SciBase Holding

Company report

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Still waiting for more signals of accelerating growth

SciBase's revenue growth fell short of expectations in Q2, but cash burn remained stable. Steps towards faster growth in the US continue, and a local competitor's recent bankruptcy has given SciBase room to step up commercial efforts. This gives us a slightly more optimistic view of the conditions for commercial progress in the US, but we still expect revenue growth to accelerate only from 2025 onwards. Given that visibility on the pace of revenue growth and the timing of cash flow break-even remains weak, we still believe that the current valuation does not provide an attractive risk/reward. We raise our target price to 0.40 SEK/share (was 0.32 SEK) and repeat our Reduce-recommendation.

Good growth with controlled cash burn, but no improved visibility on pace of progress

SciBase's Q2 revenue grew at a softer +31% (Inderes +45%) to 6.6 MSEK, but with profitability at the expected level (Q1'24: -14.7 MSEK) as costs were slightly below our estimate. As expected, growth was driven by increased Nevisense usage and the related consumables sales (Q1'24: 6.1 MSEK, +32% y/y) in Germany and the US. Cash burn remained stable, and the company is on track to be funded until around the end of Q1'25. While SciBase keeps pushing forward in the US reimbursement coverage, the report did not add visibility to the pace of this progress, keeping uncertainty high.

Investment case rests on attractive foundation

SciBase's medical device, Nevisense, is primarily used to improve the accuracy of skin cancer diagnosis. We do not yet 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 initially in the US, the two largest markets for skin cancer detection, although this has not yet translated into significant revenue levels. SciBase's high-margin consumable-based business model is highly recurring and scalable, and with larger scale should have good profitability potential. In the US, SciBase focuses on expanding insurance reimbursement coverage to unlock faster growth. We've written about the company in detail in our extensive report.

Conditions for faster growth are building up, although not everything is in the company's own hands

We made minor estimate cuts (1-5 % for revenues & profits) for the next few years based on the Q2 report. We expect SciBase's commercial efforts (especially reimbursement coverage expansion) to gradually translate into faster revenue growth in 2025-2028. In our estimates annual revenue growth would be around 55-65% from a low base to 290 MSEK+ in 2030 and EBIT margin would strengthen from a loss-making investment phase to 0% in 2027 and towards 25% in 2033. This requires SciBase to be very successful in growth, especially within skin cancer, and positive influence from factors outside the company's own control (insurance companies & potential customers). SciBase is currently funded until around Q1/2025, but we expect the company to raise a total of ~120 MSEK more in 2025-26.

Potential is currently priced in more cautiously, but in our view, still justifiably, as break-even risks take longer

SciBase's valuation balances the clear potential of its high-margin Nevisense platform with the risks associated with its realization, as slower progress would mean further dilution and weak investment returns. Our valuation scenarios for 2026 and 2029 as well as DCF model point towards a valuation of SEK 0.33-0.67/share (prev. 0.31-0.61). As there are still few tangible forward-looking indicators giving us confidence that growth will accelerate according to our estimates, we continue to anchor towards the lower end and take a cautious view at the current valuation. As the US commercial environment has developed favorably, we have moved our target price slightly up in the valuation range.

Recommendation

Reduce
(prev. Reduce)

0,40 SEK
(prev. 0,32 SEK)

Share price:
0,43

Business risk

Valuation risk
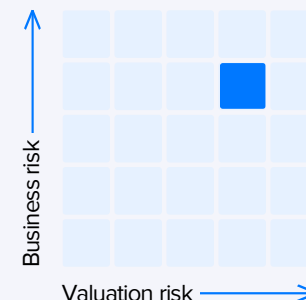
Key indicators*

	2023	2024e	2025e	2026e
Revenue	23,2	29,6	45,8	76,1
growth-%	30 %	27 %	55 %	66 %
EBIT adj.	-53,9	-57,8	-48,7	-29,9
EBIT-% adj.	-232,0 %	-195,2 %	-106,2 %	-39,3 %
Net Income	-53,9	-54,9	-49,2	-30,4
EPS (adj.)	-0,50	-0,30	-0,22	-0,14
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	2,3	4,1	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
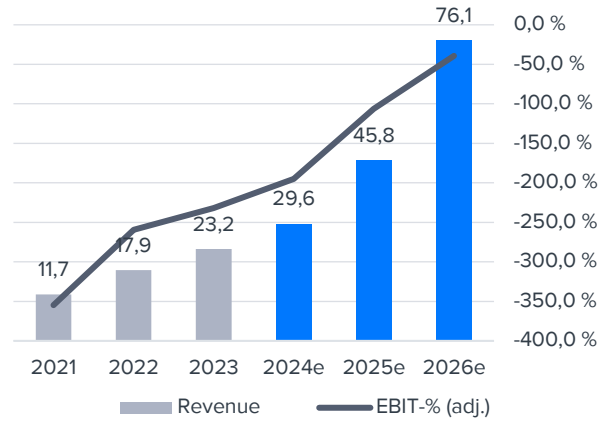
Guidance   (Unchanged)

Osakekurssi
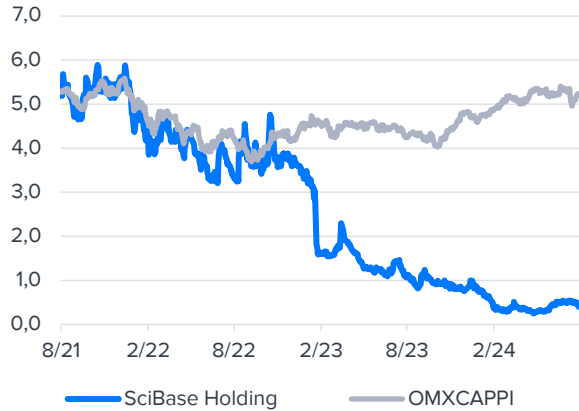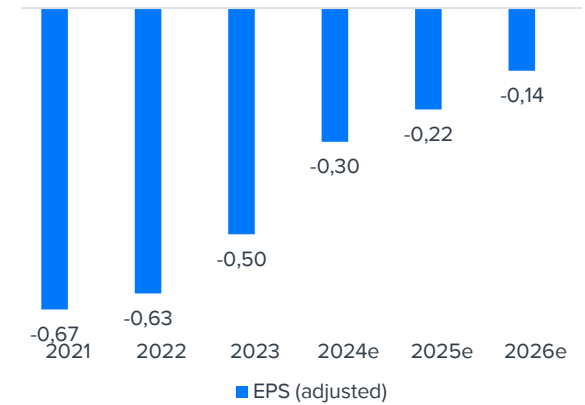

Source: Millistream Market Data AB

Liikevaihto ja liikevoitto-%

Source: Inderes

Osakekohtainen tulos ja osinko

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 in 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 delay in growing sales in the US market
- Competition from similar or substitute products
- Any potential new regulatory hurdles leading to delays and additional expenses

Valuation	2024e	2025e	2026e
Share price	0,43	0,43	0,43
Number of shares, millions	219,5	219,5	219,5
Market cap	94	94	94
EV	83	138	182
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	4,1	neg.	neg.
P/S	3,2	2,1	1,2
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

Revenue below expectations, but no surprises with cash burn

Increasing Nevisense usage continues to drive revenue growth

SciBase's Q2 revenue grew by 31 % to 6.6 MSEK, slower than our expectations (Inderes: +45%). In absolute terms, the miss was more modest (Inderes: 7.3 MSEK). As expected, the growth was driven by the increased Nevisense usage and the related consumables sales (Q2'24: 6.1 MSEK, +32% y/y), which also mostly explained revenue landing below our estimate. Device sales were also more muted.

Revenue grew especially in Germany (Q2'24: 5,2 MSEK, +12% y/y) and the US (Q2'24: 0,7 MSEK, +468% from a very weak comparison period), although US revenue did not grow markedly from Q1'24 levels.

SciBase's growth throughout H1 fell short of our expectations, but quarterly revenue volatility from order timing is normal for SciBase. We don't put too much weight on individual quarters' revenues, as faster revenue growth in the large US market is still locked behind insurance coverage ramp-up. Consequently, the current level of revenue growth is not in line with what we expect the company to be able to achieve starting some 12-24 months from now.

Profitability remained clearly in the red, funding still on track to last until Q1/2025

SciBase's Q2 EBIT was exactly as expected at a low absolute level of -14.7 MSEK or roughly -221% of revenue. The decrease from last year's level (Q2'23: -13.8 MSEK) was caused by increased fixed cost ramp-up during the rest of 2023. In aggregate, the cost level was slightly better than expected, and the revenue miss did not result into higher losses. Gross margins were still at a strong level of around 69%. SciBase continues to make upfront investments in the commercialization of Nevisense, especially in the US, meaning that they carry additional fixed costs that keep the profitability negative before their high gross margin revenue increases sufficiently. Investments have continued to ramp up with the hiring of former DermTech (competitor filed for bankruptcy) employee(s) in Q3.

SciBase's cash burn was around ~15 MSEK in Q2, exactly at the level we expected. With a net cash balance of ~43 MSEK at the end of Q2'24 and our expected burn rate of around 15 MSEK/quarter, the company should have cash runway until Q1/2025. With the strengthened owner base in May, we see the company's access to financing is at a good level, although the terms will depend on the progress of the company's investment case.

Progress and visibility toward faster growth and cash flow neutrality remain key

SciBase is still in an early growth stage. In our books, the investment case hinges on a successful significant step-up in US sales, which could take the company to cash flow positive (2027 in our estimates). This requires that Nevisense's insurance coverage in the US increases, which we then expect to be more clearly reflected in revenue around 2025-2026. Hence, any added visibility to the progress of commercialization and timelines already in the next 12 months would be valuable.

The report's commentary on sales in Germany and the US were still generally positive, and other than a lower overall revenue growth rate in H1'24, no major concerns about the outlook have emerged. DermTech's bankruptcy has allowed SciBase to make key hires and get more room to operate in US, which we find promising. However, the report did not include any clear forward-looking signals of accelerating revenue growth ahead. Hence, the uncertainties related to our near-term estimates remain as high as before the report, which was a slightly negative surprise that we saw in the Q1 report as well.

Estimates	Q2'23	Q2'24	Q2'24e	Q2'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	5,1	6,6	7,3				-10 %	29,6
EBITDA	-12,8	-13,9	-14,0				1 %	-54,6
EBIT (adj.)	-13,8	-14,7	-14,9				1 %	-57,8
PTP	-13,8	-15,1	-15,0				-1 %	-54,9
EPS (adj.)	-0,12	-0,08	-0,08				0 %	-0,25
Revenue growth-%	36,5 %	30,6 %	44,5 %				-13,9 pp	27,4 %
EBIT-% (adj.)	-271,9 %	-221,4 %	-202,1 %				-19,3 pp	-195,2 %

Source: Inderes

Some estimate cuts in the short run, but longer-term expectations remain stable

Estimate changes 2024e-2026e

- SciBase's Q2 revenue came in below our expectations. As this happened in Q1 as well, we made some further estimate cuts and postponed our growth expectations slightly. The effects are mostly in the years 2024-2027, but our longer-term revenue outlook remains quite unchanged.
- On the profitability front, we expect some additional costs from the US sales efforts (DermTech recruitments). As the company is still burning cash, it is operating with tight margins with the ability to invest in growth. However, we believe the DermTech bankruptcy and available talent is a smart investment to speed up sales efforts in the US ahead of reimbursement expansion.
- In total, our profitability estimates for the near future were somewhat reduced, but not significantly, and we still expect around 15 MSEK/quarter cash burn rate to continue in the near future. Our longer-term profitability estimates remain relatively unchanged (EBIT break-even still in estimates for 2027).

Estimate revisions	2024e	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	31,2	29,6	-5 %	47,6	45,8	-4 %	77,1	76,1	-1 %
EBITDA	-53,1	-54,6	-3 %	-44,2	-45,6	-3 %	-25,9	-26,7	-3 %
EBIT (exc. NRIs)	-56,4	-57,8	-2 %	-47,2	-48,7	-3 %	-29,1	-29,9	-3 %
EBIT	-56,4	-57,8	-2 %	-47,2	-48,7	-3 %	-29,1	-29,9	-3 %
PTP	-53,3	-54,9	-3 %	-47,7	-49,2	-3 %	-29,6	-30,4	-3 %
EPS (excl. NRIs)	-0,24	-0,25	-3 %	-0,22	-0,22	-3 %	-0,13	-0,14	-3 %
DPS	0,00	0,00		0,00	0,00		0,00	0,00	

Source: Inderes

Risk/reward remains weak at current valuation

Potential is not yet priced in, but in our view, this is justified before further signals of accelerating growth

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. As a result, the time needed to reach cash flow neutrality is highly uncertain. If US growth progresses well, SciBase will take clear steps towards cash flow neutrality and be well positioned to raise further capital in 2025-26 (funding gap ~120 MSEK). Conversely, delays would cause more cash to be burned and can lead to more significant dilution that would lead to 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 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 share issues of 60 MSEK each in 2025 and 2026, at SEK 0.40 and 0.45/share respectively (was at SEK 0.32 and 0.45). These assumptions will continue to update on the go, as we see that the evidence of US growth progress will define the terms for capital raises.

ranging from SEK 0.33 to 0.67/share (was SEK 0.31 to 0.61). As 2029 in particular is a long way off and the forecast risks are elevated, we feel that the lower end currently provides a better anchoring point for valuation. However, as we see the DermTech bankruptcy improving the conditions for SciBase's growth in the US, we can justify moving the anchor point slightly up in the valuation range. In our view, pricing in significantly more of the company's potential would still require clear signs of US growth succeeding and visibility on the pace of growth.

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 0.50 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 DCF assumes that SciBase will finance its growth with debt, which is unlikely due to negative cash flow. Our cost of capital is slightly elevated to reflect our assumption of less favorable equity financing terms.

The share price (SEK 0.43) is aligned with the lower half of our valuation methods (SEK 0.31-0.67/share) and, in our view, currently does not provide enough cover for risks related to revenue growth's acceleration. We therefore see the 12-month risk/reward as not attractive enough. We adjust our target price to SEK 0.40/share (was 0.32) with the favorable US market conditions and re-iterate our Reduce recommendation. We continue to watch closely for any signs of accelerating growth, especially in the US, which could turn the risk/reward profile more attractive by providing drivers toward the upper part of the range. If US growth and future share issues are 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.

Valuation	2024e	2025e	2026e
Share price	0,43	0,43	0,43
Number of shares, millions	219,5	219,5	219,5
Market cap	94	94	94
EV	83	138	182
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	4,1	neg.	neg.
P/S	3,2	2,1	1,2
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
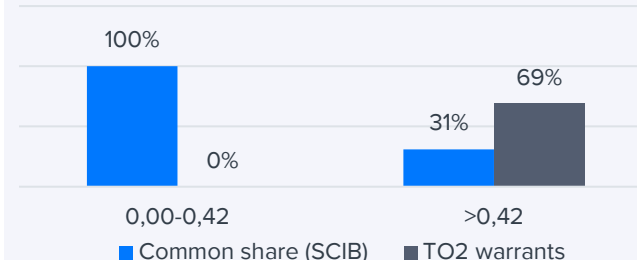
Source: Inderes.

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 33 %.

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

Valuation scenarios

2026e, MSEK	Low	High
Sales	76	76
EV/Sales	3,0x	5,0x
EV (Enterprise value)	228	381
(+) Net cash[1]	33	33
Equity value	261	413
(-) Value of warrants	-36	-74
Equity value of common stock	226	339
Per share[1]	0,45	0,67
Per share, discounted to today	0,33	0,49

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

2029e, MSEK	Low	High
Revenue	228	228
EV/revenue	3,0x	5,0x
EV (Enterprise value)	684	1 140
(+) Net cash[1]	242	242
Equity value	926	1 382
Per share[1]	0,92	1,38
Per share, discounted to today	0,45	0,67

Note: Assumes all warrants are excercised

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	4,36	4,62	5,52	3,82	0,83	0,43	0,43	0,43	0,43
Number of shares, millions	16,6	54,8	68,5	68,5	119,8	219,5	219,5	219,5	219,5
Market cap	72	253	378	262	99	94	94	94	94
EV	46	212	312	243	65	83	138	182	205
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/E	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/B	2,3	5,4	5,3	10,4	2,3	4,1	neg.	neg.	neg.
P/S	7,8	26,6	32,2	14,6	4,3	3,2	2,1	1,2	0,8
EV/Sales	5,0	22,2	26,6	13,6	2,8	2,8	3,0	2,4	1,7
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	63,4
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
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

EV/Sales

Legend: EV/Sales ▬ Median 2019 - 2023
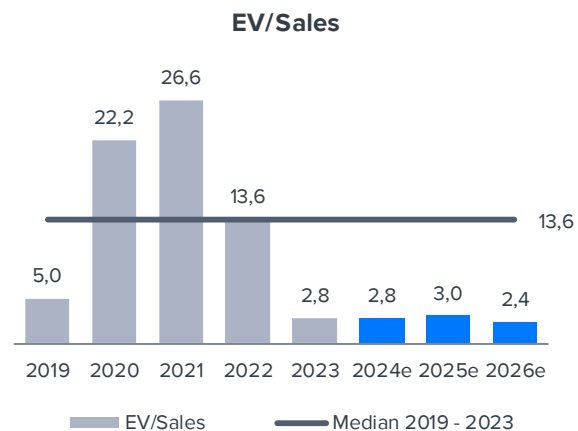
Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT 2024e	EV/EBIT 2025e	EV/EBITDA 2024e	EV/EBITDA 2025e	EV/S 2024e	EV/S 2025e	P/E 2024e	P/E 2025e	Dividend yield-% 2024e	Dividend yield-% 2025e	P/B 2024e
Revenio Group Oyj	845	843	30,1	23,7	25,9	21,4	8,0	7,1	40,3	31,4	1,3	1,5	7,7
Roche Holding AG	243 636	274 787	12,4	11,1	11,1	10,0	4,3	4,0	16,8	14,9	3,3	3,6	8,8
STRATA Skin Sciences Inc	10	18				6,3	0,6	0,6					
CellaVision AB	552	546	30,3	23,8	25,1	20,5	8,1	7,1	39,3	30,2	0,9	1,1	7,6
Sectra AB	4 133	4 065	91,6	72,2	76,0	61,1	16,5	14,0	114,3	90,7	0,5	0,6	31,3
ContextVision	39	34	13,3	12,8	7,9	7,3	2,9	2,8	19,2	18,6	6,9	7,8	
Aiforia Technologies	131	123					30,7	17,6				11,0	3,8
Episurf Medical AB	10	3					2,5	1,2					0,9
Dignitana AB	9	10		5,2	9,6	3,0	1,1	0,8		6,3			
Senzime AB	79	69					10,7	4,4					3,8
SciBase Holding (Inderes)	**8**	**7**	**-1,4**	**-2,8**	**-1,5**	**-3,0**	**2,8**	**3,0**	**-1,5**	**-1,9**	**0,0**	**0,0**	**4,1**
Average			**35,5**	**24,8**	**25,9**	**18,5**	**8,5**	**5,9**	**46,0**	**32,0**	**2,6**	**4,3**	**9,1**
Median			**30,1**	**18,2**	**18,1**	**10,0**	**6,2**	**4,2**	**39,3**	**24,4**	**1,3**	**2,6**	**7,6**
Diff-% to median			*-105 %*	*-116 %*	*-108 %*	*-130 %*	*-55 %*	*-28 %*	*-104 %*	*-108 %*	*-100 %*	*-100 %*	*-46 %*

Source: Refinitiv / Inderes

Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	17,9	5,1	5,1	7,2	5,8	23,2	6,1	6,6	8,1	8,8	29,6	45,8	76,1	122
EBITDA	-42,8	-10,0	-12,8	-12,0	-15,7	-50,6	-13,4	-13,9	-13,5	-13,7	-54,6	-45,6	-26,7	3,2
Depreciation	-3,7	-0,8	-1,0	-0,7	-0,9	-3,4	-0,8	-0,8	-0,8	-0,8	-3,2	-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	-14,3	-14,5	-57,8	-48,7	-29,9	-0,3
EBIT	-46,4	-10,8	-13,8	-12,7	-16,6	-53,9	-14,3	-14,7	-14,3	-14,5	-57,8	-48,7	-29,9	-0,3
Net financial items	3,2	0,0	0,0	0,0	0,0	0,0	3,4	-0,3	-0,1	-0,1	2,9	-0,5	-0,5	-0,5
PTP	-43,2	-10,8	-13,8	-12,7	-16,6	-53,9	-10,9	-15,1	-14,4	-14,6	-54,9	-49,2	-30,4	-0,8
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	-14,4	-14,6	-54,9	-49,2	-30,4	-0,8
EPS (adj.)	-0,63	-0,15	-0,12	-0,11	-0,14	-0,50	-0,09	-0,08	-0,07	-0,07	-0,25	-0,22	-0,14	0,00
EPS (rep.)	-0,63	-0,15	-0,12	-0,11	-0,14	-0,50	-0,09	-0,08	-0,07	-0,07	-0,30	-0,22	-0,14	0,00

Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	52,6 %	20,9 %	36,5 %	46,7 %	16,1 %	29,9 %	17,6 %	30,6 %	12,2 %	52,2 %	27,4 %	54,7 %	66,2 %	60,3 %
Adjusted EBIT growth-%	11,6 %	11,2 %	18,0 %	11,9 %	21,7 %	16,2 %	32,3 %	6,3 %	12,6 %	-12,7 %	7,1 %	-15,8 %	-38,5 %	-99,1 %
EBITDA-%	-239,1 %	-193,8 %	-252,1 %	-165,8 %	-272,9 %	-217,5 %	-221,8 %	-209,5 %	-166,6 %	-156,2 %	-184,4 %	-99,5 %	-35,1 %	2,6 %
Adjusted EBIT-%	-259,5 %	-209,4 %	-271,9 %	-175,7 %	-288,0 %	-232,0 %	-235,5 %	-221,4 %	-176,2 %	-165,1 %	-195,2 %	-106,2 %	-39,3 %	-0,2 %
Net earnings-%	-241,3 %	-209,4 %	-271,9 %	-175,7 %	-288,0 %	-232,0 %	-179,3 %	-226,6 %	-177,4 %	-166,3 %	-185,5 %	-107,3 %	-40,0 %	-0,6 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	**9,2**	**8,6**	**8,8**	**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	8,8	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**	**40,7**	**54,2**	**89,7**
Inventories	7,3	11,9	12,4	19,2	32,0
Other current assets	0,6	0,6	0,6	0,6	0,6
Receivables	13,9	9,1	16,3	25,2	41,9
Cash and equivalents	18,8	34,1	11,4	9,2	15,2
Balance sheet total	**49,9**	**64,3**	**49,5**	**63,4**	**99,7**

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	**25,2**	**43,1**	**23,1**	**-26,0**	**-56,4**
Share capital	3,4	6,0	11,7	11,7	11,7
Retained earnings	-615,2	-668,4	-723,3	-772,5	-802,9
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	735	735	735
Minorities	0,0	0,0	0,0	0,0	0,0
Non-current liabilities	**5,2**	**4,2**	**4,2**	**57,4**	**107**
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	53,2	102
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**	**22,2**	**32,1**	**49,5**
Interest bearing debt	0,0	0,0	0,0	0,0	0,0
Payables	15,4	17,1	22,2	32,1	49,5
Other current liabilities	4,0	0,0	0,0	0,0	0,0
Balance sheet total	**49,9**	**64,3**	**49,5**	**63,4**	**99,7**

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	29,9 %	27,4 %	54,7 %	66,2 %	60,3 %	41,6 %	31,9 %	26,9 %	14,3 %	5,0 %	2,5 %	2,5 %
EBIT-%	-232,0 %	-195,2 %	-106,2 %	-39,3 %	-0,2 %	17,1 %	21,6 %	23,3 %	23,6 %	24,0 %	25,0 %	25,0 %
EBIT (operating profit)	**-53,9**	**-57,8**	**-48,7**	**-29,9**	**-0,3**	**29,6**	**49,2**	**67,5**	**78,1**	**83,3**	**88,9**	
+ Depreciation	3,4	3,2	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	-16,0	-17,1	-18,3	
- 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	-2,6	-5,9	-12,0	-20,8	-27,4	-23,2	-25,7	-9,1	2,1	0,3	
Operating cash flow	**-52,7**	**-57,2**	**-51,4**	**-38,7**	**-17,6**	**6,2**	**30,7**	**47,3**	**59,3**	**75,6**	**78,9**	
+ 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**	**-60,6**	**-54,9**	**-42,7**	**-22,6**	**0,2**	**23,7**	**39,3**	**50,3**	**66,6**	**69,9**	
+/- Other	0,0	35,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
FCFF	-56,5	-25,6	-54,9	-42,7	-22,6	0,2	23,7	39,3	50,3	66,6	69,9	604
Discounted FCFF		**-24,4**	**-45,7**	**-31,1**	**-14,4**	**0,1**	**11,5**	**16,7**	**18,7**	**21,7**	**19,9**	**172**
Sum of FCFF present value		145	169	215	246	260	260	249	232	213	192	172
Enterprise value DCF		**145**										
- Interest bearing debt		0,0										
+ Cash and cash equivalents		34,1										
-Minorities		0,0										
-Dividend/capital return		0,0										
Equity value DCF		**179**										
-Value of warrants		-68,6										
Equity value of common stock DCF		**110**										
Equity value of common stock DCF per share		**0,50**										
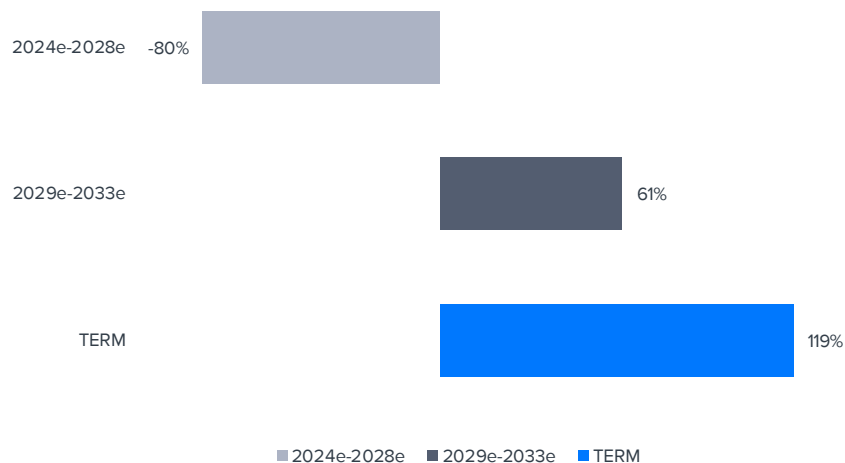
WACC

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

Cash flow distribution

- 2024e-2028e: -80%
- 2029e-2033e: 61%
- TERM: 119%

Legend: ■ 2024e-2028e ■ 2029e-2033e ■ TERM

DCF sensitivity calculations and key assumptions in graphs

Sensitivity of DCF to changes in the WACC-%

Bar values (DCF value SEK): 1,3 / 1,2 / 1,1 / 1,0 / 0,9 / 0,8 / 0,7 / 0,7 / 0,6 / 0,6 / 0,5

Left axis: 0,5 SEK – 1,3 SEK
Right axis: 106%, 111%, 116%, 121%, 126%, 131%, 136%, 141%
X-axis: 11,9 % 12,4 % 12,9 % 13,4 % 13,9 % 14,4 % 14,9 % 15,4 % 15,9 % 16,4 % 16,9 %

Legend: ■ DCF value (SEK) — Weight of terminal value (%)

Sensitivity of DCF to changes in the risk-free rate

Bar values (DCF value SEK): 1,2 / 1,1 / 1,0 / 1,0 / 0,9 / 0,8 / 0,8 / 0,7 / 0,6 / 0,6 / 0,5

Left axis: 0,5 SEK – 1,2 SEK
Right axis: 107%, 112%, 117%, 122%, 127%, 132%, 137%
X-axis: 0,0 % 0,5 % 1,0 % 1,5 % 2,0 % 2,5 % 3,0 % 3,5 % 4,0 % 4,5 % 5,0 %

Legend: ■ DCF value (SEK) — Weight of terminal value (%)

Sensitivity of DCF to changes in the terminal EBIT margin

Bar values (DCF value SEK): 0,8 / 0,8 / 0,8 / 0,8 / 0,8 / 0,8 / 0,8 / 0,8 / 0,8 / 0,8 / 0,8

Left axis: 0,8 SEK – 0,9 SEK
Right axis: 117%, 118%, 119%, 120%
X-axis: 21,5 % 22,0 % 22,5 % 23,0 % 23,5 % 24,0 % 24,5 % 25,0 % 25,5 % 26,0 % 26,5 %

Legend: ■ DCF value (SEK) — Weight of terminal value (%)

Growth and profitability assumptions in the DCF calculation

Left axis: 100%, 50%, 0%, -50%, -100%, -150%, -200%, -250%
X-axis: 2023 2024e 2025e 2026e 2027e 2028e 2029e 2030e 2031e 2032e 2033e TERM

Legend: ■ Revenue growth-% — EBIT-%

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
Revenue	11,7	17,9	23,2	29,6	45,8
EBITDA	-38,7	-42,8	-50,6	-54,6	-45,6
EBIT	-41,6	-46,4	-53,9	-57,8	-48,7
PTP	-41,8	-43,2	-53,9	-54,9	-49,2
Net Income	-41,8	-43,2	-53,9	-54,9	-49,2
Extraordinary items	0,0	0,0	0,0	0,0	0,0

Per share data	2021	2022	2023	2024e	2025e
EPS (reported)	-0,67	-0,63	-0,50	-0,30	-0,22
EPS (adj.)	-0,67	-0,63	-0,50	-0,30	-0,22
OCF / share	-0,61	-0,65	-0,49	-0,31	-0,23
FCF / share	-0,66	-0,70	-0,52	-0,33	-0,25
Book value / share	1,13	0,37	0,40	0,12	-0,12
Dividend / share	0,00	0,00	0,00	0,00	0,00

Balance sheet	2021	2022	2023	2024e	2025e
Balance sheet total	85,5	49,9	64,3	49,5	63,4
Equity capital	70,8	25,2	43,1	23,1	-26,0
Goodwill	0,0	0,0	0,0	0,0	0,0
Net debt	-65,6	-18,8	-34,1	-11,4	44,0

Growth and profitability	2021	2022	2023	2024e	2025e
Revenue growth-%	23 %	53 %	30 %	27 %	55 %
EBITDA growth-%	20 %	11 %	18 %	8 %	-17 %
EBIT (adj.) growth-%	20 %	12 %	16 %	7 %	-16 %
EPS (adj.) growth-%	-40 %	-5 %	-21 %	-41 %	-24 %
EBITDA-%	-329,6 %	-239,1 %	-217,5 %	-184,4 %	-99,5 %
EBIT (adj.)-%	-354,8 %	-259,5 %	-232,0 %	-195,2 %	-106,2 %
EBIT-%	-354,8 %	-259,5 %	-232,0 %	-195,2 %	-106,2 %
ROE-%	-71,0 %	-89,9 %	-158,0 %	-165,9 %	3441,0 %
ROI-%	-70,7 %	-96,7 %	-158,0 %	-174,6 %	-193,3 %
Equity ratio	82,8 %	50,6 %	66,9 %	46,7 %	-41,0 %
Gearing	-92,7 %	-74,6 %	-79,2 %	-49,2 %	-169,3 %

Cash flow	2021	2022	2023	2024e	2025e
EBITDA	-38,7	-42,8	-50,6	-54,6	-45,6
Change in working capital	0,3	-2,0	-2,1	-2,6	-5,9
Operating cash flow	-38,3	-44,7	-52,7	-57,2	-51,4
CAPEX	-1,7	-7,8	-2,8	-3,4	-3,5
Free cash flow	-41,4	-47,6	-56,5	-60,6	-54,9

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	4,1	neg.
Dividend-%	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %

Source: Inderes

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Recommendation history (>12 mo)

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
Analyst changes			
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

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