MODULIGHT OYJ

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Quantum order lifts estimates

We are raising Modulight's forecasts for the coming years based on the new quantum computing order received by the company. Large for Modulight's scale, the order is the second one this fall. Thanks to the high gross margin, additional sales quickly show in the operating profit, and the earnings turnaround is brought forward to 2028 in our forecasts. We raise our target price to EUR 1.30 (was EUR 1.15) and reiterate our Accumulate recommendation on the back of positive developments.

New client in quantum computing

Modulight announced on November 4 that it had received an order of 1.1 MUSD (~1.0 MEUR) from an American quantum computing company, which is a new customer for the company. The order covers a few qualification units for the customer's quantum computing systems. For a company of this scale, the order is significant, as it corresponds to ~14% of our revenue forecast for the current year. This is already the second quantum technology order, as Modulight received a prototype order of ~0.8 MEUR in early 2025. The new quantum computing customer could place additional orders before the summer of 2027 if the qualification is successful and the project progresses. Qualifying new technology always carries risks, but success could pave the way for recurring production sales in the future. The order continues the positive picture created by September's 1.5 MUSD neuroscience pilot production order and the strong Q3 order intake.

Estimates are rising and the earnings turnaround is coming sooner

We raised our revenue forecast for the current year by 3% to 7.4 MEUR, as we estimate a small portion of the order to be recognized as revenue already in Q4. We expect the majority of the order to be recognized as revenue next year, and our 2027 revenue forecast increased by 9% to 10.6 MEUR, which represents an annual growth of ~43%. We raised our 2028 revenue forecast by 7% to 13.3 MEUR, reflecting an increased probability of additional orders. Due to the high gross margin, additional sales largely flow directly to the bottom line. We forecast EBIT for 2027 to be -2.5 MEUR (was -3.0 MEUR) and EBIT for 2028 to rise to breakeven (was -0.5 MEUR). The earnings turnaround in our forecasts is thus brought forward by approximately one year. The improved earnings outlook also strengthens the adequacy of the cash reserves and further reduces financial risk. However, visibility into growth remains limited, and the timing of individual orders can cause strong fluctuations in the figures.

Still upside left

Due to the loss-making nature of the business, we rely on the EV/S multiple and the DCF calculation in our valuation. Following the estimate changes, the EV/S multiples have declined to ~5.6x and 4.0x for 2026–2027. Multiples require a continuation of the positive trend, which we believe is well-supported given the low revenue base and the backing of new orders. Our DCF calculation gives the share a value of EUR 1.3, and based on the scenarios, the value ranges between EUR 0.4 and EUR 2.6. Risks remain high, as forecast uncertainty is significant and the financial risk remains elevated despite the positive development. On the other hand, commercial breakthroughs can rapidly lift the growth outlook and acceptable valuation multiples. Overall, we find the risk/reward ratio to still be attractive.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 1.30
(was EUR 1.15)

Share price:
EUR 1.09

Business risk



Valuation risk



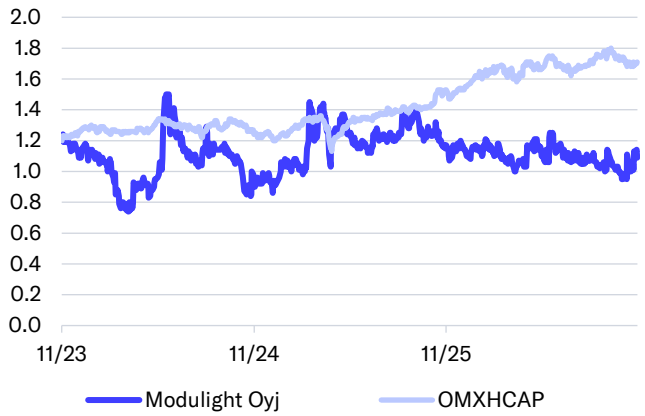
	2025	2026e	2027e	2028e
Revenue	7.1	7.4	10.6	13.3
growth-%	73%	4%	44%	26%
EBIT adj.	-4.6	-3.5	-2.5	0.0
EBIT-% adj.	-65.8 %	-47.4 %	-23.4 %	-0.2 %
Net Income	-4.6	-3.4	-2.0	-0.1
EPS (adj.)	-0.11	-0.08	-0.05	0.00
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.1	1.1	1.2	1.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	19.5	16.7	9.0
EV/S	5.8	5.6	4.0	3.2

Source: Inderes

Guidance

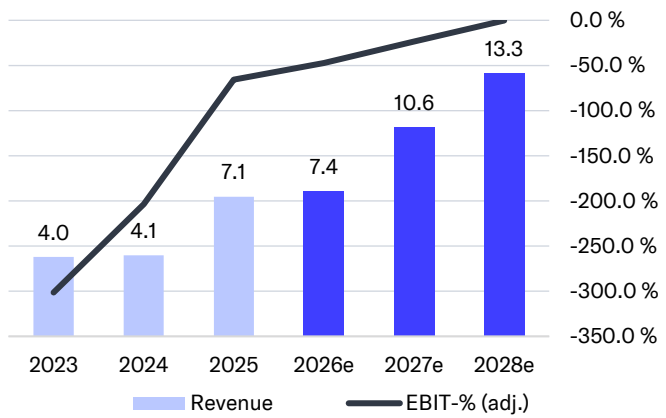
Modulight estimates that the Company's revenue and profitability will increase compared to the previous year.

Share price



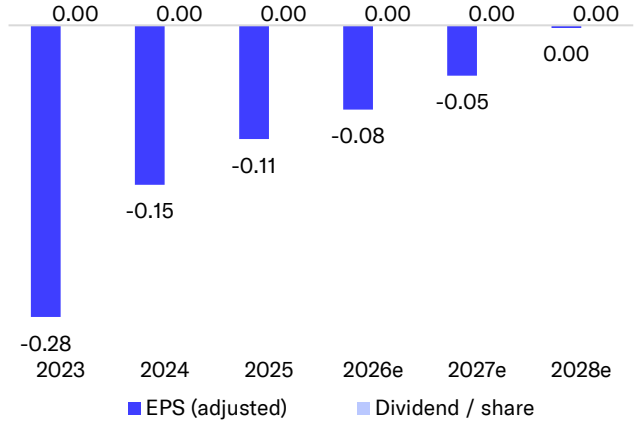
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- A defensive market with growth well into the future
- Technological expertise, ability to tailor products and build cloud services gives Modulight a competitive advantage
- A model based on license fees and pay-per-treatment pricing can be highly scalable if successful

Risk factors

- Medical development projects progress slowly, and their commercialization is uncertain.
- Growth is poorly predictable
- Low visibility of projects and their progress
- Immature and concentrated customer base brings more risk

Valuation	2026e	2027e	2028e
Share price	1.09	1.09	1.09
Number of shares, millions	42.6	42.6	42.6
Market cap	46	46	46
EV	41	43	43
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.1	1.2	1.2
P/S	6.3	4.4	3.5
EV/Sales	5.6	4.0	3.2
EV/EBITDA	19.5	16.7	9.0
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

New order raises estimates

Estimate revisions

- We raise our revenue forecasts for the coming years based on the new order and its future outlook.
- Our earnings forecasts also increase alongside revenue growth. We now expect a break-even result at the EBIT level in 2028 (prev. 2029).

Underlying assumptions of estimates

- Increased use of the pay-per-treatment (PPT) model grows recurring revenue.
- The therapeutic driver of the PPT model is currently the treatment of age-related macular degeneration in the US. Visibility into projects and their revenue development is very low.
- Maturation of the project portfolio: an increase in the number of projects and their gradual development towards approved patient treatments or large-scale industrial production. Projects generate one-off milestone payments and, if broad commercialization is successful, recurring revenue.
- Successes in other high value-added solutions, such as quantum computing, bring additional potential.

Operational earnings drivers

- Modulight's recurring PPT revenue is mainly generated from ophthalmology treatments in the US (Visudyne treatment) and cancer treatments in clinical trials.
- Of these, we believe ophthalmic treatments are more stable, and clinical trial activity depends on the number of studies, their maturity (phases), and the progress of individual studies.
- The key driver in cancer medicine known to us is Aura Biosciences' pivotal Phase 3 trial for eye cancer (choroidal melanoma) regarding marketing authorization, with the readout expected in H2'27 now in 2028 (prev. 2029).
- Good results could lead to regulatory approval and defensive revenue once actual patient treatments begin, which we estimate will be in 2029 at the earliest.
- Otherwise, the company's business is currently mainly project- and piloting-based, but the company has communicated opportunities to move towards mass production in certain projects in the near future.
- Modulight has succeeded in raising its gross margin on average to ~80%, which corresponds to the excellent pre-IPO level.
- After the change negotiations at the end of 2025, the company's cost level and headcount have decreased, which supports profitability and cash flow.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	7.2	7.4	3%	9.8	10.6	9%	12.5	13.3	7%
EBITDA	1.9	2.1	9%	2.1	2.6	25%	4.3	4.8	12%
EBIT	-3.7	-3.5	5%	-3.0	-2.5	17%	-0.5	0.0	95%
PTP	-3.6	-3.4	5%	-3.0	-2.5	17%	-0.6	-0.1	80%
EPS (excl. NRIs)	-0.08	-0.08	5%	-0.06	-0.05	17%	-0.01	0.00	80%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Valuation picture on the attractive side

EV/S ratios are neutral and require continued growth

Because of the loss-making business, we cannot use earnings-based multiples in valuation but instead rely on revenue-based EV/S ratios and DCF calculation that models the present value of future cash flows. The valuation is inherently imprecise as it relies on forecasts with limited visibility, even though the situation has become more stable between quarters. It is difficult to assess the earnings turnaround, which poses challenges for fair value measurement.

On our updated estimates, EV/S multiples for 2026-2027 are 5.6x and 4.0x, which we believe are relatively neutral. Current multiples require robust growth and margin improvement, of which we have already seen signs, particularly in terms of profitability. The multiples are still high compared to Lumibird SA, which we consider the most suitable peer (2026e EV/S: 3.0x), although the gap has narrowed from before due to both a decrease in Modulight's multiples and an increase in Lumibird's multiples. Cost-savings measures have improved the outlook for cash sufficiency, as a result of which financial risk is on a downward trend. However, the positive development must continue, particularly regarding revenue growth, as long-term value creation cannot rely on cost-cutting. In terms of multiples, the low starting level of revenue partly supports the possibility of strong relative revenue growth. An unexpected positive turnaround could also quickly make the EV/S valuation attractive and rapidly boost the share price.

Our DCF valuation for the share is EUR 1.3

The baseline case in our DCF calculation gives the stock a value of EUR 1.3. We use a cost of capital of 11% corresponding to the risk profile. The rise in the risk-free rate has put upward pressure on the cost of capital. On the other hand, the improved cash flow outlook for the coming years has reduced the company's risk profile. We believe the weight of these factors offsets one another, and we have therefore kept the cost of capital in our model unchanged.

The model points to an upside in the stock. In the positive scenario, the DCF is EUR 2.6 and in the negative scenario EUR 0.4. The main factor explaining the differences between the scenarios is revenue growth, which is followed by profitability. In particular, the higher terminal profitability (EBIT of 30%) in the positive scenario has a clear upward effect on the value. In the negative scenario, terminal profitability remains at 20%. We note that the scenarios do not represent our view of the best and worst possible path for the business but are intended to provide investors with a perspective on the sensitivity of the valuation assumptions used. More information on the scenarios can be found in our extensive report.

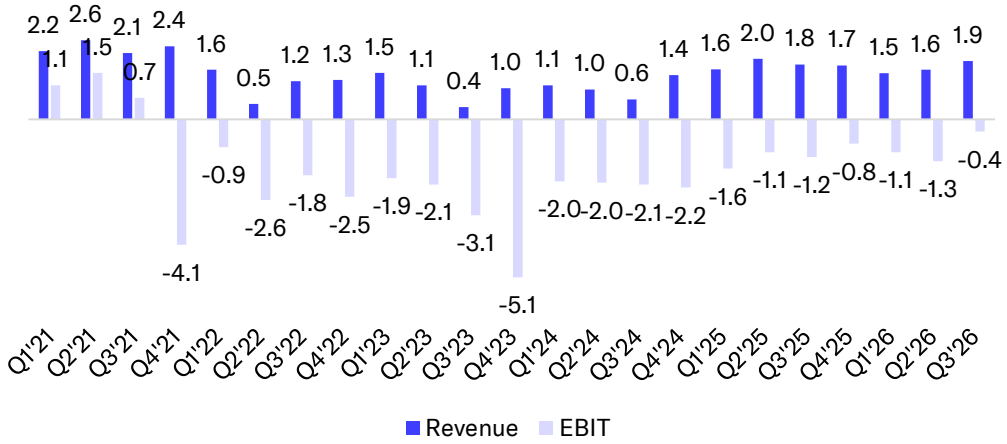
We reiterate our recommendation and raise our target price

We reiterate our Accumulate recommendation and revise our target price to EUR 1.30 following the estimate changes. Central to our view are the EV/S multiple and the DCF model with its scenarios, as well as an assessment of the reliability and risks of the revenue growth prospects. The DCF suggests a significant upside or downside for the share in high and low growth scenarios. In case the low estimate materializes, the risk of permanently losing capital is considerable. On the other hand, potential commercial breakthroughs could quickly lead to an improvement in revenue growth prospects and a re-pricing of the share at higher multiples.

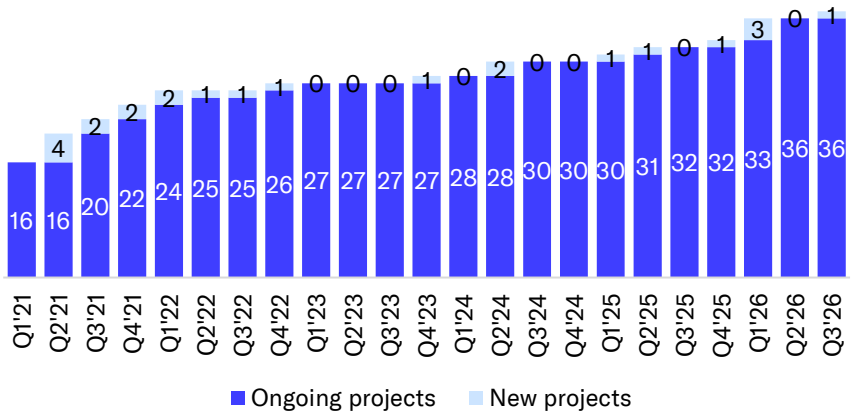
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EV	41	43	43
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.1	1.2	1.2
P/S	6.3	4.4	3.5
EV/Sales	5.6	4.0	3.2
EV/EBITDA	19.5	16.7	9.0
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

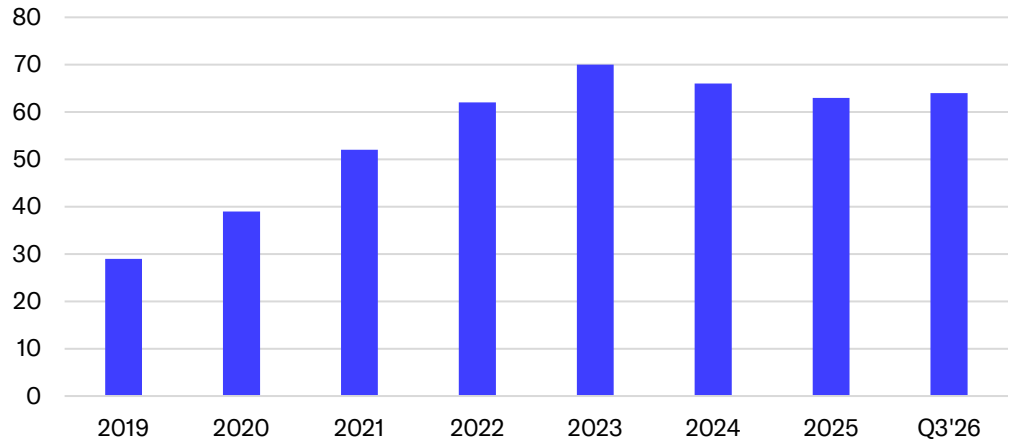
Revenue and EBIT, MEUR



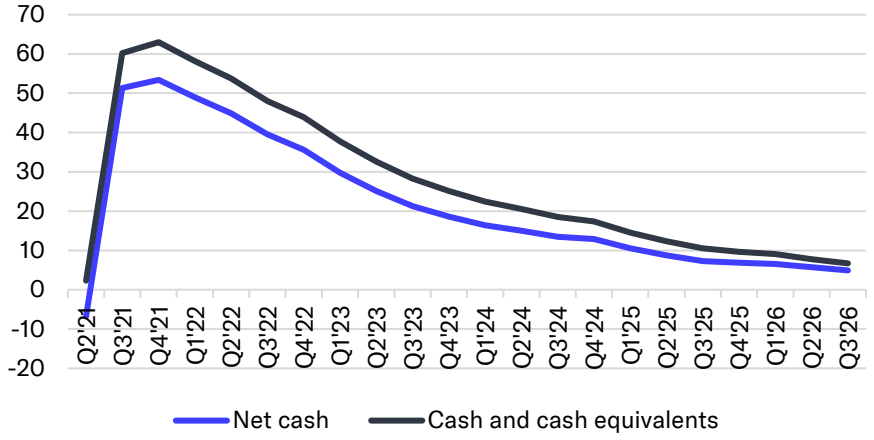
Development of the number of projects



Personnel



Cash equivalents, MEUR



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.4	2.95	0.90	1.10	1.12	**1.09**	**1.09**	**1.09**	**1.09**
Number of shares, millions	42.6	42.6	42.6	42.6	42.6	**42.6**	**42.6**	**42.6**	**42.6**
Market cap	484	126	38	47	48	**46**	**46**	**46**	**46**
EV	430	90	20	34	41	**41**	**43**	**43**	**42**
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**62.1**
P/E	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**62.1**
P/B	6.4	1.9	0.7	1.0	1.1	**1.1**	**1.2**	**1.2**	**1.2**
P/S	53.3	27.3	9.5	11.4	6.8	**6.3**	**4.4**	**3.5**	**2.8**
EV/Sales	47.4	19.6	4.9	8.3	5.8	**5.6**	**4.0**	**3.2**	**2.5**
EV/EBITDA	>100	neg.	neg.	neg.	neg.	**19.5**	**16.7**	**9.0**	**7.5**
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**41.9**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**75.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**1.2 %**

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		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Carl Zeiss Meditech	3052	3636	9.9	15.5	8.1	11.4	1.7	1.8	11.3	18.1	3.2	2.6	1.4
Coherent Corp	37886	40153	46.1	64.4	36.8	45.3	8.8	9.6	72.5	130.1			4.7
IPG Photonics Corp	2647	1817	8.2		6.2	96.7	1.6	2.1	14.8				1.4
Lumentum	47592	47072	153.8	1480.6	108.4	369.2	29.8	38.9	129.6	597.5			26.1
Lumibird SA	553	637	29.2	49.0	16.6	19.3	3.1	3.0	50.2	82.0			2.6
Medtronic	116447	134292	18.3	18.2	16.1	16.1	4.9	4.7	19.2	19.5	2.7	2.7	2.6
Nexstim	71	69		17.2		17.2	9.8	4.3		18.6			22.4
nLIGHT	2296	2014					10.9	11.4					
Optomed	36	31					2.0	2.1					1.5
Revenio Group	430	671	25.6	25.9	22.4	21.8	7.0	6.5	16.5	17.3	3.1	3.1	3.2
Stryker	110626	121073	27.8	24.1	25.3	21.8	6.7	6.0	31.2	26.9	0.9	1.0	6.6
Theralase	29	26					40.0	53.5					18.0
Xvivo Perfusion	583	565	138.0	55.0	63.9	35.0	10.1	7.6	177.4	43.5			3.3
Modulight Oyj (Inderes)	**46**	**41**	**-11.8**	**-17.3**	**19.5**	**16.7**	**5.6**	**4.0**	**-13.6**	**-22.8**	**0.0**	**0.0**	**1.1**
Average			**50.8**	**194.4**	**33.7**	**65.4**	**10.5**	**11.6**	**58.1**	**106.0**	**2.5**	**2.4**	**7.8**
Median			**27.8**	**25.9**	**22.4**	**21.8**	**7.0**	**6.0**	**31.2**	**26.9**	**2.9**	**2.6**	**3.3**
Diff-% to median			**-143%**	**-167%**	**-13%**	**-23%**	**-20%**	**-32%**	**-144%**	**-185%**	**-100%**	**-100%**	**-66%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**4.1**	**1.6**	**2.0**	**1.8**	**1.7**	**7.1**	**1.5**	**1.6**	**1.9**	**2.4**	**7.4**	**10.6**	**13.3**	**16.9**
Group	4.1	1.6	2.0	1.8	1.7	7.1	1.5	1.6	1.9	2.4	7.4	10.6	13.3	16.9
EBITDA	**-5.6**	**-0.6**	**0.0**	**-0.2**	**0.6**	**-0.2**	**0.3**	**0.0**	**1.0**	**0.7**	**2.1**	**2.6**	**4.8**	**5.6**
Depreciation	-2.7	-1.0	-1.0	-1.0	-1.4	-4.5	-1.4	-1.4	-1.4	-1.4	-5.6	-5.0	-4.8	-4.6
EBIT	**-8.3**	**-1.6**	**-1.1**	**-1.2**	**-0.8**	**-4.6**	**-1.1**	**-1.3**	**-0.4**	**-0.7**	**-3.5**	**-2.5**	**0.0**	**1.0**
Net financial items	1.9	0.0	-0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	-0.1	-0.1
PTP	**-6.5**	**-1.6**	**-1.1**	**-1.2**	**-0.7**	**-4.6**	**-1.0**	**-1.4**	**-0.4**	**-0.7**	**-3.4**	**-2.5**	**-0.1**	**0.9**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	-0.2
Net earnings	**-6.5**	**-1.6**	**-1.1**	**-1.2**	**-0.7**	**-4.6**	**-1.0**	**-1.4**	**-0.4**	**-0.7**	**-3.4**	**-2.0**	**-0.1**	**0.7**
EPS (adj.)	**-0.15**	**-0.04**	**-0.03**	**-0.03**	**-0.02**	**-0.11**	**-0.02**	**-0.03**	**-0.01**	**-0.02**	**-0.08**	**-0.05**	**0.00**	**0.02**
EPS (rep.)	**-0.15**	**-0.04**	**-0.03**	**-0.03**	**-0.02**	**-0.11**	**-0.02**	**-0.03**	**-0.01**	**-0.02**	**-0.08**	**-0.05**	**0.00**	**0.02**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	1.7 %	51.5 %	103.3 %	175.8 %	21.3 %	72.6 %	-6.9 %	-18.2 %	6.9 %	37.1 %	4.2 %	43.9 %	25.8 %	26.4 %
Adjusted EBIT growth-%	31.3 %	20.1 %	48.5 %	41.8 %	64.3 %	44.2 %	32.7 %	-27.6 %	67.9 %	12.5 %	24.9 %	28.8 %	98.9 %	3808.0 %
EBITDA-%	-136.7 %	-36.1 %	-2.2 %	-10.7 %	37.0 %	-2.4 %	22.1 %	2.3 %	53.4 %	31.1 %	28.7 %	24.2 %	35.8 %	33.3 %
Adjusted EBIT-%	-203.5 %	-98.4 %	-53.8 %	-69.5 %	-45.3 %	-65.8 %	-71.2 %	-83.9 %	-20.8 %	-28.9 %	-47.4 %	-23.4 %	-0.2 %	6.0 %
Net earnings-%	-157.5 %	-100.3 %	-56.5 %	-69.7 %	-37.5 %	-65.1 %	-64.1 %	-85.1 %	-20.8 %	-28.9 %	-46.2 %	-19.2 %	-0.8 %	4.4 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**35.2**	**35.0**	**33.4**	**32.5**	**32.1**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	10.9	12.3	12.2	13.0	14.0
Tangible assets	24.3	22.7	21.1	19.6	18.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**21.1**	**14.2**	**9.4**	**8.4**	**8.7**
Inventories	2.3	2.2	2.4	2.7	2.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.4	2.4	1.8	2.1	2.4
Cash and equivalents	17.4	9.7	5.2	3.6	3.5
Balance sheet total	**56.3**	**49.1**	**42.8**	**40.9**	**40.8**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**49.2**	**44.7**	**41.3**	**39.3**	**39.2**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-26.2	-30.7	-34.1	-36.1	-36.2
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	75.3	75.3	75.3	75.3	75.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**2.8**	**1.3**	**0.0**	**0.0**	**0.0**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2.8	1.3	0.0	0.0	0.0
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	**4.2**	**3.2**	**1.5**	**1.6**	**1.6**
Interest bearing debt	1.8	1.5	0.0	0.0	0.0
Payables	2.5	1.7	1.5	1.6	1.6
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**56.3**	**49.1**	**42.8**	**40.9**	**40.8**

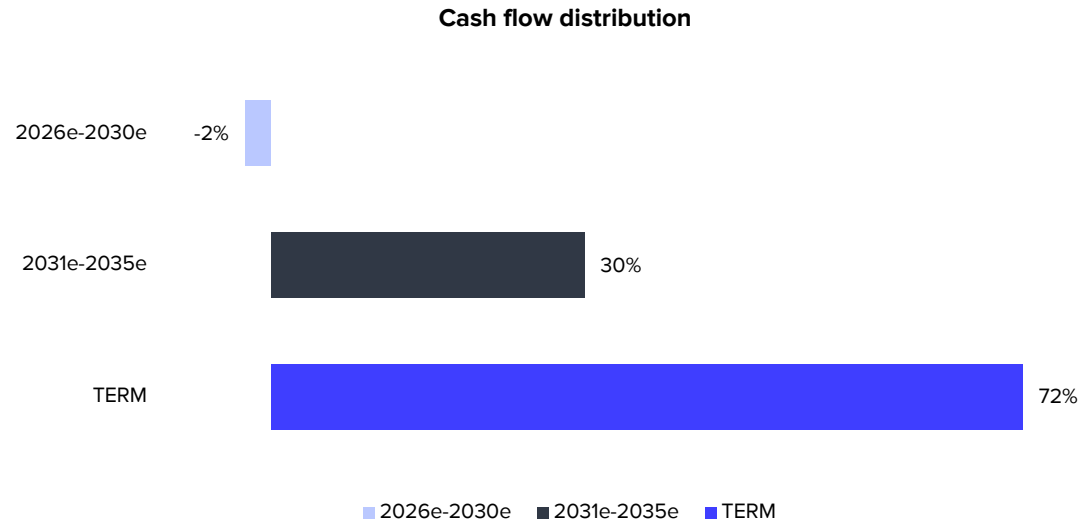
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	TERM
Revenue growth-%	72.6 %	4.2 %	43.9 %	25.8 %	26.4 %	25.0 %	25.0 %	20.0 %	16.0 %	8.0 %	4.0 %	2.5 %	2.5 %
EBIT-%	-65.8 %	-47.4 %	-23.4 %	-0.2 %	6.0 %	12.0 %	18.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %
EBIT (operating profit)	**-4.6**	**-3.5**	**-2.5**	**0.0**	**1.0**	**2.5**	**4.7**	**7.0**	**8.1**	**8.7**	**9.1**	**9.3**	
+ Depreciation	4.5	5.6	5.0	4.8	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.6	
- Paid taxes	0.0	0.0	0.4	0.0	-0.2	-0.4	-0.8	-1.2	-1.4	-1.6	-1.6	-1.7	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	
- Change in working capital	-1.6	0.1	-0.5	-0.4	-0.1	0.5	0.5	0.1	-0.2	-0.2	-0.1	-0.1	
Operating cash flow	**-1.8**	**2.2**	**2.6**	**4.4**	**5.3**	**7.4**	**9.3**	**10.8**	**11.6**	**12.3**	**12.8**	**13.2**	
+ 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	
- Gross CAPEX	-4.3	-4.0	-4.2	-4.4	-4.6	-4.9	-5.1	-5.4	-5.6	-5.9	-5.9	-5.5	
Free operating cash flow	**-6.0**	**-1.8**	**-1.6**	**0.0**	**0.7**	**2.5**	**4.2**	**5.5**	**5.9**	**6.3**	**6.9**	**7.7**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-6.0	-1.8	-1.6	0.0	0.7	2.5	4.2	5.5	5.9	6.3	6.9	7.7	93.0
Discounted FCFF		**-1.7**	**-1.5**	**0.0**	**0.5**	**1.6**	**2.4**	**2.9**	**2.8**	**2.7**	**2.7**	**2.7**	**32.4**
Sum of FCFF present value		47.5	49.2	50.7	50.7	50.2	48.6	46.1	43.3	40.4	37.7	35.1	32.4

Enterprise value DCF	**47.5**
- Interest bearing debt	-2.8
+ Cash and cash equivalents	9.7
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	0.0
Equity value DCF	**54.3**
Equity value DCF per share	**1.3**

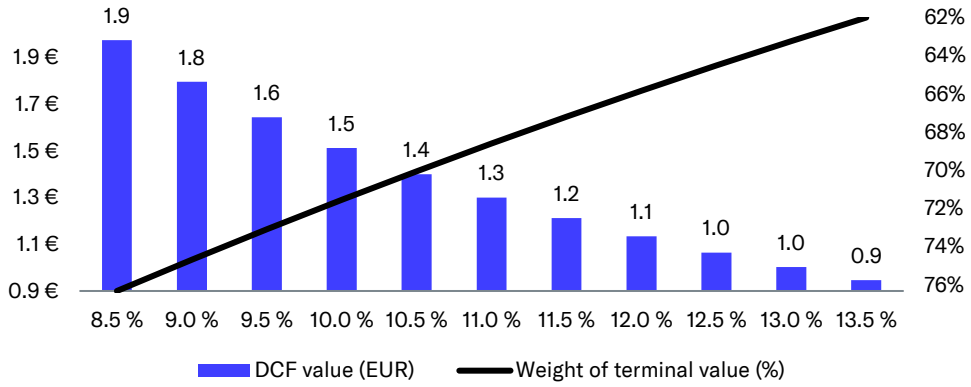
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	8.0 %
Equity Beta	1.68
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	3.0 %
Cost of equity	**11.5 %**
Weighted average cost of capital (WACC)	**11.0 %**

Source: Inderes

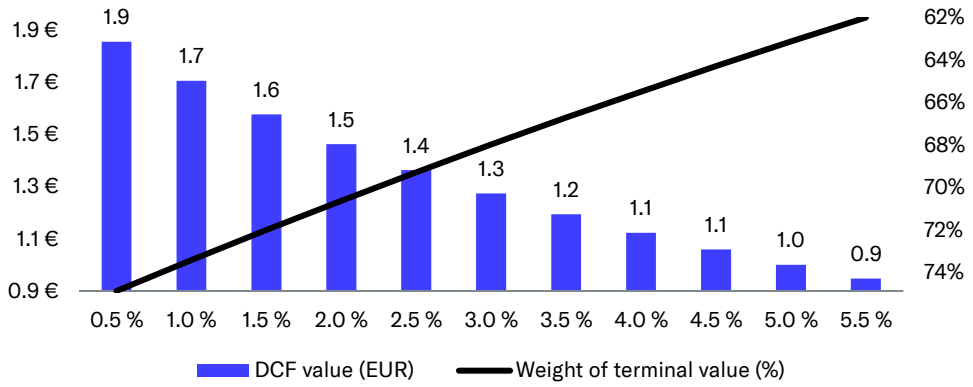


DCF sensitivity calculations and key assumptions in graphs

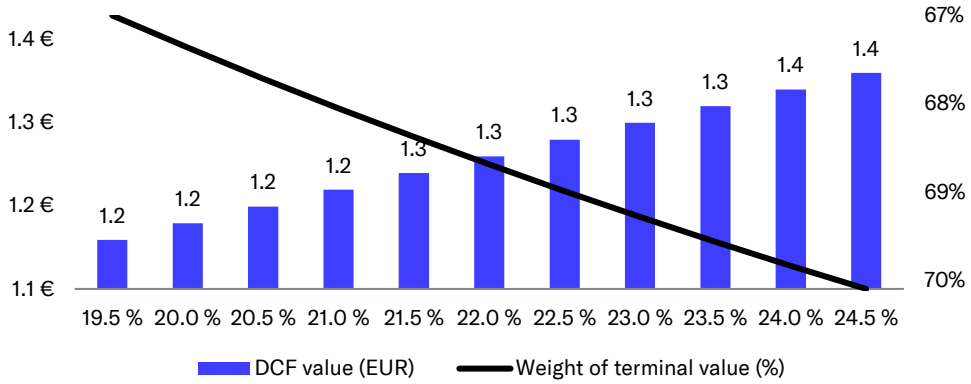
Sensitivity of DCF to changes in the WACC-%



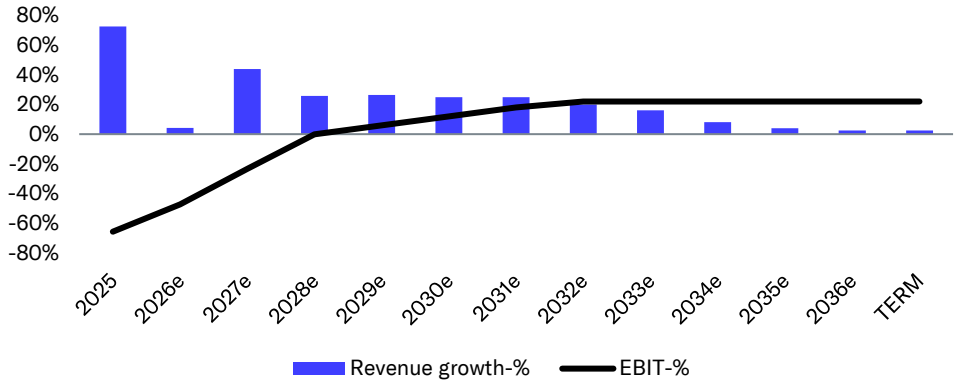
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	4.0	4.1	7.1	**7.4**	**10.6**
EBITDA	-8.5	-5.6	-0.2	**2.1**	**2.6**
EBIT	-12.1	-8.3	-4.6	**-3.5**	**-2.5**
PTP	-11.8	-6.5	-4.6	**-3.4**	**-2.5**
Net Income	-11.8	-6.5	-4.6	**-3.4**	**-2.0**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	64.0	56.3	49.1	**42.8**	**40.9**
Equity capital	55.7	49.2	44.7	**41.3**	**39.3**
Goodwill	0.0	0.0	0.0	**0.0**	**0.0**
Net debt	-18.6	-12.9	-6.9	**-5.2**	**-3.6**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	-8.5	-5.6	-0.2	**2.1**	**2.6**
Change in working capital	1.0	2.1	-1.6	**0.1**	**-0.5**
Operating cash flow	-7.5	-3.5	-1.8	**2.2**	**2.6**
CAPEX	-9.7	-4.1	-4.3	**-4.0**	**-4.2**
Free cash flow	-17.3	-7.6	-6.0	**-1.8**	**-1.6**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	4.9	8.3	5.8	**5.6**	**4.0**
EV/EBITDA	neg.	neg.	neg.	**19.5**	**16.7**
EV/EBIT (adj.)	neg.	neg.	neg.	**neg.**	**neg.**
P/E (adj.)	neg.	neg.	neg.	**neg.**	**neg.**
P/B	0.7	1.0	1.1	**1.1**	**1.2**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.28	-0.15	-0.11	**-0.08**	**-0.05**
EPS (adj.)	-0.28	-0.15	-0.11	**-0.08**	**-0.05**
OCF / share	-0.18	-0.08	-0.04	**0.05**	**0.06**
OFCF / share	-0.41	-0.18	-0.14	**-0.04**	**-0.04**
Book value / share	1.31	1.16	1.05	**0.97**	**0.92**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-12%	2%	73%	**4%**	**44%**
EBITDA growth-%	-44%	34%	97%	**1348%**	**21%**
EBIT (adj.) growth-%	-56%	31%	44%	**25%**	**29%**
EPS (adj.) growth-%	-38%	45%	29%	**26%**	**40%**
EBITDA-%	-212.0 %	-136.7 %	-2.4 %	**28.7 %**	**24.2 %**
EBIT (adj.)-%	-301.4 %	-203.5 %	-65.8 %	**-47.4 %**	**-23.4 %**
EBIT-%	-301.4 %	-203.5 %	-65.8 %	**-47.4 %**	**-23.4 %**
ROE-%	-19.1 %	-12.3 %	-9.8 %	**-7.9 %**	**-5.1 %**
ROI-%	-17.6 %	-14.4 %	-9.2 %	**-7.9 %**	**-6.2 %**
Equity ratio	87.1 %	87.5 %	90.9 %	**96.6 %**	**96.1 %**
Gearing	-33.4 %	-26.1 %	-15.4 %	**-12.6 %**	**-9.1 %**
Net debt/EBITDA	2.2	2.3	40.5	**-2.5**	**-1.4**
EBITDA/net financials	25.7	3.0	3.7	**-24.3**	

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
3/15/2023	Reduce	2.30 €	2.42 €
5/2/2023	Reduce	2.30 €	2.31 €
8/11/2023	Reduce	2.30 €	2.15 €
8/21/2023	Reduce	1.60 €	1.50 €
20.1023	Reduce	1.50 €	1.39 €
1/2/2023	Reduce	1.20 €	1.17 €
2/26/2024	Reduce	0.90 €	0.85 €
4/29/2024	Reduce	0.90 €	0.83 €
8/19/2024	Reduce	0.90 €	1.14 €
10/22/2024	Reduce	0.90 €	0.99 €
2/24/2025	Accumulate	1.30 €	1.15 €
4/28/2025	Accumulate	1.50 €	1.34 €
7/1/2025	Accumulate	1.50 €	1.22 €
8/25/2025	Accumulate	1.60 €	1.39 €
10/27/2025	Reduce	1.30 €	1.32 €
2/23/2026	Reduce	1.20 €	1.18 €
4/27/2026	Reduce	1.20 €	1.17 €
8/24/2026	Reduce	1.10 €	1.07 €
10/26/2026	Reduce	1.15 €	1.11 €
11/3/2026	Accumulate	1.15 €	1.01 €
11/12/2026	Accumulate	1.30 €	1.09 €



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