SPINNOVA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Burden of proof is still heavy

We reiterate our Accumulate recommendation and EUR 1.10 target price for Spinnova. We have not made any material changes to our forecasts for the commercialization progress of Spinnova's technology portfolio since the company's H2 report. In our view, the share still offers positive expected value considering the company's current market capitalization and the trajectory of our estimates, even though the range of different scenarios is wide and the realization of the story will require time and positive news flow from H1. However, the risk level of investing in the company is now high.

H2 slightly below our expectations with lower-than-expected cash burn

Spinnova's revenue and operating loss decreased year-on-year in H2. In the big picture, developments were fairly well in line with our estimates we lowered in November. However, cash flow was better than expected as investments, mainly related to the recapitalization of Woodspin, were below our forecast and the positive change in working capital also supported cash flow. As a result, Spinnova's net cash position at the end of H2 was higher than our estimate at 41 MEUR. We commented on Spinnova's results in more detail here yesterday.

We made no significant estimate revisions

In contrast to previous years, Spinnova did not provide guidance for the current year. Spinnova argued that the progress of the Suzano technology project will determine the company's near-term prospects, and we agree. The company has not yet received an updated schedule for the Suzano plant project, which was delayed in November. Spinnova and Suzano continue to validate Spinnova's technology efficiency metrics as quickly as possible, and Spinnova aims to provide guidance in the coming months. The status of the technology development for the Suzano project was the most interesting aspect of the H2 report in advance, and in this respect the report provided few answers, although there were no obvious disappointments. The scenario in our projections of the Suzano project now advancing to pre-engineering with H2 also remains realistic.

The H2 report didn't lead to changes in our expectations regarding the progress of Spinnova's technology development in the short and long term. Therefore, the estimate revisions we made after the H2 report were marginal adjustments. In our forecast, revenue, which will turn to growth this year in the commercialization phase but will remain low for years, will keep Spinnova's EBIT negative until 2030, and the business will only begin to scale in the 2030s, when more and larger, later-stage technology projects will be delivered. According to our calculations, the company's financing needs for the next few years are still covered by the current cash position and Business Finland loan financing, and the stock is not threatened by dilution in the near future. Still, the tightest cash flow situation is not expected until the end of the decade. The main risks to our forecasts are a failure to reduce technology investment and operating costs, a shift in investment by technology customers for external reasons, dependence on individual customers (especially Suzano), and a slowdown in the sustainability trend.

Expected value remains cautiously positive

The required rate of return we use in Spinnova's valuation is high, as the risk of commercialization proceeding slower than our forecast is tangible due to the lack of a timeline for the Suzano project. Even the most negative scenario (i.e. development fails) is on the table until the techno-economic competitiveness of the technology is proven. With an enterprise value of around 10 MEUR at the end of the current year (e.g. DCF around EUR 1.6/share), we consider the return potential of the stock to be cautiously attractive, even considering the risks. However, investing in Spinnova at this stage requires patience and a high risk tolerance, as the road to scalable growth enabled by the business model and market size is still long and rocky, even in the best case.

|	2024	2025e	2026e	2027e
Revenue	0.8	2.5	20.5	23.0
growth-%	-93%	228%	721%	12%
EBIT adj.	-18.3	-14.8	-4.8	-4.4
EBIT-% adj.	-2408%	-592%	-23%	-19%
Net Income	-16.8	-13.8	-4.6	-4.7
EPS (adj.)	-0.32	-0.26	-0.09	-0.09
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	0.7	0.8	0.9	1.0
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	12.9	9.3	1.5	1.7

Source: Inderes

Guidance   (Unchanged)
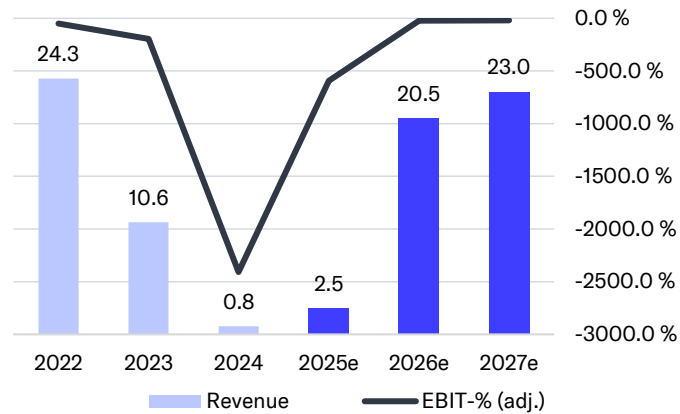
In 2024, revenue is expected to be lower than in 2023. EBIT is expected to improve from 2023, but to be negative.
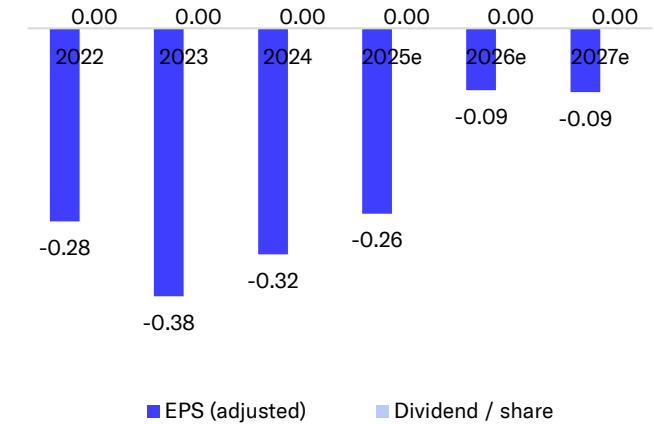
Share price

Source: Millistream Market Data AB

Revenue and EBIT-%

Source: Inderes

EPS and dividend

Source: Inderes
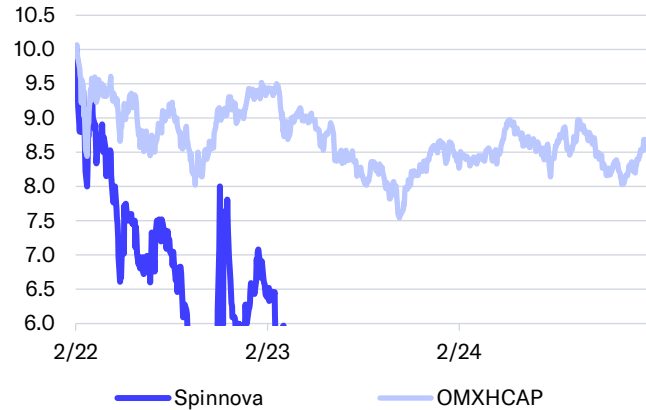
Value drivers

- Differentiation enabled by unique technology

- Excellent environmental performance of the fiber

- Potential first-mover advantage of new fiber technologies

- Large target market

- An inherently scalable and capital-light business model makes profitable growth highly valuable

- Increased confidence in commercialization success

Risk factors

- Failure to reduce technology investment and operating costs

- Postponement of investments due to external factors

- Dependence on individual customers, in particular Suzano

- Slowdown in sustainability trend in consumer markets

Valuation	2025e	2026e	2027e
Share price	0.89	0.89	0.89
Number of shares, millions	52.3	52.3	52.3
Market cap	47	47	47
EV	23	31	38
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.8	0.9	1.0
P/S	18.6	2.3	2.0
EV/Sales	9.3	1.5	1.7
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

No massive surprises in H2 figures

Revenue and losses contracted in H2; cash position still very good

Spinnova's revenue decreased by 78% to 0.4 MEUR in H1. The sharp drop in revenue was a foregone conclusion prior to the report, as Spinnova delivered the tail end of Woodspin's first factory project in the comparison period and there were no technology projects underway in H2. However, Spinnova's operating loss in H2 decreased slightly to 8.4 MEUR. The loss narrowed compared to the prior year period as the H2'23 technology project was close to break even. In addition, the loss was reduced by a reduction in headcount and stock option expense, as well as a reduction in Woodspin's net loss. Spinnova's H2 loss was roughly in line with our expectations.

However, cash flow was better than expected as investments, mainly related to the recapitalization of Woodspin, were below our forecast and the positive change in working capital also supported cash flow.

Consequently, Spinnova's net cash at the end of H2 was higher than our estimate at 41 MEUR. We continue to believe that the cash position is sufficient to cover the company's capital requirements under the current strategy in all scenarios, at least until the end of the decade, despite the delays revealed in H2 for the pulp-based technology.

2025 priorities were not surprising

In conjunction with the report, Spinnova announced its key focus areas for 2025: 1) demonstrating the technology's functionality at a competitive cost level, 2) improving the piloting process, 3) increasing technology customers' confidence in the fiber's commercial competitiveness through brand collaboration, 4) building the technology sales pipeline, and 5) maintaining a strong cash position at the end of 2025.

We do not see any major surprises in the priority areas for the current year. However, we would like to emphasize that success on the first point, in particular the advancement of the Suzano plant project, is absolutely essential to maintain investor confidence and reduce the risk level of the stock, which has been on an upward trend. We also note that a successful expansion of the sales pipeline in 2025 and 2026 could also lead to better-than-expected revenue growth and a diversification of the customer portfolio, as our forecasts still rely quite heavily on Suzano's willingness and ability to gradually scale up Spinnova fiber production, especially in the 2030s.

Estimates MEUR / EUR	H2'23 Comparison	H2'24 Actualized	H2'24e Inderes	H2'24e Consensus	Consensus Low	High	Difference (%) Act. vs. inderes	2024e Inderes
Revenue	1.8	0.4	0.3				33%	0.8
EBIT	-9.9	-8.4	-8.6				-2%	-18.3
PTP	-8.8	-7.4	-8.1				-8%	-16.5
EPS (adj.)	-0.18	-0.15	-0.16				-4%	-0.32
DPS	0.00	0.00	0.00					0.00
Revenue growth-%	-89%	-78%	-84%				6.5 pp	-93%

Source: Inderes

We did not touch on technology sales timeline forecasts

Estimate revisions

o In contrast to previous years, Spinnova did not provide guidance for the current year. Spinnova argued that the progress of the Suzano technology project will determine the company's near-term prospects, and we agree. Spinnova and Suzano continue to validate Spinnova's technology efficiency metrics as quickly as possible, and Spinnova aims to provide guidance in the coming months. In practice, we estimate that Spinnova's revenue will increase this year if the project progresses to the revenue generating pre-engineering phase for Spinnova. Similarly, we do not see any revenue growth drivers this year if the project is further delayed.

o Respin's commercialization plan with ECCO is underway and further details of the project will be announced in Q1. However, we estimate that the development of leather-based Respin is still lagging behind that of mechanical pulp (Suzano).

o With the H2 report, we have not changed the timing of Spinnova's technology sales in our forecasts.

o The minor estimate revisions are mainly due to our adjustments to the cost forecasts and the Woodspin forecasts. As for Woodspin's losses and recapitalization needs, the worst may already be over as we expect Spinnova and Suzano to try to move Woodspin's Jyväskylä mill a few steps from technology development to production use (see e.g. Woodspin's LOI on fiber sale agreed with Puma).

Operational earnings drivers:

o In our forecasts, we continue to expect that Spinnova will be able to commercialize its technology to customers using recycled clothing waste and leather as raw materials by 2040, in addition to Suzano, which uses wood-based pulp. Progress towards commercialization will require a significant reduction in the production and investment costs of the technology, so that the price level of the fiber can be competitive and the market that can be reached is sufficiently large.

o Since Spinnova operates in the project business, the timing of projects will have a significant impact on the company's revenue and earnings levels in individual years. We do not expect Spinnova's evolution in the early stages of commercialization in the 2020s to be linear, but revenue and earnings levels may vary from year to year. In the 2030s, the fluctuation may level off, if/when the company launches more projects at once.

o In our view, Spinnova can still survive into a positive cash flow generation phase with its current cash position (including Business Finland funding of at least around 8 MEUR), but the tightest cash position is only at the end of the decade and there is no room for significant development missteps.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	0.7	0.8	15%	2.5	2.5	0%	20.5	20.5	0%
EBITDA	-15.8	-15.6	-1%	-13.5	-11.8	-13%	-1.2	-2.4	96%
EBIT (exc. NRIs)	-18.5	-18.3	-1%	-16.4	-14.8	-10%	-4.4	-4.8	9%
EBIT	-18.5	-18.3	-1%	-16.4	-14.8	-10%	-4.4	-4.8	9%
PTP	-17.1	-16.5	-3%	-16.4	-13.8	-16%	-4.5	-4.6	1%
EPS (excl. NRIs)	-0.33	-0.32	-3%	-0.31	-0.26	-16%	-0.09	-0.09	1%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Spinnova Half Year Results 2024

Spinnova
Spinnova Half Year Results 2024

We are still monitoring progress of development work

Upside potential if news flow does not disappoint

In our opinion, it is essential in Spinnova's valuation to assess the value creation potential of its business, its likelihood of achieving the potential and the market's readiness to price this. We would also like to point out that Spinnova's valuation and market pricing is sensitive to the market situation, as investors' readiness to price companies through long-term potential can vary significantly, depending on, e.g., interest rate levels, the general willingness to take risks and the pace at which the company's story unfolds.

In our view, there has been no significant change in overall risk appetite relative to our previous expectations. The delay of the Suzano factory project by H2'24 has increased Spinnova's risks, especially in the worst-case scenario (i.e. commercialization failure), and investors' willingness to look into the distant future has also been understandably weakened by the undeniable setback. In the previous update, we raised our required return significantly, but in this update, we have left our required return unchanged.

DCF value still above the share price

The DCF model offers an indication of the company's valuation based on its long-term potential. At the current stage of development, the model's assumptions contain extreme uncertainty and its positive cash flows are mostly concentrated well into the 2030s. The DCF value for equity for Spinnova is about EUR 1.5 per share, which is clearly above the stock market price. As such, in our view, the DCF provides a cautiously attractive signal of the stock's risk/reward ratio.

Near-term EV multiples are high

Spinnova's EV/S multiples based on the 2025 and 2026 forecasts are 9x and 2x, respectively. Multiples for 2025, despite the company's large target market and inherently scalable business model. Thus, the stock cannot be considered cheap relative to near-term revenue expectations, and even to justify present value, the company needs to grow in line with our 2026 estimates. For this year, the valuation multiples are higher than those of the peer group, but of course the peer group is only seemingly correlated with Spinnova.

We see expected value still slightly positive, although there is some risk

In our view, the fair value of Spinnova's share is in the range of EUR 0.5-2.0 based on current assumptions, especially the DCF model and short-term absolute and relative EV/S multiples. In less than 4 years as a public company, Spinnova has been building a path to commercialization, although the company has not yet reached the stage of sustainable growth and is not yet certain to do so. The next few years, and already 2025, are very critical for Spinnova's investment story, as the company needs to prove the techno-economic feasibility of its concept, especially in Suzano's first industrial-scale project, in order to maintain investor confidence and reduce the share's risk level. This would then lay the foundation for faster business scaling (including, in particular, lower investment and production costs) from the turn of the decade.

Development of share value in different scenarios

	Negative[1]	Forecast[2]	Positive[3]
Successful technology sales	Failing in the 2020s	In line with forecasts	Broad market penetration and continued growth
Likelihood	Possible	Possible	Possible
EBIT 2036e and the path there	Negative, or company not independent	Estimates	100 MEUR, path better than forecast
Present share value	IPR sales value (>0)	EUR >1 (DCF)	EUR 2.8-5.6 (multiples 2036e)

1) In this scenario, Spinnova's own commercialization fails in the 2020s, the company's cash flow dwindles, and the company needs to find a way to realize the remaining value as quickly as possible by selling the IPR.
2) In a scenario broadly consistent with our projections, commercialization will occur only in the textile value chain and with a limited feedstock base over the next 15 years, after which growth prospects will slow and the profitability profile will stabilize.
3) Commercialization will be at least in line with our projections, and growth prospects for the 2040s remain strong, either in the textile industry (including other feedstocks) and/or in other end-use applications.

Source: Inderes' estimate

Expected return cannot be realized without news stream

We see a reasonable chance of commercialization success, although the risks are significant and will increase in 2024. Similarly, the return potential for investors in the company would be huge in the long run (see our positive scenario aligned with the company's targets) if Spinnova manages to enter a phase of scalable and capital-light growth roughly in line with its targets. In addition, we believe that Spinnova's technology development is reasonably advanced, i.e. entering the industrial phase, which supports the risk/reward for the investor. Thus, even in a negative scenario (i.e., the company fails to commercialize on its own in the coming years), we believe that a somewhat higher value than zero can be justified for the company's IPR. As a result, we do not consider the probability of a complete destruction of investor capital to be particularly high, although this cannot be ruled out if negative surprises persist.

In view of the overall valuation picture, we reiterate our Accumulate recommendation and our target price of EUR 1.10. In our view, the expected return, which is boosted by significant short- and long-term potential, is still moderately above our required return reflecting high and elevated risk levels. At the current enterprise value (year-end 2024 EV) of 10 MEUR, the bar for the near-term trajectory is starting to get low, although for companies burning through cash, the absolute support to the share price provided by the EV may remain illusory. However, until the status of the Suzano project is clarified, we see no justification for a more positive view on the stock. We also point out that Spinnova, at its current stage of development, is only suitable for the portfolio of investors with a high risk tolerance. We estimate that the stock's upside to our price target over the 12-month horizon requires success in improving technology cost levels with Suzano, advancing the Suzano project to the pre-engineering stage, and guiding for revenue growth this year.

Valuation	2025e	2026e	2027e
Share price	0.89	0.89	0.89
Number of shares, millions	52.3	52.3	52.3
Market cap	47	47	47
EV	23	31	38
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.8	0.9	1.0
P/S	18.6	2.3	2.0
EV/Sales	9.3	1.5	1.7
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

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price		13.4	6.50	2.40	0.97	0.89	0.89	0.89	0.89
Number of shares, millions	0.00	51.3	51.3	51.3	52.3	52.3	52.3	52.3	52.3
Market cap		689	334	123	51	47	47	47	47
EV	-1.4	589	257	69	9.8	23	31	38	47
P/E (adj.)		neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/E		neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/B	0.0	6.1	3.3	1.4	0.7	0.8	0.9	1.0	1.2
P/S	0.0	>100	13.7	11.6	66.6	18.6	2.3	2.0	3.6
EV/Sales	neg.	97.2	10.6	6.4	12.9	9.3	1.5	1.7	3.7
EV/EBITDA	0.3	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EV/EBIT (adj.)	0.3	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 %

Source: Inderes

Peer group valuation

Peer group valuation		Market cap	EV	EV/S		P/B
Company		MEUR	MEUR	2025e	2026e	2025e
Betolar		18	14	7.2	2.1	7.5
Aiforia		106	95	15.8	8.6	11.5
Bioretec		61	57	7.4	4.1	52.0
Optomed		83	75	3.4	2.3	4.0
Nightingale		112	48	6.0	4.4	2.8
Spinnova (Inderes)		**47**	**23**	**9.3**	**1.5**	**0.8**
Average				**8.0**	**4.3**	**15.6**
Median				**7.2**	**4.1**	**7.5**
Diff-% to median				**29%**	**-63%**	**-89%**

Source: Refinitiv / Inderes

Income statement

Income statement	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
Revenue	**8.8**	**1.8**	**10.6**	**0.4**	**0.4**	**0.8**	**0.3**	**2.2**	**2.5**	**20.5**	**23.0**	**12.8**
Group	8.8	1.8	10.6	0.4	0.4	0.8	0.3	2.2	2.5	20.5	23.0	12.8
EBITDA	**-9.7**	**-8.7**	**-18.4**	**-8.6**	**-7.0**	**-15.6**	**-6.5**	**-5.3**	**-11.8**	**-2.4**	**-1.6**	**-3.8**
Depreciation	-1.3	-1.2	-2.5	-1.3	-1.4	-2.7	-1.5	-1.5	-3.0	-2.4	-2.8	-3.3
EBIT (excl. NRI)	**-11.0**	**-9.9**	**-20.9**	**-9.9**	**-8.4**	**-18.3**	**-8.0**	**-6.8**	**-14.8**	**-4.8**	**-4.4**	**-7.1**
EBIT	**-11.0**	**-9.9**	**-20.9**	**-9.9**	**-8.4**	**-18.3**	**-8.0**	**-6.8**	**-14.8**	**-4.8**	**-4.4**	**-7.1**
Group	-11.0	-9.9	-20.9	-9.9	-8.4	-18.3	-8.0	-6.8	-14.8	-4.8	-4.4	-7.1
Net financial items	0.5	1.1	1.6	0.9	0.9	1.8	0.5	0.5	1.0	0.2	-0.3	-0.5
PTP	**-10.4**	**-8.8**	**-19.3**	**-9.0**	**-7.5**	**-16.5**	**-7.5**	**-6.3**	**-13.8**	**-4.6**	**-4.7**	**-7.6**
Taxes	-0.1	-0.2	-0.3	-0.2	-0.1	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	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	**-10.6**	**-9.0**	**-19.6**	**-9.2**	**-7.7**	**-16.8**	**-7.5**	**-6.3**	**-13.8**	**-4.6**	**-4.7**	**-7.6**
EPS (adj.)	**-0.21**	**-0.18**	**-0.38**	**-0.18**	**-0.15**	**-0.32**	**-0.14**	**-0.12**	**-0.26**	**-0.09**	**-0.09**	**-0.14**
EPS (rep.)	**-0.21**	**-0.18**	**-0.38**	**-0.18**	**-0.15**	**-0.32**	**-0.14**	**-0.12**	**-0.26**	**-0.09**	**-0.09**	**-0.14**

Key figures	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
Revenue growth-%	16%	-89%	-56%	-96%	-78%	-93%	-17%	450%	228%	721%	12%	-44%
EBITDA-%	-110%	-477%	-173%	-2372%	-1758%	-2049%	-2167%	-241%	-472%	-12%	-7%	-29%
Adjusted EBIT-%	-125%	-546%	-197%	-2736%	-2111%	-2408%	-2667%	-309%	-592%	-23%	-19%	-55%
Net earnings-%	-120%	-496%	-184%	-2528%	-1920%	-2209%	-2500%	-286%	-552%	-22%	-21%	-59%

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**33.9**	**34.4**	**36.4**	**39.0**	**41.2**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	11.7	10.3	12.3	14.6	16.5
Tangible assets	3.1	3.1	3.1	3.4	3.6
Associated companies	18.9	20.9	20.9	20.9	20.9
Other investments	0.1	0.1	0.1	0.1	0.1
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	**64.7**	**48.9**	**37.1**	**35.5**	**30.0**
Inventories	0.0	0.0	0.0	0.4	0.7
Other current assets	1.0	1.2	1.2	1.2	1.2
Receivables	2.3	0.4	0.5	4.1	4.6
Cash and equivalents	61.5	47.2	35.3	29.7	23.5
Balance sheet total	**98.6**	**83.3**	**73.5**	**74.4**	**71.2**

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**87.3**	**71.2**	**57.4**	**52.8**	**48.0**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-47.8	-64.0	-77.8	-82.4	-87.2
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	135	135	135	135	135
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**5.7**	**6.0**	**10.0**	**12.0**	**13.0**
Deferred tax liabilities	0.7	1.0	1.0	1.0	1.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.0	5.1	9.0	11.0	12.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**5.6**	**6.1**	**6.1**	**9.7**	**10.2**
Interest bearing debt	2.0	1.3	3.0	3.0	3.0
Payables	1.6	2.2	0.5	4.1	4.6
Other current liabilities	2.0	2.6	2.6	2.6	2.6
Balance sheet total	**98.6**	**83.3**	**73.5**	**74.4**	**71.2**

DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-92.8 %	228.1 %	721.2 %	12.2 %	-44.3 %	9.0 %	239.0 %	45.5 %	-25.7 %	59.7 %	55.5 %	55.5 %
EBIT-%	-2408.0 %	-592.0 %	-23.2 %	-19.2 %	-55.1 %	-43.3 %	12.0 %	21.9 %	10.6 %	29.1 %	45.2 %	45.2 %
EBIT (operating profit)	**-18.3**	**-14.8**	**-4.8**	**-4.4**	**-7.1**	**-6.1**	**5.7**	**15.1**	**5.4**	**23.8**	**57.6**	
+ Depreciation	2.7	3.0	2.4	2.8	3.3	3.6	4.9	6.2	7.0	7.9	8.5	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- 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	
+ 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	2.8	-1.8	-0.4	-0.3	0.3	0.0	-1.0	-0.6	0.5	-0.9	-1.4	
Operating cash flow	**-11.8**	**-12.6**	**-1.8**	**-0.9**	**-2.5**	**-1.8**	**10.2**	**21.4**	**13.6**	**31.5**	**65.1**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-1.2	-5.0	-5.0	-5.0	-5.0	-7.0	-9.0	-10.0	-11.0	-11.0	-12.0	
Free operating cash flow	**-13.1**	**-17.6**	**-6.8**	**-5.9**	**-7.5**	**-8.8**	**1.2**	**11.4**	**2.6**	**20.5**	**53.1**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-13.1	-17.6	-6.8	-5.9	-7.5	-8.8	1.2	11.4	2.6	20.5	53.1	0.0
Discounted FCFF		**-15.3**	**-5.0**	**-3.7**	**-4.0**	**-4.0**	**0.5**	**3.7**	**0.7**	**4.8**	**10.7**	**8.8**
Sum of FCFF present value		36.5	51.7	56.7	60.4	64.4	68.4	67.9	64.2	63.5	58.6	47.9
Enterprise value DCF		**36.5**										
- Interest bearing debt		-6.4										
+ Cash and cash equivalents		47.2										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**77.4**										
Equity value DCF per share		**1.5**										

WACC

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	5.0 %
Equity Beta	3.50
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**19.1 %**
Weighted average cost of capital (WACC)	**17.6 %**

Source: Inderes

Cash flow distribution

- 2025e-2029e: 1180%
- 2030e-2034e: -756%
- TERM: -323%

Legend: ■ 2025e-2029e ■ 2030e-2034e ■ TERM
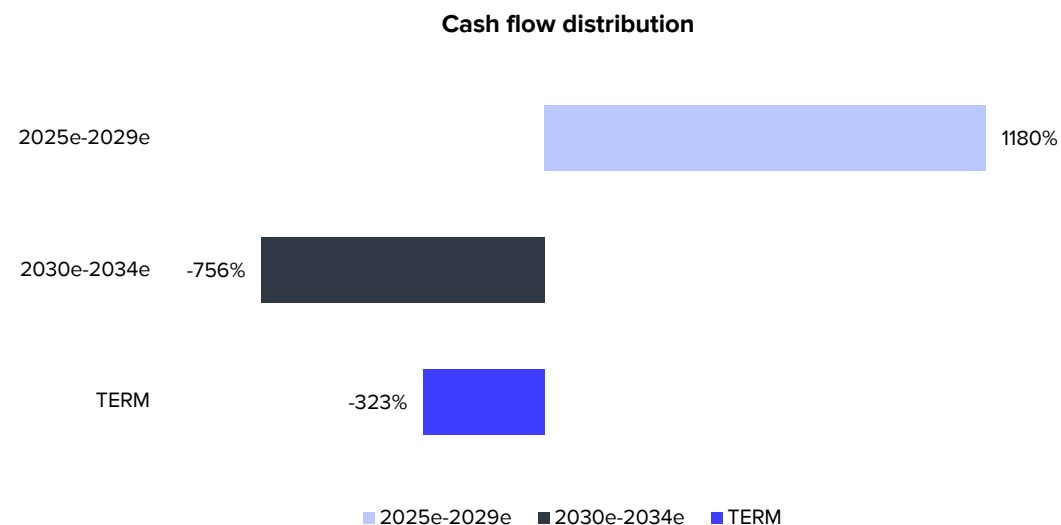
DCF sensitivity calculations and key assumptions in graphs

Sensitivity of DCF to changes in the WACC-%

DCF value (EUR) — Weight of terminal value (%)
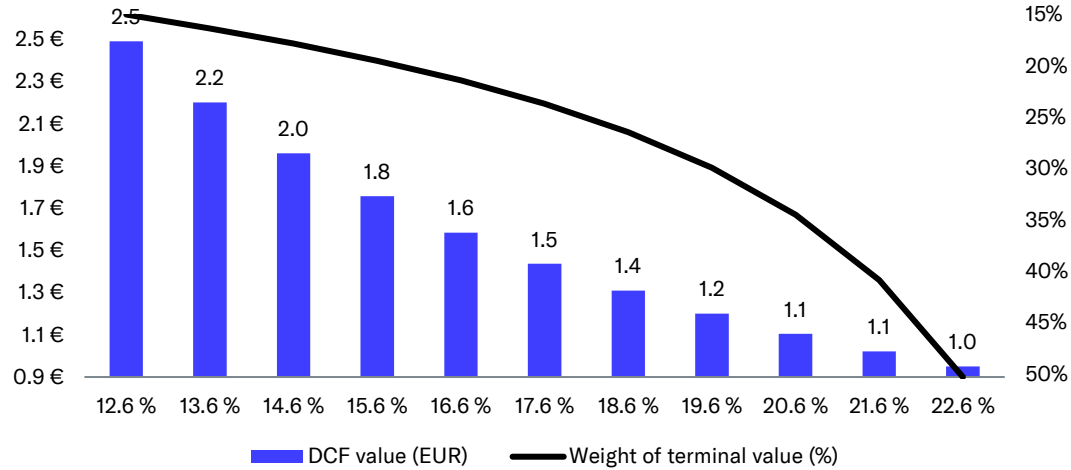
Sensitivity of DCF to changes in the risk-free rate

DCF value (EUR) — Weight of terminal value (%)
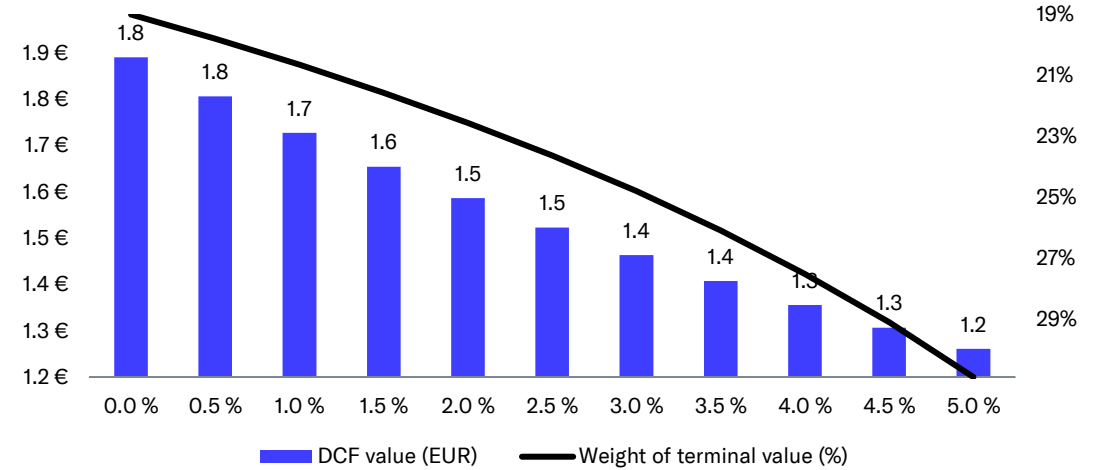
Sensitivity of DCF to changes in the terminal EBIT margin

DCF value (EUR) — Weight of terminal value (%)
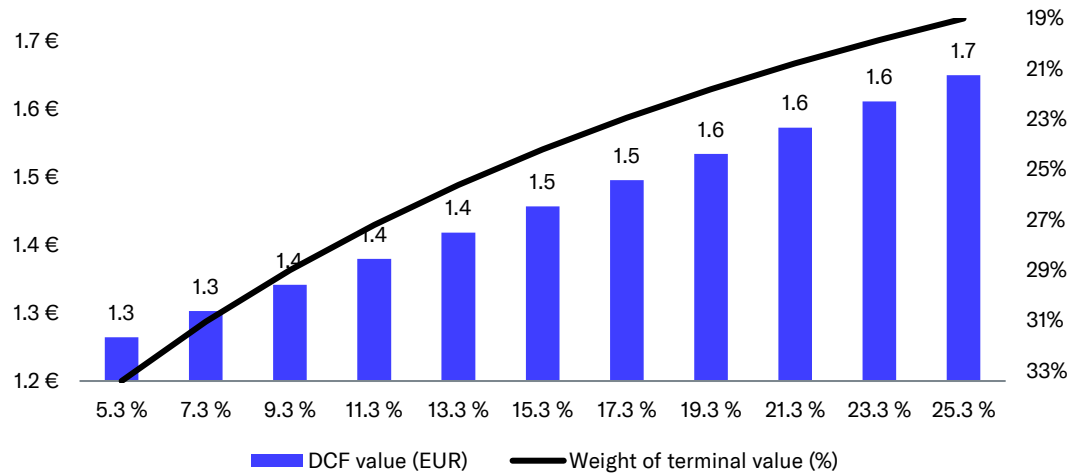
Growth and profitability assumptions in the DCF calculation

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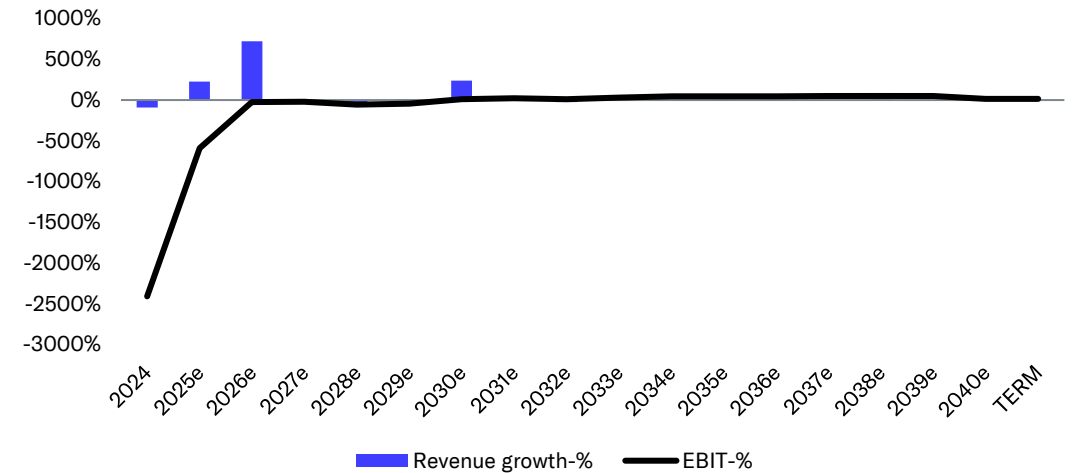
Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

13

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	24.3	10.6	0.8	2.5	20.5
EBITDA	-11.4	-18.4	-15.6	-11.8	-2.4
EBIT	-12.3	-20.9	-18.3	-14.8	-4.8
PTP	-14.1	-19.3	-16.5	-13.8	-4.6
Net Income	-14.1	-19.6	-16.8	-13.8	-4.6
Extraordinary items	0.0	0.0	0.0	0.0	0.0

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	115.0	98.6	83.3	73.5	74.4
Equity capital	100.0	87.3	71.2	57.4	52.8
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	-76.3	-54.4	-40.9	-23.3	-15.7

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	-11.4	-18.4	-15.6	-11.8	-2.4
Change in working capital	4.6	-1.7	2.8	-1.8	-0.4
Operating cash flow	-6.8	-19.8	-11.8	-12.6	-1.8
CAPEX	-4.0	-5.0	-1.2	-5.0	-5.0
Free cash flow	-10.7	-24.8	-13.1	-17.6	-6.8

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	-0.28	-0.38	-0.32	-0.26	-0.09
EPS (adj.)	-0.28	-0.38	-0.32	-0.26	-0.09
OCF / share	-0.13	-0.39	-0.23	-0.24	-0.03
FCF / share	-0.21	-0.48	-0.25	-0.34	-0.13
Book value / share	1.95	1.70	1.36	1.10	1.01
Dividend / share	0.00	0.00	0.00	0.00	0.00

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	300%	-56%	-93%	228%	721%
EBITDA growth-%	85%	62%	-15%	-24%	-80%
EBIT (adj.) growth-%	77%	70%	-12%	-19%	-68%
EPS (adj.) growth-%	-8%	39%	-16%	-18%	-67%
EBITDA-%	-46.8 %	-173.1 %	-2049.3 %	-472.0 %	-11.5 %
EBIT (adj.)-%	-50.7 %	-196.7 %	-2408.0 %	-592.0 %	-23.2 %
EBIT-%	-50.7 %	-196.7 %	-2408.0 %	-592.0 %	-23.2 %
ROE-%	-13.2 %	-20.9 %	-21.2 %	-21.5 %	-8.4 %
ROI-%	-10.8 %	-20.8 %	-21.3 %	-19.3 %	-6.0 %
Equity ratio	87.0 %	88.6 %	85.5 %	78.1 %	70.9 %
Gearing	-76.3 %	-62.3 %	-57.4 %	-40.6 %	-29.8 %

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	10.6	6.4	12.9	9.3	1.5
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	3.3	1.4	0.7	0.8	0.9
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
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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
5/30/2024	Accumulate	2.00 €	1.61 €
8/22/2024	Accumulate	2.00 €	1.60 €
11/28/2024	Accumulate	1.10 €	0.88 €
12/14/2025	Accumulate	1.10 €	0.89 €

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