

NIGHTINGALE HEALTH

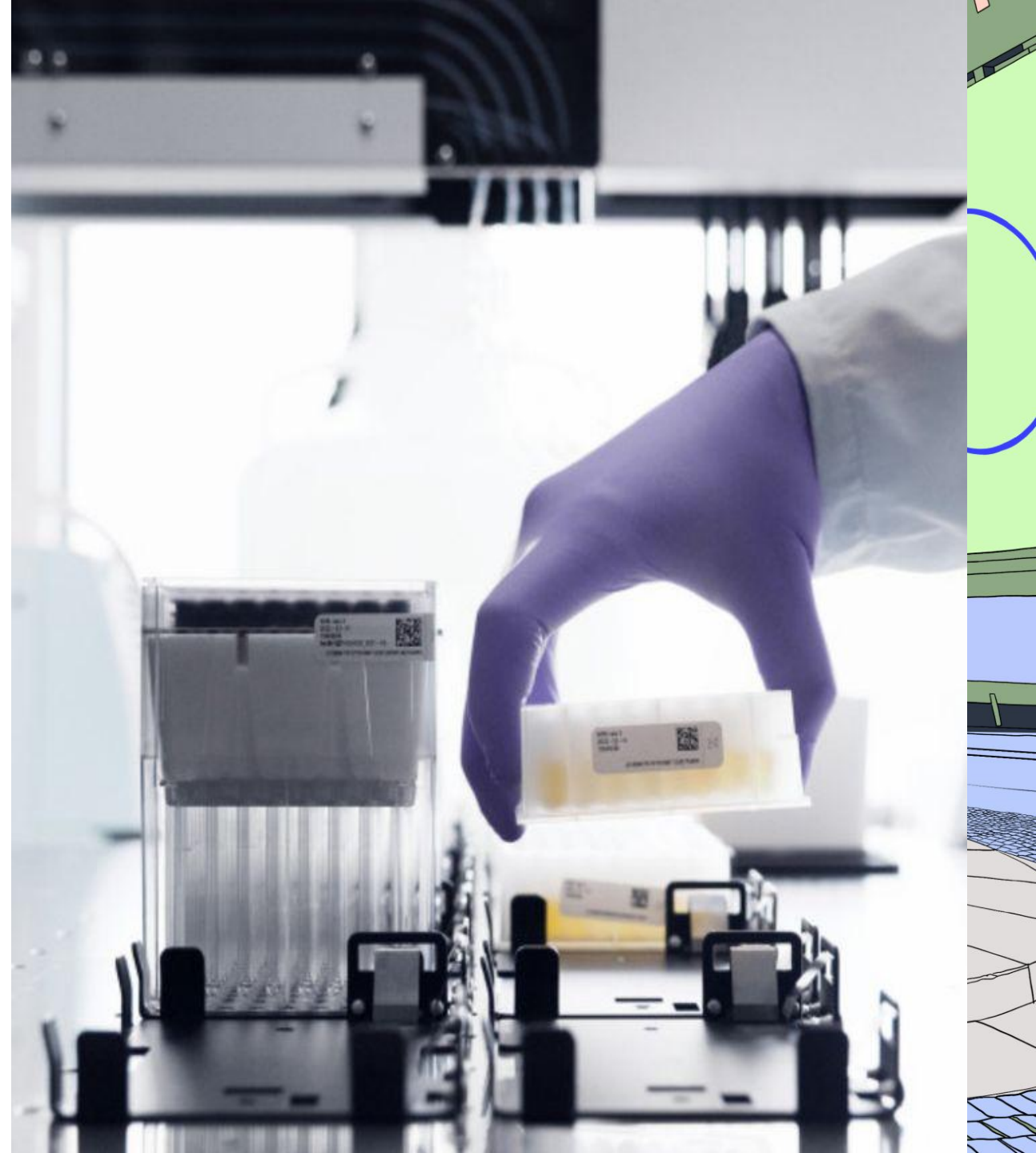
3/7/2025 11:45 am EET

This is a translated version of "Veri vetää takaisin" report,
published on 3/7/2025



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INDERES CORPORATE CUSTOMER COMPANY REPORT



Blood draws again

Nightingale is just launching the commercial phases with its second and third healthcare partners. The company's comments on the sales pipeline are also promising, and we believe it will announce at least one significant partnership during the current year. At the same time, the ramp-up of cooperation projects and the strengthening of revenue growth seem to be taking longer than our previous expectations. In our opinion, the company's growth story is still broadly on track, and with the decline in valuation, we see the risk/reward ratio turning cautiously attractive again. We reiterate our EUR 2.9 target price and raise our recommendation to Accumulate (was Reduce).

Soft top line, but costs remained under control

Nightingale's fiscal H1'25 (7–12/2024) revenue was lower than our expectations at 2.31 MEUR (Inderes: 2.91 MEUR), growing 35% year-on-year and decreasing -13% from the previous six-month period. This was due to the timing of research projects and the lower-than-expected price level of the Terveystalo cooperation. As expected, profitability was clearly in the red, but cash consumption (~6 MEUR/6 months) was lower than expected thanks to cost discipline, and net cash (IFRS-16 adjusted) was a hefty 59 MEUR at the end of 2024.

Growth is visible, but its trajectory remains unclear

Nightingale aims to integrate its disease risk detection service with the blood sample flows of existing healthcare providers. If successful, the company's revenue would grow strongly and profitability would become positive over time (target: positive EBITDA in the medium term). The company has taken clear steps in this direction: its technology is already widely used in occupational health at Terveystalo, and commercial phases are about to start through Pathology Asia in Singapore and with the support of Boston Heart in the US. The company also has a number of pilot and research projects (Mass General Brigham, Kaiser Permanente, Weill Cornell Medicine, Boston Heart, 23AndMe and Phenome Health) in the pipeline for potential wider

use. In light of the company's comments, it also has a number of interesting sales discussions underway, and given its past customer wins, we believe it will announce at least one significant partnership this year.

Due to the slower-than-expected ramp-up of collaborations, we have reduced our revenue forecasts for the coming years by 20-25%, but due to cost discipline we have reduced our profitability forecasts by only 5-10%. Our long-term forecasts changed less sharply. Although the broad partnering base has already mitigated commercialization risks, the visibility of the company's growth remains blurred and highly dependent on the progress of the partnering roll-out. We believe that our estimates rely on a realistic but very high-risk scenario of Nightingale's business growth (revenue CAGR 34% in 2025-2038e). This requires successful ramp-up of existing customers and continuous new commercial contracts. Investors must therefore believe in the company's breakthrough, take a very long-term view of the stock and accept the risk of capital loss.

Valuation still contains a lot of future expectations, but has returned to an acceptable level

Nightingale's fundamental-based valuation is very challenging, as possible scenarios vary between destruction and multiplication of invested capital. With current data, our fair value estimate range for the share is wide, EUR 0.8-7.1 (previous EUR 0.7-6.8). In our view, the company's track record continues to support a price closer to the middle of the range (target price EUR 2.9/share). The stock is down 23% since our last report (9/23/2024) and is now priced below our baseline case (EUR 2.9). Moreover, with positive drivers on the horizon for the year (new customer wins, signs of growth in Pathology Asia and Boston Heart partnerships), the risk/reward is becoming sufficiently attractive. There are still downside risks, but we believe the company should be viewed with an investment horizon of at least several years.

Recommendation

Accumulate

(was Reduce)

Target price:

2.90 EUR

(was 2.90 EUR)

Share price:

EUR 2.55

Business risk



Valuation risk



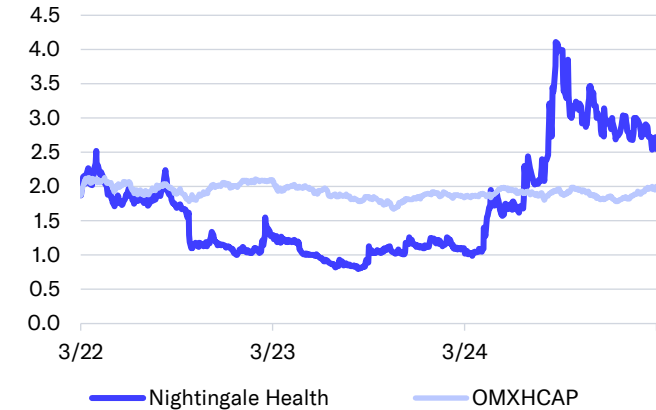
	2024	2025e	2026e	2027e
Revenue	4.4	5.2	8.2	13.1
growth-%	4%	19%	58%	60%
EBIT adj.	-18.6	-17.3	-16.2	-14.4
EBIT-% adj.	-427%	-333%	-197%	-110%
PTP	-17.4	-16.3	-15.5	-14.2
EPS (adj.)	-0.29	-0.27	-0.25	-0.22
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.7	2.2	2.7	3.3
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	17.2	19.4	13.8	9.4

Source: Inderes

Targets for the financial year 2025 (7/1/2025 - 6/30/2025) (unchanged)

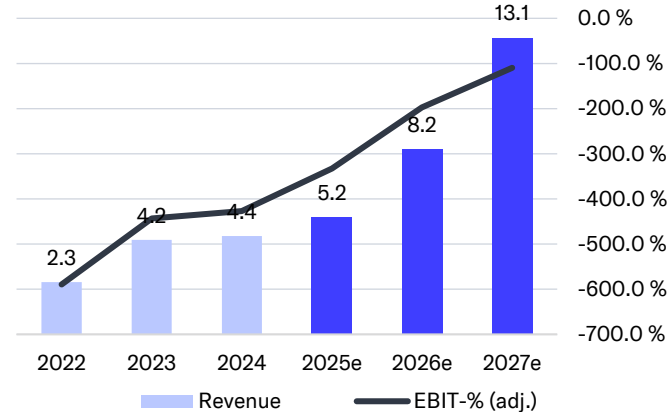
- Win a large deal with an international healthcare operator
- Increase revenue from the previous fiscal year
- Improve adjusted EBITDA* from the previous fiscal year
 - Adjusted EBITDA = EBITDA – share-based payments – non-recurring items – items affecting comparability

Share price



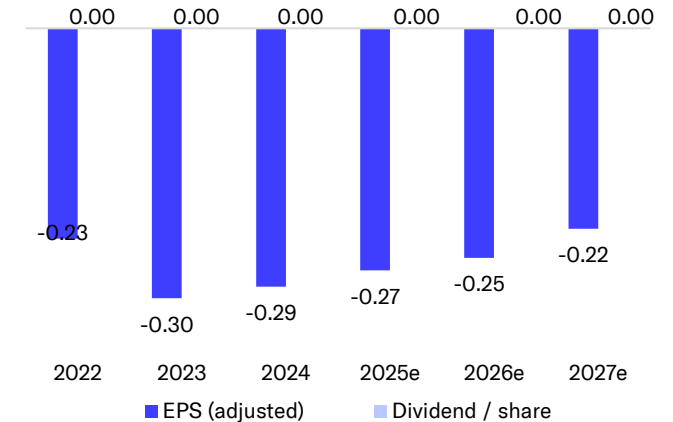
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Huge growing global market supported by mega trends
- Competitive and cost-efficient technology for predicting disease risks from blood samples
- Scalable business model and cost structure
- Strong position as analyzer of biobank blood samples
- Credible investors support internationalization as partners

Risk factors

- The business model proves ineffective and service demand is weak
- Slower-than-expected progress in the implementation of new technology in a conservative industry
- Falling behind ambitious objectives and drop in valuation that relies on successful commercialization
- Competing technologies
- Data breach including personal health data
- Need for new financing

Valuation	2025e	2026e	2027e
Share price	2.55	2.55	2.55
Number of shares, millions	60.9	60.9	60.9
Market cap	155	155	155
EV	101	113	124
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	2.2	2.7	3.3
P/S	29.9	18.9	11.8
EV/Sales	19.4	13.8	9.4
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

Soft top line, but costs remained under control

Top line fell short due to lower research revenue

Nightingale's fiscal H1'25 (7–12/2024) revenue was lower than our expectations at 2.31 MEUR (Inderes: 2.91 MEUR), growing 35% year-on-year and decreasing -13% from the previous six-month period. The company's revenues continue to be driven by its research customers, who received fewer project deliveries than expected during the period. The most significant year-on-year growth was the collaboration launched in January 2024 with Terveystalo's occupational health services, where Nightingale blood testing was directly implemented on a large scale. The revenue from Terveystalo was also slightly lower than our expectations, which we believe was due to the lower-than-expected price level of the pilot customer relationship.

In addition to Terveystalo, Nightingale has several collaborations with international healthcare providers. However, these were not in the volume phase during the period, so their impact on reported revenue is likely to have been marginal. The company had one major customer (0.82 MEUR revenue) during the period, probably a research project customer in the USA.

Profitability well under control and cash flow is resilient

Nightingale's H1 (7-12/2024) profitability remained clearly negative for all lines, with EBITDA at -4.7 MEUR and adjusted EBIT at -9.1 MEUR. Despite lower revenue, earnings were broadly in line with expectations due to better-than-expected margins and lower personnel costs. Nightingale uses its cash assets to build its growth and profitability is in line with this strategy. At the end of December, net cash adjusted for the company's lease liabilities amounted to 59.3 MEUR (Inderes: 58.9 MEUR) and thus cash consumption in the second half of 2024 was 5.9 MEUR (Inderes: 6.3 MEUR). Cash is consumed more slowly than EBIT because the company's depreciation is significantly higher than its investments, and some of the company's expenses are share-based, so they are reflected in the number of shares that increase over time rather than in cash.

Nightingale's financial position remains strong and the cash position at the current burn rate of around 6 MEUR/6 months would be sufficient until the end of 2029. Nightingale's revenue is highly profitable (gross margin

around 60-90%), so if growth is successful, the business should easily become cash flow positive.

Revenue growth curve will change radically if transition of cooperation projects to volume phases is successful

Nightingale aims to integrate its disease risk detection service with the blood sample flows of existing healthcare providers. If successful, the company's revenue would grow strongly and profitability would become positive over time (target: positive EBITDA in the medium term). The company has already taken clear steps in this direction: its technology is already widely used in Terveystalo's occupational health services (01/2024-), it has been rolled out to Pathology Asia in Singapore (Laboratory opened on 12/2/24, first customers ~Q1/2025) and in the USA, the Boston Heart collaboration has already advanced to the commercial stage. In the US, there are also pilot projects underway in preparation for possible wider deployment, as well as research projects with other prominent players

Estimates MEUR / EUR	H1'24	H1'25	H1'25e	H1'25e	Consensus		Difference (%)	2025e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	1.72	2.31	2.91				-21%	5.2
EBITDA	-5.3	-4.7	-5.0				6%	-9.1
EBIT (adj.)	-9.3	-9.1	-9.2				0%	-17.3
PTP	-8.5	-8.2	-8.6				5%	-16.3
EPS (reported)	-0.14	-0.14	-0.14				1%	-0.27
Revenue growth-%	-23.5 %	34.6 %	69.5 %				-34.9 pp	19.2 %
EBIT-% (adj.)	-542.6 %	-395.6 %	-315.2 %				-80.4 pp	-332.6 %

Source: Inderes

Growth on the way, but its trajectory remains unclear

(Mass General Brigham, Kaiser Permanente, Weill Cornell Medicine, 23AndMe and Phenome Health) and a pilot with Enigma Genomics has been launched in the Middle East.

So far, the revenue impact of these key cooperation agreements has only been seen with Terveystalo, where the value of the cooperation is more in the reference obtained and the price level has been kept low, at least for the time being. Nightingale's revenue in Finland, including research projects, was 0.97 MEUR in the calendar year 2024, and >100k samples were processed for Terveystalo's customers, in which case the price level of the cooperation has been at most ~EUR 10/sample, a discount of more than 40% to Nightingale's list price of EUR 24. With the Terveystalo collaboration already ramped up, the Pathology Asia/Innoquest Diagnostics and Boston Heart collaborations are the next opportunities to increase revenue.

For Pathology Asia, commercial samples will begin arriving at Nightingale in the coming weeks, and the company's

Health Check service will seek market share in Singapore, primarily by replacing portions of health check packages for healthcare providers. For Boston Heart, Nightingale said a commercial launch is also imminent. According to Nightingale, Boston Heart will begin marketing and offering the Health Check service through its own product catalog. In the Boston Heart partnership, the service is somewhat of a premium service, while in other partnerships in other markets, Nightingale is trying to position its service more as a standard service.

In terms of regulatory approvals, Nightingale sees a fairly clear path for the US, although the timeline for approvals is still uncertain. In the meantime, the company can operate in the US by sending samples to its other laboratories, but with slower turnaround times and lower margins than with a local lab.

In light of the company's comments, new collaborations, including significant ones, are still in the pipeline. Expanding the Pathology Asia partnership from Singapore

to the rest of Southeast Asia is also still on the table. Given the comments received, we believe it is likely that the company will announce at least one significant new commercial opening in the next 6-12 months.

We lowered our forecasts after shifting our revenue growth expectations forward

In light of the report, the maturation of collaborations to higher volumes appears to be slower than we had previously anticipated. As a result, we have extended our assumptions on the duration of the project ramp-up and the revenue impact of the last projects is now more clearly projected in our forecasts for fiscal years 2026-27 (7/2025-6/2027). As a result, we have lowered our revenue forecasts for the coming years. However, Nightingale's cost discipline has been stronger than expected, so our profitability forecasts have been lowered less. In the big picture, the company's business is certainly building, although risks remain, particularly in terms of the scale of the service's popularity and the rate of revenue growth.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	6.5	5.2	-21%	10.8	8.2	-24%	17.3	13.1	-24%
EBITDA	-9.6	-9.1	5%	-8.8	-9.7	-11%	-6.9	-8.9	-29%
EBIT (excl. NRIs)	-17.9	-17.3	3%	-15.5	-16.2	-5%	-12.9	-14.4	-11%
EBIT	-17.9	-17.3	3%	-15.5	-16.2	-5%	-12.9	-14.4	-11%
PTP	-16.9	-16.3	4%	-15.1	-15.5	-3%	-12.8	-14.2	-11%
EPS (excl. NRIs)	-0.28	-0.27	4%	-0.23	-0.25	-8%	-0.20	-0.22	-11%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Nightingale, Webcast, Q2'25



Valuation back to a sufficiently attractive level

A lot of risks and potential in commercialization

We believe Nightingale’s value creation relies on expectations related to the commercialization potential of the technology and significant future business. As this business is still being built, the company’s fundamentals-based valuation is very difficult and only imprecise valuation methods are available where the scenarios vary between the destruction and multiplication of capital. We have explained our valuation methods in more detail in our extensive report.

DCF scenarios help determine the value range of the company

Short-term indicators are not particularly useful (e.g. 2025e EV/S 19x), so the DCF model is the key benchmark for the company’s value. Our DCF model exceptionally continues for 15 years due to Nightingale’s early development phase. The DCF model is very sensitive to the assumptions used, so it also acts as a guiding indicator. As a result, we use scenarios for DCF valuation: an optimistic, negative, and neutral scenario that reflects our current estimates. In the pessimistic scenario, the company burns cash but manages to create a clear, albeit more limited (compared to its potential) business on the market (revenue ~100 MEUR). In the optimistic scenario, the company achieves an excellent commercial breakthrough and grows to a significant size class globally (revenue >500 MEUR). The key figures for the scenarios are depicted in the graphs on the next page. All of our DCF scenarios include strong growth at different levels. Of course, a more negative scenario is also possible, but we see this scenario as partly reflecting the value of the company’s technology alone.

The DCF scenarios indicate a present value of EUR 0.8-7.1

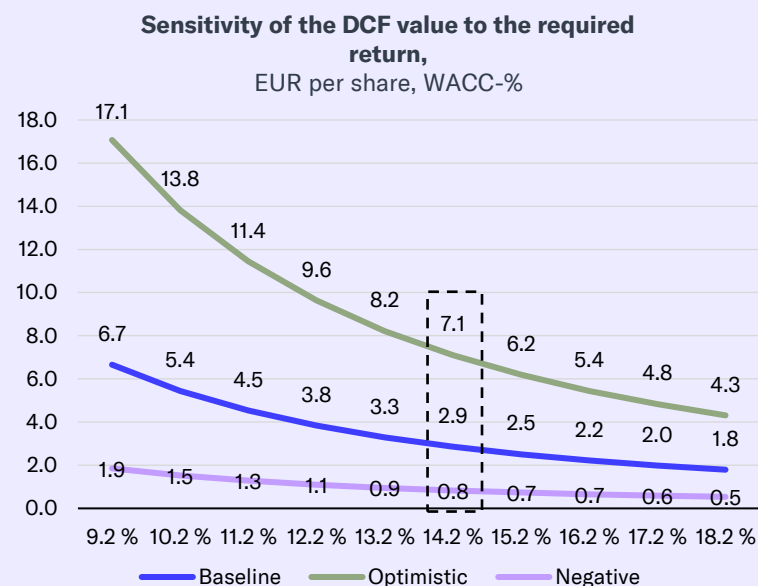
per share (previous EUR 0.7-6.8) and in the neutral scenario EUR 2.9 per share. Due to the still high forecasting risks, the required return of our DCF model is high (WACC 14.2%)

In our view, the key valuation driver for Nightingale is the development of growth visibility. As far as customer wins are concerned, the situation is quite good. The company already has around ten growth starts (partner or own). This indicates the effectiveness of the sales strategy, diversifies the customer-specific risk related to growth and increases confidence in sales being successful also in the future. The situation is naturally more uncertain when it comes to successfully growing customer relationships. Nevertheless, the cooperation with Terveystalo has been promising. In addition, the Pathology Asia and Boston Heart collaborations, which are in the process of being launched, will begin to deliver results very soon. We believe that the company’s potential still justifies pricing in some success and reiterate our target price of EUR 2.9. The stock has plummeted since our last report (-23%, 9/23/024) and with the price drivers (progressing ramp-ups, new customer wins), we see the risk/reward ratio becoming attractive again on a one-year horizon. If the drivers we expect do not materialize, there are also clear downside risks to the valuation. However, we believe the company should be viewed with a multi-year investment horizon and be prepared for potentially drastic valuation changes.

Our valuation is based on an organic path where value is realized as an independent company. We believe Nightingale’s technology and the data collected with it, and their value, especially for a potential larger player in the industry, constitute a positive option in a possible acquisition scenario. This possibility is speculative, however.

Valuation	2025e	2026e	2027e
Share price	2.55	2.55	2.55
Number of shares, millions	60.9	60.9	60.9
Market cap	155	155	155
EV	101	113	124
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	2.2	2.7	3.3
P/S	29.9	18.9	11.8
EV/Sales	19.4	13.8	9.4
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



Source: Inderes

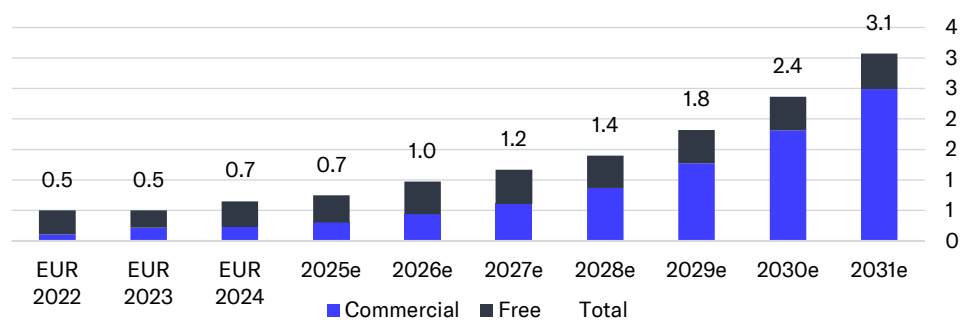
Additional information on valuation scenarios

Estimated future valuation ranges,
Fiscal period 2027e

2027e fiscal period	Low multiple	High multiple
Revenue, MEUR	EUR 13.1	EUR 13.1
EV/S, LTM, ratio	EUR 15	EUR 20
EV/S, NTM, ratio	EUR 9.6	EUR 12.7
EV, MEUR	EUR 197	EUR 263
Net cash, MEUR	EUR 32	EUR 32
Market cap, MEUR	EUR 229	EUR 294
EUR per share	EUR 3.8	EUR 4.8
Discounted to the present	EUR 2.7	EUR 3.5

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

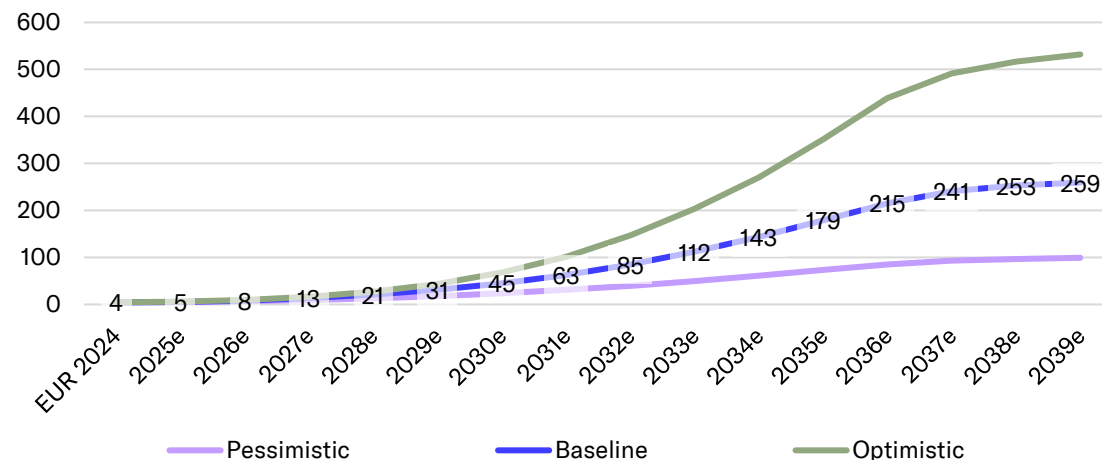
Estimate on the number of samples analyzed,
fiscal periods 2022-2031e, million samples per year



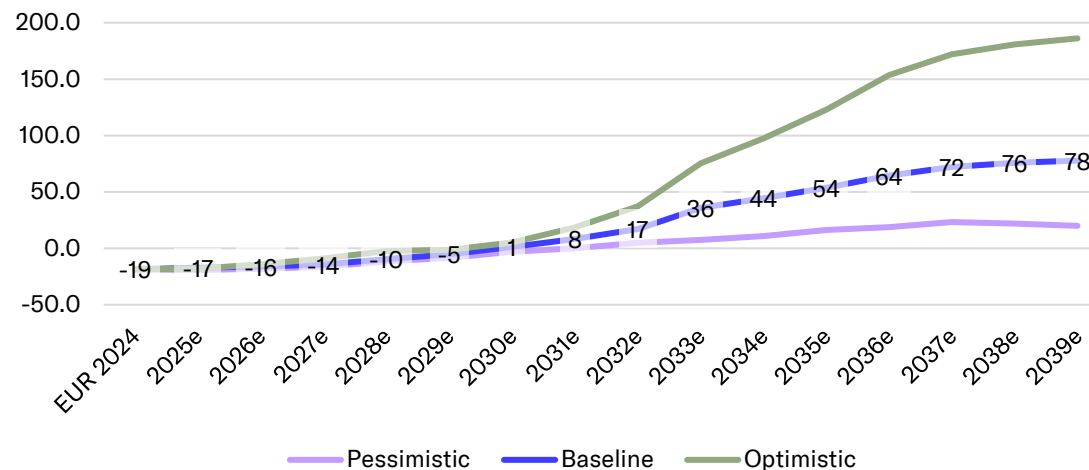
NB: Nightingale has not published detailed data on the volume of analyzed samples so the figures in the graph are based on our own estimates.

Source: Inderes

Revenue development in different scenarios,
2024-2039e, MEUR



EBIT development in different scenarios,
Fiscal periods 2024-2039e, MEUR



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price			1.81	0.87	2.30	2.55	2.55	2.55	2.55
Number of shares, millions			60.2	60.9	60.9	60.9	60.9	60.9	60.9
Market cap			110	53	140	155	155	155	155
EV			19	-25.0	75	101	113	124	134
P/E (adj.)			neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/E			neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/B			1.0	0.5	1.7	2.2	2.7	3.3	4.1
P/S			47.6	12.7	32.2	29.9	18.9	11.8	7.5
EV/Sales			8.3	neg.	17.2	19.4	13.8	9.4	6.5
EV/EBITDA			neg.	1.9	neg.	neg.	neg.	neg.	neg.
EV/EBIT (adj.)			neg.	1.3	neg.	neg.	neg.	neg.	neg.
Payout ratio (%)			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 %

Source: Inderes

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/S		Revenue growth-%		EBIT-%		EV/EBIT		P/E		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
23AndMe	28	-91			23%	17%	-116%	-85%	0.3	0.4			
Aiforia Technologies	111	118	20.5	12.9	71%	71%	-204%	-100%					
CellaVision	371	360	4.9	4.3	9%	14%	28%	30%	17.8	14.6	23.1	18.7	4.4
Illumina	12609	13324	3.3	3.1	1%	5%	22%	24%	15.0	13.2	19.0	16.6	4.0
Immunovia	9	7	0.1		80%		23%		0.3		0.1		
Nanopore	1046	697	2.5	2.0	26%	29%	-61%	-38%					2.0
Pfizer	136572	177614	3.0	3.0	0%	0%	34%	35%	8.8	8.6	8.8	8.5	1.6
Prenetics	92	73	1.1	0.6	131%	83%	-39%	-2%					
Quest Diagnostics	17734	23264	2.3	2.2	10%	4%	16%	16%	14.6	13.7	17.7	16.2	2.6
Roche Holding	258535	282932	4.2	4.0	6%	4%	34%	35%	12.1	11.5	14.5	13.7	6.1
Standard BioTools	415	143	0.9	0.8	-1%	13%	-60%	-36%					1.2
Nightingale Health (Inderes)	155	101	19.4	13.8	19%	58%	-333%	-197%	-5.8	-7.0	-9.5	-10.0	2.2
Average			4.3	3.7	32%	24%	-29%	-12%	9.8	10.3	13.9	14.7	3.1
Median	415	360	2.8	3.0	10%	14%	16%	7%	12.1	12.3	16.1	16.2	2.6
Diff-% to median	-63%	-72%		355%	92%	331%							-13%

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

Income statement

Income statement	2022	2023	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue	2.3	4.2	4.4	2.3	2.9	5.2	8.2	13.1	20.6
EBITDA	-9.4	-12.9	-10.4	-4.7	-4.4	-9.1	-9.7	-8.9	-4.6
Depreciation	-4.2	-5.6	-8.2	-4.4	-3.8	-8.2	-6.5	-5.5	-5.0
EBIT (excl. NRI)	-13.6	-18.5	-18.6	-9.1	-8.1	-17.3	-16.2	-14.4	-9.6
EBIT	-13.6	-18.5	-18.6	-9.1	-8.1	-17.3	-16.2	-14.4	-9.6
Net financial items	-2.6	0.3	1.2	0.6	0.4	0.9	0.7	0.2	0.0
PTP	-16.2	-18.2	-17.4	-8.6	-7.8	-16.3	-15.5	-14.2	-9.6
Taxes	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.7	0.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-16.1	-18.2	-17.4	-8.6	-7.8	-16.3	-15.5	-13.5	-9.1
EPS (adj.)	-0.23	-0.30	-0.29	-0.14	-0.13	-0.27	-0.25	-0.22	-0.15
EPS (rep.)	-0.27	-0.30	-0.29	-0.14	-0.13	-0.27	-0.25	-0.22	-0.15

Key figures	2022	2023	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue growth-%		80.8 %	4.2 %	34.6 %	9.2 %	19.2 %	58.2 %	60.0 %	57.0 %
Adjusted EBIT growth-%		35.9 %	0.4 %	-1.9 %	-12.3 %	-7.1 %	-6.3 %	-11.0 %	-33.7 %
EBITDA-%	-405.9 %	-308.4 %	-239.4 %	-204.6 %	-152.2 %	-175.5 %	-117.9 %	-67.8 %	-22.1 %
Adjusted EBIT-%	-589.5 %	-442.9 %	-426.6 %	-395.6 %	-282.2 %	-332.6 %	-197.1 %	-109.6 %	-46.3 %
Net earnings-%	-695.7 %	-435.4 %	-400.0 %	-371.2 %	-269.2 %	-314.5 %	-188.5 %	-102.9 %	-44.0 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	24.8	22.4	18.5	16.9	16.7
Goodwill	1.0	1.0	1.0	1.0	1.0
Intangible assets	16.0	12.3	8.4	6.3	5.7
Tangible assets	7.2	8.6	8.7	9.2	9.5
Associated companies	0.1	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.4	0.4	0.4	0.4	0.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	82.0	68.4	59.1	49.3	41.7
Inventories	0.6	0.7	1.2	1.5	2.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	0.8	1.7	3.2	5.7	8.0
Cash and equivalents	80.6	66.0	54.7	42.1	31.5
Balance sheet total	107	90.8	77.7	66.2	58.4

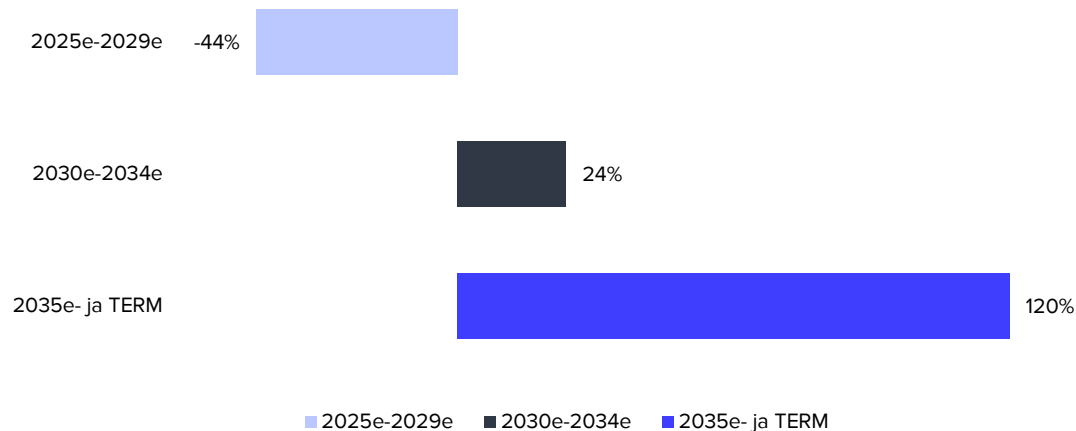
Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	97.4	82.9	69.5	57.1	46.5
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-45.1	-59.6	-72.9	-85.4	-95.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	142	142	142	142	142
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	2.7	1.0	0.7	0.7	0.7
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	1.3	0.3	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.4	0.7	0.7	0.7	0.7
Current liabilities	6.8	7.0	7.4	8.4	11.2
Interest bearing debt	1.4	0.6	0.0	0.0	0.0
Payables	4.4	5.3	6.3	7.3	10.1
Other current liabilities	1.0	1.1	1.1	1.1	1.1
Balance sheet total	107	90.8	77.7	66.2	58.4

DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	2039e	TERM
Revenue growth-%	4.2 %	19.2 %	58.2 %	60.0 %	57.0 %	50.0 %	45.0 %	40.0 %	35.0 %	32.0 %	28.0 %	25.0 %	20.0 %	12.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	-426.6 %	-332.6 %	-197.1 %	-109.6 %	-46.3 %	-17.1 %	2.8 %	13.2 %	20.2 %	32.0 %	31.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %
EBIT (operating profit)	-18.6	-17.3	-16.2	-14.4	-9.6	-5.3	1.2	8.3	17.2	35.8	44.4	53.7	64.5	72.2	75.8	77.7	
+ Depreciation	8.2	8.2	6.5	5.5	5.0	5.8	5.9	6.1	6.4	6.3	6.7	7.1	7.4	7.8	8.1	8.3	
- Paid taxes	-0.1	0.0	0.0	0.7	0.5	0.3	-0.1	-0.4	-1.3	-3.6	-5.6	-8.1	-12.9	-14.4	-15.2	-15.5	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	0.0	-1.0	-1.8	-0.3	-0.6	-1.2	-2.5	-1.8	-2.2	-2.7	-3.1	-3.6	-3.6	-2.6	-1.2	-0.6	
Operating cash flow	-10.5	-10.1	-11.5	-8.5	-4.7	-0.4	4.6	12.2	20.0	35.9	42.4	49.2	55.5	63.0	67.5	69.9	
+ Change in other long-term liabilities	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.8	-4.3	-4.9	-5.3	-5.7	-6.0	-6.4	-6.8	-7.3	-7.5	-7.7	-7.9	-8.2	-8.4	-8.7	-8.6	
Free operating cash flow	-17.0	-14.4	-16.4	-13.7	-10.4	-6.5	-1.8	5.4	12.8	28.4	34.7	41.3	47.3	54.6	58.9	61.2	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-17.0	-14.4	-16.4	-13.7	-10.4	-6.5	-1.8	5.4	12.8	28.4	34.7	41.3	47.3	54.6	58.9	61.2	537
Discounted FCFF		-13.8	-13.7	-10.1	-6.7	-3.6	-0.9	2.3	4.8	9.4	10.1	10.5	10.5	10.6	10.1	9.2	80.3
Sum of FCFF present value		109	123	137	147	153	157	158	156	151	141	131	121	110	99.5	89.5	80.3
Enterprise value DCF		109															
- Interest bearing debt		-0.8															
+ Cash and cash equivalents		66.0															
-Minorities		0.0															
-Dividend/capital return		0.0															
Equity value DCF		174															
Equity value DCF per share		2.9															

Cash flow breakdown



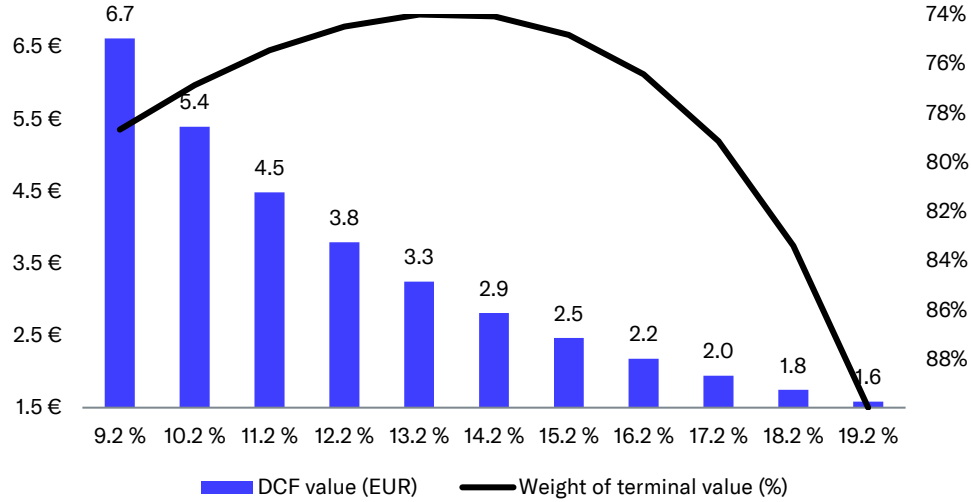
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	10.0 %
Equity Beta	2.5
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	14.9 %
Weighted average cost of capital (WACC)	14.2 %

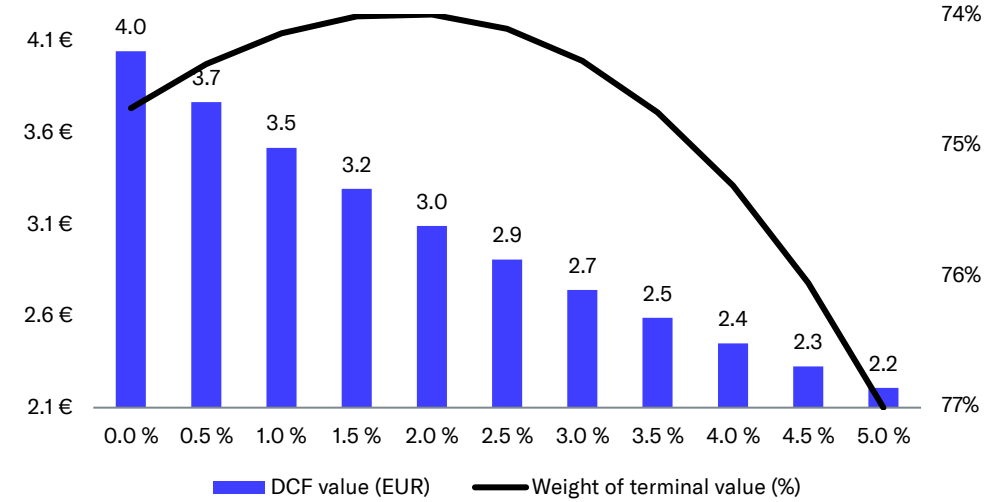
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

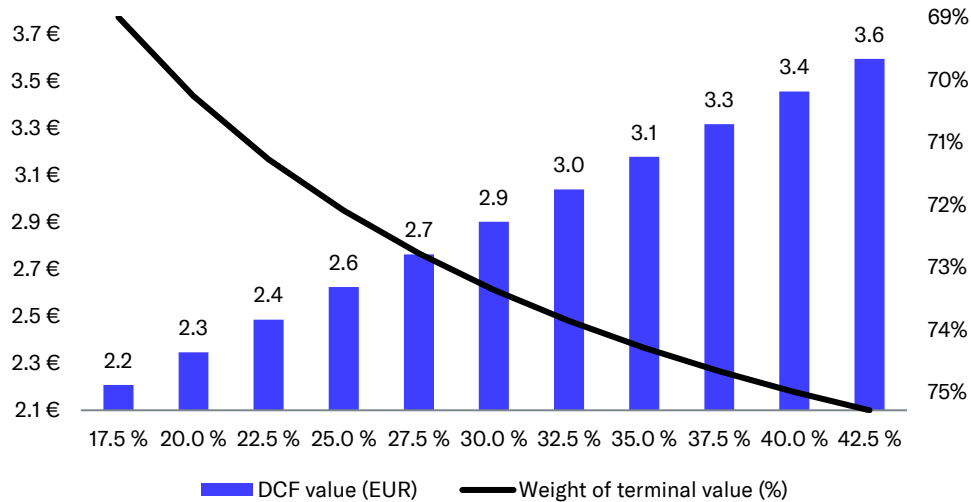
Sensitivity of DCF to changes in the WACC-%



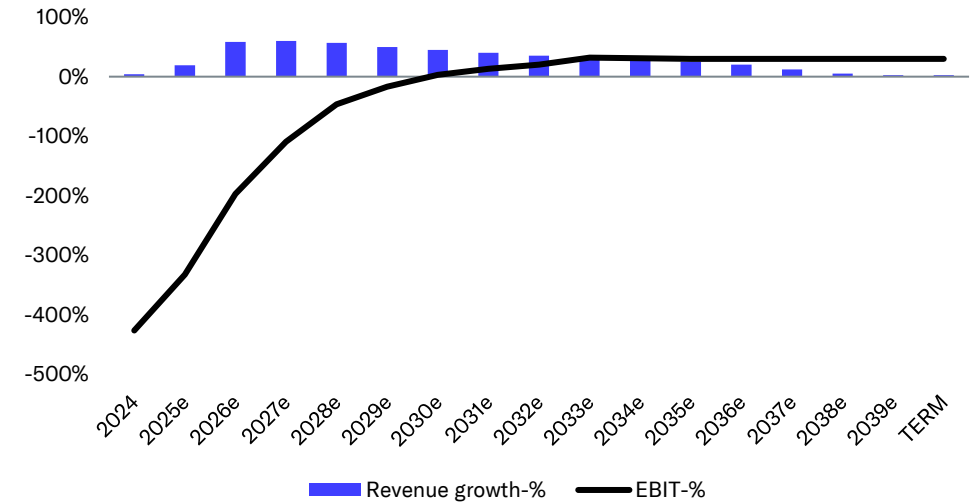
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	2.3	4.2	4.4	5.2	8.2	EPS (reported)	-0.27	-0.30	-0.29	-0.27	-0.25
EBITDA	-9.4	-12.9	-10.4	-9.1	-9.7	EPS (adj.)	-0.23	-0.30	-0.29	-0.27	-0.25
EBIT	-13.6	-18.5	-18.6	-17.3	-16.2	OCF / share	-0.18	-0.21	-0.17	-0.17	-0.19
PTP	-16.2	-18.2	-17.4	-16.3	-15.5	FCF / share	-0.31	-0.28	-0.28	-0.24	-0.27
Net Income	-16.1	-18.2	-17.4	-16.3	-15.5	Book value / share	1.85	1.60	1.36	1.14	0.94
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	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	124.0	106.8	90.8	77.7	66.2	Revenue growth-%	0%	81%	4%	19%	58%
Equity capital	111.4	97.4	82.9	69.5	57.1	EBITDA growth-%	29%	37%	-19%	-13%	6%
Goodwill	1.0	1.0	1.0	1.0	1.0	EBIT (adj.) growth-%	58%	36%	0%	-7%	-6%
Net debt	-90.6	-78.0	-65.2	-54.7	-42.1	EPS (adj.) growth-%	13%	28%	-4%	-6%	-5%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	-405.9 %	-308.4 %	-239.4 %	-175.5 %	-117.9 %
EBITDA	-9.4	-12.9	-10.4	-9.1	-9.7	EBIT (adj.)-%	-589.5 %	-442.9 %	-426.6 %	-332.6 %	-197.1 %
Change in working capital	-1.3	0.1	0.0	-1.0	-1.8	EBIT-%	-589.5 %	-442.9 %	-426.6 %	-332.6 %	-197.1 %
Operating cash flow	-10.6	-12.8	-10.5	-10.1	-11.5	ROE-%	-13.7 %	-17.4 %	-19.3 %	-21.4 %	-24.5 %
CAPEX	-7.2	-3.7	-5.8	-4.3	-4.9	ROI-%	-11.1 %	-17.1 %	-20.2 %	-22.5 %	-25.6 %
Free cash flow	-18.4	-17.1	-17.0	-14.4	-16.4	Equity ratio	89.8 %	91.2 %	91.2 %	89.5 %	86.2 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-81.3 %	-80.1 %	-78.7 %	-78.7 %	-73.8 %
EV/S	8.3	neg.	17.2	19.4	13.8						
EV/EBITDA	neg.	1.9	neg.	neg.	neg.						
EV/EBIT (adj.)	neg.	1.3	neg.	neg.	neg.						
P/E (adj.)	neg.	neg.	neg.	neg.	neg.						
P/B	1.0	0.5	1.7	2.2	2.7						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/17/2023	Reduce	1.30 €	1.19 €
3/24/2023	Reduce	1.30 €	1.27 €
6/5/2023	Reduce	1.10 €	0.99 €
9/29/2023	Reduce	1.10 €	1.01 €
3/8/2024	Accumulate	1.25 €	1.02 €
5/11/2024	Reduce	1.60 €	1.79 €
9/23/2024	Reduce	2.90 €	3.33 €
3/7/2025	Accumulate	2.90 €	2.55 €



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