

Nightingale Health

Company report

03/16/2023 19:45



Antti Luiri
+358 50 571 4893
antti.luiri@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report "IFRS-maailmaan ennen puolivuotiskatsausta" published on 3/16/2023 at 7:47 pm

inde
res.

Into the IFRS world before the half-year report

We lowered our profitability estimates in connection with the IFRS transition after reviewing the level of fixed costs required by the company in the next few years. However, in the big picture, the company's story has not changed. In the forthcoming half-year report, we look in particular for signs of potential commercial advances. With the estimate change we revise our target price to EUR 1.3 (previous EUR 1.4) and reiterate our Reduce recommendation.

Main contribution of the report is signs of potential commercial advances

Nightingale publishes its half-year report on Thursday, March 23 at around 9 am EET. We expect its revenue to remain low at EUR 1.25 million in the H1'23 period (July 1-December 31, 2022). The published commercial projects have not so far been reflected in its previously reported revenue. Without new commercial contracts, our revenue stream expectations from previous commercial agreements remain cautious, which is reflected in our revenue estimate. We expect profitability to remain clearly negative due to front loaded investments. We estimate that EBITDA in the fiscal period H1'23 is EUR -5.4 million and EBIT EUR -8.1 million. With the IFRS transition, IFRS figures are not yet available for the comparison period and the company publishes them one day before the review. Nightingale is still launching its business, which means that the importance of the reported figures is limited. In the report we will look for signs of potential commercial advances that could bring the company's technology to large-scale continuous use. In addition, the report provides a check point for the development of the company's cash situation.

Seeking commercial breakthrough in a conservative large potential target market elevates risks

Chronic diseases account for a large proportion of health care costs although many of these diseases could be avoided through lifestyle changes. We believe that Nightingale's technology for predicting disease risks, which aims to solve this problem, is quite mature and scientifically validated. In recent years, Nightingale has signed a number of commercial contracts where health service companies build consumer services using its technology. On the other hand, the contracts have not yet produced significant business. Nightingale aims to integrate its services into the blood sample flows from existing healthcare providers (e.g. basic health care). This could enable its business to grow manifold from its current small level and become profitable over time. However, the company does not yet have such contracts, so the risks related to the success are considerable. We believe that the estimates we transferred to IFRS accounting are realistic in the current moment but include a very high-risk scenario of business growth (revenue CAGR 41% in 2022-2032e). Reaching our estimates requires the company to sign several successful and significant commercial contracts every year. We believe that investors must believe in a commercial breakthrough of the company's technology over the next decade, have a very long investment horizon and be prepared to lose the invested capital.

We still want better visibility into growth to compensate for negative cash flow

Nightingale's fundamental-based valuation is very challenging, as possible scenarios vary between destruction and multiplication of invested capital. Our fair value estimate range for the share is wide, EUR 0.4-4.5 (previous EUR 0.7-4.5). In our opinion, the visibility of strong growth materializing remains weak in the short term, while large growth investments constantly consume cash. With weak short-term drivers, we remain on the sidelines at the current valuation level to see steps from the company toward building large scale business. This would reduce the share's risk level and facilitate relying on the long-term potential of the company in the valuation.

Recommendation

Reduce

(previous Reduce)

EUR 1.30

(previous EUR 1.40)

Share price:

1.19



Key figures

	2022	2023e	2024e	2025e
Revenue	2.3	2.9	4.9	8.6
growth-%	0%	24%	70%	75%
EBIT adj.	-13.6	-16.5	-14.9	-12.8
EBIT-% adj.	-589%	-573%	-304%	-150%
PTP	-16.2	-18.3	-15.2	-13.5
EPS (adj.)	-0.27	-0.28	-0.25	-0.22

P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.0	0.8	0.9	1.1
EV/EBIT (adj.)	neg.	0.2	neg.	neg.
EV/EBITDA	neg.	0.3	neg.	neg.
EV/S	8.3	neg.	2.3	3.0

Source: Inderes. Years are fiscal years ending June 30th.

Guidance

(Unchanged)

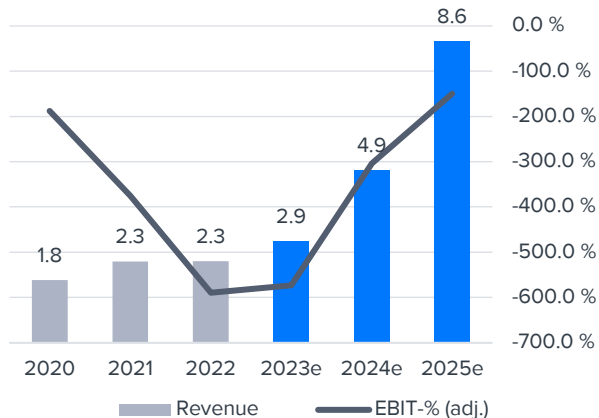
Nightingale Health has not provided guidance for the fiscal period 2022-2023.

Share price



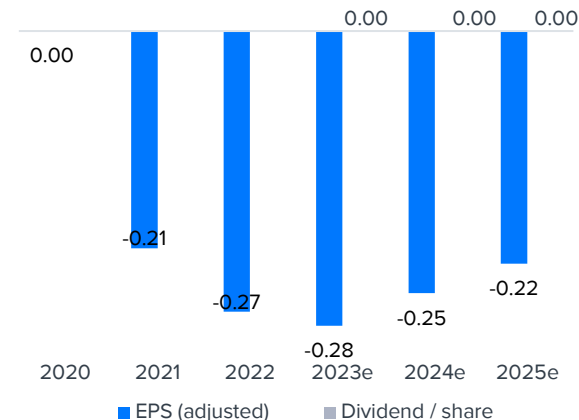
Source: Millistream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Huge growing global market supported by mega trends
- Competitive and cost-efficient technology for predicting disease risks from blood samples
- Platform-based, scalable business model that complement current players
- Strong position as analyzer of Biobanks' blood samples
- Credible investors support internationalization as partners



Risk factors

- Business model proving inoperative
- Falling behind ambitious objectives and drop in valuation that expects successful commercialization
- Slower than expected progress in the implementation of new technology in a conservative industry
- Data breach including personal health data
- Need for new financing
- Competing technologies

Valuation	2023e	2024e	2025e
Share price	1.19	1.19	1.19
Number of shares, millions	60.9	60.9	60.9
Market cap	72	72	72
EV	-3.7	11	26
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/FCF	neg.	neg.	neg.
P/B	0.8	0.9	1.1
P/S	25.2	14.8	8.5
EV/Sales	neg.	2.3	3.0
EV/EBITDA	0.3	neg.	neg.
EV/EBIT (adj.)	0.2	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Expectations for the half-year report

Estimates MEUR / EUR	H1'22	H1'23	H1'23e	H1'23e	Consensus		2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue			1.25				2.9
EBITDA			-5.4				-10.9
EBIT (adj.)			-8.1				-16.5
EBIT			-8.1				-16.5
PTP			-8.4				-18.3
EPS (reported)			-0.14				-0.30
Revenue growth-%							24.4 %
EBIT-% (adj.)			-650.0 %				-573.1%

Source: Inderes

Estimate revisions

Estimate revisions 2023e-2025e

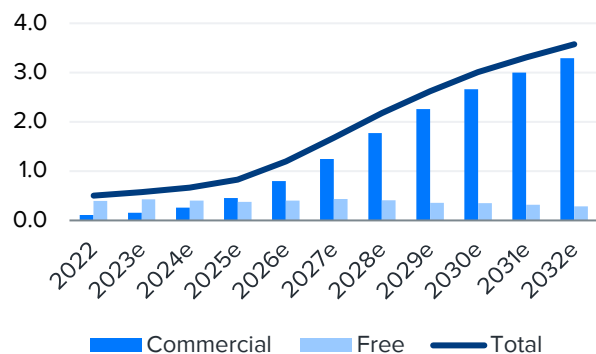
- We adjusted our estimates and the figures for the fiscal periods 2021-2022 to comply with IFRS accounting.
- We updated our revenue estimates to be based on the development of analyzed sample volumes, which resulted in a slight increase in our revenue estimates.
- We significantly raised our expectations of the fixed costs required by the company's growth strategy, which resulted in our profitability estimates declining substantially, especially in the next few years, despite the increased revenue estimates.

Estimate revisions MEUR / EUR	2023e			2024e			2025e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	2.9	2.9	0%	4.8	4.9	2%	8.1	8.6	6%
EBITDA	-8.9	-10.9	-22%	-7.2	-9.7	-36%	-4.4	-7.8	-76%
EBIT (exc. NRIs)	-12.9	-16.5	-28%	-11.7	-14.9	-27%	-9.2	-12.8	-39%
EBIT	-12.9	-16.5	-28%	-11.7	-14.9	-27%	-9.2	-12.8	-39%
PTP	-13.5	-18.3	-36%	-12.0	-15.2	-27%	-9.9	-13.5	-36%
EPS (excl. NRIs)	-0.22	-0.28	-27%	-0.20	-0.25	-27%	-0.16	-0.22	-36%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

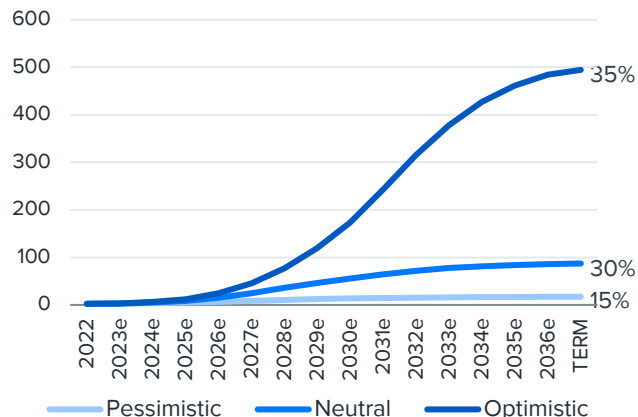
Key estimates and valuation as graphs

Estimate of analyzed sample volumes,
fiscal periods 2022-2032e, million samples per year



NB: Nightingale has not published detailed data on the volume of analyzed samples so the figures in the graph are based on our own estimates.

Revenue development and terminal EBIT % of DCF scenarios

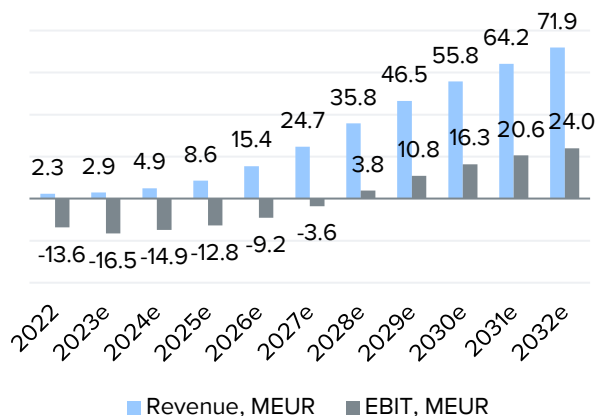


Estimated future valuation ranges,
Fiscal period 2027e

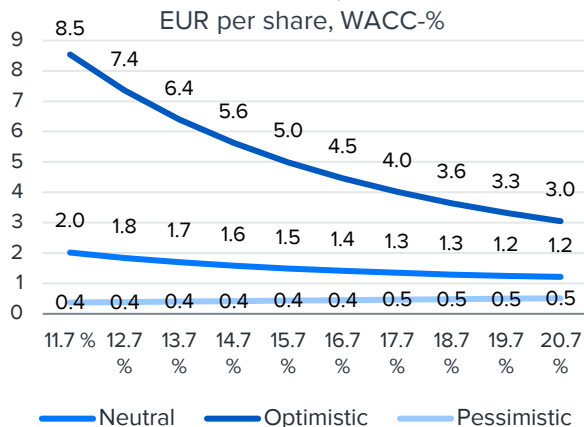
2027e fiscal period	Low multiple	High multiple
Revenue, MEUR	24.7	24.7
EV/S, LTM, multiple	6	12
EV/S, NTM, multiple	4.1	8.3
EV, MEUR	148	296
Net cash, MEUR	26	26
Market cap, MEUR	174	322
EUR per share	2.9	5.3
Discounted to present	1.4	2.6

NTM = 12 months forward looking
LTM = 12 months backward looking

Revenue and EBIT estimates,
2022-2032e



Sensitivity of the DCF value to the required return,
EUR per share, WACC-%



Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price				5.77	1.81	1.19	1.19	1.19	1.19
Number of shares, millions				41.7	60.2	60.9	60.9	60.9	60.9
Market cap				349	110	72	72	72	72
EV				241	19	-3.7	11	26	39
P/E (adj.)				neg.	neg.	neg.	neg.	neg.	neg.
P/E				neg.	neg.	neg.	neg.	neg.	neg.
P/FCF				3.3	neg.	neg.	neg.	neg.	neg.
P/B				2.8	1.0	0.8	0.9	1.1	1.3
P/S				>100	47.6	25.2	14.8	8.5	4.7
EV/Sales				>100	8.3	neg.	2.3	3.0	2.5
EV/EBITDA				neg.	neg.	0.3	neg.	neg.	neg.
EV/EBIT (adj.)				neg.	neg.	0.2	neg.	neg.	neg.
Payout ratio (%)				0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%				0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

Peer group valuation

Peer group valuation	Market cap	EV	EV/S		Revenue growth-%		EBIT-%		EV/EBIT		P/B
Company	MEUR	MEUR	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
23AndMe	628	216	0.8	0.8	8%	2%	-103%	-109%			1.2
Aiforia Technologies	101	93	22.2	12.7	126%	103%	-264%	-134%			15.1
CellaVision	424	423	6.9	6.0	2%	15%	27%	30%	25.7	20.3	6.5
Illumina	34219	34882	7.4	6.4	8%	16%	8%	12%	94.2	53.8	4.5
Immunovia	16	10	1.6	0.2	6800%	801%	-278%	29%		0.6	2.2
Prenetics	108				0%	14%	-8%	1%	1.7		
Quest Diagnostics	14039	17712	2.1	2.0	-9%	2%	16%	17%	12.9	12.3	2.4
Somalogic	431				-3%	39%	-126%	-82%	1.0	1.1	
Nightingale Health (Inderes)	72	-4	-1.3	2.3	24%	70%	-573%	-304%	0.2	-0.7	0.8
Average			6.8	4.7	866%	124%	-91%	-29%	27.1	17.6	5.3
Median	427	319	4.5	4.0	5%	16%	-56%	7%	12.9	12.3	3.4
Diff-% to median			-128%	-44%	389%	352%					-77%

Source: Refinitiv / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

Income statement

Income statement	2020	2021	2022	H1'23e	H2'23e	2023e	2024e	2025e	2026e
Revenue	1.8	2.3	2.3	1.2	1.6	2.9	4.9	8.6	15.4
EBITDA	-3.1	-7.3	-9.4	-5.4	-5.5	-10.9	-9.7	-7.8	-4.1
Depreciation	-0.2	-2.5	-4.2	-2.7	-2.9	-5.6	-5.1	-5.0	-5.1
EBIT (excl. NRI)	-3.3	-8.6	-13.6	-8.1	-8.4	-16.5	-14.9	-12.8	-9.2
EBIT	-3.3	-9.8	-13.6	-8.1	-8.4	-16.5	-14.9	-12.8	-9.2
Net financial items	-0.4	0.0	-2.6	-0.3	-1.5	-1.8	-0.3	-0.7	-1.1
PTP	-3.7	-9.7	-16.2	-8.4	-9.9	-18.3	-15.2	-13.5	-10.2
Taxes	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-3.7	-9.7	-16.1	-8.4	-9.9	-18.3	-15.2	-13.5	-9.7
EPS (adj.)		-0.21	-0.27	-0.14	-0.14	-0.28	-0.25	-0.22	-0.16
EPS (rep.)		-0.23	-0.27	-0.14	-0.16	-0.30	-0.25	-0.22	-0.16

Key figures	2020	2021	2022	H1'23e	H2'23e	2023e	2024e	2025e	2026e
Revenue growth-%		29.4 %	0.3 %			24.4 %	70.0 %	75.0 %	80.0 %
Adjusted EBIT growth-%		158.6 %	57.7 %			21.0 %	-9.8 %	-13.9 %	-28.4 %
EBITDA-%	-174.9 %	-316.7 %	-405.9 %	-433.1 %	-337.0 %	-378.6 %	-199.0 %	-90.6 %	-26.3 %
Adjusted EBIT-%	-187.6 %	-375.0 %	-589.5 %	-650.0 %	-514.5 %	-573.1 %	-304.1 %	-149.6 %	-59.5 %
Net earnings-%	-209.2 %	-421.9 %	-695.7 %	-674.1 %	-606.4 %	-635.7 %	-310.5 %	-157.5 %	-63.1 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	23.8	26.8	24.4	24.0	24.3
Goodwill	0.0	1.0	1.0	1.0	1.0
Intangible assets	11.8	16.2	15.3	14.9	14.9
Tangible assets	8.1	7.8	7.5	7.5	7.8
Associated companies	0.1	0.1	0.1	0.1	0.1
Other investments	3.3	1.2	0.0	0.0	0.0
Other non-current assets	0.6	0.4	0.4	0.4	0.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	115	97.3	81.4	71.1	66.4
Inventories	0.7	0.6	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	0.7	1.4	1.7	2.7	4.3
Cash and equivalents	114	95.3	79.7	68.4	62.1
Balance sheet total	139	124	106	95.1	90.6

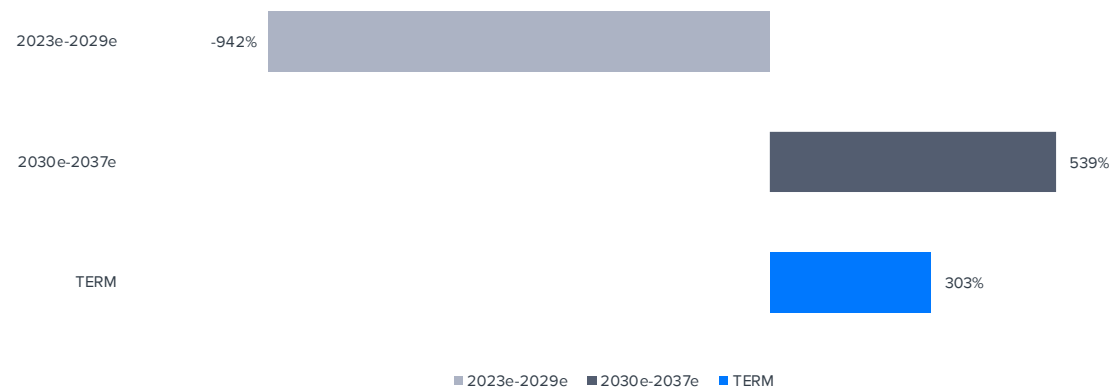
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	123	111	93.1	77.9	64.4
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-18.5	-31.1	-49.4	-64.6	-78.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	141	142	142	142	142
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	7.2	4.7	3.1	6.1	14.1
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	4.1	2.6	1.0	4.0	12.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.1	2.1	2.1	2.1	2.1
Current liabilities	8.7	7.9	9.6	11.1	12.1
Short term debt	2.2	2.1	2.5	3.0	3.5
Payables	4.9	4.7	6.0	7.0	7.5
Other current liabilities	1.7	1.1	1.1	1.1	1.1
Balance sheet total	139	124	106	95.1	90.6

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	TERM
Revenue growth-%	0.3 %	24.4 %	70.0 %	75.0 %	80.0 %	60.0 %	45.0 %	30.0 %	20.0 %	15.0 %	12.0 %	8.0 %	5.0 %	3.0 %	2.0 %	2.0 %	
EBIT-%	-589.5 %	-573.1 %	-304.1 %	-149.6 %	-59.5 %	-14.4 %	10.7 %	23.2 %	29.2 %	32.0 %	33.4 %	32.0 %	31.0 %	30.0 %	30.0 %	30.0 %	
EBIT (operating profit)	-13.6	-16.5	-14.9	-12.8	-9.2	-3.6	3.8	10.8	16.3	20.6	24.0	24.8	25.3	25.2	25.7	26.2	
+ Depreciation	4.2	5.6	5.1	5.0	5.1	5.5	6.0	6.8	7.7	8.6	9.6	10.6	11.5	12.4	13.2	13.9	
- Paid taxes	0.1	0.0	0.0	0.0	0.5	0.2	-0.1	-0.4	-0.7	-0.9	-1.7	-2.3	-2.9	-3.5	-4.8	-4.9	
- Tax, financial expenses	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.4	-0.4	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-1.3	1.5	0.0	-1.1	-2.2	-0.1	-0.6	-1.3	-1.8	-0.4	-0.4	-0.3	-0.2	-0.1	-0.1	-0.1	
Operating cash flow	-10.6	-9.4	-9.7	-8.9	-5.7	2.0	9.0	15.8	21.3	27.7	31.4	32.6	33.4	33.6	33.7	34.8	
+ Change in other long-term liabilities	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-7.2	-3.2	-4.7	-5.3	-6.6	-8.0	-9.4	-10.6	-11.7	-12.9	-14.0	-14.7	-15.4	-16.0	-16.5	-16.3	
Free operating cash flow	-18.9	-12.6	-14.4	-14.2	-12.4	-6.1	-0.4	5.1	9.6	14.8	17.3	17.9	18.1	17.6	17.2	18.5	
+/- Other	0.5	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-18.4	-13.8	-14.4	-14.2	-12.4	-6.1	-0.4	5.1	9.6	14.8	17.3	17.9	18.1	17.6	17.2	18.5	128
Discounted FCFF		-13.2	-11.8	-10.0	-7.4	-3.1	-0.2	1.9	3.1	4.1	4.1	3.7	3.2	2.6	2.2	2.0	14.1
Sum of FCFF present value		-4.6	8.5	20.3	30.3	37.7	40.8	41.0	39.1	35.9	31.8	27.7	24.1	20.9	18.3	16.1	14.1
Enterprise value DCF		-4.6															
- Interesting bearing debt		-4.7															
+ Cash and cash equivalents		95.3															
- Minorities		0.0															
- Dividend/capital return		0.0															
Equity value DCF		85.9															
Equity value DCF per share		1.41															

Cash flow distribution



Source: Inderes

Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	1.8	2.3	2.3	2.9	4.9	EPS (reported)		-0.23	-0.27	-0.30	-0.25
EBITDA	-3.1	-7.3	-9.4	-10.9	-9.7	EPS (adj.)		-0.21	-0.27	-0.28	-0.25
EBIT	-3.3	-9.8	-13.6	-16.5	-14.9	OCF / share		-0.12	-0.18	-0.15	-0.16
PTP	-3.7	-9.7	-16.2	-18.3	-15.2	FCF / share		2.53	-0.31	-0.23	-0.24
Net Income	-3.7	-9.7	-16.1	-18.3	-15.2	Book value / share		2.95	1.85	1.53	1.28
Extraordinary items	0.0	-1.1	0.0	0.0	0.0	Dividend / share		0.00	0.00	0.00	0.00
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	27.2	139.0	124.0	105.8	95.1	Revenue growth-%	-13%	29%	0%	24%	70%
Equity capital	6.3	123.0	111.4	93.1	77.9	EBITDA growth-%	-12%	134%	29%	16%	-11%
Goodwill	0.0	0.0	1.0	1.0	1.0	EBIT (adj.) growth-%	-12%	159%	58%	21%	-10%
Net debt	5.5	-107.5	-90.6	-76.2	-61.4	EPS (adj.) growth-%			29%	5%	-11%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-174.9 %	-316.7 %	-405.9 %	-378.6 %	-199.0 %
EBITDA	-3.1	-7.3	-9.4	-10.9	-9.7	EBIT (adj.)-%	-187.6 %	-375.0 %	-589.5 %	-573.1 %	-304.1 %
Change in working capital	3.4	2.4	-1.3	1.5	0.0	EBIT-%	-187.6 %	-423.2 %	-589.5 %	-573.1 %	-304.1 %
Operating cash flow	0.2	-4.9	-10.6	-9.4	-9.7	ROE-%	-62.3 %	-15.0 %	-13.7 %	-17.9 %	-17.8 %
CAPEX	-12.4	-8.1	-7.2	-3.2	-4.7	ROI-%	-26.1 %	-13.7 %	-11.1 %	-15.5 %	-16.4 %
Free cash flow	-8.6	105.4	-18.4	-13.8	-14.4	Equity ratio	23.2 %	88.5 %	89.8 %	88.0 %	81.9 %
						Gearing	87.6 %	-87.4 %	-81.3 %	-81.8 %	-78.9 %
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S		>100	8.3	neg.	2.3						
EV/EBITDA (adj.)		neg.	neg.	0.3	neg.						
EV/EBIT (adj.)		neg.	neg.	0.2	neg.						
P/E (adj.)		neg.	neg.	neg.	neg.						
P/B		2.8	1.0	0.8	0.9						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
20-04-21	Buy	7.00 €	5.00 €
16-09-21	Buy	6.00 €	4.04 €
25-02-22	Buy	4.00 €	2.26 €
30-09-22	Reduce	1.40 €	1.29 €
17-03-23	Reduce	1.30 €	1.19 €



Inderes connects investors and listed companies. We help over 400 listed companies to better serve their investors. Our community is home to over 70 000 active investors.

Our social objective is to democratize information in the financial markets.

We build solutions for listed companies that enable seamless and effective investor relations. Majority of our revenue comes from services to listed companies, including Commissioned Research, Virtual Events, AGM services, and IR technology and consultation.

Inderes is listed on Nasdaq First North growth market and operates in Finland, Sweden, Norway and Denmark.

Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

Award-winning research at [inderes.fi](https://www.inderes.fi)



STARMINE
ANALYST AWARDS
FROM REFINITIV



THOMSON REUTERS
ANALYST AWARDS



Juha Kinnunen
2012, 2016, 2017, 2018, 2019, 2020



Mikael Rautanen
2014, 2016, 2017, 2019



Sauli Vilén
2012, 2016, 2018, 2019, 2020



Antti Viljakainen
2014, 2015, 2016, 2018, 2019, 2020



Olli Koponen
2020



Joni Grönqvist
2019, 2020



Erkki Vesola
2018, 2020



Petri Gostowski
2020



Atte Riikola
2020

**Research belongs
to everyone.**