CANATU

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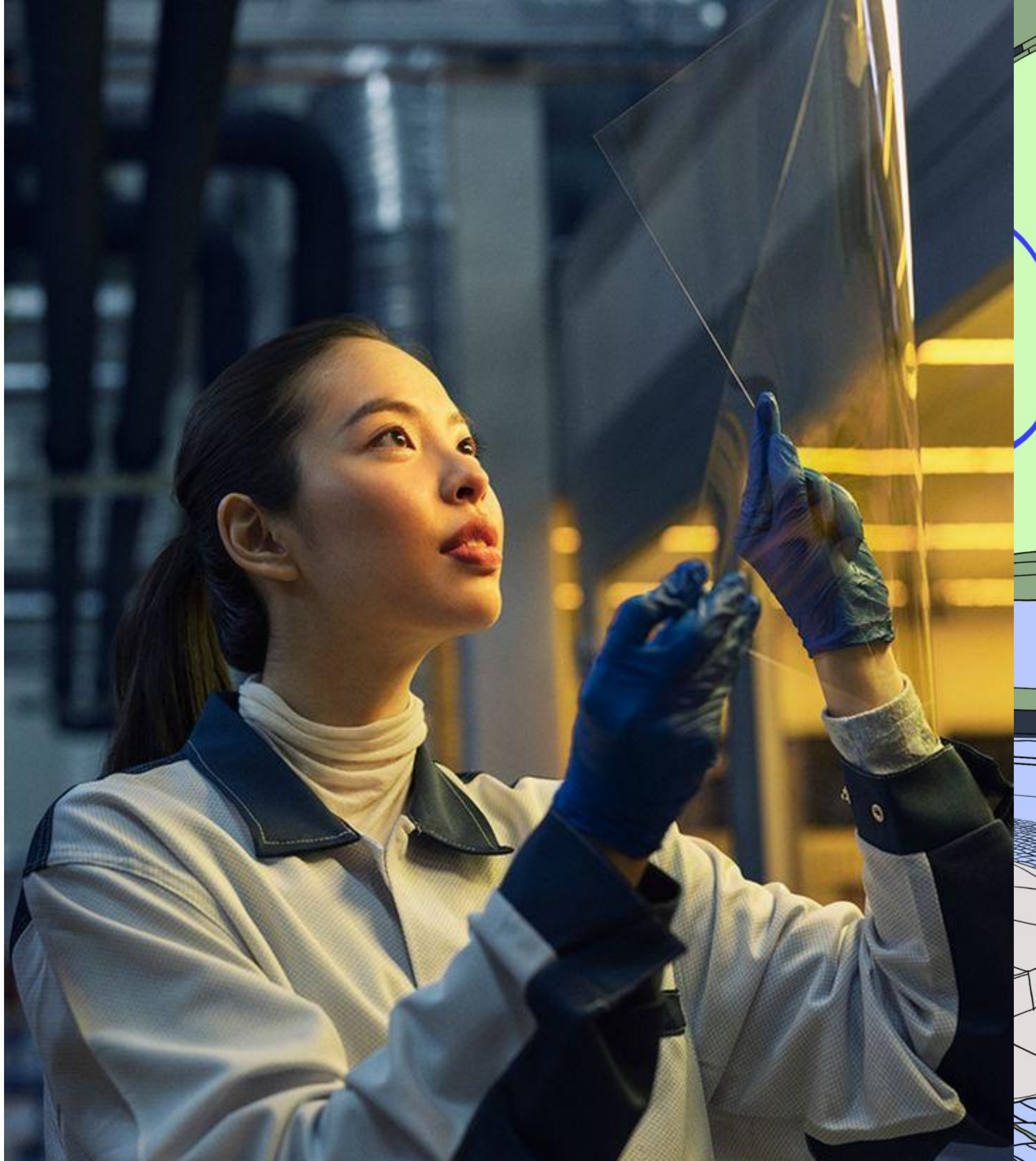
INDERES CORPORATE CUSTOMER

COMPANY REPORT



Growth was pushed forward

We lower Canatu's target price to EUR 10.0 (was EUR 12.0) and the recommendation to Accumulate (was Buy). The company's H1 figures were weak as expected, but the subdued outlook for the rest of the year was disappointing, and new reactor orders appear to be slipping into next year. Long-term targets were also pushed forward, as the transition to the latest high-power EUV machines within Canatu's customer base is taking longer than previously assumed. However, the market is still clearly emerging, and Canatu's position in it appears strong. This enables significant earnings growth for the company in the long term, and if realized, the stock has considerable potential. We now forecast the company to achieve its targets (revenue >100 MEUR and EBIT > 30%) in 2029 (was 2028), so patience is required for the growth story to materialize. Canatu remains a very interesting long-term growth company, but the sluggish short-term development currently limits buying interest to some extent.

H1 figures were weak as expected

Canatu's H1 figures were, as expected, weak without new reactor orders. Revenue decreased by 34% to 7.3 MEUR and the operating margin declined to -4.0 MEUR, which also reflects increased growth investments. The outlook anticipating declining revenue this year was disappointing. Without new reactor orders, revenue will decline significantly, which our lowered forecast now assumes (2025e 14.9 MEUR, -32%).

The long-term growth outlook remains credible, even if it will take time to materialize

Canatu was listed on the stock exchange last fall with ambitious growth targets, but already this year, short-term growth forecasts have had to be adjusted to be significantly more cautious than originally expected. In particular, previous expectations for the adoption of ASML's over 600-watt EUV machines have proven too optimistic, and these are now expected to be in use during 2027. In these, EUV pellicles made from Canatu's carbon nanotube membranes are practically mandatory, as current composite pellicles cannot withstand the heat and stress of the machines. Belief in strong future growth is also created by the fact that Canatu's competitive position appears to have strengthened during the year in relation to Japanese industrial conglomerates (Mitsui and Lintec). This is evidenced by the company's progress with existing customers and the interest of new potential customers in its reactors. According to the company, no deals have been lost to competitors either. The long-term potential thus remains unchanged, but its realization will take longer than originally estimated. This is not particularly surprising in the early stages of a completely new market's development, but investors rarely rejoice at kicking the can down the road, even if it is now more due to external factors (market development, customer delays in acceptance tests) rather than the company's own operational performance. Based on the H1 report, we have lowered and shifted our expectations for the ramp-up of the reactor business to focus more on the end of this decade. However, the company will have an opportunity next year to prove its return to a strong growth trajectory, for which the upcoming reactor orders should provide a good starting point.

Stalling growth weighs on the share

Canatu's valuation (2025e EV/S 13x-14x) has priced in expectations of strong scalable growth, for which we believe the still credible long-term growth story provides grounds. In the big picture, the company's reactor business is still moving in the right direction, which lays the foundation for strong earnings growth in the coming years. Should this materialize, the share's valuation (2028e-2029e EV/EBIT 12x-5x) would become very attractive. However, this year's weakening revenue has created a crack in the growth story, which is also reflected in the sharply declined share price. Through scenarios modeling growth and profitability at different rates, we have estimated a wide value range of some EUR 5-20 for Canatu, which partly reflects the risks and opportunities associated with the company.

Recommendation
Accumulate
(was Buy)

Target price:
EUR 10.00
(was EUR 12.00)

Share price:
EUR 8.14

Business risk
●●●●○

Valuation risk
●●●●○

	2024	2025e	2026e	2027e
Revenue	22.0	14.9	29.8	58.8
growth-%	62%	-32%	100%	97%
EBIT adj.	-4.8	-11.6	-7.6	5.3
EBIT-% adj.	-21.9 %	-78.2 %	-25.5 %	9.1 %
Net income	-1.7	-8.8	-5.6	4.6
EPS (adj.)	-0.01	-0.24	-0.15	0.14

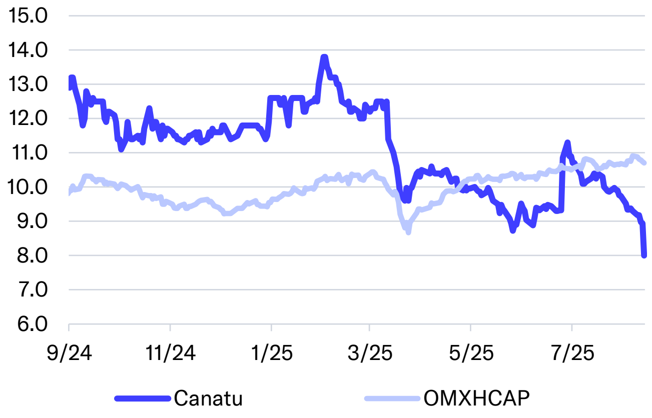
P/E (adj.)	10.4	neg.	neg.	55.8
P/B	2.6	0.0	0.0	0.0
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	5.1	neg.	neg.	37.9
EV/EBITDA	4.5	neg.	neg.	23.2
EV/S	1.6	13.0	6.8	3.4

Source: Inderes

Guidance (New guidance)

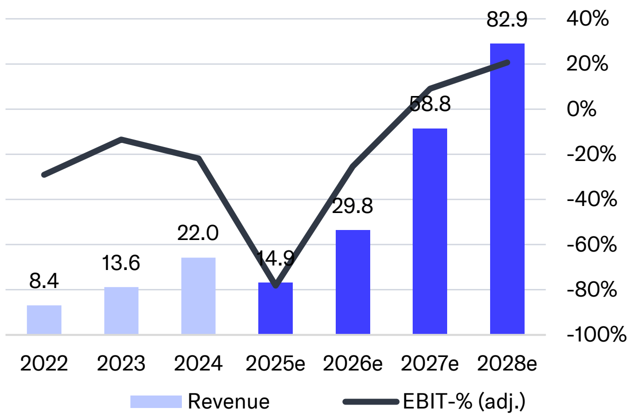
Canatu estimates that its 2025 financial year revenue will decrease compared to the 2024 unaudited pro forma revenue (22 MEUR). If the company does not receive new CNT100 SEMI reactor orders during H2, 2025 revenue is expected to decrease significantly. "

Share price



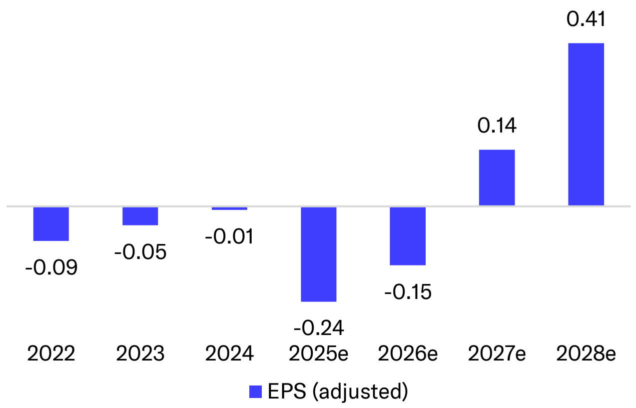
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in the semiconductor industry is the key value driver in the coming years
- Unique and patented manufacturing technology is a clear competitive advantage
- High gross margins indicate pricing power and clear scalability potential in profitability
- Automotive industry and diagnostics support longer-term growth outlook
- Optionality related to Canatu's technology and possible new application areas
- The capital-light business model allows for a high ROI if growth continues

Risk factors

- Concentration, cyclicality and geopolitical risks in the semiconductor industry
- Dependency on individual significant customers
- Sustainability of the competitive advantage in
- Canatu's CNT manufacturing in the long term
- Competitive threat from other materials in Canatu's product areas
- The high valuation of the stock requires continued strong growth

Valuation	2025e	2026e
Share price	8.00	8.00
Number of shares, millions	34.8	34.8
Market cap	278	278
EV	194	203
P/E (adj.)	neg.	neg.
P/E	neg.	neg.
P/FCF	neg.	neg.
P/B	0.0	0.0
P/S	18.7	9.3
EV/Sales	13.0	6.8
EV/EBITDA	neg.	neg.
EV/EBIT (adj.)	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %

Source: Inderes

H1 figures were weak as expected

Revenue sharply down as expected

Canatu's H1 revenue decreased by 34% to 7.3 MEUR, which, considering the significant forecast risks, was practically in line with our 7.8 MEUR estimate. Semiconductor sector revenue decreased by 42% to 5.7 MEUR, while our estimate was 6.7 MEUR. The decline was expected, because the company was delivering its first reactors during the comparison period. Of these, the latter continued to generate some revenue in H1. At the same time, the delayed adoption of high-power scanners in the semiconductor industry has slowed down new reactor deals. The customer acceptance processes for the first reactors have also progressed slower than expected, which naturally delays the start of mass production, and subsequently the continuous revenue streams from royalties and consumables for Canatu. In addition, the company commented that sales of inspection supplies were stable, whereas we expected growth.

Automotive revenue grew by 31% to 1.6 MEUR, exceeding our 1.1 MEUR estimate. The joint development agreement with DENSO generated more revenue than we expected already early in the year.

As expected, no revenue was generated from diagnostics. In this area, Canatu refined its strategy earlier this year and is focusing on developing point-of-care testing for hormones and infectious diseases.

Earnings weakened with revenue as expected

Canatu's EBITDA in H1 was -4.0 MEUR (H1'24: -1.7 MEUR), which was fully in line with our estimate (-4.1 MEUR). The adjusted EBIT (-4.8 MEUR) was slightly better than our estimates, but the reported EBIT was fully in line with our estimate (-5.1 MEUR). The weakening of the result was expected, as Canatu has significantly increased its investments over the past year, and at the same time, early-year revenue remained low without new reactor deliveries. The gross margin (H1'25: 67.3%) improved year-on-year (62.1%), which was influenced by the product mix in the early part of the year. Overall, Canatu's gross margins are at a good level. The company also reiterated its message that much has been learned from the deliveries of the first reactors, which will provide efficiency benefits for future projects. Therefore, we still see the company as having the prerequisites to reach a gross margin of approximately 70% in the longer term.

Canatu has, as expected, continued recruitments in early 2024, and the number of employees has risen to 147 (H2'24: 132). The company has also continued to invest in future growth, and in addition to expanding its production facility, it has invested in, for example, Lasertec's pellicle inspection system to strengthen its quality control and measurement capabilities. Previously, we had speculated that this investment could indicate the company's desire to start manufacturing fully finished EUV pellicles in-house, but based on the earnings information, the investment is specifically for quality control.

Canatu has strong muscles to make investments, as its net cash at the end of H1 was 96.2 MEUR. Operating cash flow (2.5 MEUR) was strong in H1 relative to earnings, which is explained by the recognition of receivables during the beginning of the year.

Estimates MEUR / EUR	H1'24 Comparison	H1'25 Actualized	H1'25e Inderes	H1'25e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	11.1	7.3	7.8				-6%	14.9
EBITDA	-1.7	-4.0	-4.1				3%	-9.4
EBIT (adj.)	-2.3	-4.8	-5.1				6%	-11.6
EPS (reported)	-0.02	-0.12	-0.09				-30%	-0.25
Revenue growth-%	-	-34.1 %	-29.7 %				-4.5 pp	-32.4 %
EBIT-% (adj.)	-20.6 %	-66.3 %	-65.8 %				-0.5 pp	-78.2 %

Source: Inderes

Kicking the can down the road is reflected in the clearly lowered estimates

2025 looks to be a very soft year

Canatu has now issued its outlook for this year and estimates that its 2025 financial year revenue will decrease compared to the 2024 unaudited pro forma revenue (22 MEUR). If the company does not receive new CNT100 SEMI reactor orders during H2, 2025 revenue is expected to decrease significantly compared to the previous year. According to the company, the adoption of CNT pellicles ultimately depends on Canatu's customers and their processes. In addition, the timeline for receiving customer acceptance (Site Acceptance Test, SAT) for the second CNT100 SEMI reactor is not entirely within Canatu's control, and therefore the risk of delays cannot be ruled out. Canatu’s primary goal this year is to focus on supporting the first two reactor customers in achieving readiness for mass production of pellicles. The company is also negotiating with new customers for new reactor orders. However, the adoption of ASML's high-power EUV tools has been slower than expected in the market, which naturally delays demand for Canatu’s CNT pellicles. Canatu, however, estimates that the company's competitive position in this nascent market has strengthened over the past year, as evidenced by significant progress with the company's major reactor customers. The company is therefore well-positioned to capture a significant share of this market once the latest high-power (> 600W) equipment deployments begin from 2027 onwards. The company also still believes that some customers will start using CNT pellicles in 500-watt devices due to the efficiency benefits they offer. Overall, Canatu believes that the company's long-term potential in its three business focus areas remains unchanged. However, the company admitted that the risks of achieving the financial targets set for 2027 have clearly increased due to the slower pace of market development.

Forecasts slashed

Based on Canatu's outlook comments, we removed our assumption of a new reactor order in H2, which caused our 2025 revenue estimate to drop to 14.9 MEUR. This would mean a 32% decrease from the previous year, led by the semiconductor sector (11.3 MEUR, -43%). For the automotive industry, we slightly raised our forecasts based on H1 developments and expect revenue here to grow by 57% to 3.6 MEUR, supported by the co-development agreement with DENSO. Due to weak revenue and increased growth investments, the full-year EBITDA would be around -10.3 MEUR negative. For 2026, we forecast strong revenue growth (29.8 MEUR, +100%) driven by probable new reactor orders (our estimate: 2 units).

We also significantly lowered our assumptions for the ramp-up speed of the reactor business, and now assume Canatu will reach its financial targets during 2029 (was 2028). This naturally requires strong growth in the coming years, for which the company's strong competitive position in the semiconductor sector still provides confidence, even though visibility into future development is very limited.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	22.8	14.9	-35%	35.4	29.8	-16%	76.4	58.8	-23%
EBITDA	-5.1	-9.4	-86%	-1.3	-4.8	-274%	20.5	8.7	-58%
EBIT (exc. NRIs)	-7.5	-11.6	-56%	-4.0	-7.6	-88%	17.2	5.3	-69%
EBIT	-8.0	-12.1	-50%	-4.6	-8.0	-74%	16.6	4.9	-71%
PTP	-5.4	-10.0	-83%	-3.6	-7.0	-94%	17.4	5.7	-67%
EPS (excl. NRIs)	-0.11	-0.24	-121%	-0.07	-0.15	-123%	0.42	0.14	-66%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Summary of estimates

	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Semiconductor	**11.1**	**19.8**	**11.3**	**26.2**	**51.9**	**74.5**	**95.2**	**110**
growth-%		*77%*	*-43%*	*131%*	*99%*	*44%*	*28%*	*16%*
Reactors		10.0	0.8	14.6	39.1	60.3	79.4	92.6
growth-%		*0%*	*-92%*	*1638%*	*168%*	*54%*	*32%*	*17%*
CNT products		9.8	10.5	11.6	12.8	14.2	15.8	17.4
growth-%		*0%*	*8%*	*10%*	*11%*	*11%*	*11%*	*10%*
Automotive	**2.4**	**2.3**	**3.6**	**3.7**	**6.8**	**8.3**	**10.1**	**12.1**
growth-%		*-7%*	*57%*	*3%*	*87%*	*22%*	*21%*	*20%*
Medical diagnostic							**1.0**	**3.0**
growth-%								*200%*
Revenue total	**13.6**	**22.0**	**14.9**	**29.8**	**58.8**	**82.9**	**106**	**125**
growth-%	*62%*	*62%*	*-32%*	*100%*	*97%*	*41%*	*28%*	*18%*
Gross margin	**9.6**	**13.8**	**9.9**	**20.0**	**40.5**	**58.0**	**74.4**	**87.6**
Gross margin-%	*71%*	*63%*	*66%*	*67%*	*69%*	*70%*	*70%*	*70%*
OPEX	-12.2	-19.1	-21.6	-26.8	-33.9	-39.0	-39.3	-45.0
% of sales	*90%*	*87%*	*145%*	*90%*	*58%*	*47%*	*37%*	*36%*
Other income	2.9	1.1	1.5	2.0	2.0	2.0	2.0	1.5
EBITDA	**0.3**	**-3.6**	**-10.3**	**-4.8**	**8.7**	**21.0**	**37.1**	**44.0**
EBITDA-%	*2%*	*-16%*	*-69%*	*-16%*	*15%*	*25%*	*35%*	*35%*
D&A	-0.9	-1.7	-2.6	-3.2	-3.8	-4.3	-4.8	-5.2
EBIT	**-0.6**	**-5.3**	**-13.0**	**-8.0**	**4.9**	**16.7**	**32.3**	**38.8**
EBIT-%	*-5%*	*-24%*	*-87%*	*-27%*	*8%*	*20%*	*30%*	*31%*
EBIT (adj,)	**-0.6**	**-4.8**	**-12.5**	**-7.6**	**5.3**	**17.1**	**32.7**	**39.3**
EBIT-% (adj.)	*-5%*	*-22%*	*-84%*	*-25%*	*9%*	*21%*	*31%*	*31%*
Net financials	0.2	3.6	2.1	1.0	0.8	0.7	0.7	0.7
Pre-tax profit	**-0.4**	**-1.7**	**-10.9**	**-7.0**	**5.7**	**17.4**	**33.0**	**39.5**
Taxes	0.0	0.0	1.2	1.4	-1.1	-3.5	-6.6	-7.9
Net income	**-0.4**	**-1.7**	**-9.7**	**-5.6**	**4.6**	**13.9**	**26.4**	**31.6**
EPS (adj.)	**0.0**	**0.0**	**-0.2**	**-0.1**	**0.1**	**0.4**	**0.8**	**0.9**
EPS (reported)	**0.0**	**0.0**	**-0.3**	**-0.2**	**0.1**	**0.4**	**0.8**	**0.9**

Source: Inderes

Reactor business assumptions	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**
Reactor price (MEUR)		6.0	7.0	7.0	7.0	7.0
Sales of new reactors (units)	0	2	3	4	4	4
Reactor equipment base (units)	2	4	7	11	15	19
Non-discretionary consumables per reactor (MEUR)		0.8	0.8	1.0	1.0	1.0
Royalty/pellicle (KEUR)		4.0	4.0	4.0	4.0	4.0
Manufactured pellicles (units)		275	3125	5325	9100	11400
Royalty/pellicle (KEUR)		8.0	8.0	8.0	8.0	8.0
Manufactured pellicles (units)		138	1563	2663	4550	5700
Reactor sales (MEUR)	0.8	12.0	21.0	28.0	28.0	28.0
Sales of non-discretionary consumables (MEUR)	0.0	1.5	5.6	11.0	15.0	19.0
Royalty revenue (MEUR)	0.0	1.1	12.5	21.3	36.4	45.6
Total (EUR)	**0.8**	**14.6**	**39.1**	**60.3**	**79.4**	**92.6**

Valuation 1/3

Valuation summary and investment view

Canatu's value relies on cash flows generated far in the future, to which precise visibility is naturally still very weak. Therefore, at this stage, valuation should be approached through different scenarios and aim to assess the expectations priced into the share and thus the risk/reward ratio.

Considering the long-term potential scenarios discussed in the following pages, a very wide value range can be sketched for Canatu's stock at this point, depending on the growth and profitability assumptions. The average value of all methods is EUR 11.5, while the pessimistic and optimistic scenarios give a value range of around EUR 5-20.

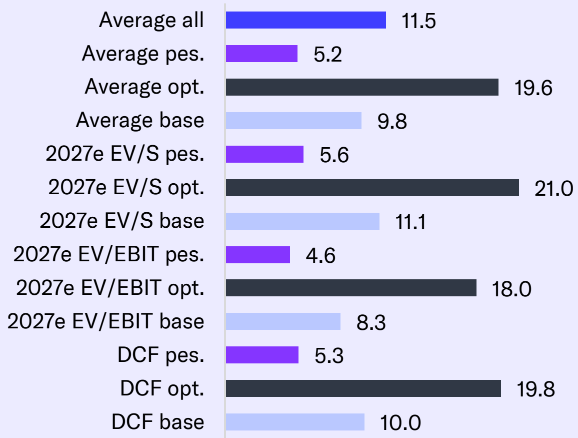
We believe Canatu is one of the most promising growth stories on Nasdaq Helsinki, and this is also reflected in the continued high near-term valuation of the share. Although uncertainty regarding the company's short-term growth has increased, the reactor business is progressing step by step in the right direction, which lays the foundation for strong long-term earnings growth. In a very favorable scenario, Canatu also has the potential to become one of the next long-term success stories of Nasdaq Helsinki if the optionality of the company’s technology is realized properly. This would enable the company to maintain strong growth even in the 2030s by expanding into new product areas and industries. Also, in a favorable scenario, significant customers in the semiconductor industry could support growth even more clearly than we expect, in which case the floor could be wiped even with our current optimistic scenario. We feel that this optionality in the company supports the high valuation of the share. However, this year's weakening revenue has created a crack in the growth story, which is also reflected in the sharply declined share price.

In the next few years, we expect the progress in the reactor business to be the key value driver for the share. New reactor deals and the start of mass production of the first customers create the foundation for continuous and scalable royalty income and the sales of non-discretional consumables to play a significant role in revenue formation. However, in our view, this will still take several years. Thus, investors still need patience, which, combined with high multiples in the short term, can cause share price fluctuations as expectations change from time to time along with market sentiment. In our view, the stock’s current valuation is interesting given its long-term potential, but the sluggish short-term development currently somewhat limits the appetite to buy.

Valuation still requires strong growth

Canatu's EV/S ratio for this year (13x-14x) is one of the highest in absolute terms on Nasdaq Helsinki, which indicates the strong growth expectations loaded into the share. As growth materializes, the valuation will naturally begin to decline rapidly, and in 2028-2029, the ratios of 2.3x-1.6x would already be on the low side with the current growth and profitability profile. The story is the same for earnings multiples. For 2028, EV/EBIT is 11x-12x and 5x-6x for 2029, depending on the effect warrants and the earnout have on the number of shares (and net cash). The multiples for 2028 are already very attractive if the growth outlook still was good at that time.

Summary of valuation methods (EUR/share)



Valuation 2/3

The DCF model is sensitive to changes in different parameters

We approach Canatu's DCF model through three different scenarios, as in the company's current development phase the growth and profitability assumptions still involve significant uncertainty. The weight of cash flows after 2030 in the DCF calculation is around 100%, reflecting the fact that Canatu's cash flows are weighted far into the future. This is perfectly normal with the company's growth profile, although the value being focused on the distant future naturally also increases the risks.

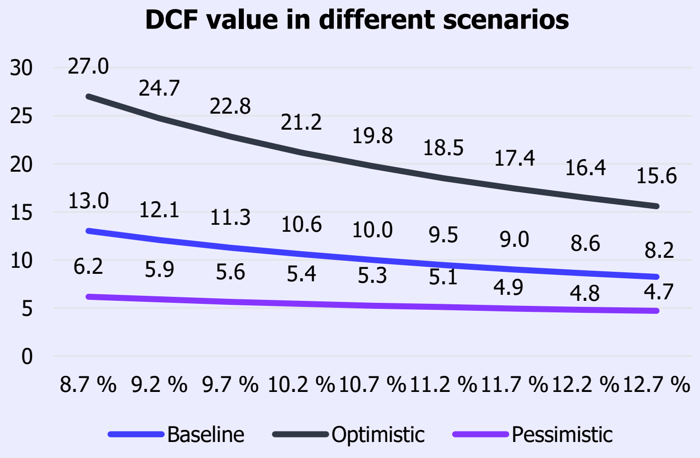
According to our DCF model, the value of Canatu's share in the neutral scenario based on our forecasts is approximately EUR 10.9 with the current number of shares (34.8 million). The DCF value should also be looked at through the number of shares (and additional capital) that is likely to be diluted by warrants and the earnout. Using the number of shares considering these (44.8 million), the DCF value in the neutral scenario is EUR 10.0.

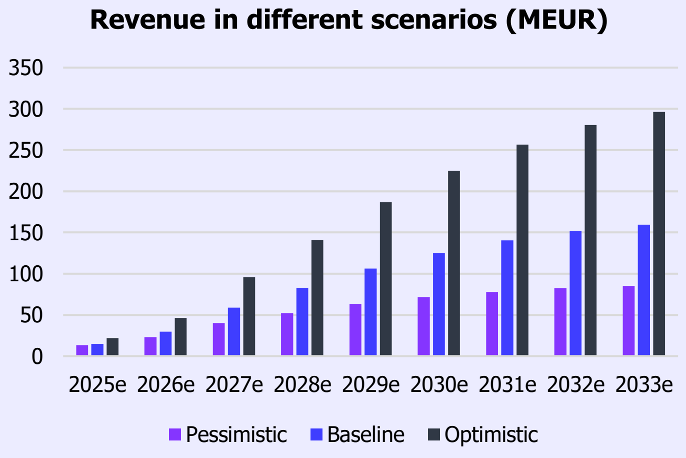
In the optimistic scenario, we have raised the growth and profitability assumptions so that Canatu will generate good 140% more EBIT in the forecast period. Terminal profitability is also clearly higher than in the neutral scenario. In this scenario, the company would practically achieve its targets almost on schedule (2027) and would continue strong scalable growth even after that. With these assumptions, the value of the share would be EUR 19.7.

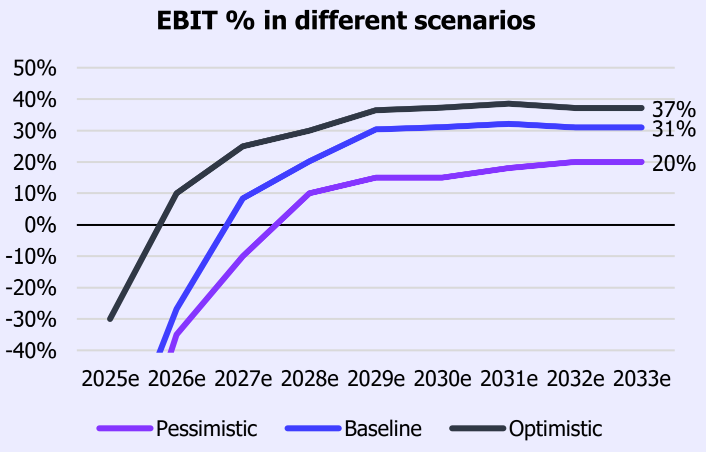
In the pessimistic scenario, we have lowered the growth and profitability assumptions so that Canatu will generate some 75% less EBIT during the forecast period and the terminal profitability will be lower than in the neutral scenario. In this scenario, the company would not achieve its 100 MEUR revenue target even in the 2030s. With these assumptions, the value of the share would be EUR 5.3.

We feel the large dispersion between the scenarios reflects the significant risk and potential associated with a promising, relatively early-stage investment story like Canatu's, which relies on strong growth.

We have used a 10.7% WACC in our DCF model, which is also the ROE requirement applied in the model. In light of high growth expectations, the required return could also be somewhat higher. On the other hand, Canatu's significant customer relationships and ability to mass production prove that the company's business model works, which eliminates risks associated with this. In the graph below, we illustrate the effect of the used required return on the DCF value. If the company progresses toward its targets in the next few years, we see the potential for the required return to fall to a single-digit level.







Source: Inderes, NB! the number of shares used in the scenarios is 44.8 million, which considers the warrants and the earnout.

Valuation 3/3

Scenarios by 2028

We examine Canatu's share valuation in three different scenarios based on 2028 using different assumptions about the company's growth rate and business scalability. We examine the valuation both through earnings multiples (EV/EBIT) and revenue (EV/S).

In the neutral scenario based on our current forecasts, we assume that based on Canatu's strong scalable growth, the company will be priced at high multiples in 2028. We have assumed that the company would then be priced at 23x EBIT and 7x EV/S, which are valuations (and even higher) currently seen for high-quality companies in the semiconductor sector. Thus, at the end of 2028, the value of the share would be EUR 11.1-15.5, which, discounted to the present with a 10.7% required return, would amount to EUR 8.3-11.1.

In an optimistic scenario, we assume the company will achieve its financial targets almost on schedule, with strong growth continuing thereafter. Even stronger growth than in the neutral scenario would also be reflected in the acceptable valuation (EV/EBIT 27x and EV/S 10x), which would already to some extent reflect the valuation of the sector's star companies. With these assumptions, the share's value at the end of 2028 would be EUR 25.3-29.5, or EUR 18-21 discounted to the present. The expected return is therefore excellent if the company achieves its targets and the growth outlook lis strong thereafter.

In the pessimistic scenario, we assume that Canatu’s revenue and profitability will fall clearly short of the targets, and the longer-term growth outlook will also be slower. Even in this scenario, growth is still strong and profitability is at a reasonable level. We assume that the slower development will also be reflected in acceptable valuation multiples (EV/EBIT 20x and EV/S 4x), which would still be quite high in the context of Nasdaq Helsinki. With these assumptions, the share's value at the end of 2028 would be EUR 6.5-7.9, or EUR 4.6-5.6 discounted to the present. The return expectation would thus be clearly negative, even though the figures develop quite well in absolute terms in this scenario as well. This indicates that even at the current valuation, the bar is still quite high, and from an investor's perspective, there is no room for major disappointments.

Scenarios by 2028	**Pessimistic**	**Current estimates**	**Optimistic**
Revenue	61.0	82.9	134.0
Growth (CAGR 25-28)	*29%*	*39%*	*57%*
EBIT-% (adj.)	*15%*	*21%*	*31%*
EBIT (adj.)	9.2	17.1	41.5
x valuation multiple (EV/EBIT)	20x	23x	27x
EV 2028e (MEUR)	**183**	**394**	**1,122**
Net cash 2028e*	109	155	171
Value of share capital (MEUR)	**292**	**549**	**1,293**
Per share (EUR)	*6.5*	*11.6*	*25.3*
Potential	*-20%*	*42%*	*210%*
Per share currently (EUR)	*4.6*	*8.3*	*18.0*

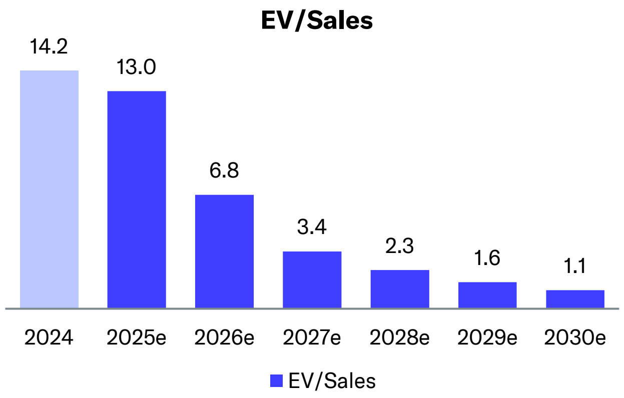
Scenarios by 2028	**Pessimistic**	**Current estimates**	**Optimistic**
Revenue	61.0	82.9	134.0
Growth (CAGR 25-28)	*29%*	*39%*	*57%*
x valuation multiple (EV/S)	4x	7x	10x
EV 2028e (MEUR)	**244**	**580**	**1,340**
Net cash 2028e*	109	155	171
Value of share capital (MEUR)	**353**	**736**	**1,511**
Per share (EUR)	*7.9*	*15.5*	*29.5*
Potential	*-3%*	*91%*	*263%*
Per share currently (EUR)	*5.6*	*11.1*	*21.0*

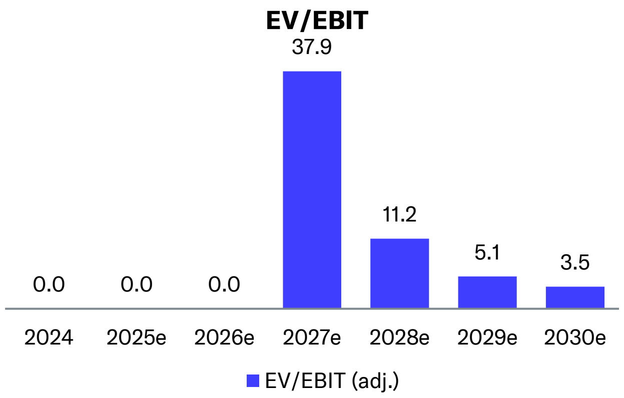
Source: Inderes, NB! the number of shares used in the scenarios is 44.8-47.4 million, which considers the warrants, the earnout and other dilution. *includes capital earned from warrants

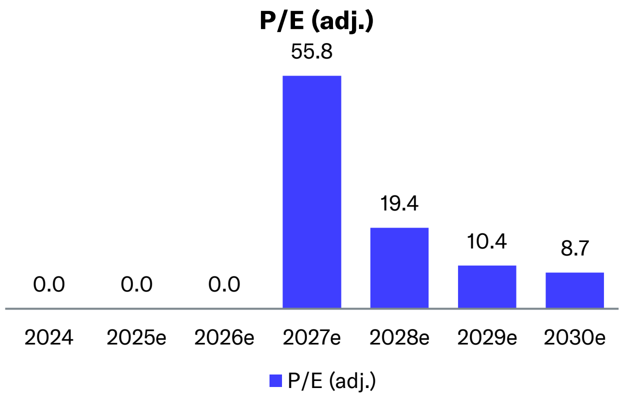
Valuation table

Valuation	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e
Share price	11.8	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Number of shares, millions	34.4	34.8	34.8	34.8	34.8	34.8	34.8	34.8
Market cap	406	278	278	278	278	278	278	278
EV	314	194	203	202	191	168	139	105
P/E (adj.)	neg.	neg.	neg.	55.8	19.4	10.4	8.7	7.5
P/E	neg.	neg.	neg.	61.0	20.0	10.5	8.8	7.6
P/FCF	neg.	neg.	neg.	>100	28.6	12.3	9.8	8.2
P/B	0.0	0.0	0.0	0.0	3.6	2.6	2.7	2.6
P/S	18.4	18.7	9.3	4.7	3.4	2.6	2.2	2.0
EV/Sales	14.2	13.0	6.8	3.4	2.3	1.6	1.1	0.7
EV/EBITDA	neg.	neg.	neg.	23.2	9.1	4.5	3.2	2.1
EV/EBIT (adj.)	neg.	neg.	neg.	37.9	11.2	5.1	3.5	2.3
Payout ratio (%)	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







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2026e**
TSMC	840719	795060	16.4	14.4	11.5	9.9	7.8	6.7	27%	16%	48%	47%	63%
Intel	91056	121832	103.1	29.9	11.1	8.3	2.7	2.6	-1%	3%	3%	9%	12%
Micron	113788	117824	13.4	7.8	7.4	5.3	3.7	2.8	48%	32%	28%	36%	68%
Samsung	281935	235547	13.0	9.0	5.1	4.3	1.2	1.1	5%	6%	9%	13%	19%
SK Hynix	120345	124829	5.4	4.8	3.9	3.4	2.3	2.0	32%	15%	43%	43%	58%
Broadcom	1195032	1244422	36.1	29.7	34.9	28.8	23.1	19.1	22%	22%	64%	64%	86%
Qualcomm	148102	150199	11.5	11.6	10.5	10.7	4.0	4.0	13%	2%	35%	34%	36%
AMD	225482	223219	36.9	24.1	37.0	25.3	8.0	6.5	28%	22%	22%	27%	49%
Texas Instruments	157270	164689	31.3	26.4	23.8	20.1	10.9	9.9	14%	10%	35%	38%	48%
Nvidia	3616094	3574807	48.3	32.7	48.2	32.0	32.4	20.3	118%	59%	67%	62%	121%
GlobalFoundries	15832	14590	17.8	13.2	7.4	6.5	2.5	2.3	0%	8%	14%	18%	26%
ASML	250713	248083	23.0	21.9	21.1	20.2	7.7	7.4	16%	4%	34%	34%	38%
Applied Materials	109415	108772	14.9	14.8	14.1	13.8	4.5	4.4	4%	3%	30%	30%	33%
Lam Research	108290	106662	21.3	19.5	20.2	18.3	6.8	6.3	23%	9%	32%	32%	41%
KLA Corporation	98310	99497	22.6	21.5	21.3	20.1	9.7	9.1	23%	6%	43%	42%	48%
ASM	20259	19255	20.4	18.9	16.5	15.7	5.9	5.4	13%	9%	29%	28%	37%
VAT Group	8384	8635	26.7	22.7	23.3	20.1	7.3	6.6	17%	11%	27%	29%	40%
Besi	9340	9390	49.7	29.1	46.0	26.5	15.6	11.0	-3%	43%	31%	38%	81%
Aixtron	1433	1374	12.8	11.1	11.3	9.8	2.4	2.3	-10%	5%	19%	21%	26%
Teradyne	16069	15755	32.3	22.3	26.2	19.0	6.4	5.4	3%	19%	20%	24%	43%
Soitec	1268	1355	10.2	35.6	4.7	7.1	1.5	2.0	-8%	-25%	15%	6%	-19%
Camtek	3444	3239	25.0	22.8	24.0	21.6	7.7	7.1	16%	8%	31%	31%	39%
Veeco Instruments	1260	1150	15.9	13.0	15.1	13.3	2.0	1.9	-7%	8%	13%	15%	23%
Mycronic	3748	3607	19.3	17.9	17.6	15.9	5.3	5.0	12%	5%	27%	28%	33%
Coherent	12043	16887	19.1	16.5	15.0	13.5	3.4	3.1	24%	9%	18%	19%	28%
Axcelis Technologies	2148	1715	17.6	16.3	15.0	13.6	2.6	2.4	-22%	6%	15%	15%	21%
Entegris	10846	13946	24.3	20.6	18.0	15.8	5.1	4.7	0%	8%	21%	23%	31%
Onto Innovation	4438	3673	8.7	8.6	14.6	11.8	4.3	4.0	1%	9%	25%	26%	35%
Mitsui Chemicals	4252	8125	13.6	14.8	7.0	6.7	0.8	0.8	4%	-4%	6%	7%	3%
Lintec	1459	1252	13.4	15.4	5.1	5.1	0.7	0.7	13%	1%			
Tokyo Electron	56712	53949	39.1	27.2	12.2	13.0	3.8	3.8	33%	0%	26%		
Lasertec	8589	8469			12.5	14.2	6.0	6.7	19%	-10%			
Advantest	52048	50991			35.1	25.2	11.8	10.0	53%	18%			
Disco Corporation	26093	24762			23.9	22.7	11.0	10.3	31%	6%			
Canatu (Inderes)	**278**	**194**	**neg.**	**neg.**	**neg.**	**neg.**	**13.0**	**6.8**	**-32%**	**100%**	**-78%**	**-25%**	**75%**
Average			**24.6**	**19.2**	**18.2**	**15.2**	**6.8**	**5.8**	**17%**	**10%**	**28%**	**29%**	
Median			**19.3**	**18.9**	**15.1**	**14.0**	**5.2**	**4.9**	**14%**	**8%**	**27%**	**28%**	
Diff-% to median							**151%**	**40%**					

Source: Refinitiv / Inderes

Income statement

Income statement	**2023**	**H1'24**	**H2'24**	**2024**	**H1'25**	**H2'25e**	**2025e**	**2026e**	**2027e**	**2028e**
Revenue	**13.6**	**11.1**	**10.9**	**22.0**	**7.3**	**7.6**	**14.9**	**29.8**	**58.8**	**82.9**
Semiconductors	11.1	9.9	9.9	19.8	5.7	5.6	11.3	26.2	51.9	74.5
Automotive	2.4	1.2	1.1	2.3	1.6	2.0	3.6	3.7	6.8	8.3
Diagnostics	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**-0.4**	**-1.5**	**-2.1**	**-3.6**	**-4.1**	**-5.4**	**-9.4**	**-4.8**	**8.7**	**21.0**
Depreciation	-1.4	**-1.0**	**-0.7**	-1.7	-1.0	-1.6	-2.6	-3.2	-3.8	-4.3
EBIT (excl. NRI)	**-1.8**	**-2.5**	**-2.3**	**-4.8**	**-4.9**	**-6.8**	**-11.6**	**-7.6**	**5.3**	**17.1**
EBIT	**-1.8**	-2.5	-2.8	**-5.3**	**-5.1**	**-7.0**	**-12.1**	**-8.0**	**4.9**	**16.7**
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	0.2	**2.0**	**1.6**	3.6	0.9	1.2	2.1	1.0	0.8	0.7
PTP	**-1.6**	-0.5	-1.2	**-1.7**	**-4.2**	**-5.8**	**-10.0**	**-7.0**	**5.7**	**17.4**
Taxes	0.0	-0.2	0.2	0.0	0.0	1.2	1.2	1.4	-1.1	-3.5
Minority interest	0.0	**0.0**	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**-1.6**	**-0.7**	**-1.0**	**-1.7**	**-4.2**	**-4.6**	**-8.8**	**-5.6**	**4.6**	**13.9**
EPS (adj.)	**-0.05**	**-0.02**	**0.01**	**-0.01**	**-0.11**	**-0.13**	**-0.24**	**-0.15**	**0.14**	**0.41**
EPS (rep.)	**-0.05**	**-0.02**	**-0.03**	**-0.05**	**-0.12**	**-0.13**	**-0.25**	**-0.16**	**0.13**	**0.40**

Key figures	**2023**	**H1'24**	**H2'24**	**2024**	**H1'25**	**H2'25e**	**2025e**	**2026e**	**2027e**	**2028e**
Revenue growth-%	62.1 %			62.1 %	-34.1 %	-30.6 %	-32.4 %	100.1 %	97.1 %	41.0 %
Adjusted EBIT growth-%										222%
EBITDA-%	-3.2 %	-13.5 %	-18.8 %	-16.1 %	-55.5 %	-71.0 %	-63.4 %	-16.1 %	14.8 %	25.4 %
Adjusted EBIT-%	-13.5 %	-22.5 %	-21.2 %	-21.9 %	-66.5 %	-89.4 %	-78.2 %	-25.5 %	9.1 %	20.7 %
Net earnings-%	-12.0 %	-6.3 %	-9.2 %	-7.7 %	-56.9 %	-61.2 %	-59.1 %	-18.8 %	7.8 %	16.8 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025e	2026e	2027e
Non-current assets	**19.0**	**22.4**	**25.7**	**28.9**
Goodwill	0.0	0.0	0.0	0.0
Intangible assets	5.9	6.0	5.7	5.4
Tangible assets	12.8	16.1	19.7	23.2
Associated companies	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0
Other non-current assets	0.3	0.3	0.3	0.3
Deferred tax assets	0.0	0.0	0.0	0.0
Current assets	**106**	**91.0**	**84.0**	**89.3**
Inventories	1.1	0.3	0.6	1.2
Other current assets	0.0	0.0	0.0	0.0
Receivables	7.4	4.5	7.5	11.8
Cash and equivalents	97.9	86.2	75.9	76.4
Balance sheet total	**125**	**113**	**110**	**118**

Source: Inderes

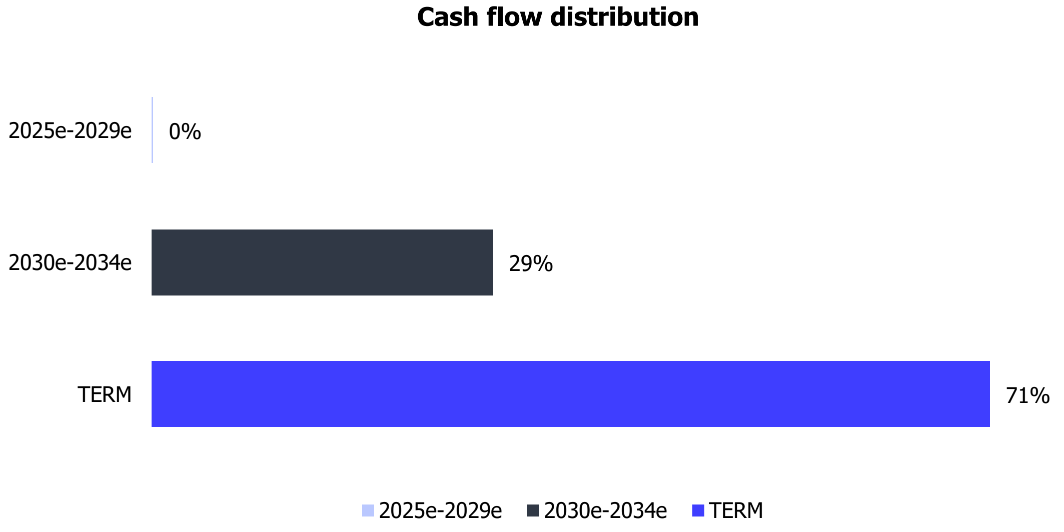
Liabilities & equity	2024	2025e	2026e	2027e
Equity	**114**	**109**	**103**	**108**
Share capital	0.1	0.1	0.1	0.1
Retained earnings	-4.3	-13.1	-18.7	-14.2
Hybrid bonds	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0
Other equity	118	122	122	122
Minorities	0.0	0.0	0.0	0.0
Non-current liabilities	**4.4**	**0.8**	**0.0**	**0.0**
Deferred tax liabilities	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0
Interest bearing debt	4.4	0.8	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.0	0.0	0.0
Current liabilities	**7.5**	**3.9**	**6.6**	**10.6**
Interest bearing debt	1.6	1.2	1.2	0.0
Payables	5.9	2.7	5.4	10.6
Other current liabilities	0.0	0.0	0.0	0.0
Balance sheet total	**125**	**113**	**110**	**118**

DCF calculation

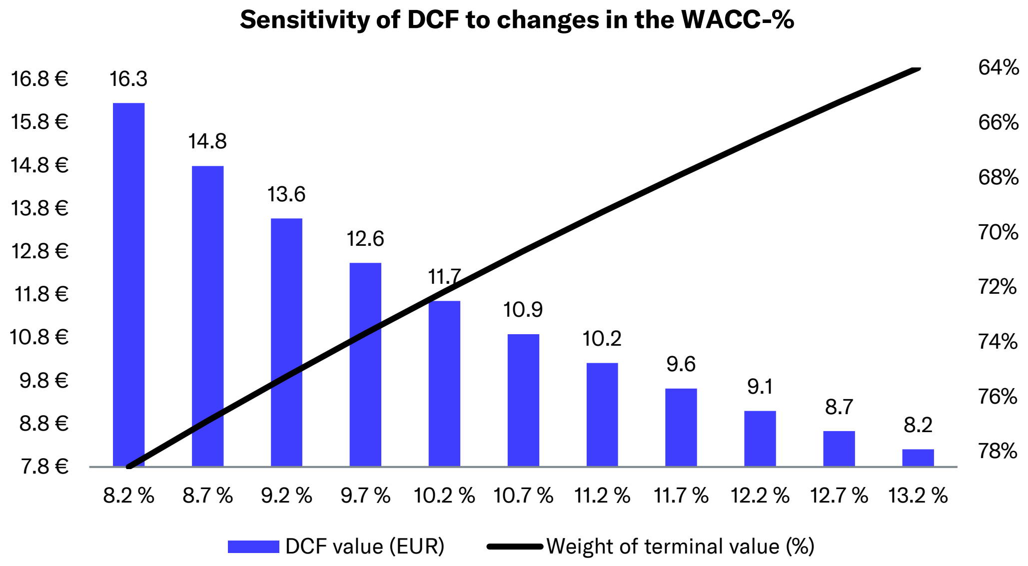
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	62.1 %	-32.4 %	100.1 %	97.1 %	41.0 %	28.3 %	17.7 %	12.3 %	8.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	-24.1 %	-81.0 %	-26.9 %	8.3 %	20.2 %	30.4 %	31.0 %	32.1 %	31.0 %	31.0 %	31.0 %	31.0 %
EBIT (operating profit)	**-5.3**	**-12.1**	**-8.0**	**4.9**	**16.7**	**32.3**	**38.8**	**45.2**	**47.0**	**49.4**	**50.9**	
+ Depreciation	1.7	2.6	3.2	3.8	4.3	4.8	5.2	5.5	5.8	5.6	5.8	
- Paid taxes	0.0	1.2	1.4	-1.1	-3.5	-6.6	-7.9	-9.2	-9.5	-10.0	-10.2	
- Tax, financial expenses	0.0	0.2	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	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	
- Change in working capital	-3.8	0.5	-0.6	0.3	-1.0	-0.9	-0.8	-0.6	-0.4	-0.3	-0.2	
Operating cash flow	**-7.4**	**-7.5**	**-3.8**	**8.0**	**16.7**	**29.7**	**35.5**	**41.0**	**43.0**	**44.9**	**46.4**	
+ 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	-4.7	-6.0	-6.5	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	
Free operating cash flow	**-12.1**	**-13.5**	**-10.3**	**1.0**	**9.7**	**22.7**	**28.5**	**34.0**	**36.0**	**37.9**	**39.4**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-12.1	-13.5	-10.3	1.0	9.7	22.7	28.5	34.0	36.0	37.9	39.4	526
Discounted FCFF		**-13.1**	**-9.0**	**0.8**	**6.9**	**14.6**	**16.6**	**17.9**	**17.1**	**16.2**	**15.2**	**204**
Sum of FCFF present value		287	300	309	308	302	287	270	252	235	219	204
Enterprise value DCF		**287**										
- Interest bearing debt		-6.0										
+ Cash and cash equivalents		97.9										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**379**										
Equity value DCF per share		**10.9**										

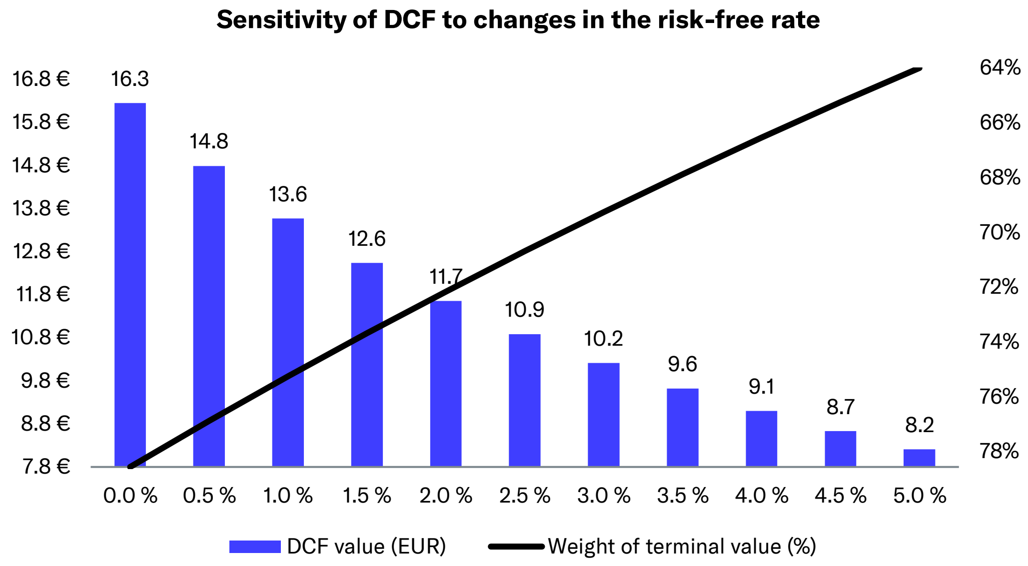
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	0.0 %
Cost of debt	8.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	**10.7 %**
Weighted average cost of capital (WACC)	**10.7 %**

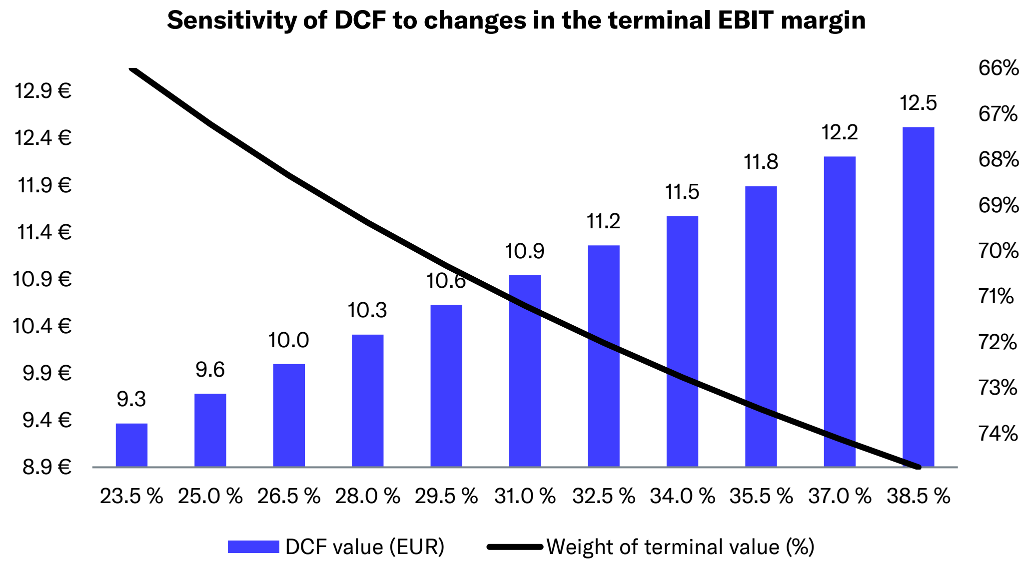
Source: Inderes

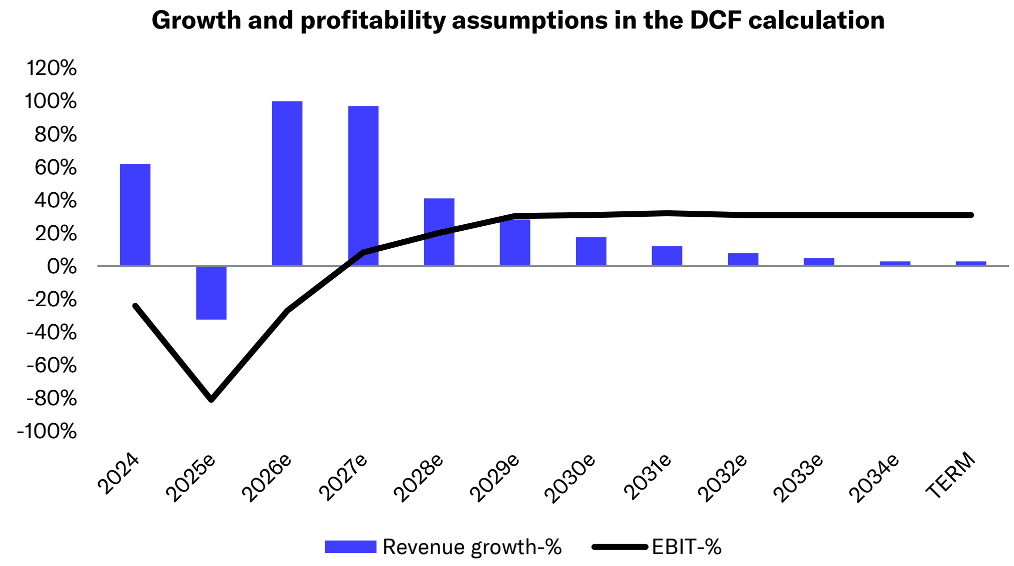


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2025e	2026e	2027e	2028e
Revenue	14.9	29.8	58.8	82.9
EBITDA	-9.4	-4.8	8.7	21.0
EBIT	-12.1	-8.0	4.9	16.7
PTP	-10.0	-7.0	5.7	17.4
Net Income	-8.8	-5.6	4.6	13.9
Extraordinary items	0.0	-0.2	0.0	-0.2

Per share data	2025e	2026e	2027e	2028e
EPS (reported)	-0.25	-0.16	0.13	0.40
EPS (adj.)	-0.24	-0.15	0.14	0.41
OCF / share	-0.22	-0.11	0.23	0.48
OFCF / share	-0.39	-0.30	0.03	0.28
Book value / share	3.13	2.96	3.10	3.50
Dividend / share	0.00	0.00	0.00	0.00

Balance sheet	2025e	2026e	2027e	2028e
Balance sheet total	113.4	109.6	118.2	136.5
Equity capital	108.7	103.1	107.6	121.6
Goodwill	0.0	0.0	0.0	0.0
Net debt	-84.2	-74.7	-76.4	-86.7

Growth and profitability	2025e	2026e	2027e	2028e
Revenue growth-%	-32%	100%	97%	41%
EBITDA growth-%	166%	-49%	-281%	142%
EBIT (adj.) growth-%	142%	-35%	-170%	222%
EPS (adj.) growth-%	2523%	-38%	-196%	188%
EBITDA-%	-63.4 %	-16.1 %	14.8 %	25.4 %
EBIT (adj.)-%	-78.2 %	-25.5 %	9.1 %	20.7 %
EBIT-%	-81.0 %	-26.9 %	8.3 %	20.2 %
ROE-%	-7.9 %	-5.3 %	4.3 %	12.2 %
ROI-%	-10.5 %	-6.5 %	5.4 %	15.2 %
Equity ratio	95.9 %	94.0 %	91.1 %	89.1 %
Gearing	-77.5 %	-72.5 %	-71.0 %	-71.3 %

Cash flow	2025e	2026e	2027e	2028e
EBITDA	-9.4	-4.8	8.7	21.0
Change in working capital	0.5	-0.6	0.3	-1.0
Operating cash flow	-7.5	-3.8	8.0	16.7
CAPEX	-6.0	-6.5	-7.0	-7.0
Free cash flow	-13.5	-10.3	1.0	9.7

Valuation multiples	2025e	2026e	2027e	2028e
EV/S	13.0	6.8	3.4	2.3
EV/EBITDA	neg.	neg.	23.2	9.1
EV/EBIT (adj.)	neg.	neg.	37.9	11.2
P/E (adj.)	neg.	neg.	55.8	19.4
P/B	0.0	3.6	2.6	2.7
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder 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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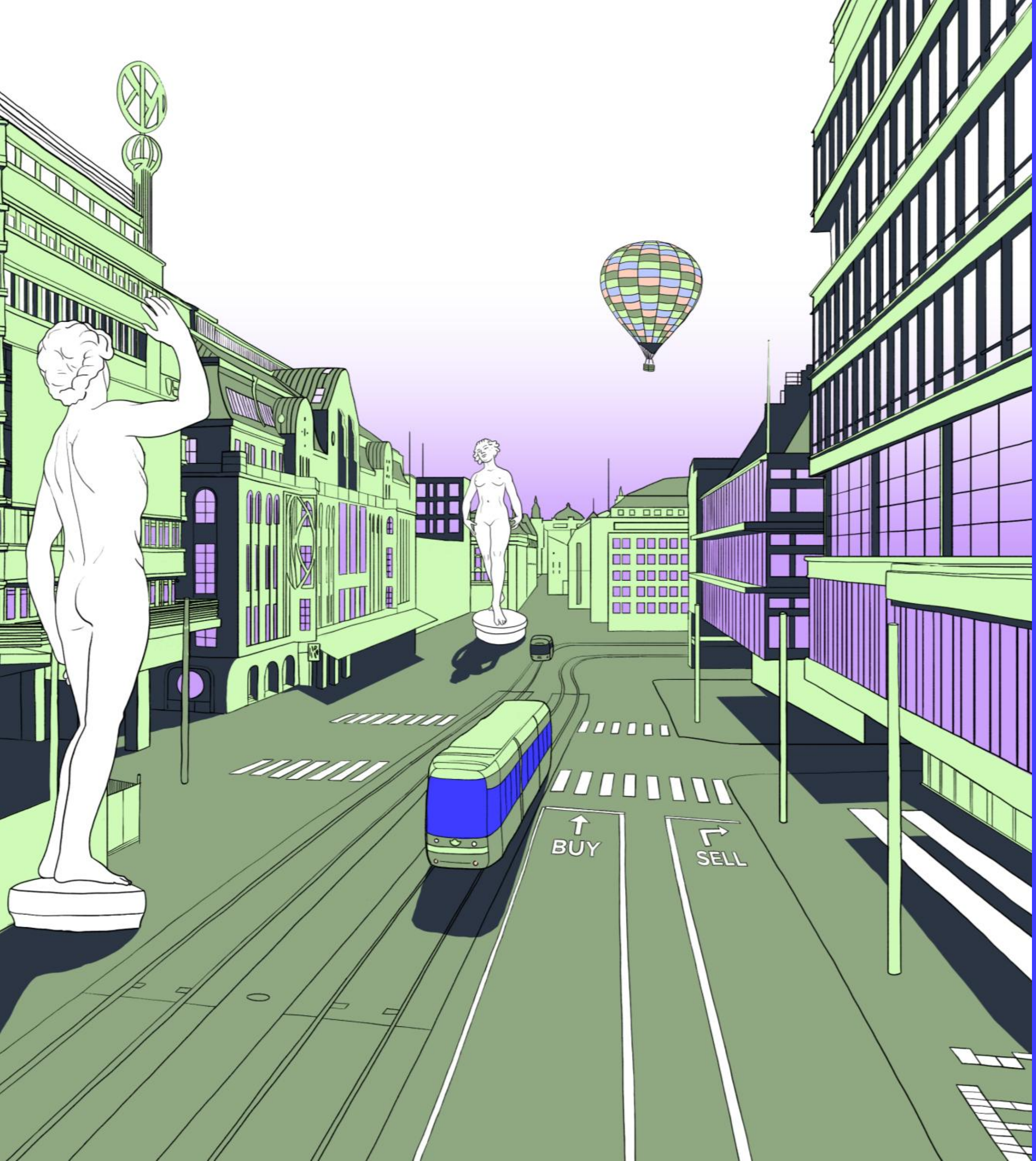
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/17/2024	Reduce	13.00 €	12.90 €
10/22/2024	Accumulate	13.00 €	11.40 €
3/31/2025	Accumulate	13.00 €	11.40 €
6/16/2025	Buy	12.00 €	8.90 €
9/1/2025	Accumulate	10.00 €	8.00 €



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