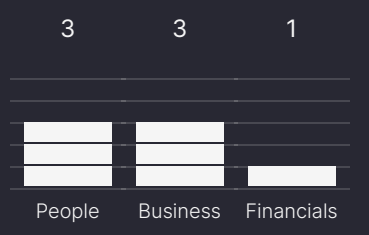
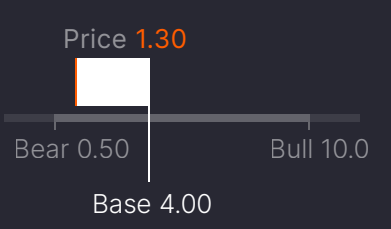
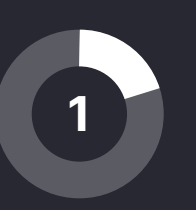
REDEYE

NextCell Pharma

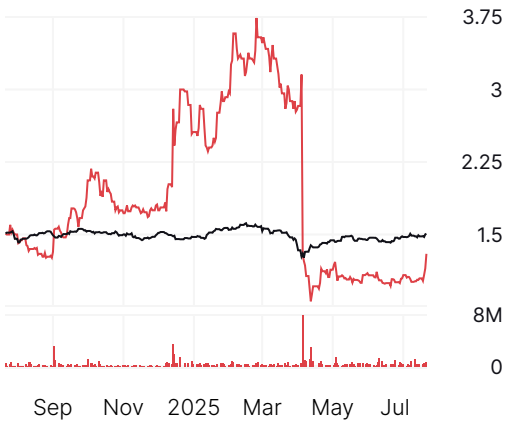
Research Update







Performance VS OMXS30



Share Information

Share Price SEK	**1.3**
Number of shares (M)	**111.4**
Marketplace	**First North Stockholm**
CEO	**Mathias Svahn**
Chairman	**Hans-Peter Ekre**

Key Stats

Market Cap	**144.8m SEK**
Entprs. Value (EV)	**128.1m SEK**
Net Debt (2024Q3)	**-16.7m SEK**
30 Day Avg Vol	**472 K**
Dividend Yield	**N/A**

Top Holders

Name	Ownership

Redeye Equity Analysts



Filip Einarsson
filip.einarsson@redeye.se

More research on NextCell Pharma

Scan the QR code to access all Redeye publications and research tools regarding NextCell Pharma.

redeye.se/company/nextcell-pharma

NextCell Pharma Q3 2024/2025: Largely as expected

Redeye provides an update on NextCell following the company's Q3 report, which came in largely in line with expectations. While 2025 has been a turbulent year so far, the storm is now largely weathered. With a modest valuation and secured funding that covers upcoming potential value inflection points, we reiterate our fair value range.

Q3 recap - Small deviations in absolute terms, largely as expected

Revenues declined slightly in Q3, totaling SEK2.3m (-7% YoY) versus our estimate of SEK3.3m. However, with operating costs coming in lower than expected at SEK-12.6m (REe: SEK-14.8m), the EBIT loss of SEK10.4m was narrower than our forecast of SEK11.4m. Operating cash flow amounted to SEK-8.8m, and the reported end-of-quarter cash position was SEK16.7m. Including the net proceeds from the TO2 warrants, which are not reflected in the report, the current cash position is roughly SEK50m.

Done navigating stormy waters

The first half of calendar year 2025 has been turbulent for NextCell, with investor confidence shaken following the early interim analysis of ProTrans-Young, which in turn complicated the company's funding outlook. However, NextCell has now weathered the storm. The last patient in the younger age cohort was treated in mid-June, setting the stage for a full 12-month readout in H2 2026, until which the company is now fully funded. Following the initial 12-month readout, patients in both age cohorts will continue to be monitored every six months for five years. Additional follow-up data from other clinical trials, along with further clarity on the Fujifilm partnership, are also expected ahead of the H2 2026 readout, providing some potential catalysts for the share price. After positive feedback from customers, QVance remains on schedule for a commercial launch in Q3 this year - providing another potential avenue of income.

Estimate revisions and valuation

The Q3 report does not prompt any material changes to our forecasts or valuation. With the funding gap now bridged, we see potential for the share price to recover as the market digests the implications of the Fujifilm partnership and anticipation builds ahead of the upcoming readout. From a peer perspective, NextCell remains distinctively cheap in relation to relevant peers. Our fair value range remains SEK0.5–10, with a base case of SEK4. Scenario descriptions are detailed in the investment thesis section.

Key Financials (Risk-adj.)

(SEKm)	2021/2022	2022/2023	2023/2024	2024/2025e	2025/2026e	2026/2027e
Revenues	6.2	13.9	11.3	12.6	15.2	296.0
Revenue growth - YoY	40%	123%	-19%	12%	21%	1854%
EBITDA	-34.6	-40.6	-42.2	-39.4	-47.9	219.3
EBIT	-35.0	-41.1	-43.2	-45.3	-54.9	210.6
EBIT margin	-562%	-296%	-384%	-360%	-362%	71%
EV/Revenues	34.3	5.3	4.1	7.6	7.3	-0.2
EV/EBIT	nm	nm	nm	nm	nm	nm

Source: Redeye research (estimates), NextCell (historical data)

Table of contents

Comments on the report 3

Deviation table 3

Sales 3

Costs and liquidity 3

Estimate revisions and valuation 5

Estimate revisions 5

Valuation 5

Peer group 5

Share price development 6

Investment Thesis 7

Redeye Quality Rating 9

Financials 11

The team 12

Comments on the report

Deviation table

Overall, the report came in largely as expected, with slightly lower revenue and costs than anticipated, resulting in a lower EBIT loss than we had forecasted. Although deviations were minor in absolute terms.

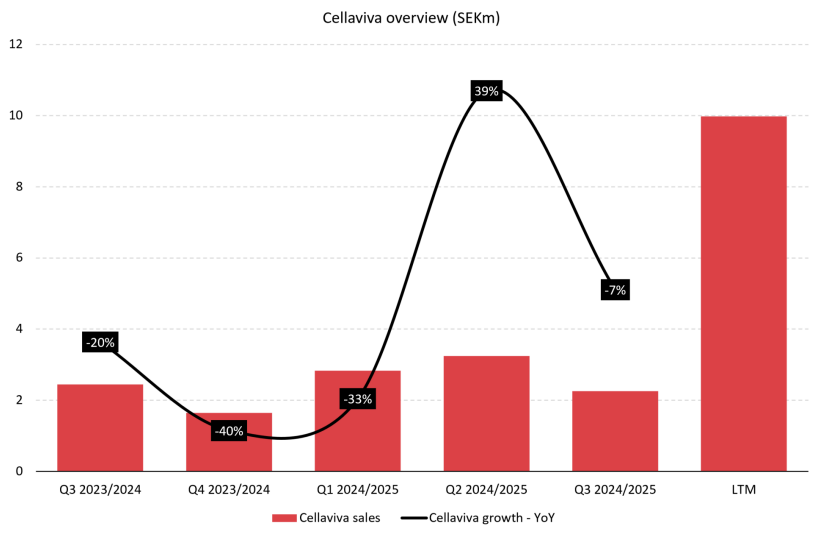
Deviation table

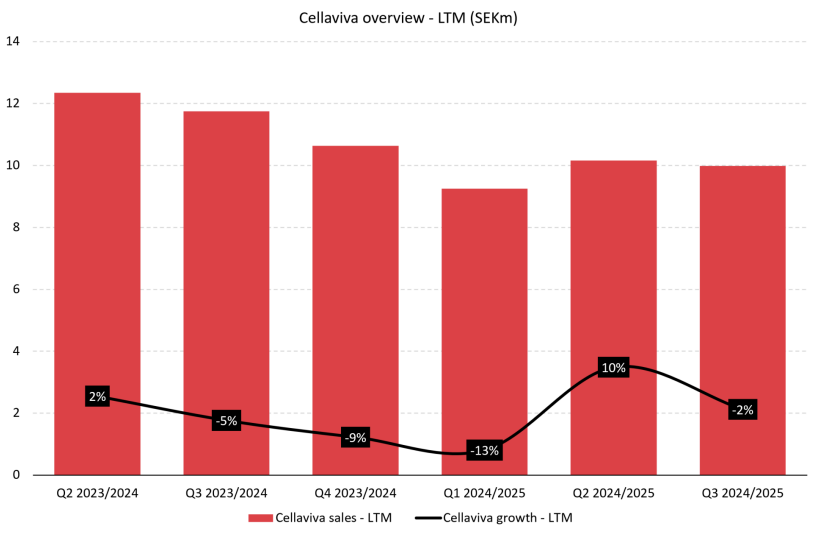
(SEKm)	Q3 2023/ 2024	Q4 2023/ 2024	Q1 2024/ 2025	Q2 2024/ 2025	Q3 2024/ 2025a	Q3 2024/ 2025e	dev. %	dev. abs
Cellaviva sales	2.4	1.6	2.8	3.2	2.3	3.3	-31%	1.0
Revenues	2.5	1.7	2.9	3.4	2.3	3.3	-32%	1.1
OPEX	-11.5	-15.3	-11.1	-11.9	-12.6	-14.8	-15%	-2.1
EBIT	-9.0	-13.6	-8.3	-8.5	-10.4	-11.4	-9%	-1.1
Cash & Cash Equivalents	20.8	46.8	34.1	26.3	16.7	16.2	3%	-0.5
Operating cash flow	-9.7	-8.0	-12.8	-6.4	-8.8	-7.9	12%	0.9
Cellaviva growth - YoY	-20%	-40%	-33%	39%	-7%	35%		
Revenue growth - YoY	-41%	-57%	-31%	198%	-9%	34%		
EBIT margin	-362%	-802%	-293%	-260%	-458%	-342%		

Source: Redeye research (estimates), NextCell (historical data)

Sales

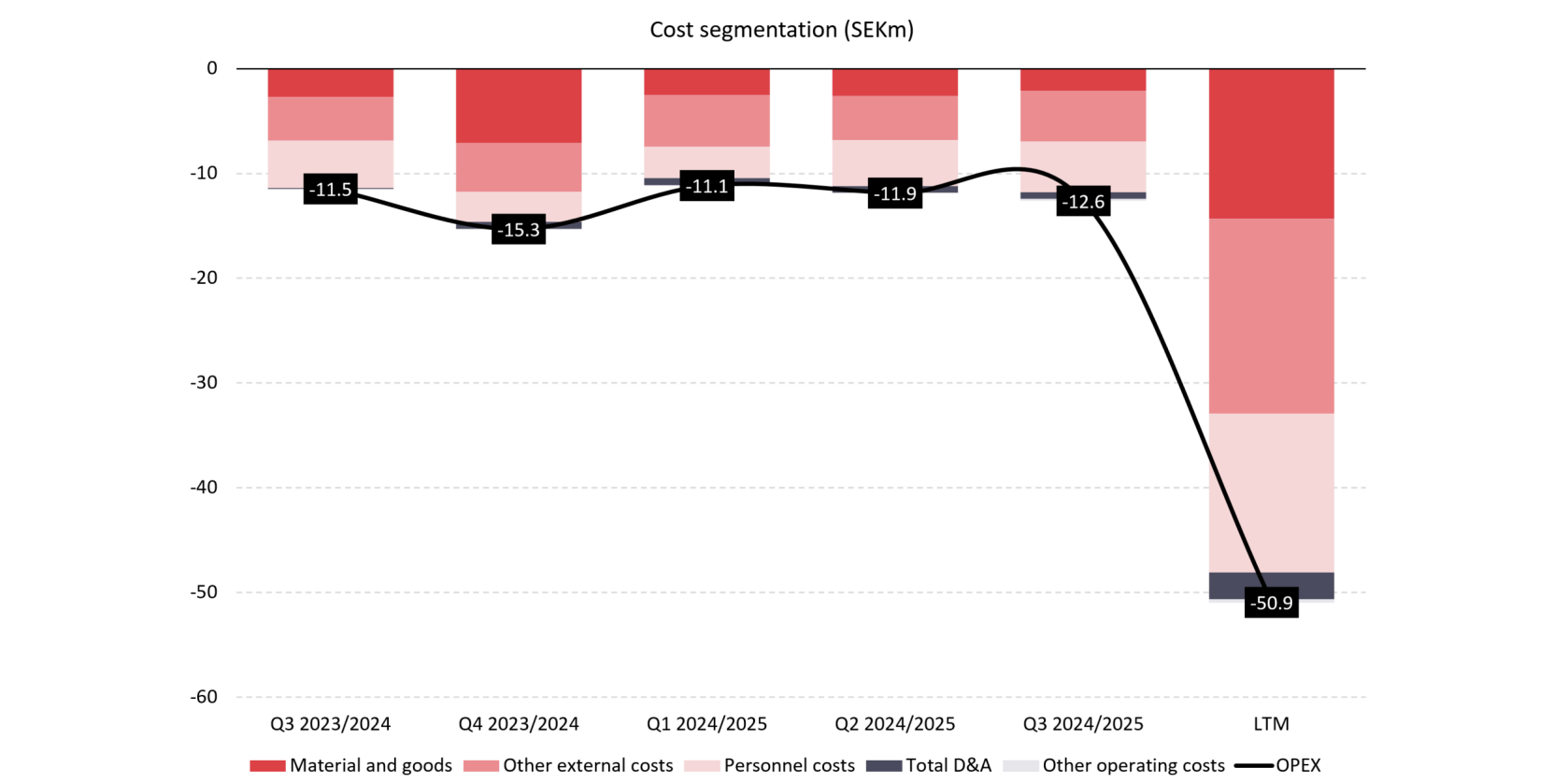
The SEK2.3m in revenue consisted of SEK2.3m in Cellaviva sales (-31% vs REe, -7% YoY) and SEK0m in other operating income. The company reports a 14% YoY increase in Cellaviva sales for the first half of calendar year 2025, driven by a high proportion of returning customers. However, the reported YoY revenue decline for the quarter is explained by the structure of Cellaviva's business model, where customers pay a small upfront fee upon placing an order, often months ahead of delivery, while the remaining balance is invoiced upon the actual delivery of the stem cells.



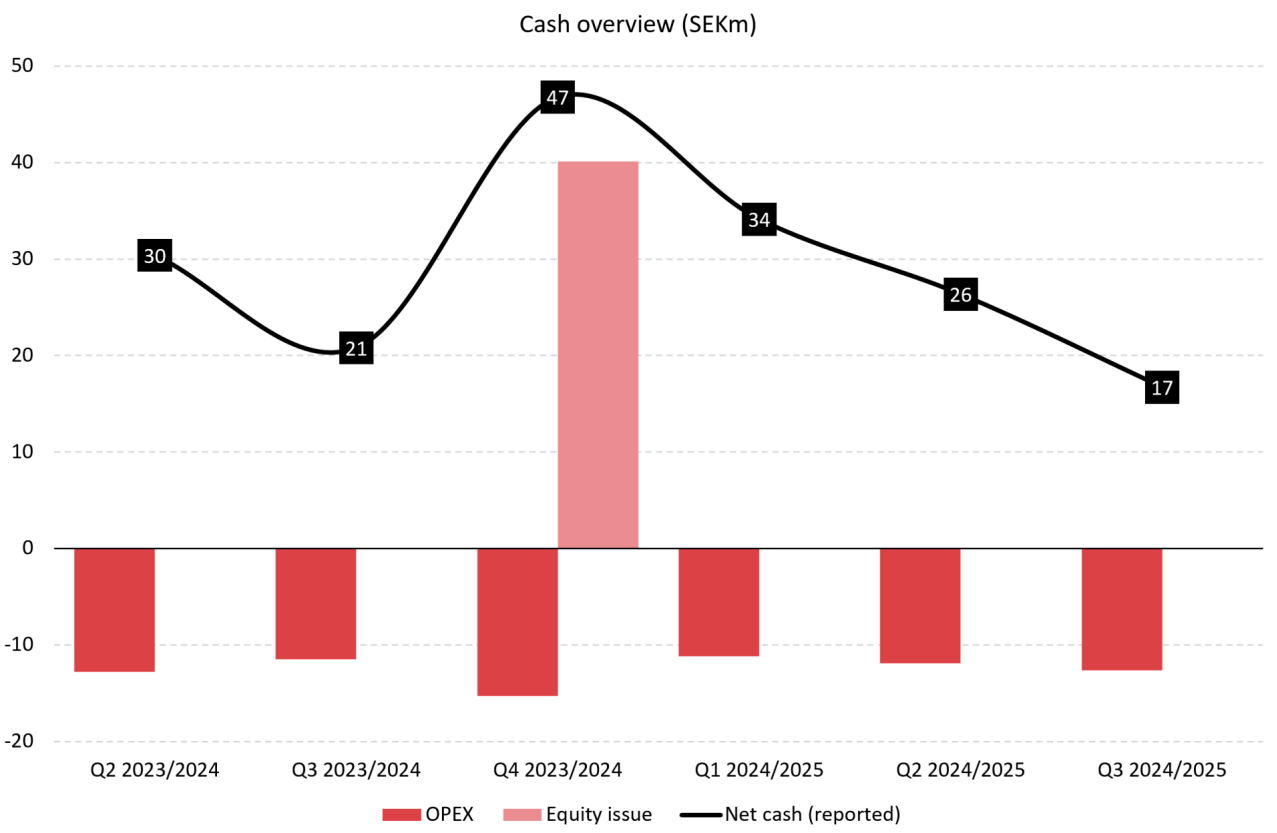


Costs and liquidity

NextCell reported operating costs of SEK12.6m for the quarter, broadly in line with previous quarters but below our estimate of SEK14.8m, indicating continued cost control. As in prior periods, the cost base is primarily driven by external services and personnel expenses, which is consistent with expectations for a biotech company at NextCell's stage.



The end-of-quarter net cash position was SEK16.7m. NextCell raised cSEK36.6m in gross proceeds through the exercise of its TO2 warrants in June. This capital bridges the funding gap through year-end 2026, covering the period until the 12-month readout of the younger age cohort in the ProTrans-Young program, which represents the next key value inflection point for ProTrans. As the funds are not reflected in the report, we estimate the current net cash position at around SEK50m, including the TO2 net proceeds.



Estimate revisions and valuation

Estimate revisions

Aside from adjustments for reported figures compared to our estimates, the Q3 report does not warrant any material changes to our forecasts.

Broken fiscal year: Estimate changes					Updated	Previous		
SEKm	**Q1 2024/ 2025**	**Q2 2024/ 2025**	**Q3 2024/ 2025**	**Q4 2024/ 2025e**	**2024/2025a**	**2024/2025e**	***Chg. %***	**Chg. abs**
Cellaviva sales	2.8	1.6	2.8	3.2	12.0	13.0	*-8%*	-1.0
Revenues	2.9	1.7	2.9	3.4	12.6	13.6		
Revenue growth - YoY	*-31%*	*-57%*	*-31%*	*198%*	*12%*	*21%*		
EBITDA	-7.6	-13.0	-7.6	-7.8	-39.4	-40.7	*-3%*	1.2
EBITDA margin	*-270%*	*-764%*	*-270%*	*-241%*	*-314%*	*-299%*		
EBIT	-8.3	-13.6	-8.3	-8.5	-45.3	-47.0	*-4%*	1.7
EBIT margin	*-293%*	*-802%*	*-293%*	*-260%*	*-360%*	*-345%*		
EPS	-0.1	-0.2	-0.1	-0.1	-0.4	-0.6	*-37%*	0.2

Source: Redeye research (estimates), Broken fiscal year (historical data)

Valuation

We updated our fair value range in conjunction with the TO2 outcome, and thus see no reason to make any adjustments on the back of the report. Accordingly, our fair value range amounts to SEK0.5-10 with a base case of SEK4.

Project	Indication	Phase	Estimated launch	LoA	Peak sales (USDm)	Deal size (USDm)	rNPV (SEKm)
ProTrans	T1D	II	2031	18%	1,454	650	**448**
Cellaviva	N/A	N/A	N/A	N/A	N/A	N/A	**35**
QVance	N/A	N/A	N/A	N/A	N/A	N/A	**0**
Technology value (SEKm)							**482**
Net cash (SEKm)							**51**
Shared costs (SEKm)							**-77**
Equity value (SEKm)							**456**
Shares outstanding (million)							**73**
Diluted shares outstanding (million)							**111.4**
Equity value per share (SEK)							**4.1**

We believe the market maintains an overly cautious view on ProTrans' potential, while largely overlooking the optionality embedded in its subsidiaries (Cellaviva and QVance). Notably, the recent progress in the Fujifilm partnership could evolve into a meaningful revenue driver, none of which appears to be reflected meaningfully in the current market cap.

Peer group

We find additional support for upside in NextCell shares, and for our base case valuation, when comparing the valuation to peers, where it trades at a significant discount. Our peer group includes eight Swedish-listed biotech companies with similar or adjacent technologies and target indications, ranging from T1D/T2D to cancer and other conditions addressed via biologics or gene/cell therapy.

Comparable companies have EVs ranging from SEK124–2548m (based on yesterday's close), with an average of SEK758m, compared to NextCell at around SEK80m. At the time of NextCell's Q2 report in late April, the peer group average was SEK495m, indicating that while peers have generally experienced positive valuation growth since then, NextCell's valuation has not followed suit.

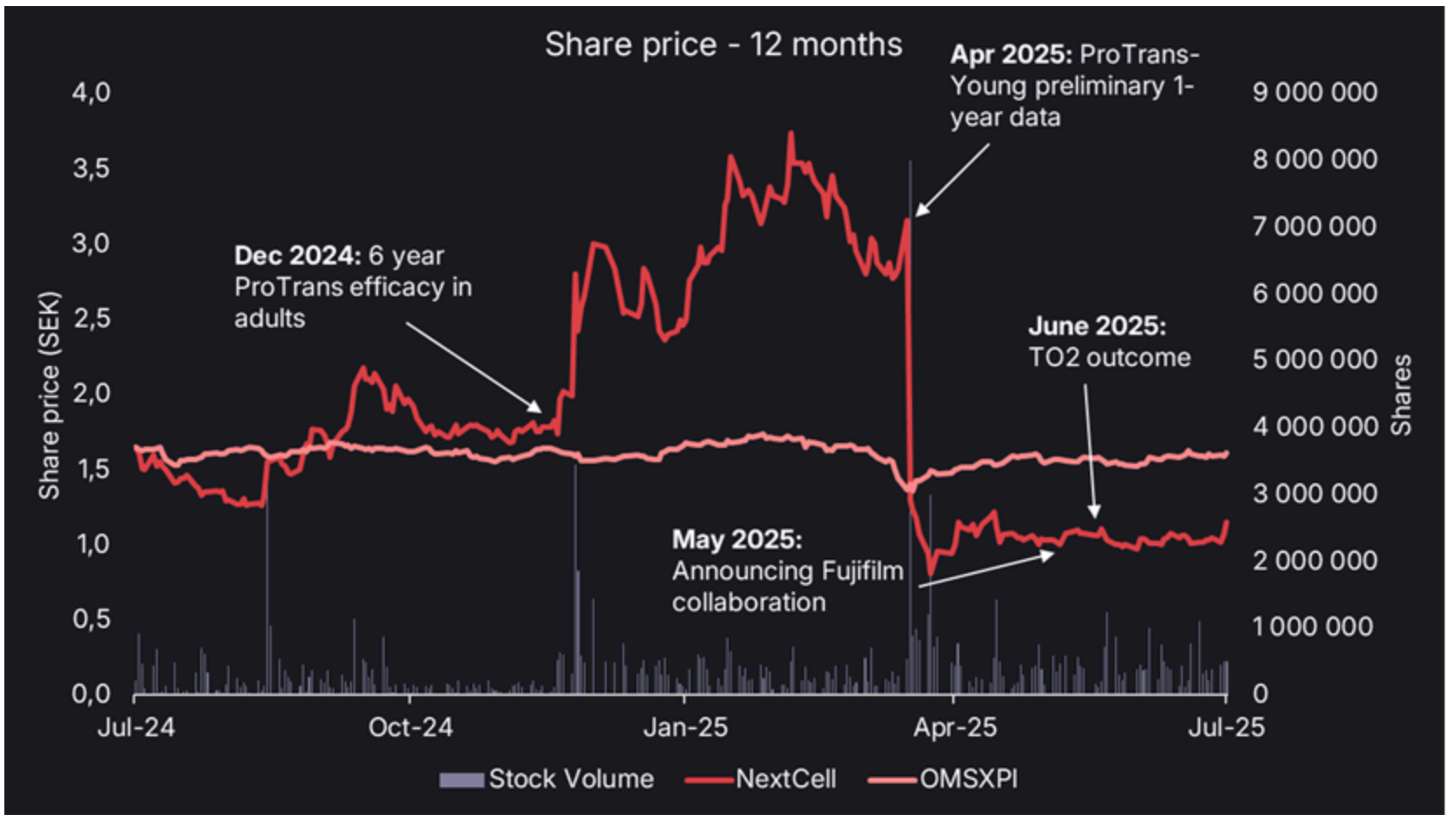
Company	EV (SEKm)	Clinical projects	Lead indication	Phase	Comment
Corline Biomedical	327	1	Kidney tx	Phase I	Phase II-ready biologic candidate + medtech business
Diamyd Medical	2,548	2	T1D	Phase III	Precision medicine T1D vaccine
Elicera Therapeutics	230	2	DLBCL	Phase I	CAR-T cell therapy
Lipum	319	1	RA	Phase II	First-in-class biologic drug
Pila Pharma	124	1	T2D	Phase I	Small molecule T2D/Obesity drug
Saniona	1,291	3	Epilepsy	Phase I	Platform company with several targeted indications
SynAct Pharma	968	1	RA	Phase II	Ongoing phase IIb-trial in RA
Xintela	259	2	Osteoarthritis	Phase I	Stem cell-based therapies
Average	758				
Median	323				
NextCell	**78**	**1**	**T1D**	**Phase II**	**MSCs cell therapy in ongoing phase II-trials**

Source: Redeye research (Illustration), Factset (data)

Share price development

Over the past 12 months, NextCell's share price has seen significant volatility, primarily driven by clinical data announcements from the ProTrans program in type 1 diabetes (both adult and pediatric cohorts), as well as funding-related news (TO2 warrants), speculation ahead of ProTrans data, and broader market movements.

The share price now appears to have stabilized following the company's clarification of the April data and the secured capital from TO2, which provides a foundation for a potentially gradually improving sentiment as time progresses towards the readout next year and more details into the Fujifilm deal becomes available.



Investment Thesis

Case

High risk but asymmetrical return profile

We believe NextCell Pharma's shares remain overlooked, with the current valuation not reflecting the potential of its clinical asset, ProTrans. While the inconclusive administrative interim analysis increased uncertainty, the outcome is explainable and not indicative of failure. With promising, potentially disease-modifying data in type 1 diabetes already generated, the full Phase II readout in Q4 2026 represents a clear catalyst with favorable risk-reward for a potential revaluation.

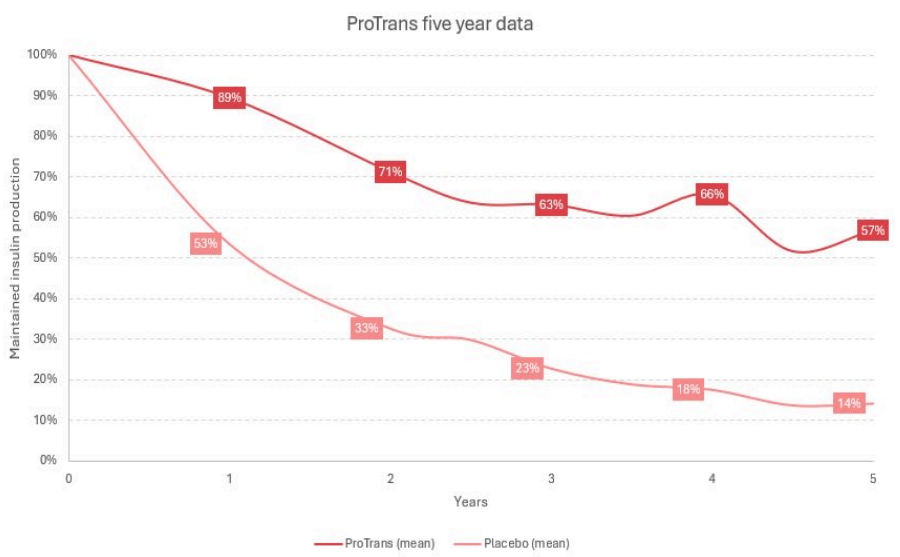
Evidence

Solid odds for readout and partnering

Historical data from type 1 diabetes trials suggest a Phase II probability of success (PoS) of 52%. Based on reasonable market assumptions—launch in 2031 and peak sales potential of USD1.4bn—we estimate that the current valuation implies an implicit PoS of approximately 15%. We view this disconnect as excessive and argue that a PoS slightly below the historical average (accounting for the early interim analysis), better reflects ProTrans' outlook. Furthermore, a positive Phase II readout in adolescents and children could unlock partnering opportunities—an upside not reflected in the current valuation. ProTrans has been evaluated in several clinical trials supporting its efficacy and safety claims.

Supportive Analysis

ProTrans have demonstrated a statistically significant, dose-dependent disease-modifying and clinically relevant effect in adults with stage 3 T1D, while also reporting no serious adverse events. A single infusion resulted in maintained insulin production at 57% of baseline levels after five years, compared to 14% in the placebo group. Moreover, the recent data from ProTrans-Repeat implied the potential for higher efficacy with two infusions.



The ongoing phase IIb trial, ProTrans-Young, aims to replicate and improve upon these results in younger age cohorts (7–11 and 12–18 years), positioning the candidate for a pivotal phase III trial, a potential outlicensing deal, and a broader patient group. NextCell also operates Scandinavia's largest stem cell bank and an ATMP service provider.

Challenge

Binary readout ahead

The upcoming readout of the ProTrans-Young program represents a binary, high-risk/high-reward event. Inconclusive or negative results would significantly impair both the company's valuation and its prospects for partnering, as sustained safety and efficacy are essential for continued development. Securing a partner will be critical to advancing ProTrans into pivotal trials.

More capital is likely required ahead of inflection point

With SEK34m in cash reported in the latest quarterly report, NextCell will most likely require additional funding to reach the full ProTrans-Young readout expected in the last half of 2026. Part of this gap could potentially be covered by the outstanding TO2 warrants, which are exercisable in mid-May 2025. However, following the inconclusive administrative interim analysis, the warrants are currently out of the money, and alternative funding solutions may be necessary.

Valuation

DCF and peer analysis supports upside

Our valuation derives from a risk-adjusted 2025-2040DCF model using a WACC of 16%. The SEK4 base case assumes phase II PoS of 40%, a USD650m deal in 2027, launch in 2031, and peak sales potential of USD1.4bn. Our SEK10 bull case sets the phase II PoS to 100%, reflecting the value of NextCell's following a positive phase II

program. Conversely, the SEK0.5 bear case assumes negative readouts and a discontinued development in T1D. For Cellaviva, we apply a 2.5x sales multiple projected two years ahead, discounted back to present value and included across all scenarios.

Redeye Quality Rating

Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive longterm earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

People

3

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character. character.

The People rating is based on quantitative scores in seven categories: categories:

1. Passion 2. Execution 3. Capital Allocation 4. Communication 5. Compensation 6. Ownership 7. Board

Positives

- The company is well-equipped with a management team, board, and medical advisers that bring sector expertise, a strong scientific focus in relevant areas, and clinical development experience.
- Management and board have a clear strategic plan to leverage its core competencies, complemented by a realistic path to commercializing ProTrans.
- Largest owners of NextCell includes industrial actors (Diamyd Medical) and prominent names in the T1D field (Anders Essen Möller)
- Insiders have close ties to the Karolinska University Hospital / Institute.

Negatives

- Limited insider ownership, with management and board members holding relatively limited stakes, potentially reducing alignment with shareholder interests.
- Inconsistent delivery on development timelines, as the clinical development schedule for ProTrans was adjusted in 2021.
- Late-stage clinical development is inherently complex, and while NextCell has demonstrated success in navigating the clinical development landscape thus far, the management team has yet to fully prove its capabilities in this critical phase.

Business

3

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is ased on quantitative scores in seven categories:

1. Business Scalability 2. Market Structure 3. Value Proposition 4. Economic Moat 5. Operational Risks

Positives

- Body of promising clinical data for the lead candidate, which if confirmed in the ProTrans-Young trial is likely to lead to a licensing deal.
- Company leverages in-house competence and its selection algorithm could provide significant reinvestment opportunities.
- The recurring revenue model from Cellaviva, and the establishment of QVance enhances business stability and predictability, reducing the binary risk of being a biotech company.
- NextCell benefits from secular tailwinds as it is positioned towards the rapidly growing cell and gene therapy markets.

Negatives

- Generates no profits and negative cash flow, likely remaining reliant on equity funding in the foreseeable future.
- Limited geographic expansion, with primary value in the company being allocated to the yet-to-be-marketed ProTrans project.
- Operates in a heavily regulated industry and carries inherent binary risk associated with drug development and non-profitable biotech companies.
- Sensitive to development delays, as this could have material impact on funding prospects.

Redeye Quality Rating

Financials

1

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

1. Earnings Power 2. Profit Margin 3. Growth Rate 4. Financial Health 5. Earnings Quality

Positives

- Raised capital in 2024 and has outstanding warrants potentially raising up to SEK113m in 2025, which if subscribed would sustain the company until the readout of ProTrans-Young at the end of 2026.
- Growth initiatives in the subsidiaries, sales from Cellaviva is recurring and QVance anticipated to add to the top line already in 2025.
- Relatively solid cost control amid ongoing clinical trials.

Negatives

- Equity-funded and not expected to generate positive cash flow on a group level for several years and thus is reliant on capital markets for funding.
- Cellaviva have showed a strong, but lumpy sales growth and is yet not self-sustaining.
- Investment into subsidiaries likely to elevate cost base throughout 2025.

Rating Distribution

Redeye Covered Companies			
Rating	**People**	**Business**	**Financials**
5	6	7	0
3-4	129	117	45
0-2	15	26	105
Companies	150	150	150

Disclaimer

Redeye does not issue any investment recommendations for fundamental research. However, Redeye has developed a proprietary research and rating model, Redeye Rating, in which each company is analyzed and evaluated. This research aims to provide an independent assessment of the company in question, its opportunities, risks, etc. The purpose is to provide an objective and professional set of data for owners and investors to use in their decision-making.

Financials

Income Statement			
SEKm	**2023**	**2024e**	**2025e**
Net Sales	10.6	12.0	14.5
Other Income	0.61	0.61	0.63
Total Revenue	11.3	12.6	15.2
Cost of Sales	-15.2	-15.7	-18.9
Gross Profit	-4.0	-3.1	-3.7
Operating Expenses	-54.4	-57.8	-70.0
EBITDA	-42.2	-39.4	-47.9
Depreciation and Amortization	-0.97	-5.8	-7.0
EBIT	-43.2	-45.3	-54.9
Net Financial Items	1.2	0.0	0.0
EBT	-42.0	-45.3	-54.9
Income Tax Expenses	0.0	0.0	0.0
Net Income	-42.0	-45.3	-54.9
Balance Sheet			
SEKm	**2023**	**2024e**	**2025e**
Assets			
Non-current assets			
Property, Plant and Equipment (Net)	10.2	8.0	4.6
Goodwill	0.0	0.0	0.0
Intangible Assets	0.0	2.4	4.6
Right-of-Use Assets	0.0	0.0	0.0
Other Non-Current Assets	10.4	10.4	10.4
Total Non-Current Assets	20.6	20.8	19.6
Current assets			
Inventories	0.55	0.82	1.2
Accounts Receivable	1.7	2.5	3.8
Other Current Assets	11.7	17.5	18.4
Cash Equivalents	46.8	32.5	17.8
Total Current Assets	60.7	53.3	41.2
Total Assets	81.3	74.1	60.8
Equity and Liabilities			
Non-current liabilities			
Long Term Debt	0.0	0.0	0.0
Long Term Lease Liabilities	0.0	0.0	0.0
Other Non-Current Lease Liabilities	3.8	3.8	3.8
Total Non-Current Liabilities	3.8	3.8	3.8
Current liabilities			
Short Term Debt	0.0	0.0	0.0
Short Term Lease Liabilities	0.0	0.0	0.0
Accounts Payable	6.2	9.2	13.9
Other Current Liabilities	3.7	4.7	6.6
Total Current Liabilities	9.9	13.9	20.5
Equity	67.6	56.3	36.5
Total Liabilities and Equity	81.3	74.1	60.8
Cash Flow			
SEKm	**2023**	**2024e**	**2025e**
Operating Cash Flow	-37.8	-42.3	-43.9
Investing Cash Flow	-0.08	-6.0	-5.8
Financing Cash Flow	34.6	34.0	35.0
Cash Flow For The Period	-3.3	-14.3	-14.7

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Disclaimer

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