

SciBase Holding

Company report

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Approaching a turning point

SciBase kept building its commercial momentum in the US where it achieved strong revenue growth in Q3 from low levels. Yet, the major news of the day was the large capital raise, which according to our current assumptions would carry the company to cash flow positivity. After adjusting for the capital raise, the risk/reward is starting to improve but is not yet looking attractive enough as we also expect the rights issue to put downward pressure on the share. We adjust our target price to SEK 0.45 per share (was 0.40) and reiterate our Reduce recommendation.

Good signs start emerging from the US market while financing risks are subsiding

SciBase's Q3 revenue grew +16% (Inderes +12%) to 8.4 MSEK and EBIT was negative (-14.6 MSEK) as expected. Q3's highlight was the good US revenue momentum (Q3'24: 1.7 MSEK, +187% y/y) and this was the first quarter where the US skin cancer segment generated meaningful revenue (~20% of revenues). In addition to the Q3 report, the company announced a large capital raise, which was expected. To simplify (see later pages for details), if fully subscribed, the raise consisting of a directed issue and a rights issue would bring the company net proceeds of 77 MSEK in the next few months and an estimated further 74 MSEK through warrants in one year (total 154 MSEK). This more than covers our estimated funding gap of 120 MSEK, although the subscription price (SEK 0.45 per share) above the share price (SEK 0.42 per share) risks leaving the issue only partially covered, although the new warrants do sweeten the deal.

Investment case is approaching a turning point, but reaching clear waters will still take time

We made only minor estimate changes (-4 to +2 % for revenue & EBIT) for the next few years based on the Q3 report. In our view, SciBase's investment case is based on scalable high-margin revenue growth through its FDA-approved Nevisense device, which brings clear benefits to skin diagnostic accuracy without credible competitors and has shown promising commercial momentum. Key uncertainty relates to the pace of revenue growth. After the Q3 report, progress with US insurance coverage continues to be a black box to us and delays in growth cannot be ruled out, but other sources of growth like cash-pay US customers and partner-led market openings do bring some stability. We expect SciBase's commercial efforts (especially reimbursement coverage expansion) to gradually translate into faster revenue growth in 2025-2028 and bring the company to cash flow positivity in 2027. In our estimates, annual revenue growth would be around 45% (2023-30 CAGR) from a low base to 290 MSEK+ in 2030 and the EBIT margin would strengthen from a loss-making investment phase to 1% in 2027 and towards 25% in 2033. This requires SciBase to be very successful in its growth, especially within skin cancer, and positive influence from factors outside the company's control (insurance companies & customers' ramp-up speed). Our current base scenario is that the rights issue is subscribed to 80% and will carry SciBase to cash flow neutrality, although the outcome of the raise is still uncertain.

Stock looks fairly priced while rights issue brings downward pressure in the short term

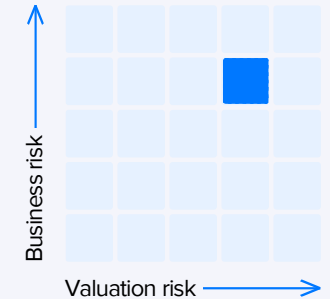
SciBase's valuation balances the clear potential of its high-margin Nevisense platform with the risks associated with its realization, as slower progress could mean further dilution and weak investment returns. However, the announced capital raise lowers the dilution risks clearly. Our scenarios for 2026 and 2029 as well as the DCF model point to a fair value of SEK 0.34-0.59/share (prev. 0.33-0.67), with the larger-than-expected raise pushing down the range. With funding risks subsiding and good US revenue growth providing positive valuation drivers we now anchor our target price to the middle of the range (SEK 0.45 per share), which does not provide an attractive enough risk/reward for the share. We also note that rights issues tend to bring short-term pressure on stocks with lower liquidity.

Recommendation

Reduce
(prev. Reduce)

0,45 SEK
(prev. 0,40 SEK)

Share price:
0,42



Key indicators

	2023	2024e	2025e	2026e
Revenue	23,2	30,1	46,6	77,6
growth-%	30 %	30 %	55 %	66 %
EBIT adj.	-53,9	-58,7	-49,5	-29,5
EBIT-% adj.	-232,0 %	-194,8 %	-106,0 %	-38,0 %
Net Income	-53,9	-59,1	-50,0	-30,0
EPS (adj.)	-0,50	-0,32	-0,19	-0,11

P/E (adj.)	neg.	neg.	neg.	neg.
P/B	2,3	2,7	neg.	neg.
Dividend yield-%	0,0 %	0,0 %	0,0 %	0,0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	2,8	2,8	3,0	2,4

Source: Inderes

Guidance

(Unchanged)

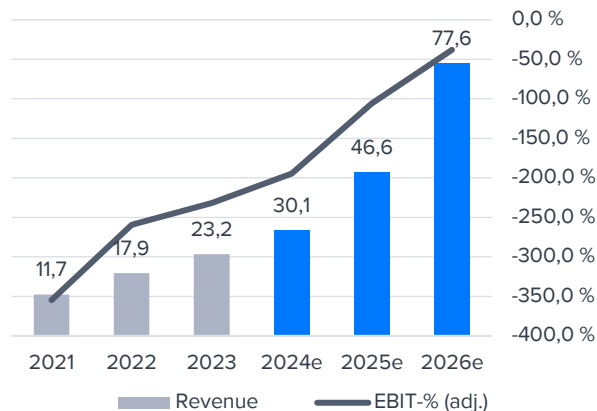
SciBase provides no guidance.

Share price



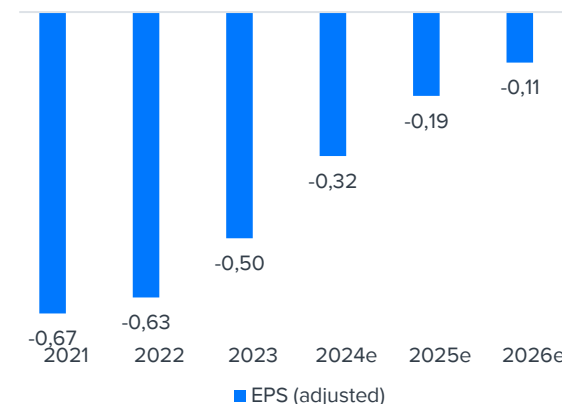
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

Earnings per share



Source: Inderes

Value drivers

- The US market provides a large market for the proven Nevisense platform
- Gaining FDA approval to use Nevisense for NMSC detection in the USA would further increase the market size
- Further growth on the German market through on-boarding new clients, increased sales of electrodes, and further price increases of electrodes
- Clinical adoption of Nevisense for assessing the skin's barrier function would give access to a market valued at 6-7 BNSEK

Risk factors

- Unprofitable operations that are funded through equity issues
- Failure or significant delays in growing sales on the US market
- Competition from similar or substitution products
- Any potential new regulatory hurdles leading to delays and additional expenses

Valuation	2024e	2025e	2026e
Share price	0,42	0,42	0,42
Number of shares, millions	269,5	269,5	269,5
Market cap	113	113	113
EV	84	140	183
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	2,7	neg.	neg.
P/S	3,8	2,4	1,5
EV/Sales	2,8	3,0	2,4
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0,0 %	0,0 %	0,0 %
Dividend yield-%	0,0 %	0,0 %	0,0 %

Source: Inderes

Good signs start emerging from the US market, financing risks are subsiding (1/2)

Progress in the US starting to show in revenue growth

SciBase's Q3 revenue grew 16% to 8.4 MSEK, slightly above our expectations. The overall lower relative growth was expected and is explained by a strong comparison period in Europe. Growth in Q3 was mainly driven by increased consumables sales (Q3'24: 7.7 MSEK, +15% y/y), coming especially from new customers in the US. Consumable volumes were below expected levels, but the bigger share of higher-price sales in the US led to higher consumable revenue than estimated. Another source of growth was within Skin barrier research, where revenue is still modest in absolute terms, but increased 102% from clearly lower comparable to 0.7 MSEK in Q3.

Faster commercialization of SciBase in the large US market still hinges on insurance coverage ramp-up and the current revenue growth is below what the company should be able to achieve from around 2025-26. However, skin cancer revenue in other geographies (including the US) grew 187% to 1.7 MSEK in Q3, representing ~20% of SciBase's overall Q3 revenue, showing the first clear signs of US growth picking up, which was a key highlight of the report. This was in part supported by sales to cash-paid use cases which circumvent limitations in insurance coverage.

Earnings are still decreasing before faster revenue growth turns the tide

SciBase's Q3 adjusted EBIT remained clearly negative at a low absolute level of -14.6 MSEK or approximately -174% of revenue. The decrease from last year's level (Q3'23: -12.7 MSEK) was due to increased fixed costs. SciBase continues to make upfront investments in the commercialization of Nevisense, especially in the US, which means that the company is carrying additional fixed costs that keep profitability negative before high-gross margin revenue increases sufficiently. In Q3, the higher margin consumable sales in the US delivered stronger gross margins (76%), but higher than estimated fixed costs more than negated these effects. Currency effects (SEK <> USD) also generated some one-off unanticipated financial expenses.

In Q3, SciBase's cash burn accelerated to 18.6 MSEK (Inderes: ~15 MSEK). The higher cash burn was explained by working capital effects (-3.7 MSEK). Consequently, SciBase's cash position decreased to ~24 MSEK at the end of Q3'24 (Q2'24: 43 MSEK), highlighting the need for further capital. In line with this, the company announced a capital raise of up to ~154 MSEK in net proceeds (see next page for details), which could fully cover the company's capital needs until cash

flow neutrality.

Growth outlook remains a black box, but both positive and negative signals are visible

In our view, SciBase's investment case hinges on a successful, significant increase in US sales, which could bring the company into cash flow positivity (2027 in our estimates). This requires an increase in Nevisense's insurance coverage in the US, which we expect to be more clearly reflected in revenue around 2025-2026.

On the negative side, the company did not provide any targets or clear details on how coverage expansion is progressing, and the visibility of the success of faster growth remains weak. Comments about adding focus to the cash-pay model (which avoids problems of low insurance coverage) also suggest there are delays in growing insurance coverage. On the positive side, adding sales efforts to the cash-pay model should allow US revenue to grow even with insurance coverage delays, and US sales in Q3 started to show initial momentum. Adding new countries with partners (so far UAE, Italy) also provides alternative routes to drive growth efficiently. Overall, the company has some tools to compensate for potential delays in US insurance coverage in driving revenue growth.

Estimates MSEK / SEK	Q3'23	Q3'24	Q3'24e	Q3'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	7,2	8,4	8,1				3 %	30,1
EBITDA	-12,0	-13,8	-13,5				-2 %	-55,4
EBIT (adj.)	-12,7	-14,6	-14,3				-2 %	-58,7
PTP	-12,7	-17,8	-14,4				-23 %	-59,1
EPS (adj.)	-0,11	-0,08	-0,07				-22 %	-0,22
Revenue growth-%	46,7 %	16,0 %	12,2 %				3,8 pp	29,6 %
EBIT-% (adj.)	-175,7 %	-173,5 %	-176,2 %				2,7 pp	-194,8 %

Good signs start emerging from the US market, financing risks are subsiding (2/2)

Investment case is approaching a turning point, especially in financing risks

In the Q3 report the biggest shift in the investment case came in the form of financing. The [announced](#) large capital raise, if successful, will have a significant effect as it can provide the company with capital to reach cash flow neutrality. This would limit one of the key risks of the investment case, which is highly dilutive capital raises that would depress investment returns.

The announced capital raise includes a directed share issue (gross proceeds up to 23 MSEK) and a rights issue (gross proceeds up to 59 MSEK) guaranteed to 50.4%. At full subscription, after some 4.7 MSEK in costs, this would lead to 77 MSEK net proceeds. With ~24 MSEK cash at the end of Q3/2024 and an estimated ~13-15 MSEK burn per quarter, the full raise would give SciBase cash runway until around H1/2026. The directed issue is executed now, but the rights issue is pending approval from EGM, which should be a formality as the issue is available to all shareholders equally. Key dates of the rights issue are presented in the table on the right.

The valuation for both the raises is SEK 0.45 per share. Each share subscription comes with one free warrant (TO3 series), which can be exercised between November 24th and December 5th, 2025 to receive one new share. The warrant strike price will be set in the trading of SciBase's share during November 11-21, 2025 to 80% of the trading volume weighed price, but will be in the range of SEK 0.45-0.75 per share regardless. Assuming a conservative strike at SEK 0.45 per new share based on SciBase's share trading on November 11, 2024, the warrants could provide up to an additional 77 MSEK in net proceeds (costs 4.5 MSEK) in late 2025. As the warrants have a 20%

dynamic discount set one year from now, we see a good likelihood for their subscription, assuming the company shows good business momentum that can support a share price of above 0.45 SEK in a year. If the rights issue is fully subscribed and all warrants exercised in late 2025, the capital raise would add up to 154 MSEK of net new capital. The terms of the raise are close to what we expected in terms of valuation, but the total raise exceeds our estimate. We had assumed two 60 MSEK raises (120 MSEK in total) at SEK 0.40 and 0.45 per share in 2025 and 2026 respectively. In the announced raise more capital is also raised earlier compared to our assumptions. We find this positive for the risks of the investment case as the dilution risk of future raises at unknown valuation has been major due to the high capital need compared to SciBase's market cap.

The SciBase stock is trading below the rights issue subscription price (0.42 vs. SEK 0.45 per share), so it is not yet clear if the rights issue will be filled completely. However, the TO3 warrants do come with some optionality which supports the attractiveness of the rights issue. In addition, SciBase took in professional investors during last spring's capital raise, and due to the low liquidity of the SciBase share, the rights issue might be the only realistic way for them to grow their position in SciBase in the near term. We have assumed an 80% completion rate (commitments to ~50%). We note that even if the rights issue is only subscribed to the committed level (50%), the shares and warrants together would amount to around 96 MSEK net proceeds. This would still give the company good runway to grow towards cash flow neutrality, so it is difficult to paint a very negative outcome for the rights issue.

Preliminary timetable

December 13, 2024	EGM to resolve on the Rights Issue
December 18, 2024	Last trading day in the share with the right to receive unit rights
December 19, 2024	First trading day in the share without the right to receive unit rights
December 20, 2024	Record date for participation in the Rights Issue
December 20, 2024	Estimated date for the publication of the prospectus
December 27, 2024 - January 8, 2025	Trading in unit rights
December 27, 2024 - January 13, 2025	Subscription period
December 27, 2024 - the Rights Issue has been registered with the Swedish Companies Registration Office	Trading in BTU (Paid subscribed units)
January 14, 2025	Estimated date for the announcement of the final outcome of the Rights Issue

Minor estimate updates based on the Q3 report

Estimate changes for 2024-2026

- We slightly increased our revenue estimates as SciBase has found more sources to grow before insurance coverage is more broadly ramped up (cash-pay customers, partner-led market entries).
- Simultaneously our profitability estimates stayed rather flat. We increased our gross margin estimates slightly due to the higher-than-expected margin levels achieved in the US, but also raised fixed cost estimates as SciBase seems to be adding investments more quickly than we previously anticipated.

Estimate revisions	2024e	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	29,6	30,1	2 %	45,8	46,6	2 %	76,1	77,6	2 %
EBITDA	-54,6	-55,4	-2 %	-45,6	-46,4	-2 %	-26,7	-26,3	1 %
EBIT (exc. NRIs)	-57,8	-58,7	-2 %	-48,7	-49,5	-2 %	-29,9	-29,5	1 %
EBIT	-57,8	-58,7	-2 %	-48,7	-49,5	-2 %	-29,9	-29,5	1 %
PTP	-54,9	-59,1	-8 %	-49,2	-50,0	-2 %	-30,4	-30,0	1 %
EPS (excl. NRIs)	-0,25	-0,22	12 %	-0,22	-0,19	17 %	-0,14	-0,11	20 %
DPS	0,00	0,00		0,00	0,00		0,00	0,00	

Source: Inderes

Valuation looks relatively fair

Risks and potential are in balance

SciBase's investment case has an attractive footing. The opportunity to get in on the ground floor of an innovative and potentially lucrative medical device with a seemingly clear diagnostic benefit and no serious competitors could promise high returns. On the other hand, there is still very limited visibility on the pace and success of growth, particularly in the US. If US growth progresses well, SciBase will take clear steps towards cash flow neutrality and with the announced raise, would have the cash to get there. Conversely, clear delays would cause more cash burn and could lead to more dilution and weak investment returns.

As SciBase's value leans purely on long-term potential, the visibility into which is limited, only imprecise valuation methods are available. There is also a special situation in the share's valuation due to the large number of TO2 warrants, which have a significant equity claim (69% of equity value above SEK 0.42/share). Our valuation methods deduct the value of warrants' equity claims from the equity value to assess the equity value attributable to shareholders. We base this on our option pricing model or a direct exercise price, if applicable. Due to this dynamic, the warrants may be a smart tool to utilize in investing in the equity upside of SciBase.

We first approach the valuation with multiples by applying a low and a high multiple to our 2026e and 2029e estimates. The scenarios assume that the rights issue is filled to 80% and the related TO3 warrants are all exercised with a strike of SEK 0.45 per share. The unit rights, which allow subscription of 3 new shares (and 3 free TO3 warrants) for each 5 existing shares held, have some value in themselves, but we assess this effect to be small as the share price is currently below the subscription price. Our multiple-based valuation (see page 8) gives a value ranging from SEK

0.34 to 0.59/share (was SEK 0.33 to 0.67), with the larger-than-expected raise pushing down the range. With funding risks subsiding and good US revenue growth providing positive valuation drivers we see drivers to anchor the target price to the middle of the range.

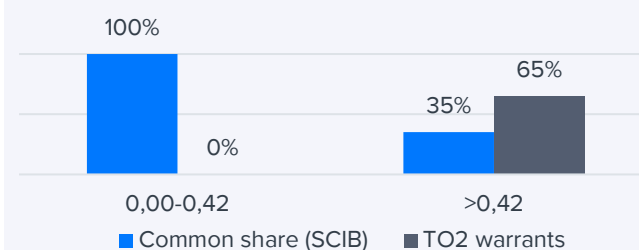
We also use a DCF model to estimate the value of the company based on long-term potential. The DCF model is very sensitive to the assumptions used, so it also serves as a rough guide. After deducting the value of the warrants, we arrive at a DCF value of SEK 0.53 per share. We use a long-term operating profit margin of 25%, a terminal growth rate of 2.5% and a WACC of 14.4%. Our cost of capital is slightly elevated as our DCF model does not yet account for the effects of the rights issue (we will pencil these in for 2025 after the Q4 report).

The share price (SEK 0.42) is slightly below the middle (SEK 0.45) of the fair value range (SEK 0.34-0.59/share). While we see some upside at the current valuation, it does not compensate enough for the risks, and we don't see the 12-month risk/reward as attractive enough. We adjust our target price to SEK 0.45/share (was 0.40) with the improving revenue growth trend in the US and reduced financing risks and reiterate our Reduce recommendation. We continue to watch closely for more signs of accelerating growth, especially in the US, which could turn the risk/reward profile more attractive by providing drivers toward the upper end of the range. If US growth is very successful, the stock continues to hold significant upside. We also note positive opportunities within the skin barrier segment, as our current estimates are mostly driven by the skin cancer segment. However, we also note that rights issues tend to bring short-term downwards pressure on stocks with lower liquidity, which brings a negative short-term driver for the stock.

Valuation	2024e	2025e	2026e
Share price	0,42	0,42	0,42
Number of shares, millions	269,5	269,5	269,5
Market cap	113	113	113
EV	84	140	183
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	2,7	neg.	neg.
P/S	3,8	2,4	1,5
EV/Sales	2,8	3,0	2,4
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0,0 %	0,0 %	0,0 %
Dividend yield-%	0,0 %	0,0 %	0,0 %

Source: Inderes

Allocation* of company equity value gains between equity instruments at different share prices, SEK/share



Source: Inderes.

Note: Due to the warrants, for SciBase share to appreciate 10% beyond 0.42 SEK price level, the total equity value of SciBase would need to go up by around 28%.

*Situation until April 2029. Based on 0.42 SEK/share warrant strike, assuming all issued warrants are exercised in April 2029. Only accounts for the shares from November 2024 directed issue, not the rights issue set to complete in January 2025.

Valuation scenarios

2026e, MSEK	Low	High
Sales	78	78
EV/Sales	3,0x	5,0x
EV (Enterprise value)	233	388
(+) Net cash ¹	181	181
Equity value	414	569
(-) Value of TO2 warrants	-36	-56
Equity value of common stock	378	513
Per share ¹	0,46	0,62
Per share, discounted to today	0,34	0,47

Note: Value of warrants estimated for year end 2026 based on scenario valuation

2029e, MSEK	Low	High
Revenue	233	233
EV/revenue	3,0x	5,0x
EV (Enterprise value)	698	1 163
(+) Net cash ¹	399	399
Equity value	1 097	1 562
Per share ¹	0,83	1,18
Per share, discounted to today	0,42	0,59

Note: Assumes all warrants are exercised

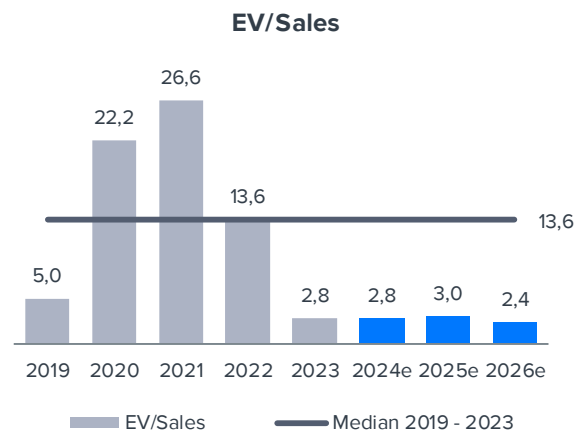
Source: Inderes

- 1) Adjusted to assume 80% of the rights issue is filled and all related TO3 warrants are exercised at 0.45 SEK/share in late 2025. The 2029 scenario assumes all issued TO2 warrants are exercised.

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	4,36	4,62	5,52	3,82	0,83	0,42	0,42	0,42	0,42
Number of shares, millions	16,6	54,8	68,5	68,5	119,8	269,5	269,5	269,5	269,5
Market cap	72	253	378	262	99	113	113	113	113
EV	46	212	312	243	65	84	140	183	204
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	94,4
P/E	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	94,4
P/B	2,3	5,4	5,3	10,4	2,3	2,7	neg.	neg.	neg.
P/S	7,8	26,6	32,2	14,6	4,3	3,8	2,4	1,5	0,9
EV/Sales	5,0	22,2	26,6	13,6	2,8	2,8	3,0	2,4	1,6
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	39,4
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	>100
Payout ratio (%)	0,0 %	0,0 %	0,0 %	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 %	0,0 %	0,0 %	0,0 %

Source: Inderes



Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue	17,9	5,1	5,1	7,2	5,8	23,2	6,1	6,6	8,4	9,0	30,1	46,6	77,6	124
EBITDA	-42,8	-10,0	-12,8	-12,0	-15,7	-50,6	-13,4	-13,9	-13,8	-14,3	-55,4	-46,4	-26,3	5,2
Depreciation	-3,7	-0,8	-1,0	-0,7	-0,9	-3,4	-0,8	-0,8	-0,8	-0,8	-3,3	-3,1	-3,2	-3,5
EBIT (excl. NRI)	-46,4	-10,8	-13,8	-12,7	-16,6	-53,9	-14,3	-14,7	-14,6	-15,2	-58,7	-49,5	-29,5	1,7
EBIT	-46,4	-10,8	-13,8	-12,7	-16,6	-53,9	-14,3	-14,7	-14,6	-15,2	-58,7	-49,5	-29,5	1,7
Net financial items	3,2	0,0	0,0	0,0	0,0	0,0	3,4	-0,4	-3,4	-0,1	-0,4	-0,5	-0,5	-0,5
PTP	-43,2	-10,8	-13,8	-12,7	-16,6	-53,9	-10,9	-15,1	-18,0	-15,3	-59,1	-50,0	-30,0	1,2
Taxes	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
Net earnings	-43,2	-10,8	-13,8	-12,7	-16,6	-53,9	-10,9	-15,1	-18,0	-15,3	-59,1	-50,0	-30,0	1,2
EPS (adj.)	-0,63	-0,15	-0,12	-0,11	-0,14	-0,45	-0,09	-0,07	-0,07	-0,06	-0,22	-0,19	-0,11	0,00
EPS (rep.)	-0,63	-0,15	-0,12	-0,11	-0,14	-0,50	-0,09	-0,07	-0,07	-0,06	-0,32	-0,19	-0,11	0,00
Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	52,6 %	20,9 %	36,5 %	46,7 %	16,1 %	29,9 %	17,6 %	30,6 %	16,0 %	56,6 %	29,6 %	54,8 %	66,4 %	60,4 %
Adjusted EBIT growth-%	11,6 %	11,2 %	18,0 %	11,9 %	21,7 %	16,2 %	32,3 %	6,3 %	14,5 %	-8,7 %	8,8 %	-15,8 %	-40,3 %	-105,8 %
EBITDA-%	-239,1 %	-193,8 %	-252,1 %	-165,8 %	-272,9 %	-217,5 %	-221,8 %	-209,5 %	-163,6 %	-158,6 %	-183,9 %	-99,5 %	-33,9 %	4,2 %
Adjusted EBIT-%	-259,5 %	-209,4 %	-271,9 %	-175,7 %	-288,0 %	-232,0 %	-235,5 %	-221,4 %	-173,4 %	-167,9 %	-194,8 %	-106,0 %	-38,0 %	1,4 %
Net earnings-%	-241,3 %	-209,4 %	-271,9 %	-175,7 %	-288,0 %	-232,0 %	-179,3 %	-226,6 %	-213,6 %	-169,0 %	-196,2 %	-107,1 %	-38,7 %	1,0 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	9,2	8,6	8,7	9,2	10,0
Goodwill	0,0	0,0	0,0	0,0	0,0
Intangible assets	0,0	0,0	0,0	0,0	0,0
Tangible assets	9,2	8,6	8,7	9,2	10,0
Associated companies	0,0	0,0	0,0	0,0	0,0
Other investments	0,0	0,0	0,0	0,0	0,0
Other non-current assets	0,0	0,0	0,0	0,0	0,0
Deferred tax assets	0,0	0,0	0,0	0,0	0,0
Current assets	40,6	55,7	59,5	55,2	91,4
Inventories	7,3	11,9	12,7	19,6	32,6
Other current assets	0,6	0,6	0,6	0,6	0,6
Receivables	13,9	9,1	16,6	25,7	42,7
Cash and equivalents	18,8	34,1	29,7	9,3	15,5
Balance sheet total	49,9	64,3	68,2	64,4	101

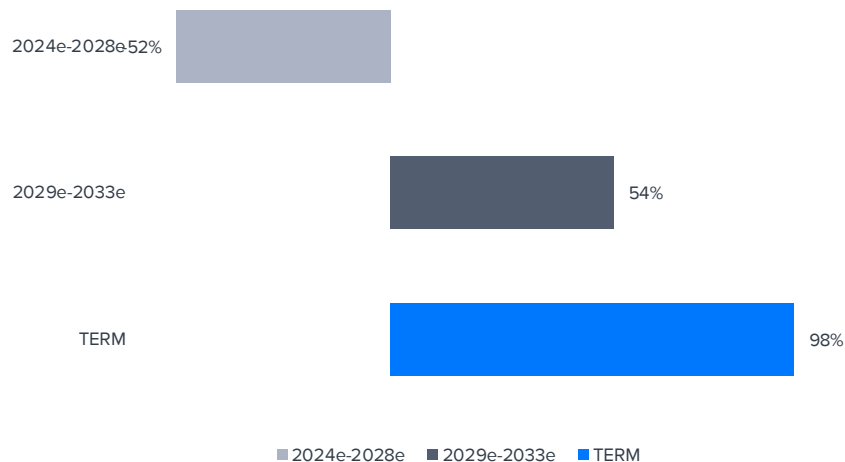
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	25,2	43,1	41,5	-8,5	-38,5
Share capital	3,4	6,0	11,7	11,7	11,7
Retained earnings	-615,2	-668,4	-727,5	-777,5	-807,5
Hybrid bonds	0,0	0,0	0,0	0,0	0,0
Revaluation reserve	-0,7	0,0	0,0	0,0	0,0
Other equity	638	705	757	757	757
Minorities	0,0	0,0	0,0	0,0	0,0
Non-current liabilities	5,2	4,2	4,2	40,2	89,4
Deferred tax liabilities	0,0	0,0	0,0	0,0	0,0
Provisions	0,0	0,0	0,0	0,0	0,0
Interest bearing debt	0,0	0,0	0,0	36,0	85,3
Convertibles	0,0	0,0	0,0	0,0	0,0
Other long term liabilities	5,2	4,2	4,2	4,2	4,2
Current liabilities	19,4	17,1	22,6	32,7	50,4
Interest bearing debt	0,0	0,0	0,0	0,0	0,0
Payables	15,4	17,1	22,6	32,7	50,4
Other current liabilities	4,0	0,0	0,0	0,0	0,0
Balance sheet total	49,9	64,3	68,2	64,4	101

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	29,9 %	29,6 %	54,8 %	66,4 %	60,4 %	41,7 %	31,9 %	26,9 %	14,3 %	5,0 %	2,5 %	2,5 %
EBIT-%	-232,0 %	-194,8 %	-106,0 %	-38,0 %	1,4 %	18,8 %	23,3 %	25,0 %	25,3 %	25,0 %	25,0 %	25,0 %
EBIT (operating profit)	-53,9	-58,7	-49,5	-29,5	1,7	33,2	54,1	73,9	85,4	88,6	90,8	
+ Depreciation	3,4	3,3	3,1	3,2	3,5	4,0	4,7	5,5	6,4	7,3	7,9	
- Paid taxes	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-17,5	-18,1	-18,7	
- Tax, financial expenses	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,1	-0,1	0,0	
+ 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	
- Change in working capital	-2,1	-2,7	-6,0	-12,2	-21,2	-28,0	-23,7	-26,3	-9,3	2,2	0,4	
Operating cash flow	-52,7	-58,2	-52,4	-38,5	-16,0	9,2	35,2	53,1	64,9	79,8	80,3	
+ Change in other long-term liabilities	-1,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
- Gross CAPEX	-2,8	-3,4	-3,5	-4,0	-5,0	-6,0	-7,0	-8,0	-9,0	-9,0	-9,0	
Free operating cash flow	-56,5	-61,6	-55,9	-42,5	-21,0	3,2	28,2	45,1	55,9	70,8	71,3	
+/- Other	0,0	57,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
FCFF	-56,5	-4,0	-55,9	-42,5	-21,0	3,2	28,2	45,1	55,9	70,8	71,3	616
Discounted FCFF		-4,0	-48,0	-32,0	-13,8	1,9	14,2	19,8	21,5	23,8	20,9	181
Sum of FCFF present value		185	189	237	269	283	281	267	247	226	202	181
Enterprise value DCF		185										
- Interest bearing debt		0,0										
+ Cash and cash equivalents		34,1										
-Minorities		0,0										
-Dividend/capital return		0,0										
Equity value DCF		219										
-Value of warrants		-76,2										
Equity value of common stock DCF		143										
Equity value of common stock DCF per share		0,53										

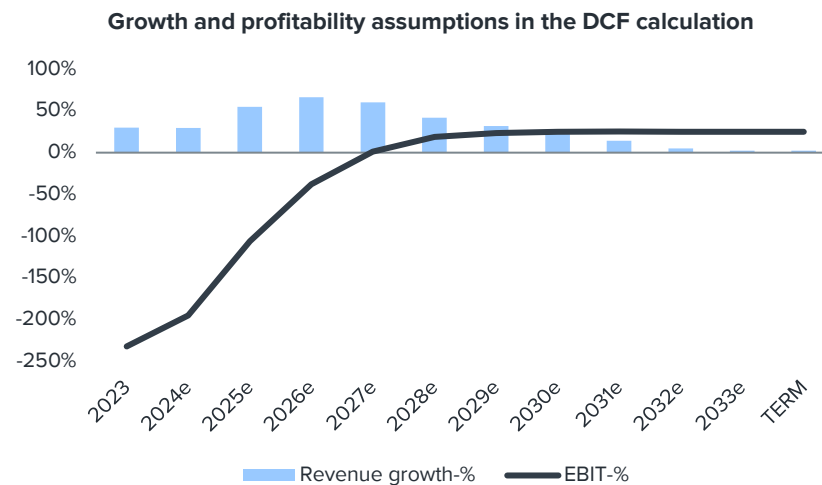
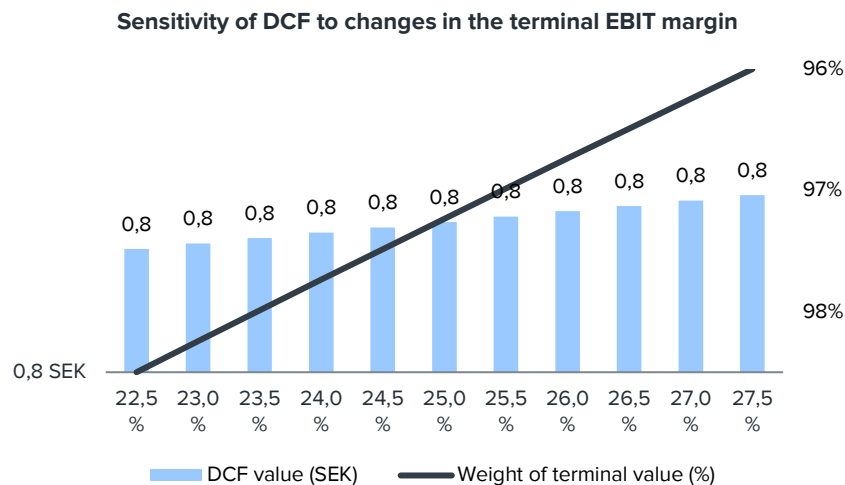
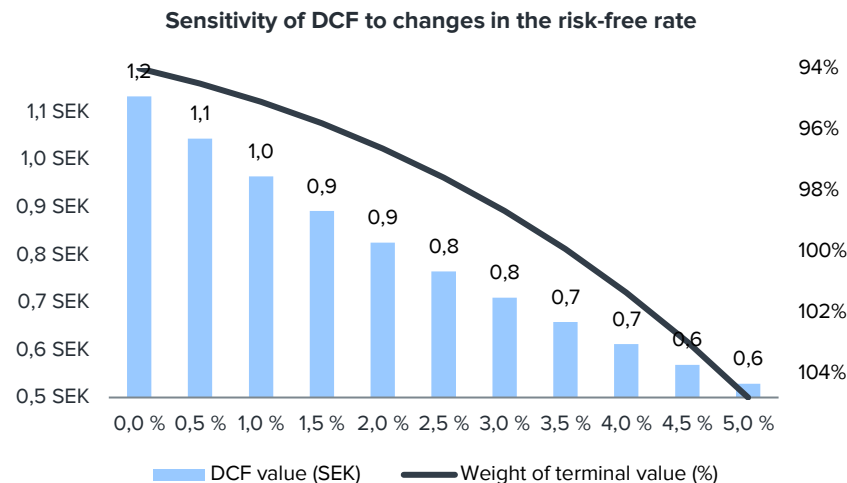
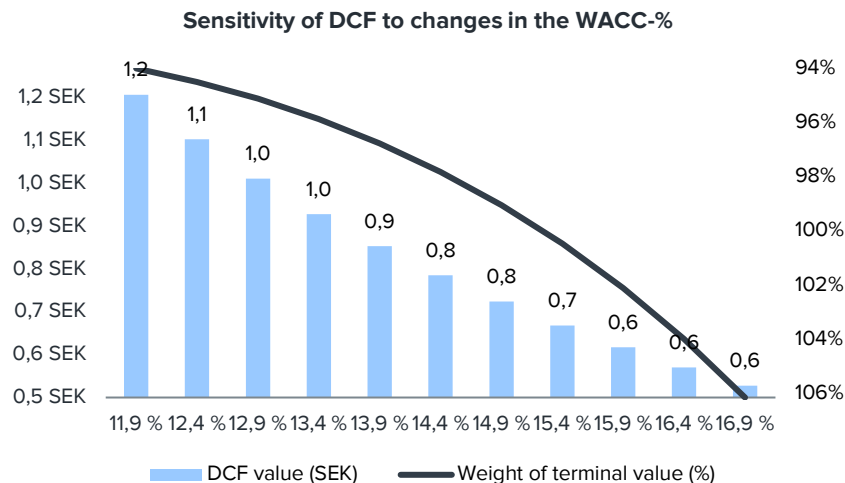
Cash flow distribution



WACC	
Tax-% (WACC)	20,6 %
Target debt ratio (D/(D+E))	10,0 %
Cost of debt	10,0 %
Equity Beta	2,08
Market risk premium	4,75 %
Liquidity premium	2,70 %
Risk free interest rate	2,5 %
Cost of equity	15,1 %
Weighted average cost of capital (WACC)	14,4 %

Source: Inderes

DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	11,7	17,9	23,2	30,1	46,6	EPS (reported)	-0,67	-0,63	-0,50	-0,32	-0,19
EBITDA	-38,7	-42,8	-50,6	-55,4	-46,4	EPS (adj.)	-0,67	-0,63	-0,50	-0,32	-0,19
EBIT	-41,6	-46,4	-53,9	-58,7	-49,5	OCF / share	-0,61	-0,65	-0,49	-0,31	-0,19
PTP	-41,8	-43,2	-53,9	-59,1	-50,0	FCF / share	-0,66	-0,70	-0,52	-0,33	-0,21
Net Income	-41,8	-43,2	-53,9	-59,1	-50,0	Book value / share	1,13	0,37	0,40	0,22	-0,03
Extraordinary items	0,0	0,0	0,0	0,0	0,0	Dividend / share	0,00	0,00	0,00	0,00	0,00
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	85,5	49,9	64,3	68,2	64,4	Revenue growth-%	23 %	53 %	30 %	30 %	55 %
Equity capital	70,8	25,2	43,1	41,5	-8,5	EBITDA growth-%	20 %	11 %	18 %	10 %	-16 %
Goodwill	0,0	0,0	0,0	0,0	0,0	EBIT (adj.) growth-%	20 %	12 %	16 %	9 %	-16 %
Net debt	-65,6	-18,8	-34,1	-29,7	26,7	EPS (adj.) growth-%	-40 %	-5 %	-21 %	-36 %	-42 %
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-329,6 %	-239,1 %	-217,5 %	-183,9 %	-99,5 %
EBITDA	-38,7	-42,8	-50,6	-55,4	-46,4	EBIT (adj.)-%	-354,8 %	-259,5 %	-232,0 %	-194,8 %	-106,0 %
Change in working capital	0,3	-2,0	-2,1	-2,7	-6,0	EBIT-%	-354,8 %	-259,5 %	-232,0 %	-194,8 %	-106,0 %
Operating cash flow	-38,3	-44,7	-52,7	-58,2	-52,4	ROE-%	-71,0 %	-89,9 %	-158,0 %	-139,9 %	-303,2 %
CAPEX	-1,7	-7,8	-2,8	-3,4	-3,5	ROI-%	-70,7 %	-96,7 %	-158,0 %	-138,9 %	-143,4 %
Free cash flow	-41,4	-47,6	-56,5	-61,6	-55,9	Equity ratio	82,8 %	50,6 %	66,9 %	60,8 %	-13,2 %
						Gearing	-92,7 %	-74,6 %	-79,2 %	-71,6 %	-314,0 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	26,6	13,6	2,8	2,8	3,0						
EV/EBITDA	neg.	neg.	neg.	neg.	neg.						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.						
P/E (adj.)	neg.	neg.	neg.	neg.	neg.						
P/B	5,3	10,4	2,3	2,7	neg.						
Dividend-%	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %						

Source: Inderes

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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

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Date	Recommendation	Target	Share price
01/02/2024	Reduce	0,80 SEK	0,75 SEK
09/02/2024	Accumulate	0,80 SEK	0,61 SEK
22/02/2024	Reduce	0,45 SEK	0,40 SEK
<i>Analyst changes</i>			
11/04/2024	Accumulate	0,50 SEK	0,40 SEK
18/04/2024	Reduce	0,35 SEK	0,37 SEK
03/06/2024	Reduce	0,32 SEK	0,30 SEK
22/08/2024	Reduce	0,40 SEK	0,43 SEK
13/11/2024	Reduce	0,45 SEK	0,42 SEK



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