MODULIGHT OYJ

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Pricing under pressure

Modulight's Q2 revenue and earnings declined year-on-year and missed our forecast. The decrease was impacted by the increased share of lower-priced prototype deliveries and delays in some projects. On the positive side, recurring PPT revenue grew by triple digits. We are lowering our revenue and cost estimates for the coming years due to slower-than-expected development. We revise our target price to EUR 1.1 (from EUR 1.2) due to estimate changes and reiterate our Reduce recommendation.

Revenue was burdened by the decrease in prototype prices

Modulight's Q2 revenue was 1.60 MEUR, missing our forecast (1.87 MEUR). This was an 18% decrease from the comparison period (Q2'25: 1.96 MEUR). According to the company, the decrease was primarily due to an increased share of prototypes delivered to major customers at low prices. In addition, some deliveries were postponed. PPT revenue continued its triple-digit growth (H1: +137%) but was still too small to compensate for the weakness in other deliveries. The company itself particularly highlighted the completion of patient enrollment for a Phase 3 trial. This is possibly Aura Biosciences' Phase 3 eye cancer project (planned readout in H2'27). A launch could occur in 2029 if the study results are sufficiently good and the FDA grants marketing authorization.

Money still flowing in the wrong direction

EBIT landed at -1.35 MEUR, declining year-on-year (Q2'25: -1.06 MEUR). This was in line with our forecast of -1.29 MEUR. Operating costs were also in line with our expectations. EBITDA was barely positive (0.04 MEUR), but it gives an overly optimistic picture of the earnings capacity due to the capitalization of expenses (0.83 MEUR). Depreciation (1.38 MEUR) increased from the comparison period, which burdened the operating profit. Cash flow after investments was -0.83 MEUR and net cash was 5.8 MEUR. Cash burn has slowed down from last year, and the outlook for cash adequacy has gradually improved.

However, we believe the financial risk remains clearly elevated. We believe the current cash reserves may be sufficient, but this is uncertain. In our estimation, an approximately 1 MEUR higher quarterly revenue with current fixed costs would be sufficient for cash flows to turn positive.

We are lowering our forecasts due to slower-than-expected development

The company reiterated its guidance for the current year, expecting revenue and EBITDA to grow compared to the previous year. Achieving this target requires a clear improvement towards the end of the year, for which visibility is low. We are lowering our revenue forecasts for the coming years by 10–12% due to slower-than-expected development. Our growth forecast for the current year corresponds to achieving the guidance by a narrow margin. Our EBIT estimates for the next few years are clearly down. However, this is largely due to a revision of depreciations, so the impact of forecast changes on cash flow is considerably more moderate than what could be inferred from the operating profit. At the EBITDA level, the changes remain moderate.

The risk/reward ratio remains unsatisfactory due to unprofitability and weak visibility

We reiterate our Reduce recommendation and lower our target price to EUR 1.1 (previously EUR 1.2) in accordance with our estimate changes. Due to the loss-making business, we rely on the EV/S multiple and DCF calculation for valuation. On our updated estimates, EV/S multiples are around 5.9x and 4.5x for 2026-27, which is a rather high level and requires a clear acceleration in growth. The baseline scenario in our DCF calculation gives the stock a value of EUR 1.1. In our view, the risk/reward ratio remains unsatisfactory due to low visibility, continued unprofitability for the time being, and elevated financial risk.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 1.10
(was EUR 1.20)

Share price:
EUR 1.07

Business risk

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Valuation risk

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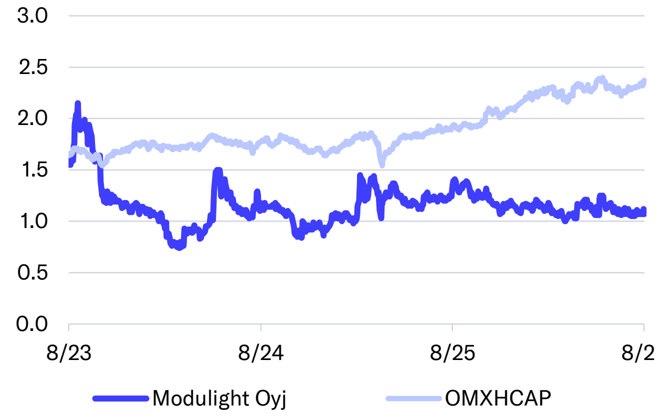
	2025	2026e	2027e	2028e
Revenue	7.1	7.2	9.8	12.5
growth-%	73%	1%	36%	28%
EBIT adj.	-4.6	-4.9	-3.8	-1.5
EBIT-% adj.	-65.8 %	-69.1 %	-38.6 %	-12.2 %
Net Income	-4.6	-4.9	-3.1	-1.3
EPS (adj.)	-0.11	-0.11	-0.07	-0.03
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.1	1.1	1.2	1.3
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	>100	22.5	12.3
EV/S	5.8	5.9	4.5	3.6

Source: Inderes

Guidance

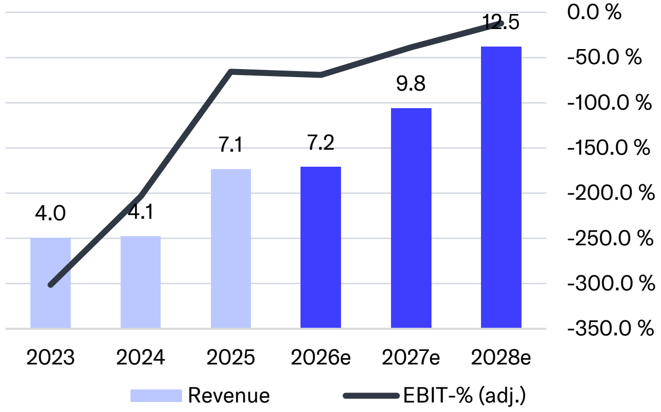
Modulight estimates that the Company's revenue and profitability will increase compared to the previous year.

Share price



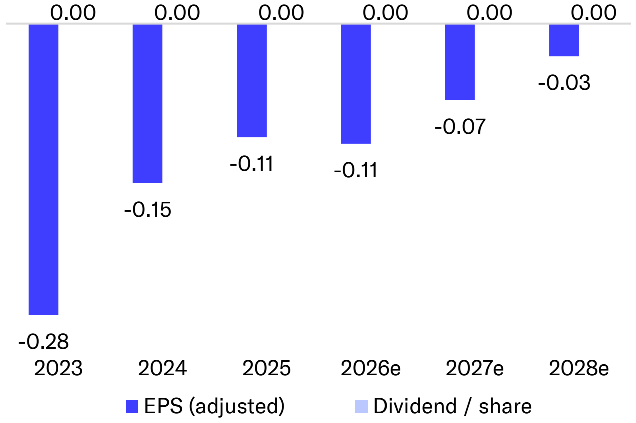
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



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	1.07	1.07	1.07
Number of shares, millions	42.6	42.6	42.6
Market cap	46	46	46
EV	42	44	45
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.1	1.2	1.3
P/S	6.4	4.7	3.7
EV/Sales	5.9	4.5	3.6
EV/EBITDA	>100	22.5	12.3
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 lagged due to pricing and delays

Estimates vs. outcome

- Revenue was 1.60 MEUR, falling short of our 1.87 MEUR forecast.
- We expected a decline from the comparison period, which was reinforced by a non-recurring quantum computing project. However, the decrease was larger than we expected due to pricing pressures and timing delays.
- PPT revenue progressed strongly (+137% in H1), but its absolute level is still too low to turn the overall picture around.
- Strong PPT revenue likely explains the better-than-expected EBITDA, which was barely positive (+0.04 MEUR). EBITDA is improved by the capitalization of costs on the balance sheet (0.8 MEUR).
- EBIT of -1.35 MEUR was in line with our estimate, which is explained by higher depreciation than we expected.
- Operating costs were roughly in line with our expectations.
- Cash and cash equivalents at the end of the period were 7.80 MEUR and net cash was 5.76 MEUR. Cash reserves should be sufficient until at least the end of 2027, although assessing the development is challenging.
- Cash flow after investments was -0.83 MEUR. There were no fluctuations in working capital, so we believe the figure provides a realistic picture of operational cash consumption.

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 most significant known driver in cancer medicine is Aura Biosciences' pivotal Phase 3 trial in ocular melanoma (choroidal melanoma), with results expected in H2’27.
- 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.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	1.96	1.60	1.87				7.2
EBITDA	-0.04	0.04	-0.27				0.3
EBIT	-1.06	-1.35	-1.29				-4.9
EPS (reported)	-0.03	-0.03	-0.03				-0.11
Revenue growth-%	103.3 %	-18.2 %	-4.6 %				1.2 %
EBIT-% (adj.)	-53.8 %	0.0 %	-68.7 %				-69.1 %

Source: Inderes

Downward revisions in estimates

Estimate revisions

- We lowered our revenue estimates for the coming years by 10-12%. The change is based on slower-than-expected development.
- The pricing pressures highlighted by the company are likely to be a more prolonged drag on revenue development.
- Our earnings forecasts fall sharply due to lower revenue and a higher level of depreciation.
- However, the increase in depreciation does not affect the cash flow forecasts, so the changes at the EBITDA level remain moderate.
- Based on our current forecasts, the cash reserves will be sufficient until cash flows turn positive, but there is significant uncertainty due to limited visibility.

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.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	8.0	7.2	-10%	11.0	9.8	-12%	14.0	12.5	-11%
EBITDA	0.6	0.3	-48%	1.2	2.0	70%	3.8	3.6	-5%
EBIT	-3.9	-4.9	-27%	-2.2	-3.8	-68%	0.2	-1.5	-712%
PTP	-3.1	-4.9	-56%	-2.3	-3.8	-61%	0.1	-1.6	-1192%
EPS (excl. NRIs)	-0.07	-0.11	-56%	-0.05	-0.07	-61%	0.00	-0.03	-1192%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Risk/reward ratio remains unsatisfactory

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 5.9x and 4.5x, which we believe are on the borderline between neutral and high. Current multiples require strong growth and improved profitability. The multiples are still high compared to Lumibird SA, which we consider the most suitable peer (2026e EV/S: 3.1x), although the gap has narrowed from before due to both a decrease in Modulight's multiples and an increase in Lumibird's multiples. There is high uncertainty regarding the realization of growth, and the Q2 report was slightly below our growth estimates and clearly negative on an annual basis. The risk/reward is further weakened by concerns about cash sufficiency, even though cost-saving measures have improved the outlook. The stock's valuation would require a clear upturn in performance, which would justify the relatively high absolute multiples. Admittedly, the low starting point 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 1.1

The baseline scenario in our DCF calculation gives the stock a value of EUR 1.1. We use a cost of capital of 11.5% corresponding to the risk profile. The model thus suggests that the stock is fully priced. In the positive scenario, the DCF is EUR 2.4 and in the negative scenario EUR 0.3. 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 target price

We reiterate our Reduce recommendation and lower our target price to EUR 1.1 based on 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.

Valuation	2026e	2027e	2028e
Share price	1.07	1.07	1.07
Number of shares, millions	42.6	42.6	42.6
Market cap	46	46	46
EV	42	44	45
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.1	1.2	1.3
P/S	6.4	4.7	3.7
EV/Sales	5.9	4.5	3.6
EV/EBITDA	>100	22.5	12.3
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.4	2.95	0.90	1.10	1.12	**1.07**	**1.07**	**1.07**	**1.07**
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	**42**	**44**	**45**	**43**
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**65.5**
P/E	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**65.5**
P/B	6.4	1.9	0.7	1.0	1.1	**1.1**	**1.2**	**1.3**	**1.3**
P/S	53.3	27.3	9.5	11.4	6.8	**6.4**	**4.7**	**3.7**	**2.9**
EV/Sales	47.4	19.6	4.9	8.3	5.8	**5.9**	**4.5**	**3.6**	**2.7**
EV/EBITDA	>100	neg.	neg.	neg.	neg.	**>100**	**22.5**	**12.3**	**7.6**
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**45.8**
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 %**	**1.1 %**

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	2918	3513	9.6	15.0	7.8	11.0	1.7	1.7	10.8	17.5	3.3	2.7	1.4
Coherent Corp	48572	49893	59.9	83.7	47.8	58.8	11.4	12.5	97.8	175.5			6.4
IPG Photonics Corp	2670	1923	9.1		6.9	107.0	1.8	2.3	15.6				1.4
Lumentum	66603	65659	224.4	2160.2	158.1	538.7	43.5	56.7	191.8	884.4			38.6
Lumibird SA	585	669	30.7	51.5	17.4	20.3	3.2	3.2	53.2	86.8			2.8
Medtronic	102363	118938	16.9	16.8	14.9	14.9	4.5	4.3	17.7	18.0	2.9	3.0	2.3
Nexstim	77	75		18.7		18.7	10.7	4.7		20.3			24.5
nLIGHT	2342	2059					11.7	12.2					
Optomed	36	32					2.0	2.2					1.5
Revenio Group	429	419	16.0	16.1	14.0	13.6	4.4	4.0	19.9	20.7	2.6	2.7	3.9
Stryker	108259	118082	28.3	24.5	25.8	22.2	6.8	6.1	31.7	27.3	0.9	1.0	6.7
Theralase	30	29					45.6	61.0					18.5
Xvivo Perfusion	798	781	191.2	76.2	88.5	48.5	14.1	10.5	243.5	59.7			4.5
Modulight Oyj (Inderes)	**46**	**42**	**-8.5**	**-11.7**	**142.1**	**22.5**	**5.9**	**4.5**	**-9.4**	**-14.7**	**0.0**	**0.0**	**1.1**
Average			**65.1**	**273.6**	**42.4**	**85.4**	**12.4**	**13.9**	**75.8**	**145.6**	**2.4**	**2.3**	**9.4**
Median			**28.3**	**24.5**	**17.4**	**21.3**	**6.8**	**4.7**	**31.7**	**27.3**	**2.7**	**2.7**	**4.2**
Diff-% to median			**-130%**	**-148%**	**715%**	**6%**	**-13%**	**-4%**	**-130%**	**-154%**	**-100%**	**-100%**	**-73%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	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**	**2.2**	**7.2**	**9.8**	**12.5**	**15.8**
Group	4.1	1.6	2.0	1.8	1.7	7.1	1.5	1.6	1.9	2.2	7.2	9.8	12.5	15.8
EBITDA	**-5.6**	**-0.6**	**0.0**	**-0.2**	**0.6**	**-0.2**	**0.3**	**0.0**	**-0.1**	**0.0**	**0.3**	**2.0**	**3.6**	**5.7**
Depreciation	-2.7	-1.0	-1.0	-1.0	-1.4	-4.5	-1.4	-1.4	-1.0	-1.4	-5.2	-5.7	-5.1	-4.8
EBIT	**-8.3**	**-1.6**	**-1.1**	**-1.2**	**-0.8**	**-4.6**	**-1.1**	**-1.3**	**-1.2**	**-1.4**	**-4.9**	**-3.8**	**-1.5**	**0.9**
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**	**-1.2**	**-1.4**	**-4.9**	**-3.8**	**-1.6**	**0.8**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.3	-0.2
Net earnings	**-6.5**	**-1.6**	**-1.1**	**-1.2**	**-0.7**	**-4.6**	**-1.0**	**-1.4**	**-1.2**	**-1.4**	**-4.9**	**-3.1**	**-1.3**	**0.7**
EPS (adj.)	**-0.15**	**-0.04**	**-0.03**	**-0.03**	**-0.02**	**-0.11**	**-0.02**	**-0.03**	**-0.03**	**-0.03**	**-0.11**	**-0.07**	**-0.03**	**0.02**
EPS (rep.)	**-0.15**	**-0.04**	**-0.03**	**-0.03**	**-0.02**	**-0.11**	**-0.02**	**-0.03**	**-0.03**	**-0.03**	**-0.11**	**-0.07**	**-0.03**	**0.02**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	1.7 %	51.5 %	103.3 %	175.8 %	21.3 %	72.6 %	-6.9 %	-18.2 %	6.3 %	25.7 %	1.2 %	36.4 %	27.9 %	26.7 %
Adjusted EBIT growth-%	31.3 %	20.1 %	48.5 %	41.8 %	64.3 %	44.2 %	32.7 %	-27.6 %	5.7 %	-75.3 %	-6.4 %	23.8 %	59.8 %	162.6 %
EBITDA-%	-136.7 %	-36.1 %	-2.2 %	-10.7 %	37.0 %	-2.4 %	22.1 %	2.3 %	-6.3 %	2.3 %	4.2 %	20.1 %	29.1 %	36.3 %
Adjusted EBIT-%	-203.5 %	-98.4 %	-53.8 %	-69.5 %	-45.3 %	-65.8 %	-71.2 %	-83.9 %	-61.6 %	-63.2 %	-69.1 %	-38.6 %	-12.2 %	6.0 %
Net earnings-%	-157.5 %	-100.3 %	-56.5 %	-69.7 %	-37.5 %	-65.1 %	-64.1 %	-85.1 %	-61.6 %	-63.2 %	-67.9 %	-31.7 %	-10.6 %	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**	**33.9**	**32.3**	**31.2**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	10.9	12.3	13.7	14.5	15.4
Tangible assets	24.3	22.7	20.1	17.8	15.9
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**	**7.4**	**6.3**	**7.1**
Inventories	2.3	2.2	2.3	2.4	2.6
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.4	2.4	1.8	2.0	2.2
Cash and equivalents	17.4	9.7	3.3	2.0	2.2
Balance sheet total	**56.3**	**49.1**	**41.3**	**38.6**	**38.4**

Source: Inderes

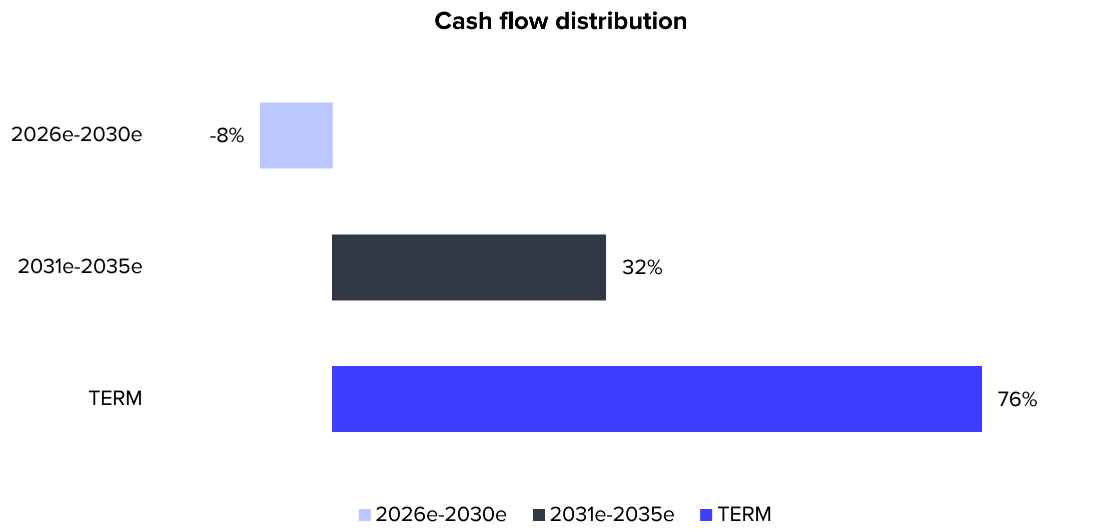
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**49.2**	**44.7**	**39.9**	**36.8**	**35.4**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-26.2	-30.7	-35.6	-38.6	-40.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	75.3	75.3	75.3	75.3	75.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**2.8**	**1.3**	**0.0**	**0.3**	**1.2**
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	0.3	1.2
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**	**1.4**	**1.5**	**1.7**
Interest bearing debt	1.8	1.5	0.0	0.1	0.2
Payables	2.5	1.7	1.4	1.5	1.5
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**56.3**	**49.1**	**41.3**	**38.6**	**38.4**

DCF calculation

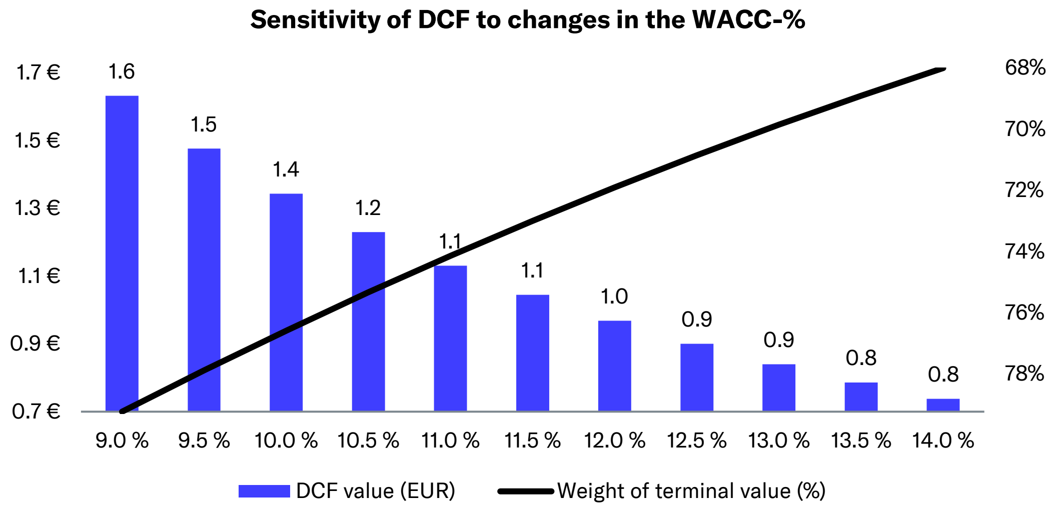
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	TERM
Revenue growth-%	72.6 %	1.2 %	36.4 %	27.9 %	26.7 %	25.0 %	25.0 %	20.0 %	16.0 %	8.0 %	4.0 %	3.0 %	3.0 %
EBIT-%	-65.8 %	-69.1 %	-38.6 %	-12.2 %	6.0 %	12.0 %	18.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %	22.0 %
EBIT (operating profit)	**-4.6**	**-4.9**	**-3.8**	**-1.5**	**0.9**	**2.4**	**4.4**	**6.5**	**7.6**	**8.2**	**8.5**	**8.8**	
+ Depreciation	4.5	5.2	5.7	5.1	4.8	4.1	3.3	3.5	3.7	3.6	3.8	3.9	
- Paid taxes	0.0	0.0	0.7	0.3	-0.2	-0.4	-0.8	-1.2	-1.3	-1.5	-1.5	-1.6	
- 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	0.2	-0.3	-0.4	-0.1	0.5	0.5	0.1	-0.2	-0.2	-0.1	-0.1	
Operating cash flow	**-1.8**	**0.5**	**2.4**	**3.5**	**5.5**	**6.5**	**7.5**	**9.0**	**9.7**	**10.1**	**10.6**	**11.0**	
+ 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	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.0	-4.0	-4.0	-4.0	
Free operating cash flow	**-6.0**	**-3.7**	**-1.8**	**-0.7**	**1.4**	**2.4**	**3.4**	**4.9**	**5.6**	**6.1**	**6.6**	**7.0**	
+/- 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	-3.7	-1.8	-0.7	1.4	2.4	3.4	4.9	5.6	6.1	6.6	7.0	85.7
Discounted FCFF		**-3.5**	**-1.5**	**-0.5**	**0.9**	**1.5**	**1.9**	**2.5**	**2.5**	**2.4**	**2.4**	**2.3**	**27.9**
Sum of FCFF present value		38.8	42.3	43.9	44.4	43.4	41.9	40.0	37.5	35.0	32.5	30.1	27.9
Enterprise value DCF		**38.8**											
- 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		**45.7**											
Equity value DCF per share		**1.1**											

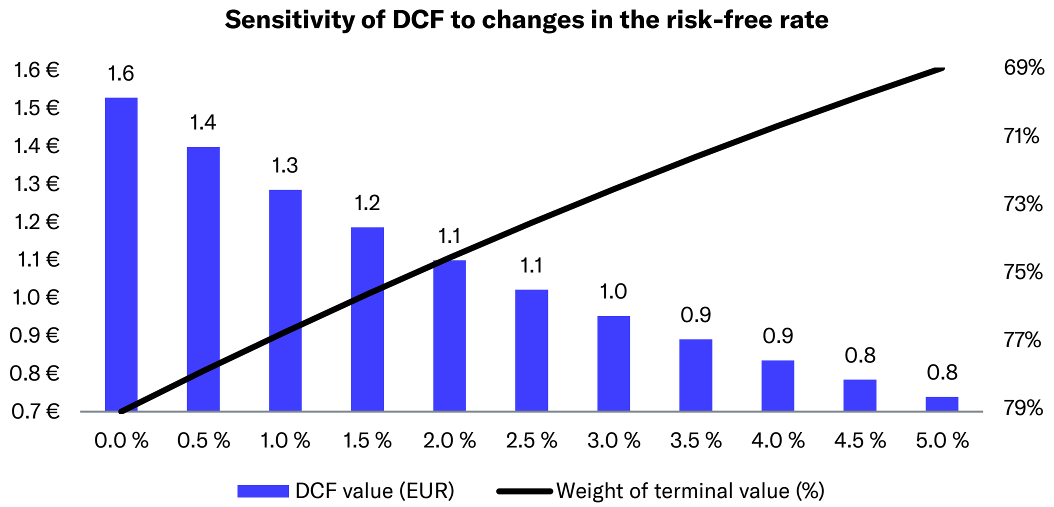
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	8.0 %
Equity Beta	1.90
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	**12.0 %**
Weighted average cost of capital (WACC)	**11.5 %**

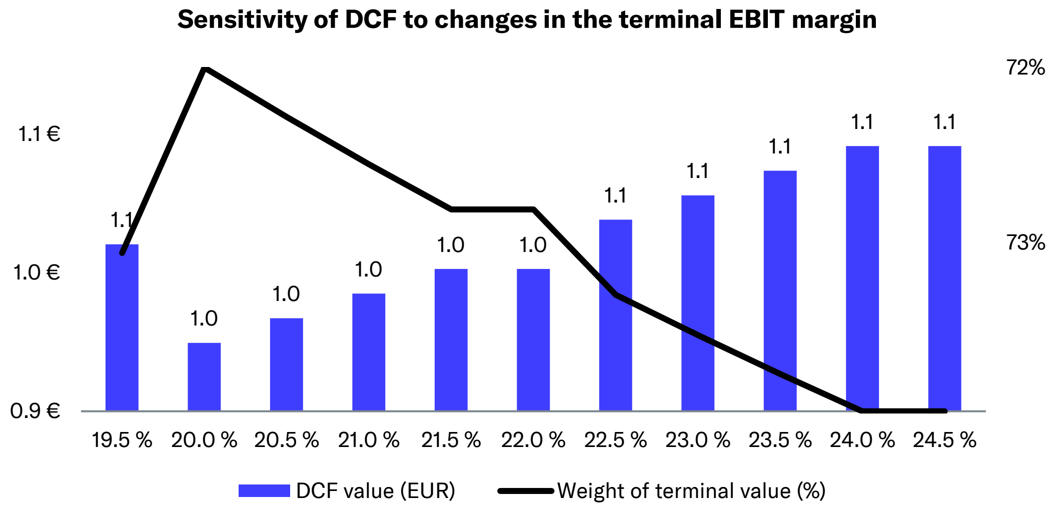
Source: Inderes

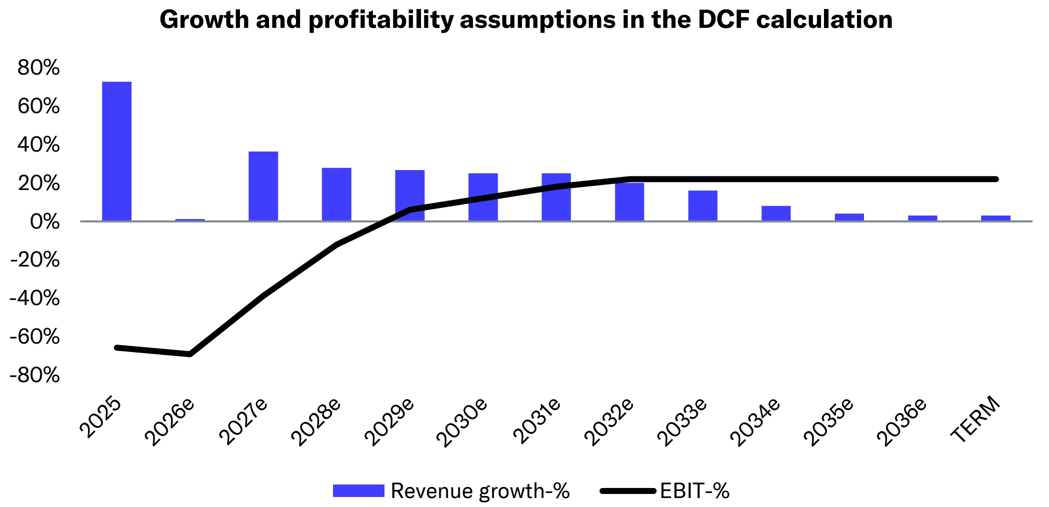


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	4.0	4.1	7.1	**7.2**	**9.8**
EBITDA	-8.5	-5.6	-0.2	**0.3**	**2.0**
EBIT	-12.1	-8.3	-4.6	**-4.9**	**-3.8**
PTP	-11.8	-6.5	-4.6	**-4.9**	**-3.8**
Net Income	-11.8	-6.5	-4.6	**-4.9**	**-3.1**
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	**41.3**	**38.6**
Equity capital	55.7	49.2	44.7	**39.9**	**36.8**
Goodwill	0.0	0.0	0.0	**0.0**	**0.0**
Net debt	-18.6	-12.9	-6.9	**-3.3**	**-1.6**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	-8.5	-5.6	-0.2	**0.3**	**2.0**
Change in working capital	1.0	2.1	-1.6	**0.2**	**-0.3**
Operating cash flow	-7.5	-3.5	-1.8	**0.5**	**2.4**
CAPEX	-9.7	-4.1	-4.3	**-4.1**	**-4.1**
Free cash flow	-17.3	-7.6	-6.0	**-3.7**	**-1.8**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	4.9	8.3	5.8	**5.9**	**4.5**
EV/EBITDA	neg.	neg.	neg.	**>100**	**22.5**
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	**-0.11**	**-0.07**
EPS (adj.)	-0.28	-0.15	-0.11	**-0.11**	**-0.07**
OCF / share	-0.18	-0.08	-0.04	**0.01**	**0.06**
OFCF / share	-0.41	-0.18	-0.14	**-0.09**	**-0.04**
Book value / share	1.31	1.16	1.05	**0.94**	**0.86**
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%	**1%**	**36%**
EBITDA growth-%	-44%	34%	97%	**276%**	**559%**
EBIT (adj.) growth-%	-56%	31%	44%	**-6%**	**24%**
EPS (adj.) growth-%	-38%	45%	29%	**-6%**	**36%**
EBITDA-%	-212.0 %	-136.7 %	-2.4 %	**4.2 %**	**20.1 %**
EBIT (adj.)-%	-301.4 %	-203.5 %	-65.8 %	**-69.1 %**	**-38.6 %**
EBIT-%	-301.4 %	-203.5 %	-65.8 %	**-69.1 %**	**-38.6 %**
ROE-%	-19.1 %	-12.3 %	-9.8 %	**-11.5 %**	**-8.1 %**
ROI-%	-17.6 %	-14.4 %	-9.2 %	**-11.3 %**	**-9.8 %**
Equity ratio	87.1 %	87.5 %	90.9 %	**96.5 %**	**95.2 %**
Gearing	-33.4 %	-26.1 %	-15.4 %	**-8.4 %**	**-4.3 %**
Net debt/EBITDA	2.2	2.3	40.5	**-11.2**	**-0.8**
EBITDA/net financials	25.7	3.0	3.7	**-3.4**	

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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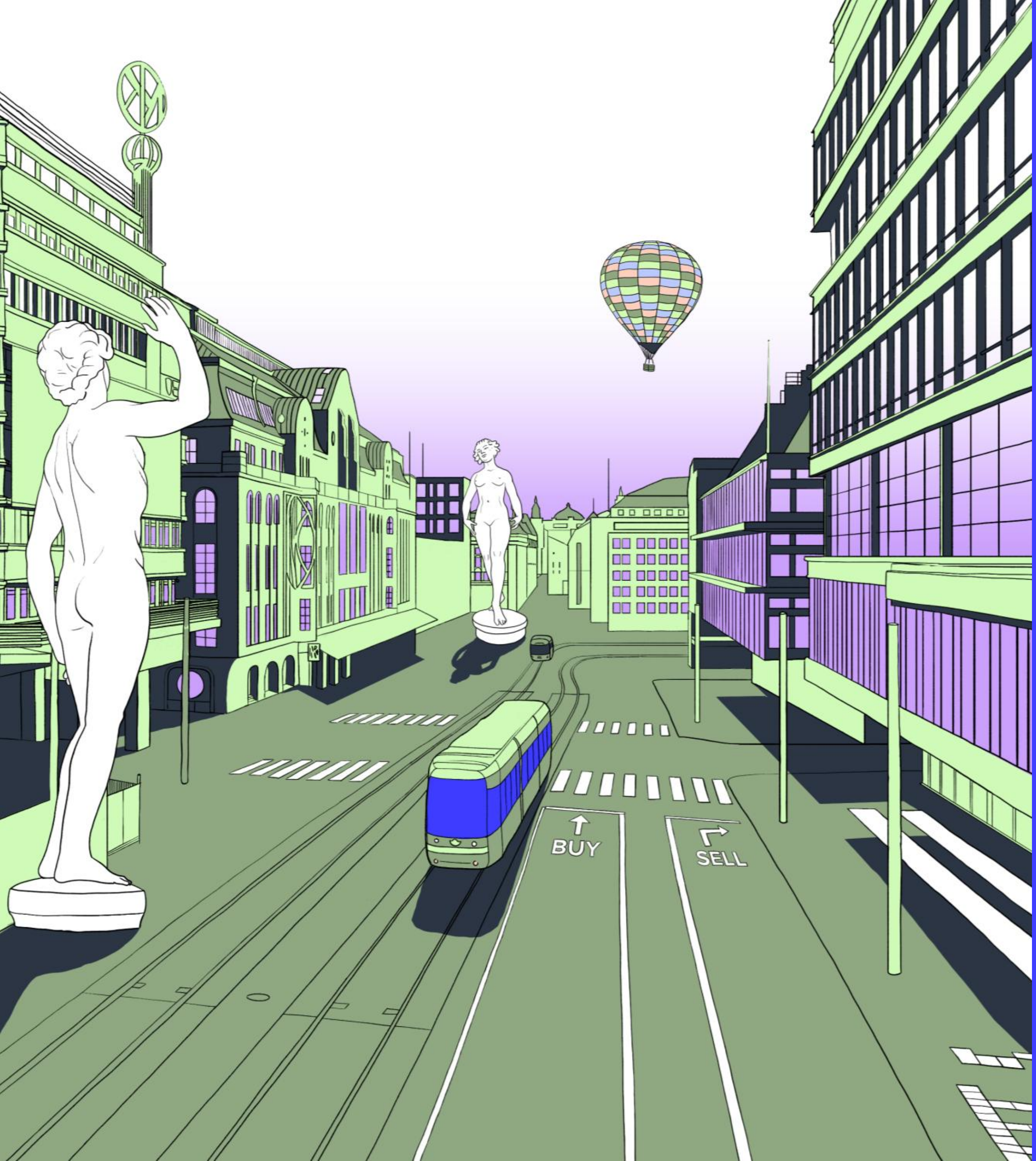
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
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 €



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