It will be a breakthrough year for NewConnect

Alternative system companies have survived the hard times. Some are already making money.

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Last year the difficult business environment was a harsh test for the business plans of NewConnect companies.
One of them went bust (Perfect Line was wound up), several others (e.g. Victoria AOC, Carbon Design) with poor performance in their business lines were forced to look for a new path of development. For still others the last months turned out to be a breakthrough or at least after some time it will be clear whether such a breakthrough has happened.

The first group will certainly include Photon Energy, a Czech company investing in solar power plants. Favorable regulations and the still quite early stage of development of this niche (which entails little competition) were the reasons why the performance of this company could look impressive. PLN 86 M sales and PLN 5.5 M net profit (the first time in history) are results which any company from the main listing could be proud of.

The alternative trading system is still dominated by entities which are at an early product or market development stage. That is why the majority of those companies make no significant revenue, or no revenue at all. However, some will be have something to be proud about this year. The group includes Aton-HT, which just after the entry into force of the law on waste disposal, favorable for this company, will be able to show how much the technologies developed and equipment produced by them are worth. Eko-Export, after raising the necessary funds, will have a chance to conquer the American market. Vedia (an electronics manufacturer) should show what the effect of actions aimed at winning foreign customers will be. After finalizing the promised acquisitions, investors expectations will have to be met by Oponix.pl (so far the company is not making money on operating activities), and at least an increase in sales should be boasted by Dent-a-Medical (which is building a dental franchise network) and Serenity (which intends to open a chain of rehabilitation centers). Both companies will soon ask for funds. And finally ViaGuara, which will have to prove the quality of the extraordinary high gains of the last quarter of the last year.

The next few months will also answer the question of how likely is the success of such companies as Nicolas Games (in need of money to finish the computer game) and Cerabud (wanting to purchase a production plant). What both have in common is their negative revenue. The former in Q3 2009, the latter in Q4. The future is uncertain for Victoria Asset Operation Center, a company which was unable to earn money on their business so far (TFI clearance services) and is just about to change its business profile.

COMPANIES TO KEEP AN EYE ON

Photon Energy
► Czech company investing in solar power plants. Thanks to the encouraging environment (such as regulatory incentives) it can already make money. In 2009 the net profit was almost
PLN 5.5 M.

Aton-HT
► The law on disposal of medical, veterinary and asbestos-containing waste (just signed by the President of Poland) has given the company a chance for profits on the sale of their equipment. The company has started to do quite well on foreign markets. This year will tell the truth about the company.

Eko-Export
► The company is in the process of raising funds, which should allow it to grasp the opportunity of the interest in their products (i.e. microsphere) by customers of their US partners.