

# SciBase AB

## Company report

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# Back to business

The capital raise announced on Friday reduces the financing risks and secures the company's financing until early 2025. We expect the raise to succeed. With short-term funding in check, SciBase can focus again on executing its growth strategy in US, where clear signs of success could be emerging starting in 2025. After updating our valuation, we raise our target price to SEK 0,50 (was 0,45) and recommendation to Accumulate (was Reduce). We highlight the special situation of the stock due to the upcoming ex-unit right date and the very large number of warrants.

## Short-term financing risks should be put behind with a 48 MSEK capital raise package

The [announced](#) package consists of a rights issue (RI, up to 15 MSEK) and a directed issue (DI, 33 MSEK), totaling 48 MSEK (~44 MSEK after costs). In the RI, existing shareholders get unit rights to subscribe for shares and warrants at a subscription price of SEK 0,42, during the subscription period April 23 to May 7. The last day of trading with unit rights and warrants is April 17. The DI targets a relatively broad base of selected investors who will also receive warrants, which in our view is a healthy development for the company's owner structure. We note that the amount of warrants (~569 million units at SEK 0,42/share vs. ~234 post-raise million share base) is proportionally very large.

## Investment case rests on an attractive foundation

SciBase's medical device, Nevisense, is primarily used to improve the accuracy of skin cancer diagnosis. We do not currently see any serious competition for the device, and it remains the only FDA-cleared point-of-care product for melanoma detection available in the US. The product has already achieved promising commercial momentum in Germany and the US, the two largest markets for skin cancer detection. SciBase's high-margin consumable-based business model is highly recurring and scalable. In the US, SciBase focuses on expanding insurance reimbursement coverage to unlock faster growth. We've written about the company in detail in our recent [extensive report](#).

## Conditions for strong growth are good, although everything is not in the company's hands

As increasing reimbursement coverage in the US speeds up customer acquisition and the expansion of Nevisense use in the clinics, we expect SciBase's commercial efforts to translate gradually into faster revenue growth in 2024-2028. We estimate annual revenue growth to be a steep 40-60 % from a low base to 300 MSEK+ in 2030 and EBIT margin to strengthen from a loss-making investment phase to 0 % in 2027 and towards 25 % in 2033. Our estimates assume the company to be highly successful in its growth, which requires strong strategy execution. Visibility into our estimates is still foggy, and we believe that forecast risks must be compensated by a higher required return.

## Risk/reward ratio looks attractive while unit rights and warrants still trade with the common stock

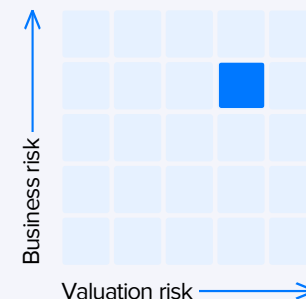
The large number of warrants creates a special situation in the stock over the five years as the warrants will have an equity claim of about 71% on the part exceeding the strike price of SEK 0,42/share. This means as the price of SciBase's stock increases above SEK 0,42, a large part of the company's equity value upside will belong to the warrant holders rather than the holders of the common stock. Thus, when valuing SciBase's common equity, we must deduct the value of the outstanding warrants. With valuation scenarios for 2026 and 2029, and DCF model, our valuation methods point towards SEK 0,53-0,90/share. As especially year 2029 is very far away and forecast risk is elevated, we feel that the lower end provides a better justified anchoring point for valuation, and compared to this we find the risk/reward ratio for the share attractive. The share still trades with unit rights and warrants until April 17.

## Recommendation

**Accumulate**  
(prev. Reduce)

**0,50 SEK**  
(prev. 0,45 SEK)

**Share price:**  
0,40



## Key indicators

	2023	2024e	2025e	2026e
<b>Revenue</b>	23,2	31,9	50,4	81,5
<b>growth-%</b>	30 %	37 %	58 %	62 %
<b>EBIT adj.</b>	-53,9	-56,1	-46,9	-29,5
<b>EBIT-% adj.</b>	-232,0 %	-175,9 %	-93,1 %	-36,2 %
<b>Net Income</b>	-55,6	-56,7	-47,4	-30,0
<b>EPS (adj.)</b>	-0,51	-0,24	-0,20	-0,13

<b>P/E (adj.)</b>	neg.	neg.	neg.	neg.
<b>P/B</b>	2,3	3,1	neg.	neg.
<b>Dividend yield-%</b>	0,0 %	0,0 %	0,0 %	0,0 %
<b>EV/EBIT (adj.)</b>	neg.	neg.	neg.	neg.
<b>EV/EBITDA</b>	neg.	neg.	neg.	neg.
<b>EV/S</b>	2,8	2,5	2,6	2,1

Source: Inderes

## Guidance

(Unchanged)

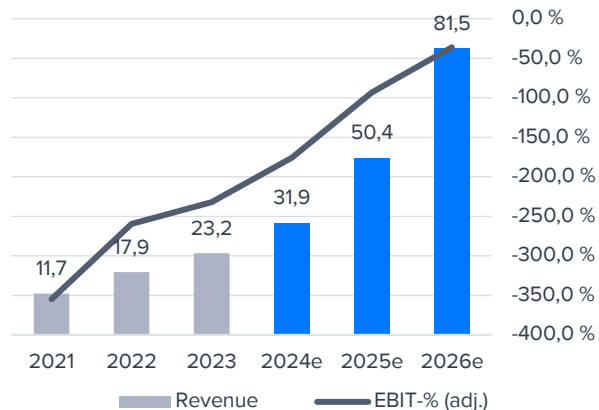
SciBase provides no guidance.

## Share price



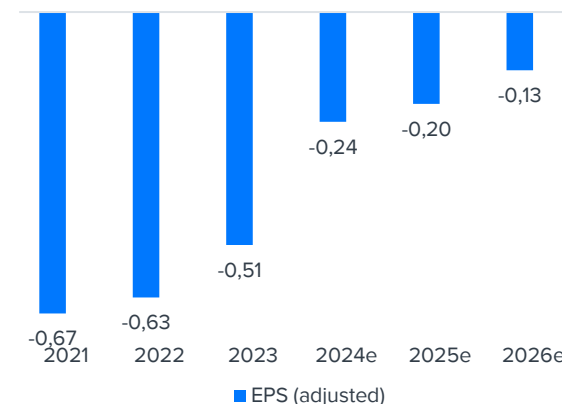
Source: Millistream Market Data AB

## 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	0,40	0,40	0,40
Number of shares, millions	233,7	233,7	233,7
Market cap	93	93	93
EV	78	132	173
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	3,1	neg.	neg.
P/S	2,9	1,9	1,1
EV/Sales	2,5	2,6	2,1
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

# Funding solution comes with a special situation

## Capital raise puts behind the short-term financing risks

The capital raise [announced](#) on Friday consists of a rights issue (RI, up to 15 MSEK) and a directed issue (DI, 33 MSEK), totaling 48 MSEK or ~44 MSEK after costs. Valuation was set at SEK 0,42/share. The RI is directed at existing shareholders and allows shareholders to participate in proportion to their ownership. The DI is directed towards a selected group of new investors and existing shareholders, and in our view would broaden the company's owner base and support meeting future capital needs as well.

The capital raise was largely expected (SEK 0,42/share vs. Inderes SEK 0,40/share, 48 MSEK size vs. Inderes 75 MSEK), and the question was more about the terms at which additional funding could be secured. With 34 MSEK of cash at year-end 2023 and net proceeds of 44 MSEK, SciBase's pro forma cash position is 78 MSEK. Assuming a burn rate of 15 MSEK a quarter, the company's financing needs would be met until about the second quarter of 2025. The remaining funding gap, to our estimates, is around 100 MSEK during 2025-2027. We expect SciBase to have improved its business fundamentals by the time of its next potential capital raise in H1'2025. We estimate that the now announced raise was made from a more challenging position, and removing this uncertainty is clearly positive for the company.

The directed issue is subject to the approval of the EGM to be held on May 13, 2024. Given the company's rather acute need for financing, ability for existing shareholders to participate via RI and a

broadening ownership base with institutional investors coming in, we expect the approval to be granted. For the RI, SciBase has received subscription commitments from existing shareholders and members of the Board of Directors and management of about 16%. As the RI comes with warrants (which are an important vehicle for getting exposure to in SciBase's equity value upside), we expect the RI to get fully subscribed.

## Significant number of warrants to be issued form a significant claim to the company's equity

Both RI & DI come with a significant amount of warrants given free of charge in connection with share subscription (4x the number of subscribed shares). Warrants have a strike of SEK 0,42 per share and are 1-to-1 convertible to shares in April 2029. Due to the high number of warrants, 71% of the gains made in SciBase's equity value made after SEK 0,42 per share price are captured with the warrants and only 29% in shares (see chart on right). This means that for SciBase share to appreciate 10% beyond the SEK 0,42 price level, the equity value of SciBase as a whole would need to go up by around 34%.

In practice, this means that warrants may become the primary equity instrument for investors to participate in SciBase's upside until April 2029, instead of common stock. Participants in the DI+RI who receive warrants will have a significant claim to this upside, which supports the likelihood of the raise being successful. We note that new capital raises and share count increases, especially in 2025-27, could change this dynamic in the future.

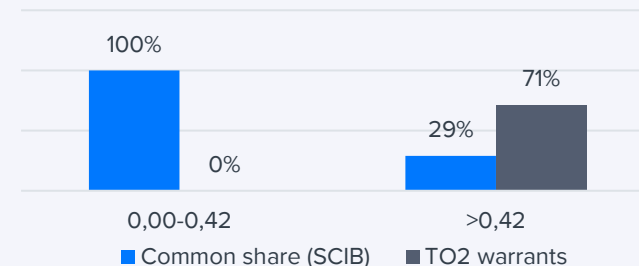
## Changes in number of shares with the arrangement\*

Outstanding shares	Shares, millions	Share of post-arrangement shares, %	Cumulative share count increase, %
<b>Before Rights issue</b>	<b>119,8</b>	<b>15 %</b>	
New shares Rights issue (RI)	35,9	4 %	
<b>Total after the Rights issue (RI)</b>	<b>155,8</b>	<b>19 %</b>	<b>30 %</b>
New shares from Directed issue (DI)	77,9	10 %	
<b>Total after both Issues (DI+RI)</b>	<b>233,7</b>	<b>29 %</b>	<b>95 %</b>
New shares from RI warrants (in 04/2029)	179,7	22 %	
New shares from DI warrants (in 04/2029)	389,5	49 %	
<b>Total after both issues and warrant</b>	<b>802,9</b>	<b>100 %</b>	<b>570 %</b>

Source: Inderes.

\*Assuming both issues are fully subscribed, all warrants are issued and exercised (possible only in 04/2029) and without effects of any potential future capital raises.

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



Source: Inderes.

\*\*Based on 0,42 SEK/share warrant strike, assuming all warrants are exercised in April 2029.

# Timetable of the Rights issue and Directed issue

## Preliminary timetable

17 April 2024	Last day of trading in SciBase's shares including right to receive unit rights
18 April 2024	First day of trading in SciBase's shares excluding right to receive unit rights
19 April 2024	Record date to receive unit rights
23 April 2024 – 2 May 2024	Trading in unit rights
23 April 2024 – 7 May 2024	Subscription period
23 April 2024 - until registration of the Rights Issue with the Swedish Companies Registration Office	Trading in BTU
Around 10 May 2024	Announcement of the outcome of the Rights Issue
13 May 2024	EGM to resolve on the Directed Issue
30 May 2024	The newly issued shares and warrants in the Directed Issue are expected to start trading
3 April 2029 – 17 April 2029	Subscription period for warrants of series TO 2

# Estimates: Capital raises added in full, finance expenses adjusted lower

Estimate revisions	2024e	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	31,9	31,9	0 %	50,4	50,4	0 %	81,5	81,5	0 %
EBITDA	-52,7	-52,7	0 %	-44,0	-44,0	0 %	-26,3	-26,3	0 %
EBIT (exc. NRIs)	-56,1	-56,1	0 %	-46,9	-46,9	0 %	-29,5	-29,5	0 %
EBIT	-56,1	-56,1	0 %	-46,9	-46,9	0 %	-29,5	-29,5	0 %
PTP	-56,7	-56,7	0 %	-52,3	-47,4	9 %	-39,6	-30,0	24 %
EPS (excl. NRIs)	-0,47	-0,24	49 %	-0,44	-0,20	53 %	-0,33	-0,13	61 %
DPS	0,00	0,00		0,00	0,00		0,00	0,00	

Source: Inderes

# Attractive risk/reward in a special situation

In our valuation methods, we assume the rights issue and directed issue will be completed in full, and consequently that all warrants will be issued. As the warrants have a significant equity claim (71 % of equity value above SEK 0,42/share), we have updated all our methods to deduct the value of warrants' equity claims from the equity value of the company. We base this either on our option pricing model or a direct exercise price where applicable. Later, a market price for the warrants will also be available (estimated start of trading May 30). We also highlight that April 17 is the last day to trade SciBase shares including the subscription rights (which also include warrants). We have presented the influence of the ex- unit right - event on our valuation in the next page.

## Our valuation methods point towards attractive risk/reward before ex-unit rights date

The SciBase investment story appears to be on 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 limited visibility on the pace and success of growth, particularly in the US. With the ongoing reimbursement expansion, we expect visibility to improve especially in 2025-2026. As a result, the time needed to reach cash flow neutrality is difficult to assess. If US growth progresses well, SciBase will take clear steps towards cash flow neutrality and be well positioned to raise further capital in 2025-27. Conversely, delays could put the company in a challenging position and lead to more significant dilution that would depress investment returns.

As SciBase's value leans purely on long-term potential, the visibility into which is limited, only inaccurate valuation methods are available, so estimating the fair value of the company accurately is not realistic.

We first approach valuation with multiples by applying a low and high multiple to our 2026e and 2029e estimates. We have adjusted net debt and the number of shares to reflect hypothetical share issues of 50 MSEK in 2025 and 2026, at SEK 0,45/share respectively. We see that the evidence of US growth progress will define the conditions for future raises, and we expect to adjust these assumptions accordingly.

Our multiple-based valuation (see page 9) gives a per-share value ranging from SEK 0,53 to 0,90, As especially year 2029 is very far away and forecast risk is elevated, we feel that the lower end provides a better justified anchoring point for valuation and should get enough drivers from SciBase's business to support it in the next 12 months.

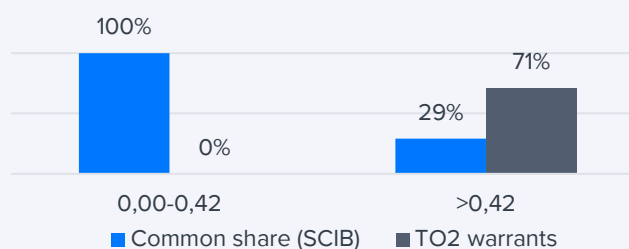
We also use a DCF model to illustrate the long-term potential of the company. The DCF model is very sensitive to the assumptions used, so it also acts as a guide. After deducting the value of the warrants, we arrive at a DCF value of SEK 0,38 per share. After adding back the market value of the RI rights (& warrants) that will be traded with the share until April 17, we arrive at a DCF value of SEK 0,61 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% (was 14.0%). Our DCF assumes that SciBase will finance its growth with debt, which is unlikely due to negative cash flow. We have slightly increased the cost of capital to reflect less favorable financing terms.

With the near-term financing risk under control and the share price (SEK 0,40) well below our valuation methods, we raise our target price to SEK 0,50/share (was SEK 0,45) and find the risk/reward attractive and upgrade our recommendation to Accumulate (was Reduce). If SciBase's growth in the US progresses strongly, we see good drivers to price in more of the future potential in the next 12-24 months.

Valuation	2024e	2025e	2026e
Share price	0,40	0,40	0,40
Number of shares, millions	233,7	233,7	233,7
Market cap	93	93	93
EV	78	132	173
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	3,1	neg.	neg.
P/S	2,9	1,9	1,1
EV/Sales	2,5	2,6	2,1
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 34 %.

\*Based on 0,42 SEK/share warrant strike, assuming all warrants are exercised in April 2029.

# Valuation graphs 1/2

Valuation development during the unit right separation	MSEK	SEK per share
<b>Enterprise value</b>	<b>72</b>	0,31
(+) Net cash (31.12.23)	34	0,15
(+) Net proceeds from RI and DI	44	0,19
<b>Equity value post money</b>	<b>150</b>	<b>0,64</b>
(-) Market value of DI warrants	-25	-0,11
<b>Equity value attributed to shareholders when stock trades WITH subscription rights (Until April 17th)</b>	<b>125</b>	<b>0,53</b>
(-) Market value of RI subscription rights & warrants	-53	-0,23
<b>Equity value attributed to shareholders when stock trades WITHOUT subscription rights (April 18th -&gt;)</b>	<b>72</b>	<b>0,31</b>

2026 scenarios low end	2026 scenarios high end	2029 scenarios low end	2029 scenarios high end	DCF
<b>0,64</b>	<b>0,89</b>	<b>0,79</b>	<b>1,01</b>	<b>0,72</b>
-0,11	-0,11	-0,11	-0,11	-0,11
<b>0,53</b>	<b>0,78</b>	<b>0,68</b>	<b>0,90</b>	<b>0,61</b>
-0,23	-0,23	-0,23	-0,23	-0,23
<b>0,31</b>	<b>0,55</b>	<b>0,45</b>	<b>0,67</b>	<b>0,38</b>

Source: Inderes.

Note: Calculation assumes RI and DI raises are 100 % successful. Warrant valuation based on a separate option pricing model. Market value for warrants will be available May 30<sup>th</sup> (Preliminary).



## Valuation graphs 2/2

<b>2026e, MSEK</b>	<b>Low</b>	<b>High</b>
<b>Sales</b>	<b>81</b>	<b>81</b>
EV/Sales	3,0x	5,0x
<b>EV (Enterprise value)</b>	<b>244</b>	<b>407</b>
(+) Net cash <sup>1</sup>	20	20
<b>Equity value</b>	<b>265</b>	<b>428</b>
(-) Value of warrants	-64	-64
<b>Equity value of common stock</b>	<b>201</b>	<b>364</b>
Per share	0,44	0,80
<b>Per share, discounted to today</b>	<b>0,31</b>	<b>0,55</b>
(+) Rights issue unit right value	0,23	0,23
<b>Per share, discounted to today (incl. unit right)</b>	<b>0,53</b>	<b>0,78</b>

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

<b>2029e, MSEK</b>	<b>Low</b>	<b>High</b>
<b>Revenue</b>	<b>241</b>	<b>241</b>
EV/revenue	3,0x	5,0x
<b>EV (Enterprise value)</b>	<b>724</b>	<b>1 207</b>
(+) Net cash <sup>1</sup>	274	274
<b>Equity value</b>	<b>998</b>	<b>1 481</b>
Per share	0,97	1,44
<b>Per share, discounted to today</b>	<b>0,45</b>	<b>0,67</b>
(+) Rights issue unit right value	0,23	0,23
<b>Per share, discounted to today (incl. unit right)</b>	<b>0,68</b>	<b>0,90</b>

Note: Assumes all warrants are exercised

Situation until April 17<sup>th</sup> (after which the unit right & warrants no longer trade with the stock)

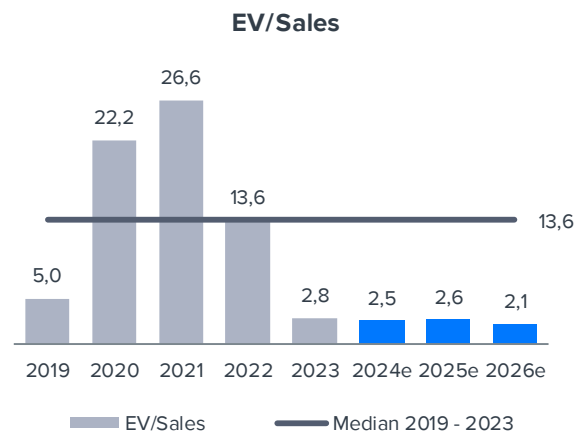
Source: Inderes

1) Adjusted for hypothetical equity issues of 50 MSEK in 2025 and 2026 at 0,45 SEK/share

# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	4,36	4,62	5,52	3,82	0,83	<b>0,40</b>	<b>0,40</b>	<b>0,40</b>	<b>0,40</b>
Number of shares, millions	16,6	54,8	68,5	68,5	119,8	<b>233,7</b>	<b>233,7</b>	<b>233,7</b>	<b>233,7</b>
Market cap	72	253	378	262	99	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
EV	46	212	312	243	65	<b>78</b>	<b>132</b>	<b>173</b>	<b>191</b>
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
P/E	neg.	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
P/B	2,3	5,4	5,3	10,4	2,3	<b>3,1</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
P/S	7,8	26,6	32,2	14,6	4,3	<b>2,9</b>	<b>1,9</b>	<b>1,1</b>	<b>0,7</b>
EV/Sales	5,0	22,2	26,6	13,6	2,8	<b>2,5</b>	<b>2,6</b>	<b>2,1</b>	<b>1,5</b>
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>62,8</b>
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
Payout ratio (%)	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	<b>0,0 %</b>	<b>0,0 %</b>	<b>0,0 %</b>	<b>0,0 %</b>
Dividend yield-%	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	<b>0,0 %</b>	<b>0,0 %</b>	<b>0,0 %</b>	<b>0,0 %</b>

Source: Inderes



# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Revenio Group Oyj	697	693	23,8	19,3	20,9	17,2	6,6	5,8	32,1	25,7	1,5	1,8	6,2
Roche Holding AG	184 667	209 425	10,0	9,0	9,0	8,1	3,4	3,2	13,4	11,9	4,3	4,6	6,8
STRATA Skin Sciences Inc	15	22			13,6	5,5	0,7	0,7					
CellaVision AB	454	450	23,3	18,8	19,7	16,3	6,6	5,8	30,0	23,8	1,1	1,3	6,3
Sectra AB	3 491	3 433	78,0	63,6	64,7	53,7	14,0	11,8	97,5	79,8	0,6	0,7	26,6
ContextVision	44	40	15,7	15,1	9,3	8,6	3,4	3,3	21,9	21,2	6,1	6,9	
Aiforia Technologies	100	92					23,0	13,1				13,0	4,4
Episurf Medical AB	17	12					7,9	3,7					1,8
Dignitana AB	13	14		7,5	13,7	4,3	1,5	1,1		9,4			
Senzime AB	56	44					6,3	2,5					2,8
<b>SciBase AB (Inderes)</b>	<b>8</b>	<b>7</b>	<b>-1,4</b>	<b>-2,8</b>	<b>-1,5</b>	<b>-3,0</b>	<b>2,5</b>	<b>2,6</b>	<b>-1,6</b>	<b>-2,0</b>	<b>0,0</b>	<b>0,0</b>	<b>3,1</b>
<b>Average</b>			<b>30,2</b>	<b>22,2</b>	<b>21,5</b>	<b>16,2</b>	<b>7,4</b>	<b>5,1</b>	<b>39,0</b>	<b>28,6</b>	<b>2,7</b>	<b>4,7</b>	<b>7,9</b>
<b>Median</b>			<b>23,3</b>	<b>17,0</b>	<b>13,7</b>	<b>8,6</b>	<b>6,4</b>	<b>3,5</b>	<b>30,0</b>	<b>22,5</b>	<b>1,5</b>	<b>3,2</b>	<b>6,2</b>
<b>Diff-% to median</b>			<b>-106 %</b>	<b>-117 %</b>	<b>-111 %</b>	<b>-135 %</b>	<b>-62 %</b>	<b>-25 %</b>	<b>-106 %</b>	<b>-109 %</b>	<b>-100 %</b>	<b>-100 %</b>	<b>-50 %</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	17,9	5,1	5,1	7,2	5,8	23,2	6,8	7,3	9,8	8,1	31,9	50,4	81,5	129
EBITDA	-42,8	-10,0	-12,8	-12,0	-15,7	-50,6	-12,8	-13,2	-12,7	-14,0	-52,7	-44,0	-26,3	3,0
Depreciation	-3,7	-0,8	-1,0	-0,7	-0,9	-3,4	-0,9	-0,9	-0,9	-0,9	-3,5	-3,0	-3,2	-3,5
EBIT (excl. NRI)	-46,4	-10,8	-13,8	-12,7	-16,6	-53,9	-13,7	-14,1	-13,6	-14,8	-56,1	-46,9	-29,5	-0,4
EBIT	-46,4	-10,8	-13,8	-12,7	-16,6	-53,9	-13,7	-14,1	-13,6	-14,8	-56,1	-46,9	-29,5	-0,4
Net financial items	3,2	-0,1	2,5	-0,1	-3,9	-1,6	-0,1	-0,1	-0,1	-0,1	-0,6	-0,5	-0,5	-0,5
PTP	-43,2	-10,9	-11,4	-12,8	-20,5	-55,6	-13,8	-14,2	-13,7	-15,0	-56,7	-47,4	-30,0	-0,9
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	-10,9	-11,4	-12,8	-20,5	-55,6	-13,8	-14,2	-13,7	-15,0	-56,7	-47,4	-30,0	-0,9
EPS (adj.)	-0,63	-0,15	-0,09	-0,11	-0,17	-0,51	-0,12	-0,07	-0,06	-0,06	-0,24	-0,20	-0,13	0,00
EPS (rep.)	-0,63	-0,15	-0,09	-0,11	-0,17	-0,51	-0,12	-0,07	-0,06	-0,06	-0,24	-0,20	-0,13	0,00
<b>Key figures</b>	<b>2022</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23</b>	<b>2023</b>	<b>Q1'24e</b>	<b>Q2'24e</b>	<b>Q3'24e</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Revenue growth-%	52,6 %	20,9 %	36,5 %	46,7 %	16,1 %	29,9 %	31,2 %	44,5 %	34,6 %	39,9 %	37,3 %	57,9 %	61,6 %	58,7 %
Adjusted EBIT growth-%	11,6 %	11,2 %	18,0 %	11,9 %	21,7 %	16,2 %	26,9 %	1,7 %	6,7 %	-10,7 %	4,1 %	-16,4 %	-37,2 %	-98,6 %
EBITDA-%	-239,1 %	-193,8 %	-252,1 %	-165,8 %	-272,9 %	-217,5 %	-189,8 %	-179,5 %	-130,4 %	-173,0 %	-165,0 %	-87,2 %	-32,3 %	2,4 %
Adjusted EBIT-%	-259,5 %	-209,4 %	-271,9 %	-175,7 %	-288,0 %	-232,0 %	-202,6 %	-191,3 %	-139,2 %	-183,8 %	-175,9 %	-93,1 %	-36,2 %	-0,3 %
Net earnings-%	-241,3 %	-211,8 %	-223,2 %	-176,4 %	-356,3 %	-239,1 %	-204,6 %	-193,2 %	-140,7 %	-185,5 %	-177,6 %	-94,1 %	-36,8 %	-0,7 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>9,2</b>	<b>8,6</b>	<b>8,5</b>	<b>9,0</b>	<b>9,9</b>
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	8,5	9,0	9,9
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
<b>Current assets</b>	<b>40,6</b>	<b>55,7</b>	<b>49,7</b>	<b>62,1</b>	<b>95,9</b>
Inventories	7,3	11,9	13,4	21,2	34,2
Other current assets	0,6	0,6	0,6	0,6	0,6
Receivables	13,9	9,1	20,8	30,3	44,8
Cash and equivalents	18,8	34,1	15,0	10,1	16,3
<b>Balance sheet total</b>	<b>49,9</b>	<b>64,3</b>	<b>58,3</b>	<b>71,2</b>	<b>106</b>

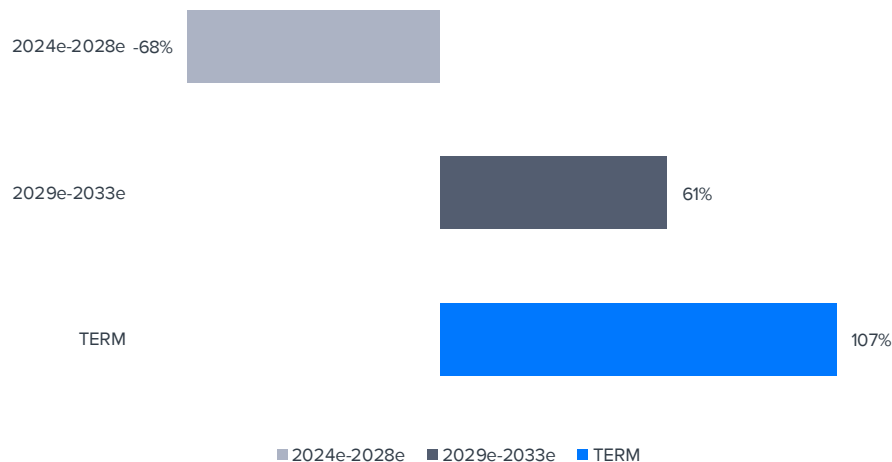
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>25,2</b>	<b>43,1</b>	<b>30,2</b>	<b>-17,3</b>	<b>-47,3</b>
Share capital	3,4	6,0	11,7	11,7	11,7
Retained earnings	-615,2	-668,4	-725,1	-772,5	-802,5
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	744	744	744
Minorities	0,0	0,0	0,0	0,0	0,0
<b>Non-current liabilities</b>	<b>5,2</b>	<b>4,2</b>	<b>4,2</b>	<b>53,2</b>	<b>100</b>
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	49,0	95,9
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
<b>Current liabilities</b>	<b>19,4</b>	<b>17,1</b>	<b>23,9</b>	<b>35,3</b>	<b>52,9</b>
Interest bearing debt	0,0	0,0	0,0	0,0	0,0
Payables	15,4	17,1	23,9	35,3	52,9
Other current liabilities	4,0	0,0	0,0	0,0	0,0
<b>Balance sheet total</b>	<b>49,9</b>	<b>64,3</b>	<b>58,3</b>	<b>71,2</b>	<b>106</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	29,9 %	37,3 %	57,9 %	61,6 %	58,7 %	41,6 %	31,9 %	26,9 %	14,3 %	5,0 %	2,5 %	2,5 %
EBIT-%	-232,0 %	-175,9 %	-93,1 %	-36,2 %	-0,3 %	17,0 %	21,2 %	22,8 %	22,1 %	24,0 %	25,0 %	25,0 %
<b>EBIT (operating profit)</b>	<b>-53,9</b>	<b>-56,1</b>	<b>-46,9</b>	<b>-29,5</b>	<b>-0,4</b>	<b>31,1</b>	<b>51,2</b>	<b>69,9</b>	<b>77,2</b>	<b>88,2</b>	<b>94,2</b>	
+ Depreciation	3,4	3,5	3,0	3,2	3,5	4,0	4,7	5,5	6,4	7,3	8,2	
- Paid taxes	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-14,7	-17,6	-19,3	
- Tax, financial expenses	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-1,2	-0,5	-0,1	
+ 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	-6,3	-5,9	-9,9	-15,3	-17,2	-18,7	-20,8	-14,0	-12,9	-10,7	
<b>Operating cash flow</b>	<b>-52,7</b>	<b>-59,0</b>	<b>-49,9</b>	<b>-36,3</b>	<b>-12,3</b>	<b>17,9</b>	<b>37,2</b>	<b>54,7</b>	<b>53,7</b>	<b>64,4</b>	<b>72,3</b>	
+ 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	-10,0	-11,0	
<b>Free operating cash flow</b>	<b>-56,5</b>	<b>-62,4</b>	<b>-53,4</b>	<b>-40,3</b>	<b>-17,3</b>	<b>11,9</b>	<b>30,2</b>	<b>46,7</b>	<b>44,7</b>	<b>54,4</b>	<b>61,3</b>	
+/- Other	0,0	43,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
FCFF	-56,5	-18,6	-53,4	-40,3	-17,3	11,9	30,2	46,7	44,7	54,4	61,3	530
<b>Discounted FCFF</b>		<b>-16,9</b>	<b>-42,3</b>	<b>-27,9</b>	<b>-10,5</b>	<b>6,3</b>	<b>14,0</b>	<b>18,9</b>	<b>15,8</b>	<b>16,9</b>	<b>16,6</b>	<b>144</b>
Sum of FCFF present value		135	151	194	222	232	226	212	193	177	160	144
<b>Enterprise value DCF</b>		<b>135</b>										
- Interest bearing debt		0,0										
+ Cash and cash equivalents		34,1										
- Minorities		0,0										
- Dividend/capital return		0,0										
<b>Equity value DCF</b>		<b>169</b>										
- Value of warrants		-79,2										
<b>Equity value of common stock DCF</b>		<b>89,5</b>										
<b>Equity value of common stock DCF per share</b>		<b>0,38</b>										

## Cash flow distribution



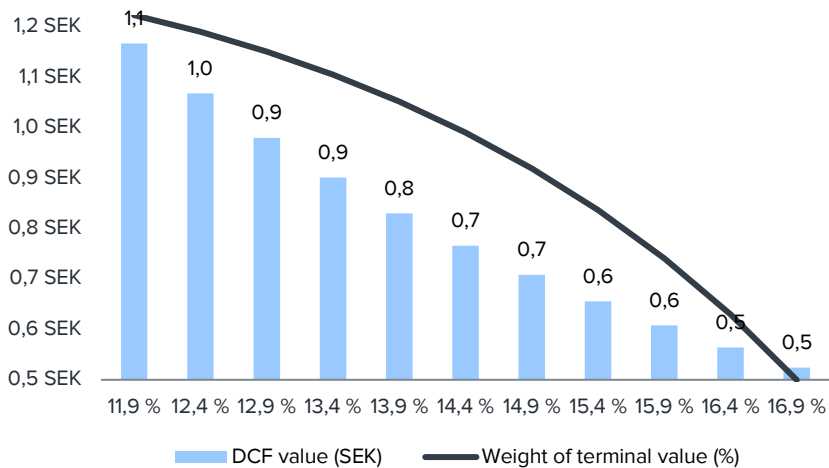
## WACC

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 %
<b>Cost of equity</b>	<b>15,1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>14,4 %</b>

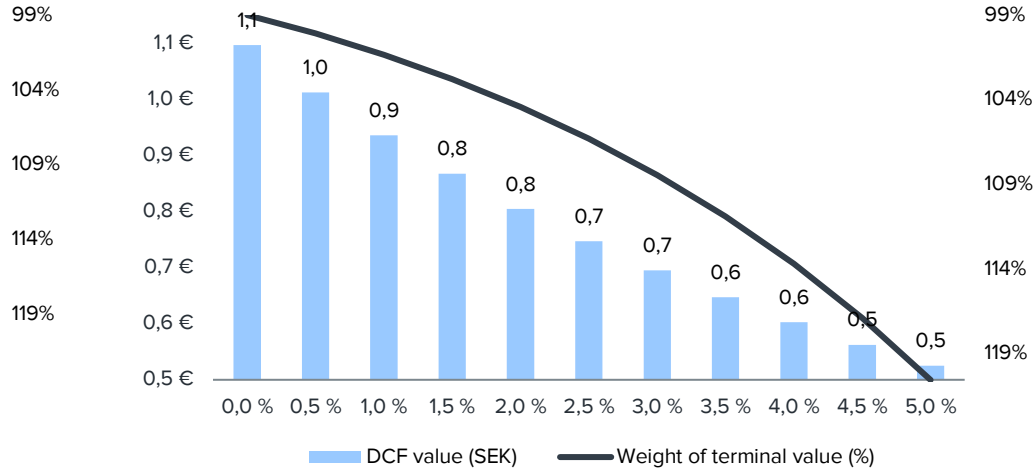
Source: Inderes

# DCF sensitivity calculations and key assumptions in graphs

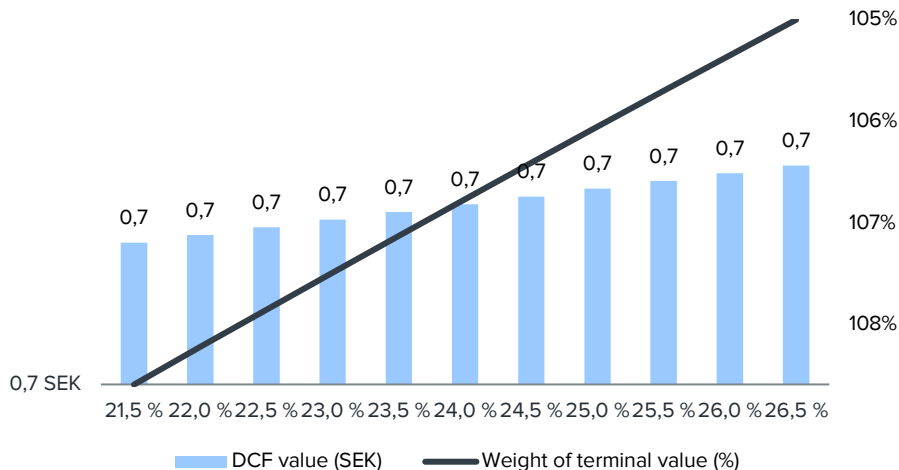
Sensitivity of DCF to changes in the WACC-%



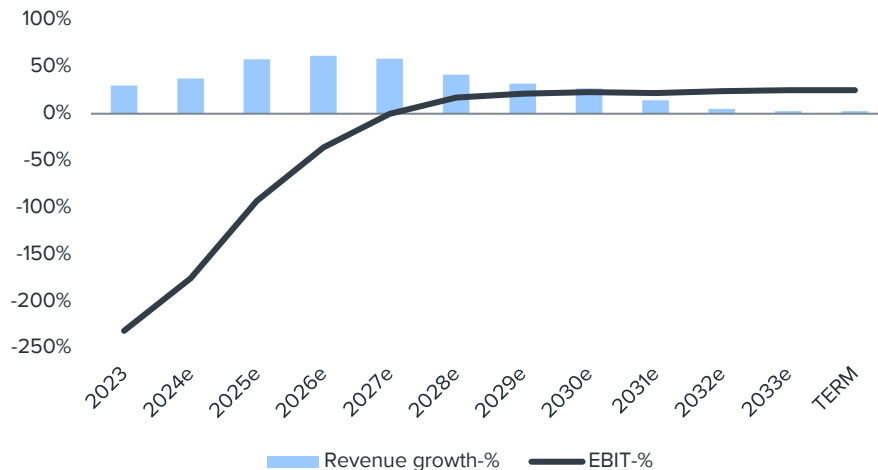
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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	<b>31,9</b>	<b>50,4</b>	EPS (reported)	-0,67	-0,63	-0,51	<b>-0,24</b>	<b>-0,20</b>
EBITDA	-38,7	-42,8	-50,6	<b>-52,7</b>	<b>-44,0</b>	EPS (adj.)	-0,67	-0,63	-0,51	<b>-0,24</b>	<b>-0,20</b>
EBIT	-41,6	-46,4	-53,9	<b>-56,1</b>	<b>-46,9</b>	OCF / share	-0,61	-0,65	-0,49	<b>-0,25</b>	<b>-0,21</b>
PTP	-41,8	-43,2	-55,6	<b>-56,7</b>	<b>-47,4</b>	FCF / share	-0,66	-0,70	-0,52	<b>-0,27</b>	<b>-0,23</b>
Net Income	-41,8	-43,2	-55,6	<b>-56,7</b>	<b>-47,4</b>	Book value / share	1,13	0,37	0,40	<b>0,13</b>	<b>-0,07</b>
Extraordinary items	0,0	0,0	0,0	<b>0,0</b>	<b>0,0</b>	Dividend / share	0,00	0,00	0,00	<b>0,00</b>	<b>0,00</b>
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	85,5	49,9	64,3	<b>58,3</b>	<b>71,2</b>	Revenue growth-%	23 %	53 %	30 %	<b>37 %</b>	<b>58 %</b>
Equity capital	70,8	25,2	43,1	<b>30,2</b>	<b>-17,3</b>	EBITDA growth-%	20 %	11 %	18 %	<b>4 %</b>	<b>-17 %</b>
Goodwill	0,0	0,0	0,0	<b>0,0</b>	<b>0,0</b>	EBIT (adj.) growth-%	20 %	12 %	16 %	<b>4 %</b>	<b>-16 %</b>
Net debt	-65,6	-18,8	-34,1	<b>-15,0</b>	<b>38,9</b>	EPS (adj.) growth-%	-40 %	-5 %	-18 %	<b>-53 %</b>	<b>-16 %</b>
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-329,6 %	-239,1 %	-217,5 %	<b>-165,0 %</b>	<b>-87,2 %</b>
EBITDA	-38,7	-42,8	-50,6	<b>-52,7</b>	<b>-44,0</b>	EBIT (adj.)-%	-354,8 %	-259,5 %	-232,0 %	<b>-175,9 %</b>	<b>-93,1 %</b>
Change in working capital	0,3	-2,0	-2,1	<b>-6,3</b>	<b>-5,9</b>	EBIT-%	-354,8 %	-259,5 %	-232,0 %	<b>-175,9 %</b>	<b>-93,1 %</b>
Operating cash flow	-38,3	-44,7	-52,7	<b>-59,0</b>	<b>-49,9</b>	ROE-%	-71,0 %	-89,9 %	-162,8 %	<b>-154,9 %</b>	<b>-736,9 %</b>
CAPEX	-1,7	-7,8	-2,8	<b>-3,4</b>	<b>-3,5</b>	ROI-%	-70,7 %	-96,7 %	-158,0 %	<b>-153,4 %</b>	<b>-151,8 %</b>
Free cash flow	-41,4	-47,6	-56,5	<b>-62,4</b>	<b>-53,4</b>	Equity ratio	82,8 %	50,6 %	66,9 %	<b>51,7 %</b>	<b>-24,3 %</b>
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-92,7 %	-74,6 %	-79,2 %	<b>-49,7 %</b>	<b>-225,1 %</b>
EV/S	26,6	13,6	2,8	<b>2,5</b>	<b>2,6</b>						
EV/EBITDA (adj.)	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>						
EV/EBIT (adj.)	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>						
P/E (adj.)	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>						
P/B	5,3	10,4	2,3	<b>3,1</b>	<b>neg.</b>						
Dividend-%	0,0 %	0,0 %	0,0 %	<b>0,0 %</b>	<b>0,0 %</b>						

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



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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

**Connecting investors  
and listed companies.**