REMEDY

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This is a translated version of the ”Lyhyen aikavälin synkkyyden takaa pilkistää jo valoa” report, published on 09/24/2025

Atte Riikola
+358 44 593 4500
atte.riikola@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT

Light is already peeking through the short-term gloom

We reiterate our EUR 18.0 target price for Remedy but update our recommendation to Buy (was Accumulate) due to the share price drop. On September 25, Remedy will release a major update to FBC: Firebreak, aiming to turn around the game after its unsuccessful release. In our opinion, the stock price has practically already priced in a scenario where the game does not recover. Thus, there is mainly room for potential positive surprises, although at the moment, pessimism regarding the game is fully justified. In the big picture, we see the following major game releases (Max Payne and especially Control 2) as key to Remedy's investment case, and if successful, the stock has significant upside potential from current levels. Thus, we see the risk/reward ratio as attractive for investors who believe in the success of these upcoming games.

If FBC: Firebreak does not recover, a profit warning is likely later this year

We've discussed the release and situation of FBC: Firebreak already in our Q2 update, and the situation has not changed in one way or another since then. Although Remedy lowered its expectations for Firebreak's performance after the release, the company reiterated its guidance in the Q2 report (revenue growth and positive EBIT). The company still has faith in a potential comeback of the game, with the first critical step being a major update to the game in September. Marketing activities surrounding the game will also increase then. The company published a blog post on September 24, partially revealing the new update, but more information will be provided on September 25. Faith in the game's potential is created by the fact that the basic gameplay experience is functional and enjoyable, especially for players who have invested more time in the game. The purpose of this update is to make the gaming experience enjoyable from the start. However, the task is not easy, and if unsuccessful, a profit warning toward the end of the year is likely. In Q3, however, Remedy has been running discount campaigns for its older games to celebrate the company's 30th anniversary. This somewhat supports short-term development, but is not enough on its own.

We make no changes to our estimates at this point. We currently expect revenue of 64.9 MEUR (+28%) and adjusted EBIT of 1.7 MEUR (H1'25: 0.8 MEUR) for 2025. In its strategy, Remedy aims for revenue of over 100 MEUR and an EBITDA margin of 30% by 2027. We believe that these are achievable, especially if the Control 2 release is successful.

We find the stock's valuation attractive, considering the potential of upcoming major game releases

We believe in Remedy's ability to create multiple high-quality and successful games in the long term, and considering the growth and profitability potential this offers, the valuation of the share (2027e EV/EBITDA 5.6x) is highly attractive. The long-term potential is also indicated by the value of the baseline scenario of the DCF model (EUR 25.6). However, the model is very sensitive to the success of future games due to the fixed cost structure and self-publishing. In the short term, the stock's valuation does not yet receive support from earnings multiples, and FBC: Firebreak's release fell significantly short of initial expectations. The game still has hopes of making a comeback, with the September update playing a very important role. Uncertainty related to the turnaround is currently weighing on Remedy's stock, and we believe the stock has practically already priced in a scenario where the game does not recover. Thus, if a positive surprise were to occur, the turnaround in the stock could be rapid, although at present, a pessimistic view regarding the game's future is justifiably prevalent. However, for Remedy's share value creation, the key factor is the successful release of Control 2, which we estimate is less than 2 years away. We believe that at some point in the next few years, Remedy's stock will begin to more accurately reflect the company's long-term potential as game projects move toward release.

Recommendation
Buy
(was Accumulate)

Target price:
EUR 18.00
(was EUR 18.00)

Share price:
EUR 13.68

Business risk

●●●●○

Valuation risk

●●●○○

	2024	2025e	2026e	2027e
Revenue	50.7	64.9	62.3	105.4
growth-%	49%	28%	-4%	69%
EBIT adj.	-4.3	1.7	-0.3	11.5
EBIT-% adj.	-8.4 %	2.6 %	-0.5 %	11.0 %
Net Income	-3.6	0.5	-0.7	9.1
EPS (adj.)	-0.27	0.04	-0.05	0.65

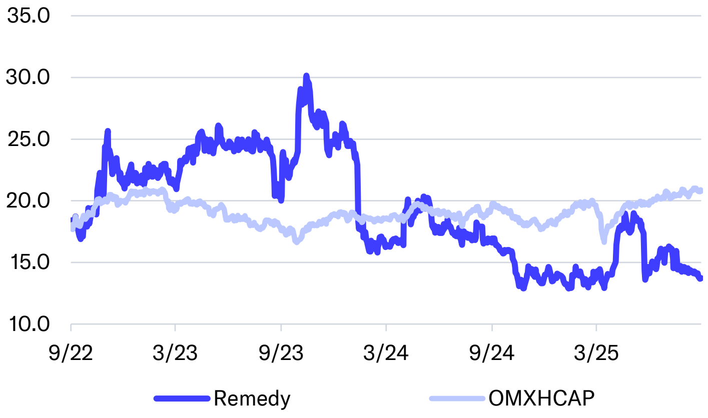
P/E (adj.)	neg.	>100	neg.	20.9
P/B	2.8	2.7	2.8	2.4
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	>100	neg.	14.3
EV/EBITDA	65.9	12.1	18.1	5.6
EV/S	3.3	2.6	2.8	1.6

Source: Inderes

Guidance (Unchanged)

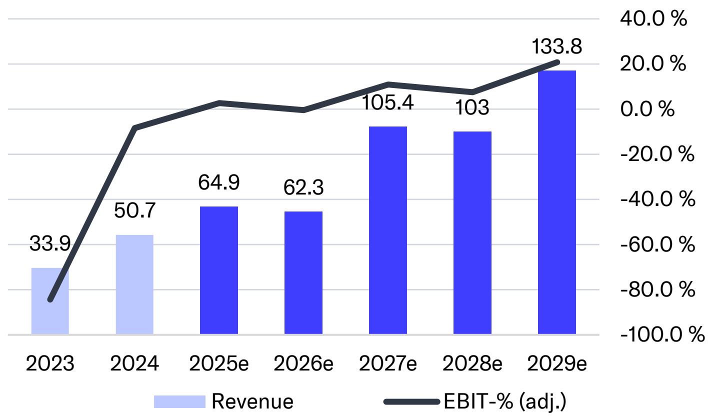
"Remedy expects its revenue and operating profit (EBIT) to increase from the previous year and operating profit (EBIT) to be positive."

Share price



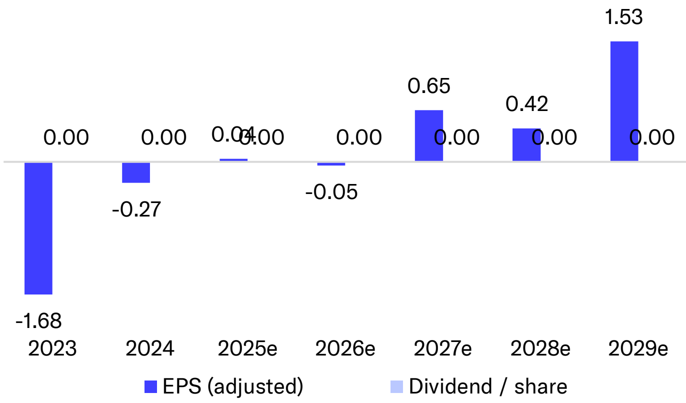
Source: Millistream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Sales development of Alan Wake 2 and FBC: Firebreak
- Self-owned game brands (Alan Wake and Control)
- Multi-project model creates continuity and diversifies risks
- Strong track record of developing high-quality games
- Own game engine and game development tools create scalability and a competitive advantage
- Attractive position in the value chain considering industry trends and consolidation

Risk factors

- Commercial failure of future games
- Delays in game projects
- Dependency on publishing partners
- Fierce competition for top talent and players' time and money in the games industry
- Technology and market trends
- Changes in expectations for future games can cause significant volatility in the stock

Valuation	2025e	2026e	2027e
Share price	13.7	13.7	13.7
Number of shares, millions	13.7	13.8	13.9
Market cap	187	188	190
EV	168	175	165
P/E (adj.)	>100	neg.	20.9
P/E	>100	neg.	20.9
P/B	2.7	2.8	2.4
P/S	2.9	3.0	1.8
EV/Sales	2.6	2.8	1.6
EV/EBITDA	12.1	18.1	5.6
EV/EBIT (adj.)	>100	neg.	14.3
Payout ratio (%)	0.0 %	0%	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Strategy in light of game projects

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Control	Royalties $	$	$	$	$				
Alan Wake Remastered	Royalties $	$	$	$	$	$			
Alan Wake 2	Development fees $$$	Royalties $	Royalties $$$	$$/$$$	$$	$$	$	$	$
FBC: Firebreak	Development fees $/$$		**Release in Q2** $$$	$$/$$$	$$	$$	$$	$/$$	$/$$
Control 2	Development fees $$	Development fees $$$	Development fees $$$	Development fees $$$	**Release in H1** $$$	$$$	$$$	$$/$$$	$/$$
Max Payne	Development fees $$	Development fees $$$	Development fees $$$	**Release in H1** $$$	Royalties $$/$$$	$$/$$$	$$/$$$	$/$$	$
Next game projects*		New project in preliminary conception	New project in conceptualization				**"Alan Wake 3" publication** $$$	$$$	$$$
				New project in conceptualization				**"Control 3" publication** $$$	$$$
					New project in conceptualization				**"Game X" publication** $$$

Source: Inderes, *Inderes' estimates of future projects

Underlying assumptions for revenue estimates 1/2

Alan Wake 2 assumptions

	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	2027	2028
Average price (€)	40	40	40	40	40	35	35	35	30	25
Sales volume (millions of copies)	0.16	0.14	0.14	0.27	0.15	0.12	0.12	0.15	0.60	0.50
Project income (MEUR)	4.0	3.6	3.5	6.8	3.8	2.6	2.6	3.3	11.3	7.9
Remedy's royalties (MEUR)	**2.0**	**1.8**	**1.8**	**3.4**	**1.9**	**1.3**	**1.3**	**1.6**	**5.7**	**3.9**
Cumulative copies sold (million)	2.3	2.4	2.5	2.8	3.0	3.1	3.2	3.4	4.0	4.5

FBC: Firebreak assumptions

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	2027	2028
Average price (€)	35	30	30	30	30	30	30	30	25
Sales volume (millions of copies)	0.05	0.05	0.10	0.10	0.10	0.10	0.10	0.40	0.40
In-game purchases (MEUR)	0.1	0.1	0.3	0.2	0.2	0.2	0.2	0.8	1.0
B2B contracts (MEUR)	5.5	3	2.5	1.5	1.5				
Remedy's total revenue	**7.1**	**4.4**	**5.3**	**4.2**	**4.2**	**2.7**	**2.7**	**9.3**	**7.7**

Current projects under development

Control 2 (self-publication, 50% funded by Annapurna)
Marketing budget 15 MEUR
Production budget 50 MEUR

	2027	2028	2029
Sales volume (millions of copies)	1.8	2.2	1.1
Average price (€)	60	50	45

Max Payne 1&2 (subcontracting)
Marketing budget 25 MEUR
Production budget 60 MEUR
Remedy's share of royalties 15%

	26-27	2028	2029
Sales volume (millions of copies)	4.1	1.5	1.2
Average price (€)	60	50	45

Assumptions of future game projects

"Alan Wake 3" (self-publication)
Marketing budget 20 MEUR

	2029	2030	2031
Sales volume (millions of copies)	1.5	1.8	1.2
Average price (€)	60	55	50

"Control 3" (self-publication)
Marketing budget 20 MEUR

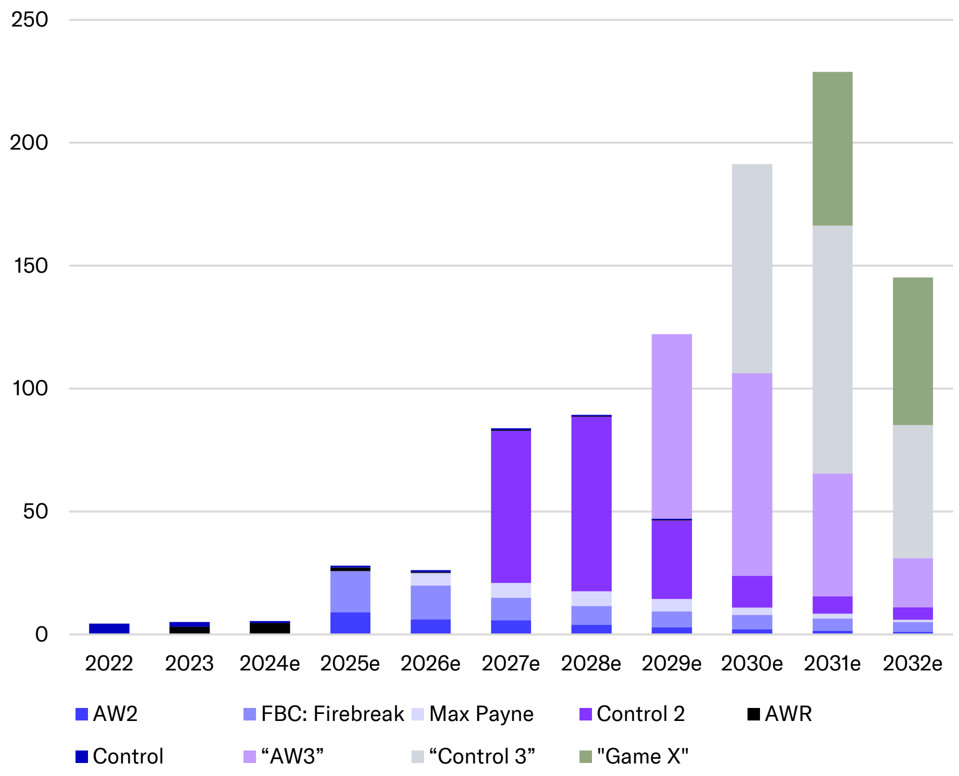
	2030	2031	2032
Sales volume (millions of copies)	1.7	2.2	1.3
Average price (€)	60	55	50

Underlying assumptions for the calculations:

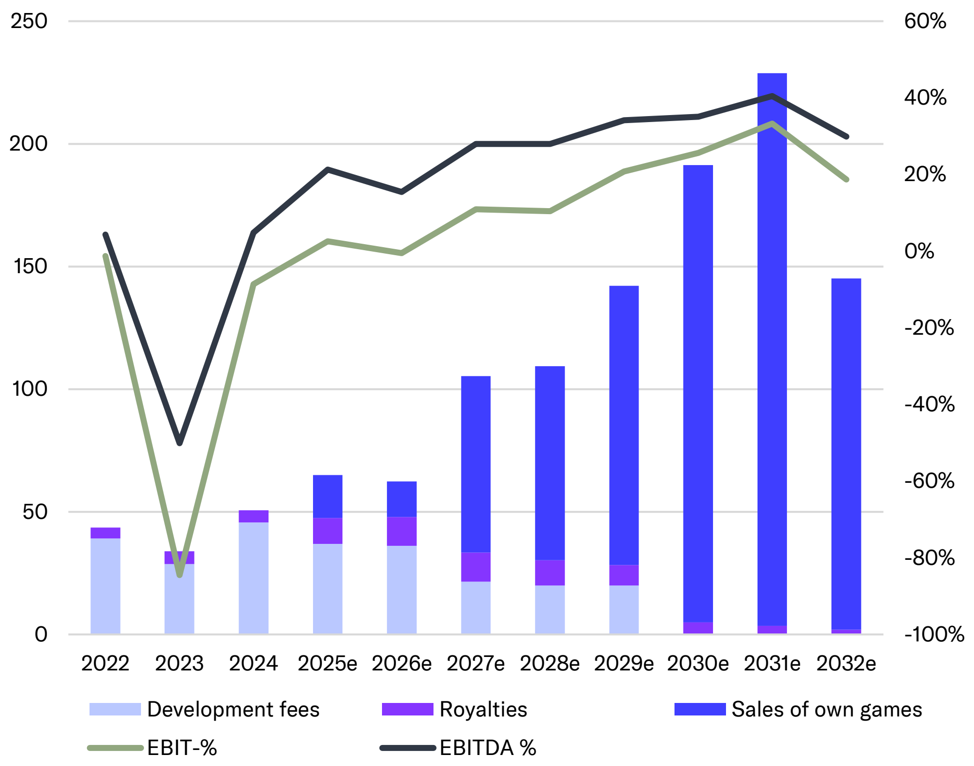
- Value added tax 20%
- Distribution cost 25%
- We expect Remedy to be able with its current organization (with assumed increase in costs) to start and self-publish the next game projects

Underlying assumptions for revenue estimates 2/2

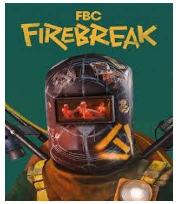
Assumptions on royalties and own game sales (MEUR)

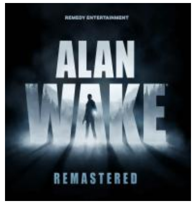


Revenue and profitability



Remedy's game projects and partners



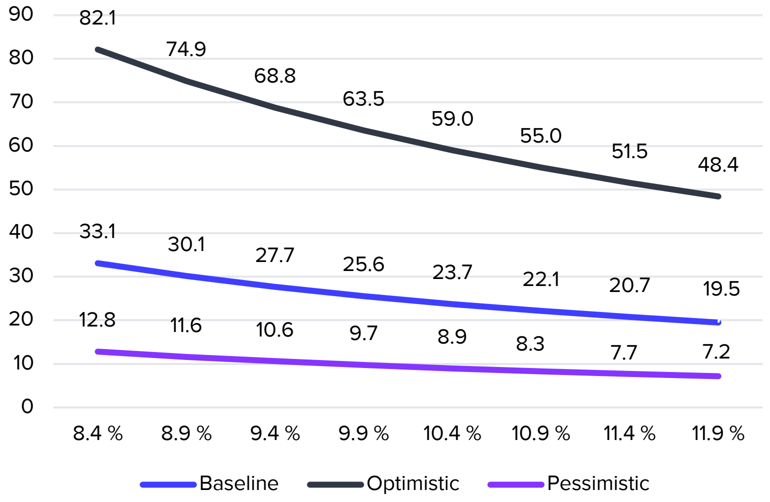


	Control	**FBC: Firebreak**	**Control 2**	**Alan Wake Remastered**	**Alan Wake 2**	**Max Payne 1&2 remake**	**Project #4**
	Released Q3'19	Released June 17, 2025	Production	Released Q4'21	Released Q3'23	Production	Conceptualization
	Budget ~30 MEUR	Budget ~30 MEUR	Budget ~50 MEUR	Budget ~8 MEUR[1]	Budget ~60 MEUR[1]	Budget ~60 MEUR[1]	
Remedy's share of the production budget:	45%[4]	100%	50%	0%[3]		0%	
Remedy's share of revenue:	45%[4]	100%	60-75%[5]	50%		10-30%[1]	
Recoup[2] before the royalties to Remedy?				✓	✓	✓	
	REMEDY	REMEDY	ANNAPURNA INTERACTIVE	EPIC GAMES		Rockstar Games	REMEDY

Source: Inderes, [1] Inderes' rough estimates of the production budgets and profit splits.
[2] The production and marketing budget financed by the distributor must be recouped in whole or in part before royalties accrue to Remedy.
[3] Remedy also provided some funding for Alan Wake 2 towards the end of production to ensure the game's high quality.
[4] Old publishing agreement with 505 Games, as of 2025 Remedy's share of royalties 100%
[5] Remedy will be the publisher of the game and will be responsible for marketing costs, thus getting a bigger share of the game sales. The game's revenue will be split equally until the game's production budget is recouped.

DCF scenarios

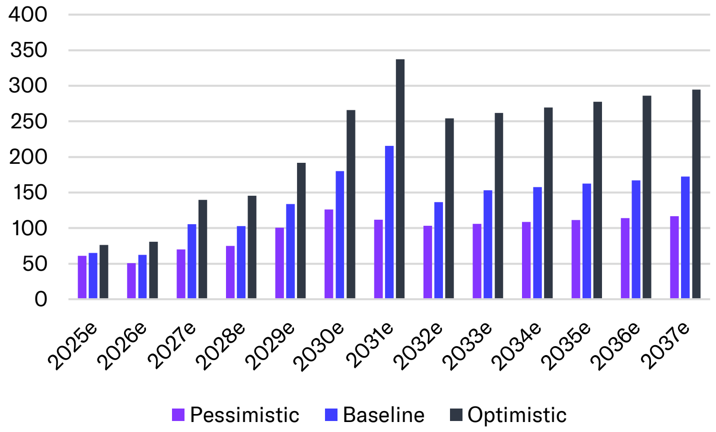
DCF value in different scenarios



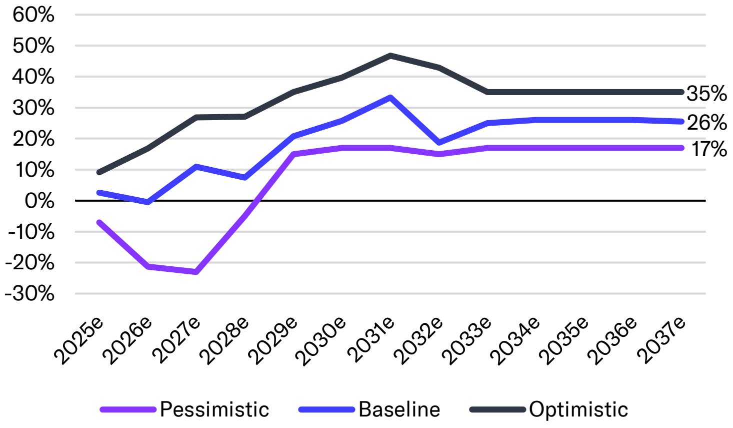
Underlying assumptions for the calculations:

- In the baseline scenario, we assume that the major AAA games will sell an average of around 5 million copies in the first three years.
- In the optimistic scenario, we assume that major AAA projects will sell an average of around 7 million copies in three years, and we also assume that FBC: Firebreak and Max Payne projects will perform better than in the baseline scenario.
- In the pessimistic scenario, we expect large AAA gaming projects to sell around 3 million copies on average in three years and FBC: Firebreak and Max Payne are clearly weaker than in the baseline scenario. In this case, we estimate that Remedy would need to reduce its cost structure below the baseline to achieve reasonable profitability.

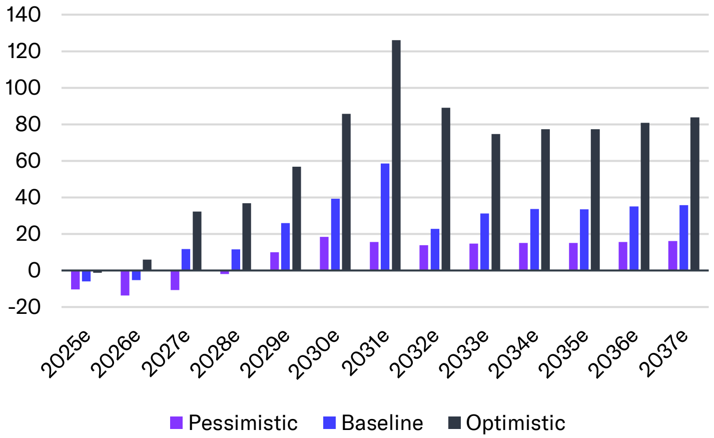
Revenue in different scenarios (MEUR)



EBIT % in different scenarios



Free cash flow in different scenarios (MEUR)



Gauging long-term potential

Share price in different scenarios

EV/EBIT 12x

EBIT-%	Revenue (MEUR) 100	125	150	175	200
25%	21.3	26.3	31.3	36.3	41.3
30%	25.3	31.3	37.3	43.3	49.3
35%	29.3	36.3	43.3	50.3	57.3
40%	33.3	41.3	49.3	57.3	65.3

EV/EBIT 16x

EBIT-%	Revenue (MEUR) 100	125	150	175	200
25%	28.0	34.7	41.3	48.0	54.7
30%	33.3	41.3	49.3	57.3	65.3
35%	38.7	48.0	57.3	66.7	76.0
40%	44.0	54.7	65.3	76.0	86.7

EV/EBIT 20x

EBIT-%	Revenue (MEUR) 100	125	150	175	200
25%	34.7	43.0	51.3	59.7	68.0
30%	41.3	51.3	61.3	71.3	81.3
35%	48.0	59.7	71.3	83.0	94.7
40%	54.7	68.0	81.3	94.7	108.0

Annual expected return 2030

EV/EBIT 12x

EBIT-%	Revenue (MEUR) 100	125	150	175	200
25%	9%	13%	17%	20%	23%
30%	12%	17%	21%	24%	28%
35%	16%	20%	24%	28%	31%
40%	18%	23%	28%	31%	35%

EV/EBIT 16x

EBIT-%	Revenue (MEUR) 100	125	150	175	200
25%	15%	19%	23%	27%	30%
30%	18%	23%	28%	31%	35%
35%	22%	27%	31%	35%	38%
40%	25%	30%	35%	38%	42%

EV/EBIT 20x

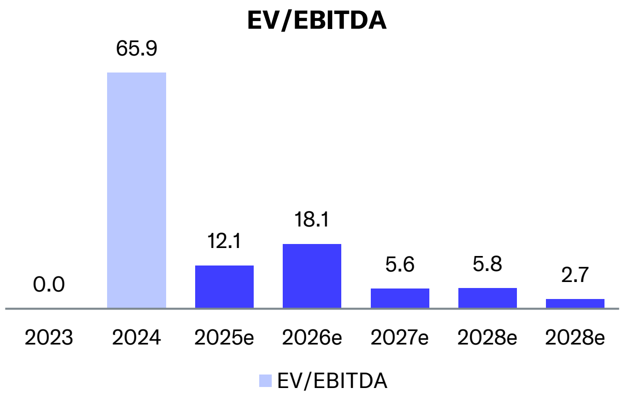
EBIT-%	Revenue (MEUR) 100	125	150	175	200
25%	19%	24%	29%	32%	36%
30%	23%	29%	33%	37%	40%
35%	27%	32%	37%	41%	44%
40%	30%	36%	40%	44%	48%

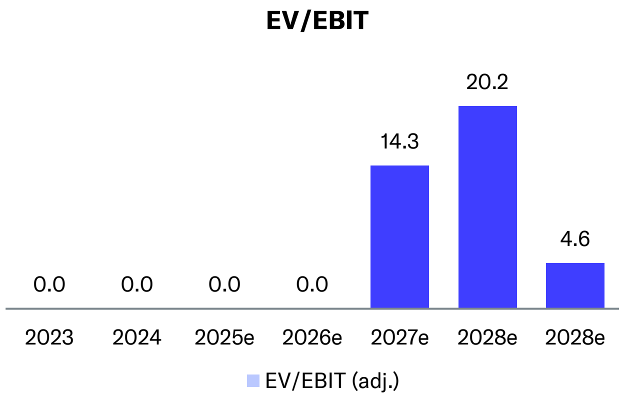
- The scenarios aim to illustrate the expected return on Remedy's share if the company achieves a revenue of 100-200 MEUR with an EBIT margin of 25-40% by 2030.
- If the company's game projects perform well, we see the revenue and profitability potential to reach these levels.
- The scenarios assume Remedy's net cash to be 20 MEUR and number of shares to be 15 million (accounting for the dilution of stock option schemes and convertible bond).
- In terms of valuation multiples, we believe that an EV/EBIT multiple of 12x would reflect a scenario where Remedy's future growth outlook would be weak, good at 16x and excellent at 20x.

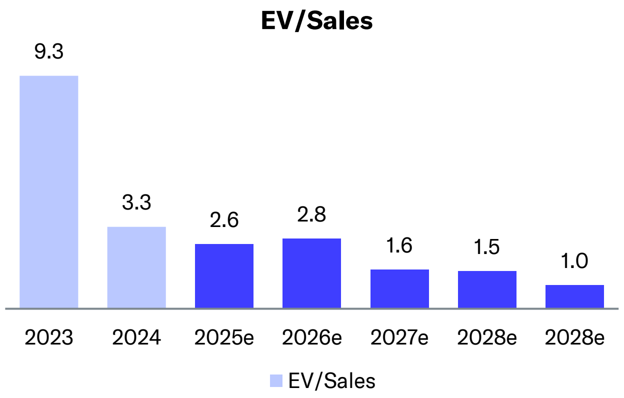
Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Share price	39.7	21.9	25.4	14.1	**13.7**	**13.7**	**13.7**	**13.7**	**13.7**
Number of shares, millions	13.1	13.4	13.5	13.5	**13.7**	**13.8**	**13.9**	**14.0**	**14.9**
Market cap	528	294	343	191	**187**	**188**	**190**	**191**	**204**
EV	473	241	316	166	**168**	**175**	**165**	**155**	**127**
P/E (adj.)	59.0	neg.	neg.	neg.	**>100**	**neg.**	**20.9**	**32.5**	**9.0**
P/E	59.0	neg.	neg.	neg.	**>100**	**neg.**	**20.9**	**32.5**	**9.0**
P/B	6.0	3.3	5.1	2.8	**2.7**	**2.8**	**2.4**	**2.3**	**1.7**
P/S	11.8	6.7	10.1	3.8	**2.9**	**3.0**	**1.8**	**1.9**	**1.5**
EV/Sales	10.6	5.5	9.3	3.3	**2.6**	**2.8**	**1.6**	**1.5**	**1.0**
EV/EBITDA	32.8	>100	neg.	65.9	**12.1**	**18.1**	**5.6**	**5.8**	**2.7**
EV/EBIT (adj.)	41.5	neg.	neg.	neg.	**>100**	**neg.**	**14.3**	**20.2**	**4.6**
Payout ratio (%)	25.7 %	neg.	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.4 %	0.5 %	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-%	
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**
Frontier Developments	179	153	16.2	23.4	3.8	4.0	1.5	1.4	2%	4%	9%	6%
Embracer	1980	1598	4.9	8.4	2.8	3.2	0.7	0.9	-40%	-20%	14%	10%
Starbreeze	24	9			1.6	0.8	0.4	0.4	25%	60%	-12%	-23%
CD Projekt	5972	5714	72.2	98.2	56.4	74.3	25.9	30.0	4%	-14%	36%	31%
Paradox Interactive	1697	1608	24.7	18.2	11.9	10.3	7.4	6.9	14%	8%	30%	38%
Playway	443	391	9.9	9.3	9.8	9.2	5.0	4.9	5%	4%	51%	52%
11 Bit Studios	103	88	4.3	4.9	3.2	5.5	2.0	2.6	27%	-22%	47%	54%
Enad Global 7	107	101	37.7	4.8	4.0	2.3	0.6	0.5	-1%	25%	2%	11%
Thunderful Group	8	17			9.8	4.8	0.7	0.6	-4%	5%	-50%	-13%
Tinybuild	50	46				18.4	1.5	1.4	1%	6%	-8%	-2%
CI Games	133	137		6.6		6.6	9.6	2.3	-27%	313%	-15%	35%
Electronic Arts	36921	37136	21.0	17.8	18.2	15.6	6.1	5.6	-5%	10%	29%	31%
Take-Two Interactive	39294	40155	75.7	69.3	60.8	53.0	8.4	7.7	6%	10%	11%	11%
Ubisoft	1316	2494			3.3	4.3	1.3	1.4	-14%	-4%	-2%	-1%
Remedy (Inderes)	**187**	**168**	**99.5**	**-557.8**	**12.1**	**18.1**	**2.6**	**2.8**	**28%**	**-4%**	**3%**	**-1%**
Average			**29.6**	**26.1**	**15.5**	**15.2**	**5.1**	**4.8**	**-1%**	**27%**	**10%**	**17%**
Median			**21.0**	**13.6**	**6.9**	**6.1**	**1.8**	**1.9**	**2%**	**6%**	**10%**	**11%**
Diff-% to median			***373%***	***-4209%***	***77%***	***198%***	***45%***	***50%***				

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**33.9**	**10.8**	**10.3**	**17.9**	**11.7**	**50.7**	**13.4**	**16.9**	**16.1**	**18.5**	**64.9**	**62.3**	**105**	**103**
Development fees	28.8	9.0	9.4	17.0	10.2	45.6	10.7	7.4	9.5	9.3	36.9	36.2	21.5	20.0
Royalties	5.2	1.8	0.9	0.8	1.5	5.1	2.6	2.1	2.1	3.7	10.5	11.6	12.0	10.2
Own game sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.4	4.6	5.5	17.5	14.5	71.9	79.1
EBITDA	**-17.0**	**-1.2**	**-2.4**	**6.7**	**-0.6**	**2.5**	**2.6**	**4.2**	**2.8**	**4.2**	**13.8**	**9.6**	**29.5**	**26.8**
Depreciation	-11.7	-0.9	-0.9	-4.3	-0.8	-6.8	-1.3	-4.7	-3.1	-3.1	-12.2	-10.0	-17.9	-19.2
EBIT (excl. NRI)	**-28.6**	**-2.1**	**-3.2**	**2.4**	**-1.4**	**-4.3**	**1.3**	**-0.5**	**-0.3**	**1.1**	**1.7**	**-0.3**	**11.5**	**7.7**
EBIT	**-28.6**	**-2.1**	**-3.2**	**2.4**	**-1.4**	**-4.3**	**1.3**	**-0.5**	**-0.3**	**1.1**	**1.7**	**-0.3**	**11.5**	**7.7**
Net financial items	1.1	0.1	0.3	0.0	0.1	0.5	-0.2	-0.1	-0.1	-0.1	-0.5	-0.5	-0.5	-0.5
PTP	**-27.5**	**-2.0**	**-2.9**	**2.4**	**-1.3**	**-3.8**	**1.1**	**-0.6**	**-0.4**	**1.0**	**1.2**	**-0.8**	**11.0**	**7.2**
Taxes	4.9	0.0	0.7	-0.5	0.0	0.2	-0.5	0.0	0.1	-0.2	-0.6	0.2	-2.0	-1.3
Net earnings	**-22.7**	**-2.0**	**-2.2**	**1.9**	**-1.3**	**-3.6**	**0.6**	**-0.6**	**-0.3**	**0.8**	**0.5**	**-0.7**	**9.1**	**5.9**
EPS (adj.)	**-1.68**	**-0.15**	**-0.16**	**0.14**	**-0.09**	**-0.27**	**0.04**	**-0.04**	**-0.02**	**0.06**	**0.04**	**-0.05**	**0.65**	**0.42**
EPS (rep.)	**-1.68**	**-0.15**	**-0.16**	**0.14**	**-0.09**	**-0.27**	**0.04**	**-0.04**	**-0.02**	**0.06**	**0.04**	**-0.05**	**0.65**	**0.42**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-22.2 %	56.2 %	16.2 %	128.5 %	13.1 %	49.3 %	24.1 %	63.5 %	-9.9 %	58.6 %	28.1 %	-3.9 %	69.0 %	-2.4 %
EBITDA-%	-50.0 %	-11.2 %	-22.7 %	37.3 %	-5.0 %	5.0 %	19.3 %	24.9 %	17.5 %	22.9 %	21.3 %	15.5 %	28.0 %	26.1 %
Adjusted EBIT-%	-84.4 %	-19.3 %	-31.0 %	13.4 %	-11.8 %	-8.4 %	9.7 %	-2.7 %	-1.8 %	6.1 %	2.6 %	-0.5 %	11.0 %	7.5 %
Net earnings-%	-66.8 %	-18.5 %	-21.4 %	10.6 %	-10.9 %	-7.1 %	4.4 %	-3.4 %	-1.9 %	4.5 %	0.8 %	-1.0 %	8.6 %	5.7 %

Source: Inderes

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

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**35.8**	**45.1**	**48.2**	**48.8**	**52.2**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	23.3	32.9	36.8	38.4	42.4
Tangible assets	6.5	5.8	5.1	4.0	3.4
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.0	1.0	1.0	1.0	1.0
Deferred tax assets	5.0	5.4	5.4	5.4	5.4
Current assets	**47.4**	**47.3**	**46.6**	**39.9**	**56.5**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	17.0	6.2	11.7	10.6	15.8
Cash and equivalents	30.4	41.1	35.0	29.3	40.7
Balance sheet total	**79.3**	**99.3**	**99.5**	**95.8**	**108**

Source: Inderes

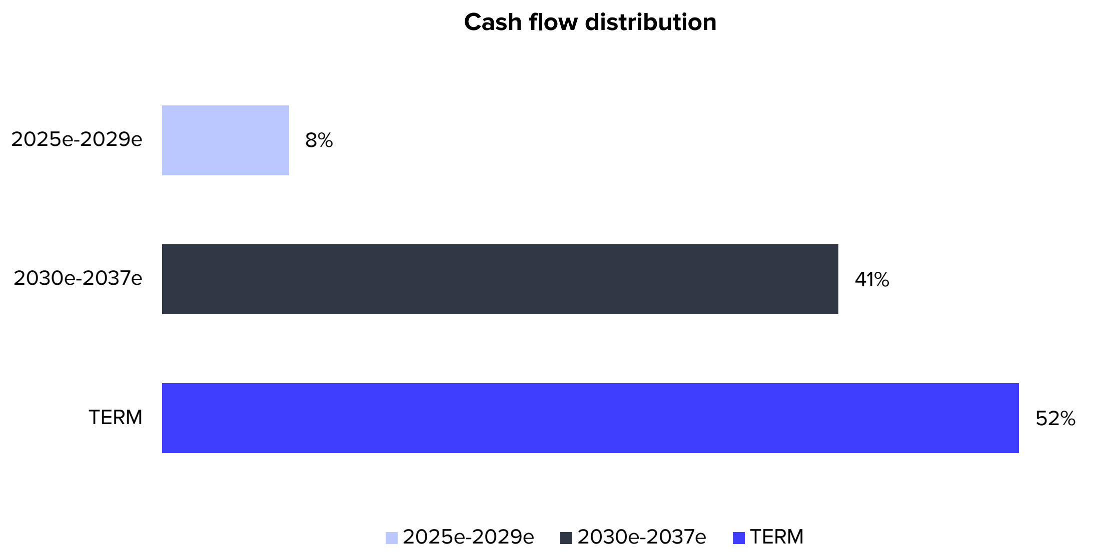
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**67.8**	**68.5**	**69.1**	**68.4**	**77.5**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	9.8	10.1	10.6	10.0	19.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	57.8	58.3	58.3	58.3	58.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**1.5**	**14.6**	**15.1**	**15.1**	**16.0**
Deferred tax liabilities	0.1	0.1	0.1	0.1	0.1
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	1.4	14.5	15.0	15.0	15.9
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	**10.0**	**16.2**	**15.3**	**12.2**	**15.0**
Interest bearing debt	2.2	1.4	1.0	1.0	0.2
Payables	7.8	14.8	14.3	11.2	14.8
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**79.3**	**99.3**	**99.5**	**95.8**	**108**

DCF-calculation

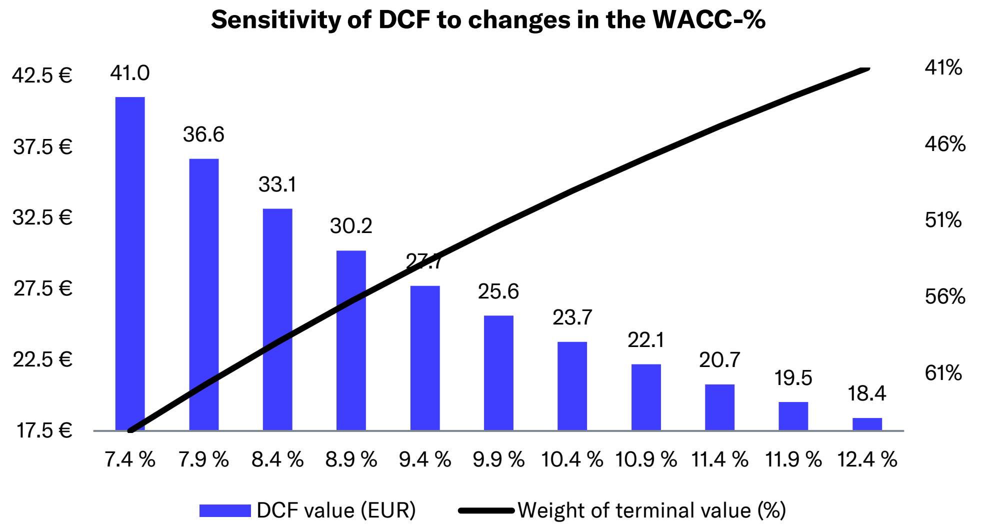
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	TERM
Revenue growth-%	49.3 %	28.1 %	-3.9 %	69.0 %	-2.4 %	30.0 %	34.6 %	19.6 %	-36.6 %	12.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
EBIT-%	-8.4 %	2.6 %	-0.5 %	11.0 %	7.5 %	20.8 %	25.7 %	33.3 %	18.7 %	25.0 %	26.0 %	26.0 %	26.0 %	25.5 %	25.5 %
EBIT (operating profit)	**-4.3**	**1.7**	**-0.3**	**11.5**	**7.7**	**27.8**	**46.2**	**71.7**	**25.5**	**38.3**	**41.0**	**42.2**	**43.5**	**43.9**	
+ Depreciation	6.8	12.2	10.0	17.9	19.2	19.1	17.9	16.5	16.2	16.1	16.1	16.0	16.5	16.8	
- Paid taxes	-0.1	-0.6	0.2	-2.0	-1.3	-5.0	-8.3	-12.9	-4.6	-6.9	-7.4	-7.6	-7.8	-7.9	
- Tax, financial expenses	0.0	-0.1	-0.1	-0.1	-0.1	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	
- Change in working capital	17.8	-6.0	-2.0	-1.7	0.0	-1.0	-1.6	-0.7	1.6	-0.3	-0.1	-0.1	-0.1	-0.1	
Operating cash flow	**20.3**	**7.1**	**7.7**	**25.7**	**25.5**	**40.9**	**54.2**	**74.5**	**38.8**	**47.2**	**49.6**	**50.6**	**52.1**	**52.7**	
+ 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	0.0	0.0	0.0	
- Gross CAPEX	-26.6	-13.0	-13.0	-14.0	-14.0	-15.0	-15.0	-16.0	-16.0	-16.0	-16.0	-17.0	-17.0	-17.0	
Free operating cash flow	**-6.3**	**-5.9**	**-5.3**	**11.7**	**11.5**	**25.9**	**39.2**	**58.5**	**22.8**	**31.2**	**33.6**	**33.6**	**35.1**	**35.7**	
+/- Other	5.0	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	-1.3	-5.9	-5.3	11.7	11.5	25.9	39.2	58.5	22.8	31.2	33.6	33.6	35.1	35.7	
Discounted FCFF		**-5.8**	**-4.7**	**9.5**	**8.4**	**17.3**	**23.9**	**32.4**	**11.5**	**14.3**	**14.0**	**12.7**	**12.1**	**11.2**	**167**
Sum of FCFF present value		324	330	334	325	317	299	275	243	232	217	203	191	178	167
Enterprise value DCF		**324**													
- Interest bearing debt		-15.8													
+ Cash and cash equivalents		41.1													
-Minorities		0.0													
-Dividend/capital return		0.0													
Equity value DCF		**349**													
Equity value DCF per share		**25.6**													

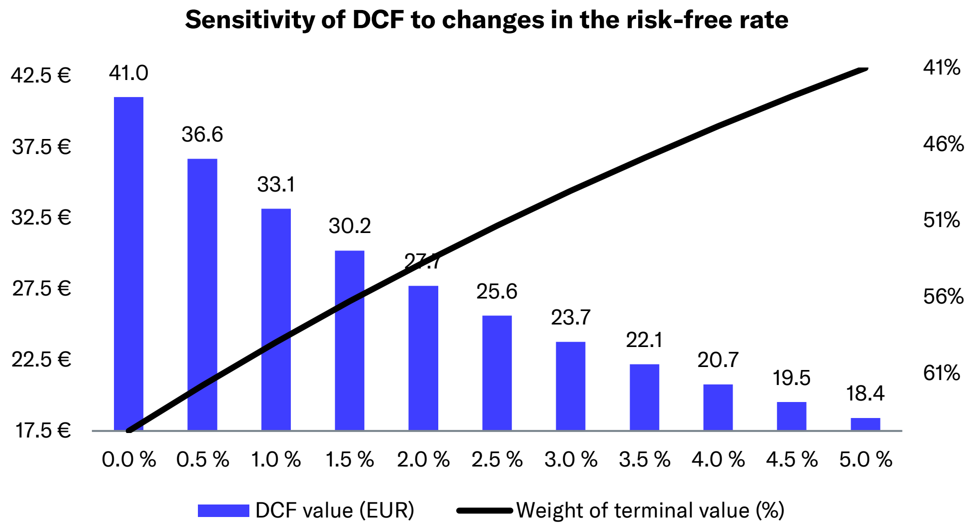
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.70%
Risk free interest rate	2.5 %
Cost of equity	**9.9 %**
Weighted average cost of capital (WACC)	**9.9 %**

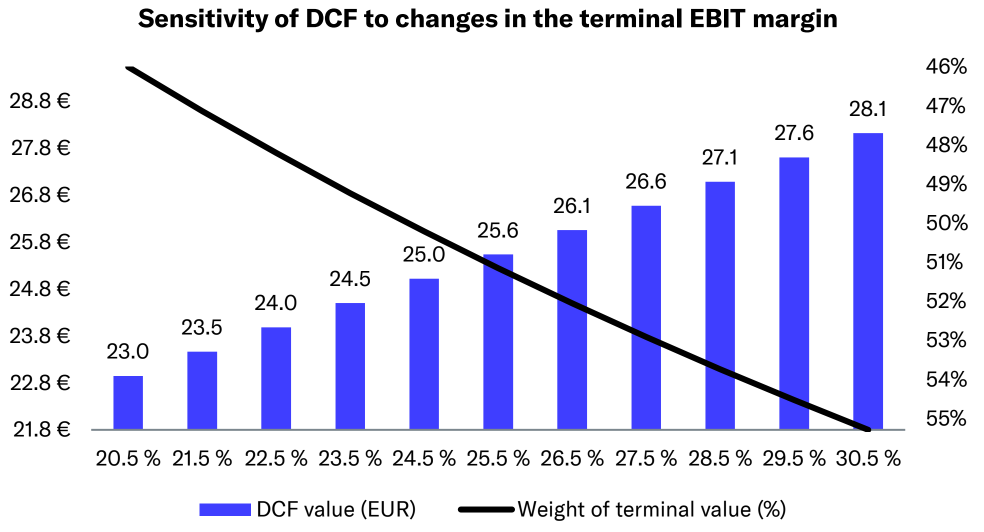
Source: Inderes

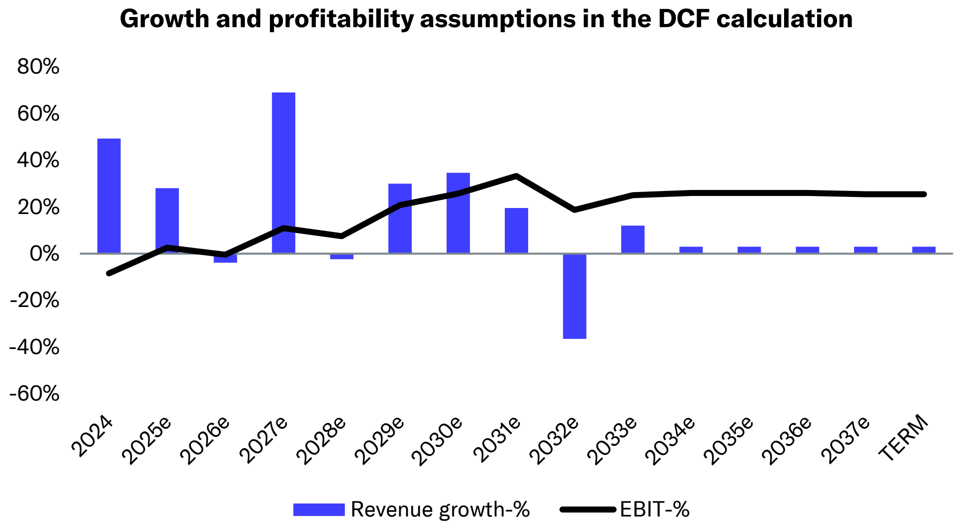


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	43.6	33.9	50.7	64.9	62.3
EBITDA	1.9	-17.0	2.5	13.8	9.6
EBIT	-0.6	-28.6	-4.3	1.7	-0.3
PTP	-1.2	-27.5	-3.8	1.2	-0.8
Net Income	-1.7	-22.7	-3.6	0.5	-0.7
Extraordinary items	0.0	0.0	0.0	0.0	0.0

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	99.6	79.3	99.3	99.5	95.8
Equity capital	88.4	67.8	68.5	69.1	68.4
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	-52.9	-26.8	-25.3	-19.0	-13.3

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	1.9	-17.0	2.5	13.8	9.6
Change in working capital	5.6	-2.1	17.8	-6.0	-2.0
Operating cash flow	6.8	-18.9	20.3	7.1	7.7
CAPEX	-10.8	-10.1	-26.6	-13.0	-13.0
Free cash flow	-4.0	-29.0	-1.3	-5.9	-5.3

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	5.5	9.3	3.3	2.6	2.8
EV/EBITDA	>100	neg.	65.9	12.1	18.1
EV/EBIT (adj.)	neg.	neg.	neg.	>100	neg.
P/E (adj.)	neg.	neg.	neg.	>100	neg.
P/B	3.3	5.1	2.8	2.7	2.8
Dividend-%	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	-0.13	-1.68	-0.27	0.04	-0.05
EPS (adj.)	-0.13	-1.68	-0.27	0.04	-0.05
OCF / share	0.51	-1.40	1.50	0.52	0.56
FCF / share	-0.29	-2.15	-0.10	-0.43	-0.38
Book value / share	6.57	5.02	5.06	5.05	4.97
Dividend / share	0.10	0.00	0.00	0.00	0.00

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	-3%	-22%	49%	28%	-4%
EBITDA growth-%	-87%	-990%	-115%	451%	-30%
EBIT (adj.) growth-%	-105%	4985%	-85%	-139%	-119%
EPS (adj.) growth-%	-119%	1209%	-84%	-115%	-218%
EBITDA-%	4.4 %	-50.0 %	5.0 %	21.3 %	15.5 %
EBIT (adj.)-%	-1.3 %	-84.4 %	-8.4 %	2.6 %	-0.5 %
EBIT-%	-1.3 %	-84.4 %	-8.4 %	2.6 %	-0.5 %
ROE-%	-2.0 %	-29.0 %	-5.3 %	0.8 %	-0.9 %
ROI-%	-0.6 %	-35.2 %	-5.5 %	2.0 %	-0.4 %
Equity ratio	88.8 %	85.5 %	70.9 %	69.4 %	71.4 %
Gearing	-59.8 %	-39.5 %	-36.9 %	-27.5 %	-19.4 %

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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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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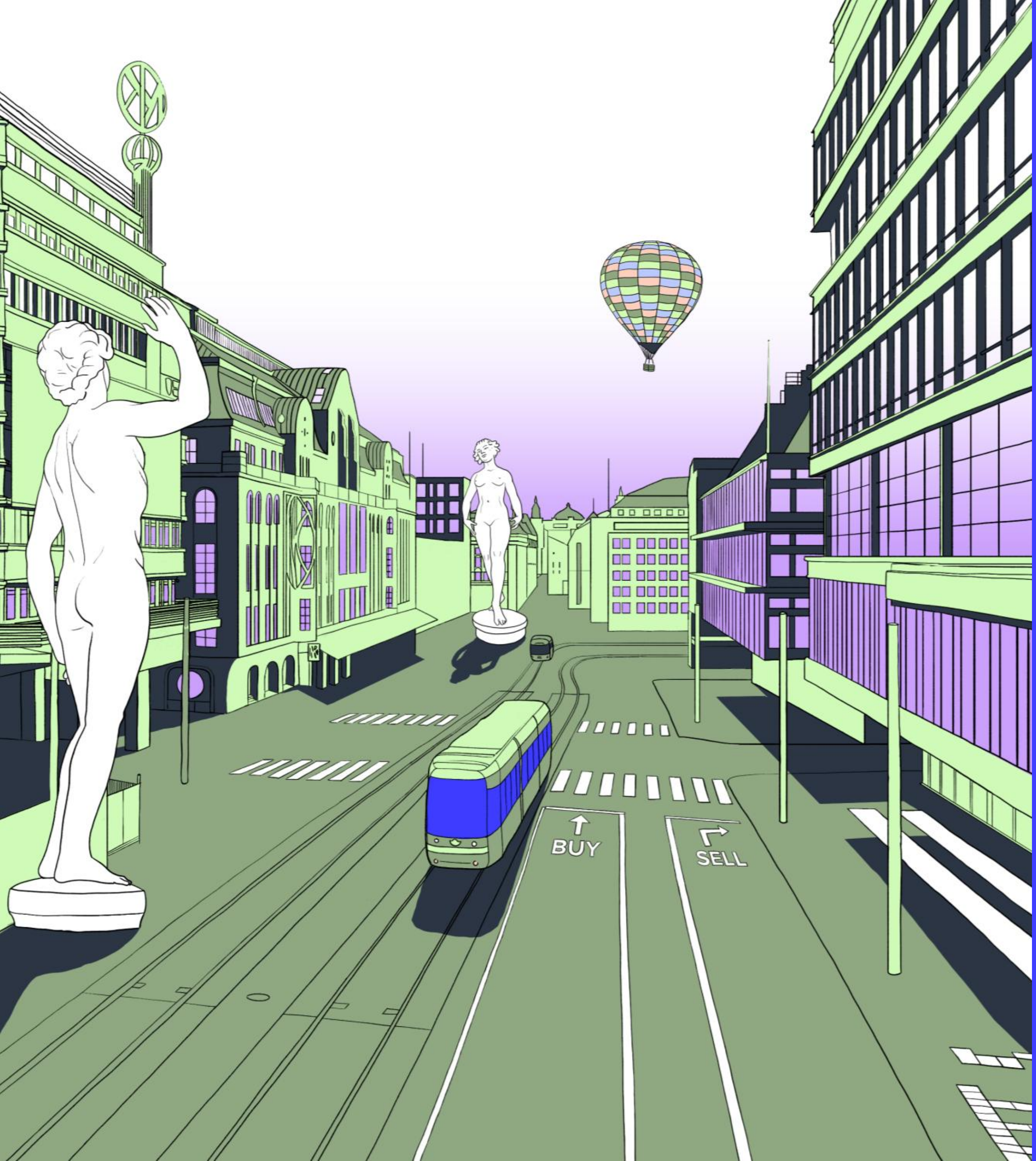
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/15/2022	Accumulate	26.00 €	22.15 €
10/31/2022	Buy	25.00 €	18.14 €
12/27/2022	Accumulate	25.00 €	21.50 €
2/13/2023	Accumulate	25.00 €	22.70 €
4/19/2023	Accumulate	25.00 €	24.20 €
4/27/2023	Accumulate	25.00 €	23.10 €
6/12/2023	Reduce	25.00 €	26.10 €
8/14/2023	Reduce	25.00 €	25.55 €
9/14/2023	Reduce	24.00 €	22.50 €
10/27/2023	Accumulate	30.00 €	27.00 €
11/1/2023	Accumulate	30.00 €	27.95 €
11/16/2023	Reduce	29.00 €	28.85 €
2/7/2024	Reduce	21.00 €	21.60 €
2/13/2024	Accumulate	21.00 €	17.62 €
2/19/2024	Accumulate	19.00 €	17.02 €
3/21/2024	Accumulate	19.00 €	16.70 €
4/30/2024	Accumulate	20.00 €	19.20 €
8/12/2024	Accumulate	20.00 €	17.20 €
9/5/2024	Accumulate	21.00 €	17.50 €
11/4/2024	Accumulate	19.00 €	15.32 €
11/20/2024	Buy	19.00 €	12.90 €
12/18/2024	Buy	19.00 €	14.00 €
2/13/2025	Buy	19.00 €	13.98 €
5/2/2025	Buy	20.00 €	16.42 €
8/1/2025	Accumulate	18.00 €	16.06 €
8/13/2025	Accumulate	18.00 €	15.94 €
9/25/2025	Buy	18.00 €	13.68 €



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Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi