenue method 2	5,32	6,17	7,65	7,88	10,08	12,49	15,11	17,96	
N° of subscribers									
N° of subscribers	18.799	19.672	19.065	19.828	20.621	21.446	22.303	23.195	4,00%
YoY Growth	35,95%	4,64%	-3,09%	4,00%	4,00%	4,00%	4,00%	4,00%	
Avg. Revenue by subscriber									
Avg. Revenue by subscriber	20,92	22,26	26,41	29,05	31,96	35,15	38,67	42,53	10,00%
YoY Growth	8,28%	6,41%	18,64%	10,00%	10,00%	10,00%	10,00%	10,00%	

Table 5: Sales estimate of ATGN method 2.

GROSS MARGIN AND OPERATING MARGIN.

Once we have estimated the sales figure, we have to calculate the business margins. We use a gross margin of 76% to 2021, although this should rise to 80% during the next few years. The main reason is that ATGN supports lower cloud hosting costs than its competition by using its partners' cloud. The improvement in the operating margin will come mainly from sales growth and a possible reduction in fixed costs and research and development. Specifically, we estimate that ATGN could reduce its fixed costs (SGA) by 1% per year over the next five years, from 34% sales in 2021 to 30% in 2024. In R&D, the reduction will be lower, and we estimate an annual drop of 25bps, going from 22.1% in 2021 to 21.6% in 2024. Regarding the tax rate, We estimate that ATGN will pay less tax over many years due to its accumulated losses that generate deferred tax assets. Currently, it has \$ 8m of deferred tax assets available on its balance sheet.

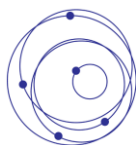


Annual Income Statement											
	Fiscal Year Ending September 30,										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR 5yr
Total Revenue	8,4	8,4	10,0	10,6	11,8	13,1	15,1	16,1	17,9	20,0	11,17%
% Growth	(14,0%)	(0,5%)	19,2%	6,3%	10,7%	11,3%	15,3%	6,4%	11,2%	11,9%	
Cost of Revenue	1,5	1,3	1,6	2,0	2,7	3,1	3,5	3,6	3,9	4,3	
Gross Profit	7,0	7,1	8,4	8,7	9,1	10,0	11,6	12,5	14,0	15,7	
% Margin	82,8%	84,9%	83,6%	81,4%	77,0%	76,5%	77,0%	77,5%	78,0%	78,5%	
SG&A, Total	4,3	3,8	3,8	3,9	4,1	4,5	5,0	5,1	5,5	6,0	
R&D Expenses	2,9	2,8	2,8	2,6	2,6	2,9	3,3	3,5	3,9	4,3	
D & A, Total	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Other Operating Expenses	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Operating Expenses adj.	-	-	-	-	-	0	0	0	0	0	
Operating Income (EBIT)	(0,3)	0,5	1,8	2,2	2,3	2,67	3,34	3,80	4,54	5,38	19,14%
% Margin	(3,1%)	5,5%	17,5%	20,3%	19,7%	20,4%	22,1%	23,6%	25,4%	26,9%	
Net Interest (Expense)/Income	(0,0)	(0,0)	(0,0)	0,0	0,0	(0,04)	(0,02)	(0,01)	0,00	0,00	
Other, Net	0,0	0,0	0,0	0,0	0,0	0,00	0,00	0,00	0,00	0,00	
EBT Excl. Unusual Items	(0,3)	0,5	1,8	2,2	2,3	2,6	3,3	3,8	4,5	5,4	
Income Tax Expense	(0,0)	0,0	(8,7)	0,3	0,6	0,3	0,4	0,5	0,0	0,0	
Earnings from Cont. Ops.	(0,8)	0,4	9,8	1,9	1,4	2,4	3,0	3,3	4,5	5,4	
Minority Interest	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Net Income to Parent	(0,8)	0,4	9,8	1,9	1,4	2,4	3,0	3,3	4,5	5,4	22,82%
% Margin	(9,9%)	4,5%	98,4%	18,0%	12,3%	18,0%	19,5%	20,8%	25,4%	26,9%	
Diluted EPS Excl Extra Items	(0,04)	0,02	0,43	0,08	0,06	0,093	0,116	0,132	0,179	0,212	22,82%
% Growth	(229,6%)	(145,4%)	2494,5%	(80,6%)	(24,8%)	48,0%	167,7%	41,2%	53,6%	61,2%	

Table 6: Estimated P&L ATGN with projections to 2025.

Balance sheet and cash flow statement.

The balance sheet is easy to analyze since the 18M EUR in assets, 6M EUR in cash, and 8M EUR are deferred tax assets. In the last 20 years, ATGN has accumulated significant losses. Still, now thanks to its new business model, it can activate these loans on balance since it has been profitable for four years. ATGN could, in the future, activate more than \$ 100M of tax credits, both federal and state, still pending with the IRS. This amount is much higher than its current market capitalization. Although it will not activate all of it, if it is still profitable, it is acceptable to reach \$ 50M.



Annual Balance sheet	Fiscal Year Ending September 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cash	4,5	2,9	2,3	4,4	6,7	6,7	6,7	8,1	10,5	13,5
Short-Term Investments	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Trading Asset Securities	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total Receivables	0,3	0,3	0,5	0,4	0,4	0,4	0,5	0,5	0,6	0,7
Inventory	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Prepaid Expenses	0,1	0,1	1,1	0,3	0,2	0,2	0,2	0,2	0,2	0,3
Other Current Assets	0,0	1,0	1,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total Current Assets	4,9	4,3	5,2	5,0	7,2	7,3	7,4	8,8	11,3	14,5
Net PP&E	0,1	0,0	0,1	0,1	0,9	0,8	1,0	1,2	1,4	1,6
Long-Term Investments	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Goodwill	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other Intangibles	0,0	0,0	0,3	1,5	2,4	2,2	2,0	1,8	1,5	1,3
Other Assets	0,0	0,0	8,7	8,5	7,9	8,8	10,2	10,8	12,1	13,5
Total Assets	5,1	4,4	14,4	15,1	18,5	19,1	20,6	22,6	26,3	30,9
Accounts Payable	0,1	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Accrued Expenses	1,3	0,5	1,1	0,7	1,0	1,1	1,2	1,3	1,5	1,6
Other Current Liabilities	1,5	1,3	1,0	0,9	0,8	0,9	1,1	1,1	1,3	1,4
Total Current Liabilities (excl.)	2,8	1,9	2,2	1,7	1,9	2,1	2,4	2,6	2,9	3,2
Total Debt (excl. Working Capital)	0,0	0,0	0,0	0,0	1,7	1,0	0,3	0,0	0,0	0,0
Working Capital Revolver	1,0	0,9	0,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other Liabilities	0,3	0,3	0,2	0,3	0,2	0,2	0,3	0,3	0,3	0,3
Total Liabilities	4,1	3,0	3,1	2,0	3,8	3,3	3,0	2,9	3,2	3,6
Common Stock	0,9	1,3	11,2	13,2	14,7	15,8	17,6	19,8	23,1	27,3
Minority Interest	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total Equity	0,9	1,3	11,2	13,2	14,7	15,8	17,6	19,8	23,1	27,3
Total Liabilities & Equity	5,1	4,4	14,4	15,1	18,5	19,1	20,6	22,6	26,3	30,9

Table 7: Estimate of Balance Sheet for ATGN.

Annual Cash Flow Statement	0									
	Fiscal Year Ending September 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Income	(0,8)	0,4	9,8	1,9	1,4	2,4	3,0	3,3	4,5	5,4
D&A	0,1	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,1
Amortization of Goodwill & Intang	0,0	0,0	0,0	0,0	0,2	0,2	0,2	0,2	0,3	0,3
Other Non-Cash Items, Total	0,3	0,0	(8,7)	0,4	0,9	(0,9)	(1,3)	(0,6)	(1,2)	(1,4)
Change in Net Operating Assets	0,8	(0,9)	(1,5)	1,0	0,3	0,2	0,2	0,1	0,2	0,2
Cash Flow from Operations	0,3	(0,5)	(0,3)	3,4	2,8	1,9	2,1	3,1	3,9	4,6
Capital Expenditure	(0,1)	0,0	(0,1)	(0,1)	0,0	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)
Sale of PP&E	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash Acquisitions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Divestitures	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Invest. in Marketable & Equity Ser	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other Investing Activities	(0,0)	0,0	(0,3)	(1,4)	(1,3)	0,0	0,0	0,0	0,0	0,0
Cash Flow from Investing	(0,1)	0,0	(0,4)	(1,4)	(1,3)	(0,1)	(0,1)	(0,1)	(0,1)	(0,1)
Total Cash Dividends Paid	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue/(Retire) of Debt	(0,3)	(0,2)	(0,2)	(0,7)	0,8	0,0	0,0	0,0	0,0	0,0
Bank Revolver (Paydown)/Draw						0,0	0,0	0,0	0,0	0,0
LT Debt (Paydown)						(1,7)	0,0	0,0	0,0	0,0
Issue/(Retire) of Common Equity	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Issue/(Retire) of Pref Equity	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other Financing Activities	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash Flow from Financing Acti	(0,3)	(0,2)	(0,1)	(0,7)	0,8	(1,7)	0,0	0,0	0,0	0,0
Adjusted Free Cash Flow	0,0	-0,5	-0,4	3,3	2,8	1,9	2,1	3,0	3,8	4,5

Table 8: Estimated Cash Flow ATGN.

👉 **Fundamental valuation.**

To our projection of the income statement and cash flow, we apply a multiple of 25x and a sales multiple of 5x. We use 25 times P/E for growth companies, with great reinvestment opportunities to allow organic sales growth of at least + 10%. For revenue, we use a five times multiple that is the average of comparable companies such as Ring Central (RNG), Five9 (FIVN), or 8x8 (EGHT).

We compute an intrinsic value of \$ 3.52 per share. The current \$ 2.40 represents a potential upside of + 47% or + 84% compared to our average purchase price (\$ 1.92).

Legal warning

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