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DNB MARKETS

NORDIC NANOVECTOR

Datapoint set to debut at ASH 2018

Nordic Nanovector reported a slightly larger operating loss for Q4 than we had expected, but it has been spending heavily on clinical development, which we appreciate. Management guided imminent first patient treatment in the PARADIGME trial, and we still believe it is on track to get the trial data readout and first filing by the end of 2019. We keep our BUY recommendation but have trimmed our target price to NOK135 (NOK145) on the back of revised forecasts.

Slightly higher operating loss in Q4 than expected. The company is in a period of high spending on the clinical development programme; hence we do not see the higher than expected loss as a concern. The Q4 operating loss was cNOK102m, compared to our estimate of a loss of cNOK71m; the deviation was due entirely to higher development costs, while other costs were in line with our estimates.

Development timeline for PARADIGME should hold – but the risk has increased.

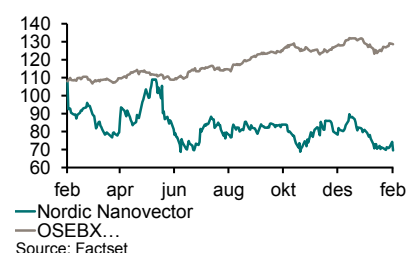
The company previously announced in December that the first patient treated was imminent, i.e. in Q4 2017. However, it still has yet to happen, and management said at the Q4 presentation that it would issue a press release when the first patient had been dosed. We estimate the company needs to include all c130 patients in the PARADIGME trial before May/June 2019 to meet the data readout and filing commitment, which looks doable to us, but Nordic Nanovector cannot afford any major delays in the recruitment process.

Next major clinical data-point could be ASH 2018. We believe Nordic Nanovector will not report any additional clinical data until ASH 2018 in December, for maximum impact. We expect it to release the final results from the LYMRIT 37-01 trial at the conference (with focus on CR, ORR and DoR), as well as the first clinical data from the DLBCL trial.

We reiterate our BUY recommendation but have trimmed our target price to NOK135 (145) to reflect our forecast changes, primarily for higher clinical development costs.

BUY
TP: NOK135

NANO versus OSEBX (12m)



SUMMARY

Recommendation (prev.)	BUY (BUY)
Share price (NOK)	69.5
Target price (previous) (NOK)	135 (145)
Upside/downside potential (%)	94
Tickers	NANO NO, NANO.OL

CAPITAL STRUCTURE

No. of shares (m)	48.8
No. of shares fully dil. (m)	48.8
Market cap. (NOKm)	3,390
NIBD adj end-2018e (NOKm)	-406
Enterprise value adj (NOKm)	2,985
Net debt/EBITDA adj (x)	1.19

SHARE PRICE PERFORMANCE

Abs. 1/3/12m (%)	-14/-13/-36
Rel. 1/3/12m (%)	-13/-16/-55
High/Low 12m (NOK)	109/69
Free float (%)	63

Source: Company, DNB Markets (estimates)

NEXT EVENT

Q1 2018 report	30/05/2018
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ESTIMATE CHANGES (NOK)

Year-end Dec	2018e	2019e	2020e
EPS (old)	-5.99	-6.46	
EPS (new)	-6.99	-7.46	-5.72
Change (%)	nm	nm	nm
Sales (old)		0.60	
Sales (new)	0.50	0.60	35.27
Change (%)	nm	0.0	nm

Source: DNB Markets, Bloomberg

Year-end Dec	2014	2015	2016	2017	2018e	2019e	2020e
Revenue (NOKm)	0	0	0	0	1	1	35
EBITDA adj (NOKm)	-68	-182	-215	-315	-341	-363	-275
EBIT adj (NOKm)	-69	-183	-216	-317	-343	-366	-280
PTP (NOKm)	-64	-173	-235	-293	-341	-364	-279
EPS rep (NOK)	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72
EPS adj (NOK)	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72
DPS (NOK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	43.6	-0.6	-28.1	-3.8	65.6	20.0	5778.9
EV/Sales adj (x)	nm	nm	nm	nm	nm	nm	89.00
P/Book (x)	1.52	0.79	4.75	5.81	10.02	7.14	17.32
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company (historical figures), DNB Markets (estimates)

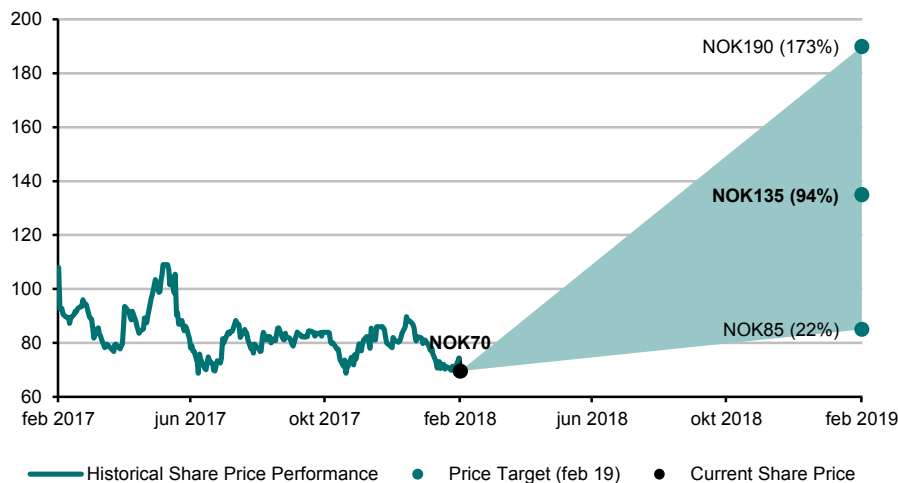
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Investment case overview

Share price performance, DNB Markets' target price, bear- and bull-case scenarios



Source: FactSet, DNB Markets

Downside risks to our investment case

- We still expect Betalutin to have a meaningful clinical effect. The biggest risk we see is that the development programme (which we believe is ambitious) might incur further delays.
- There is much focus on the NHL market from many big pharmaceutical companies; hence the competitive environment might get tougher.
- Longer than expected approval times and changes to regulatory conditions.
- Lower realised prices than we factor into our model.

Source: DNB Markets

DNB Markets investment case and how we differ from consensus

- In our base case, the company will develop Betalutin all the way to the market and launch the product alone.
- The first indication should reach the market in H1 2020. We have applied a 50% probability adjustment to FL sales, but development costs are unadjusted.
- We estimate a global average price per patient of USD150,000 for Betalutin for all indications.

Source: DNB Markets

Target price methodology

- Our target price continues to be based mainly on a SOTP, which includes the period until the patent expires, and is probability-adjusted. We discount the values back to a NPV with a WACC of 10%.
- Our bull-case fair value is based on our SOTP valuation but with a higher peak penetration assumption than in our base case.
- Our bear-case fair value is based on our SOTP valuation but with a lower peak penetration assumption than in our base case.

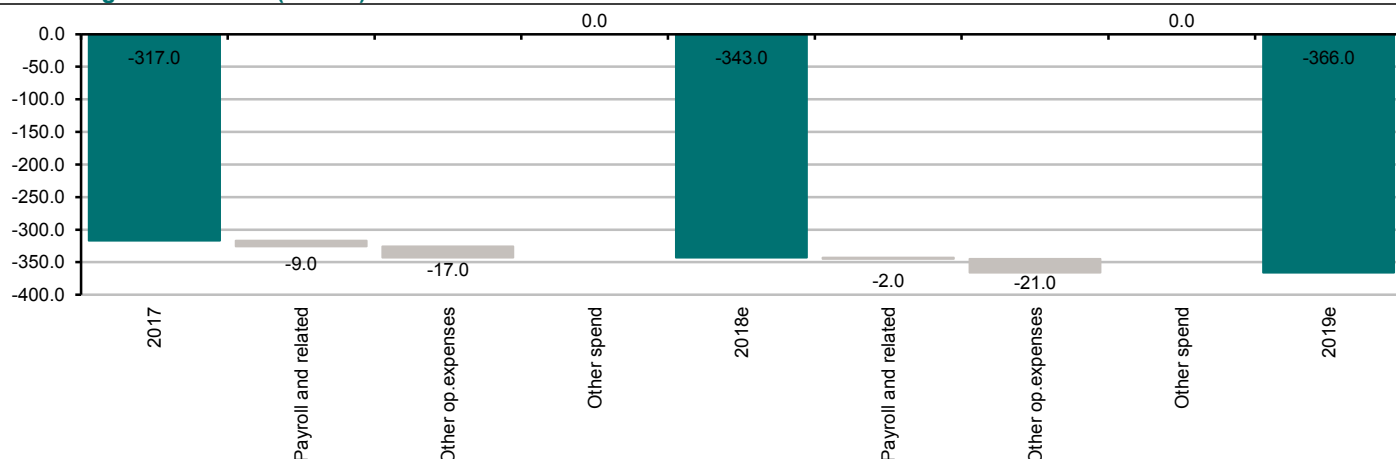
Source: DNB Markets

Upside risks to our investment case

- The company could well become a target for consolidation in the industry.
- It might realise higher prices for Betalutin than we have factored in.
- With strong clinical data, the approval process might be speedier than we estimated and thus a launch might take place earlier than expected.

Source: DNB Markets

EBIT bridge 2017–2019e (NOKm)



Source: DNB Markets (forecasts), company (historical data)

Q4 review

Spending on clinical development pushes costs above expectations

Costs were somewhat higher than we had expected in Q4. The main deviation was explained by 'Other external costs', which primarily relate to the ongoing clinical trials and the start-up of future trials. From this perspective we believe Nordic Nanovector is spending money where it matters for shareholders, and do not see the higher spend as a concern. Payroll and personnel expenses were more or less in line with our estimates.

Q4 key highlights

(NOKm, except per share data)	Q4 2017			Deviation (%)		Deviation (Abs)		Q4 2016
	Actual	DNB	Cons.	DNB	Cons.	DNB	Cons.	Actual
Sales	0	0	n.a.	n.m.	n.m.	0	n.m.	0
EBIT reported	-102	-71	n.a.	-43%	n.m.	-31	n.m.	-65
EBIT margin (%)	n.m.	n.m.	n.m.					n.m.
Net financial items	16	-2	n.a.	1142%	n.m.	18	n.m.	6
Pre-tax profit	-86	-73	n.a.	-18%	n.m.	-13	n.m.	-59
EPS	-1.75	-1.5	n.a.	-17%	n.a.	n.a.	n.m.	-1.22
Growth YOY								
Group sales	-38%	213%	n.m.			-250%	n.m.	
EBITA Adj.	-56%	-9%	n.m.			-47%	n.m.	
EPS	-43%	-23%	n.m.			-20%	n.m.	
Cash position	757	735	n.a.	3%	n.m.	22	n.m.	1,018

Source: Company data (historical figures), DNB Markets (estimates).

Nordic Nanovector had cNOK757m cash at end-Q4, slightly higher than we had forecast. We believe this will be sufficient to finance the company until first approval for Betalutin in 3L FL. However, we calculate it will not be enough to fully commercialise the product; hence we have included a cNOK500m capital raising in late 2019 to fund the Betalutin launch.

Betalutin development plan

Management said the first patient in the PARADIGME trial will be dosed in H1 2018 (we believe this could mean any day – as the company only guides on half years). However, it has been somewhat optimistic in its previous communications, saying in Q4 2017 that it expected the first patient to be dosed last year. With some c30-40 sites planned for the trial (all those from the LYMRIT 37-01 trial plus some additional sites), we believe recruitment could be relatively quick, once the local paperwork is done and patients are starting to be admitted to the trial. In the event, we believe the company could have enough time to reach data readout from the trial in H2 2019.

Management is guiding for data readout and first filing in H2 2019. Assuming it files for approval in December 2019 and needs 3–4 months from the last patient visit to clean and lock the database and analyse the data, the last patient visit needs to take place around August 2019, on our calculations. Given the 3-month follow-up time from treatment to the first efficacy readout, the company needs to recruit the last patient some time before summer 2019, or about 15 months from now to recruit all c130 patients to the trial.

We believe this should be doable, on our assumption of c30–40 trial sites ultimately. While competition for patients in the 3L FL market has increased over the past couple of years, we believe that as Nordic Nanovector has presented strong data from the LYMRIT 37-01 trial, it should be reasonably easy to recruit patients when the trial fully kicks-off.

Next clinical data point – ASH 2018 most likely

We do not expect Nordic Nanovector to present any additional clinical data from completed and ongoing trials until ASH 2018. The data presented at ASH 2017 was strong in our view, but the factor that looked weaker than in the past was the Duration of Response (DoR); this was mainly due to a lot of new patients being included in the trial and as a result had a relatively short follow-up time. With LYMRIT 37-01 closed to additional patient recruits, we believe the company

28 February 2018

will want to wait until ASH 2018 before presenting new data in order to show a marked improvement in DoR compared with the last presentation.

Management has also guided the preliminary data readout from the phase I DLBCL trial during H2 2018. We believe it is aiming for ASH 2018 in December.

Summary and recommendation

We believe Nordic Nanovector can still meet its target of a Betalutin first filing in H2 2019. Management has said it will issue a press release once the first patient in the PARADIGME pivotal phase II trial has been dosed; we expect this press release to come soon. While we keep our BUY recommendation, we have trimmed our target price from NOK145 to NOK135 based on changes to our forecasts.

Forecast changes – P&L

(NOKm)	New			Old			Change		
	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e
Revenues	1	1	35	1	1			0	
Cost of sales	0	0	-3	0	0			0	
Gross profit	1	1	32	1	1			0	
Operating expenses	-342	-363	-307	-293	-315		-49	-49	
EBITDA	-341	-363	-275	-292	-314		-49	-49	
EBITDA adj	-341	-363	-275	-292	-314		-49	-49	
EBITDA margin (%)	nm	nm	nm	nm	-52354.9	nm	nm	nm	nm
Depreciation	-2	-3	-5		-3			0	
EBITA	-343	-366	-280	-294	-317		-49	-49	
EBIT	-343	-366	-280	-294	-317		-49	-49	
EBIT adj	-343	-366	-280	-294	-317		-49	-49	
Net interest	2	2	1		2			0	
Net financial items	2	2	1		2			0	
PBT	-341	-364	-279	-292	-315		-49	-49	
Taxes	0	0	0		0			0	
Net profit	-341	-364	-279	-292	-315		-49	-49	
Adjustments to net profit	0	0	0	0	0		0	0	
Net profit adj	-341	-364	-279	-292	-315		-49	-49	
<i>Per share data (NOK)</i>									
EPS	-6.99	-7.46	-5.72	-5.99	-6.46		-1.00	-1.00	
EPS adj	-6.99	-7.46	-5.72	-5.99	-6.46		-1.00	-1.00	
DPS ordinary	0.00	0.00	0.00		0.00			0.00	
DPS extraordinary	0.00	0.00	0.00		0.00			0.00	
DPS	0.00	0.00	0.00		0.00			0.00	
<i>Other key metrics (%)</i>									
Revenue growth	65.6	20.0	5778.9	nm	nm	nm	nm	nm	nm
EBIT adj growth	nm	nm	nm	2.8	7.8	nm	nm	nm	nm
EPS adj growth	nm	nm	nm	4.1	7.9	nm	nm	nm	nm
Avg. number of shares (m)	51	51	51	51	51		0	0	
Capex	-8	-10	-10		-10			0	
OpFCF	-349	-373	-285	-300	-324		-49	-49	
Working capital	-78	-78	-78	-30	-30		-48	-48	
NIBD adj	-406	-535	-251	-435	-613		29	78	

Source: DNB Markets

Quarterly numbers

(NOKm)	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018e	Q2 2018e	Q3 2018e	Q4 2018e	Q1 2019e
Revenues	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0	0
Operating expenses	-50	-65	-65	-76	-72	-101	-85	-85	-85	-85	-91
EBITDA	-50	-65	-65	-76	-72	-101	-85	-85	-85	-85	-91
Depreciation	0	0	0	0	0	-1	-1	-1	-1	-1	-1
EBITA	-50	-65	-66	-76	-73	-102	-86	-86	-86	-86	-91
EBIT	-50	-65	-66	-76	-73	-102	-86	-86	-86	-86	-91
Net interest	-11	6	10	10	-13	16	1	1	1	1	1
Net financial items	-11	6	10	10	-13	16	1	1	1	1	1
PBT	-61	-59	-56	-66	-86	-86	-85	-85	-85	-85	-91
Taxes	0	0	0	0	0	0	0	0	0	0	0
Net profit	-61	-59	-56	-66	-86	-86	-85	-85	-85	-85	-91
Adjustments to net profit	0	0	0	0	0	0	0	0	0	0	0
Net profit adj	-61	-59	-56	-66	-86	-86	-85	-85	-85	-85	-91

Per share data (NOK)

Growth and margins (%)

Revenues, QOQ growth	-1.3	1.3	-1.3	-15.4	63.6	-53.7	150.0	0.0	0.0	0.0	20.0
Revenues, YOY growth	2.6	-45.9	0.0	-16.5	38.5	-36.7	60.3	89.4	15.7	150.0	20.0
EPS adj, YOY growth	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Gross margin	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA adj margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation/revenues	-383.3	-416.5	-357.7	-454.5	-334.3	-1086.0	-400.0	-400.0	-400.0	-400.0	-500.0
EBIT adj margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Net profit margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

Adjustments to quarterly numbers

(NOKm)	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018e	Q2 2018e	Q3 2018e	Q4 2018e	Q1 2019e
EBITDA	-50	-65	-65	-76	-72	-101	-85	-85	-85	-85	-91
EBITDA adj	-50	-65	-65	-76	-72	-101	-85	-85	-85	-85	-91
EBITA	-50	-65	-66	-76	-73	-102	-86	-86	-86	-86	-91
EBITA adj	-50	-65	-66	-76	-73	-102	-86	-86	-86	-86	-91
EBIT	-50	-65	-66	-76	-73	-102	-86	-86	-86	-86	-91
EBIT adj	-50	-65	-66	-76	-73	-102	-86	-86	-86	-86	-91
Net profit	-61	-59	-56	-66	-86	-86	-85	-85	-85	-85	-91
Net profit adj	-61	-59	-56	-66	-86	-86	-85	-85	-85	-85	-91

Source: Company (historical figures), DNB Markets (estimates)

Annual P&L

(NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Revenues	0	0	0	0	0	0	0	1	1	35
Cost of sales	0	0	0	0	0	0	0	0	0	-3
Gross profit	0	0	0	0	0	0	0	1	1	32
Operating expenses	-7	-13	-18	-69	-183	-216	-315	-342	-363	-307
EBITDA	-7	-13	-18	-68	-182	-215	-315	-341	-363	-275
Depreciation	-1	-1	0	0	-1	-1	-1	-2	-3	-5
EBITA	-7	-14	-18	-69	-183	-216	-317	-343	-366	-280
EBIT	-7	-14	-18	-69	-183	-216	-317	-343	-366	-280
Net interest	0	0	1	5	10	-19	23	2	2	1
Net financial items	0	0	1	5	10	-19	23	2	2	1
PBT	-7	-13	-17	-64	-173	-235	-293	-341	-364	-279
Taxes	0	0	0	0	0	0	0	0	0	0
Effective tax rate (%)	0	0	0	0	0	0	0	0	0	0
Net profit	-7	-13	-17	-64	-173	-235	-293	-341	-364	-279
Adjustments to net profit	0	0	0	0	0	0	0	0	0	0
Net profit adj	-7	-13	-17	-64	-173	-235	-293	-341	-364	-279
Avg. number of shares	0	6	9	20	42	49	51	51	51	51
<i>Per share data (NOK)</i>										
EPS	-21.42	-2.11	-1.92	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72
EPS adj	-21.42	-2.11	-1.92	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72
DPS ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPS extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Growth and margins (%)</i>										
Revenue growth	nm	135.1	106.6	43.6	-0.6	-28.1	-3.8	65.6	20.0	5778.9
EPS adj growth	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Gross margin	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	90.3
EBITDA margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EBITDA adj margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation/revenues	-898.9	-526.2	-77.4	-78.6	-227.5	-369.4	-491.1	-400.0	-500.0	-14.2
EBIT margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EBIT adj margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
PBT margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Net profit margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

Adjustments to annual P&L

(NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA	-7	-13	-18	-68	-182	-215	-315	-341	-363	-275
EBITDA adj	-7	-13	-18	-68	-182	-215	-315	-341	-363	-275
EBITA	-7	-14	-18	-69	-183	-216	-317	-343	-366	-280
EBITA adj	-7	-14	-18	-69	-183	-216	-317	-343	-366	-280
EBIT	-7	-14	-18	-69	-183	-216	-317	-343	-366	-280
EBIT adj	-7	-14	-18	-69	-183	-216	-317	-343	-366	-280
Net profit	-7	-13	-17	-64	-173	-235	-293	-341	-364	-279
Net profit adj	-7	-13	-17	-64	-173	-235	-293	-341	-364	-279
<i>Per share data (NOK)</i>										
EPS	-21.42	-2.11	-1.92	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72
Recommended adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS adj	-21.42	-2.11	-1.92	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72

Source: Company (historical figures), DNB Markets (estimates)

Cash flow

(NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Net profit	-7	-13	-17	-64	-173	-235	-293	-341	-364	-279
Change in net working capital	0	0	0	0	0	0	0	0	0	0
Cash flow from operations (CFO)	-6	-13	-17	-63	-172	-234	-292	-339	-361	-274
Capital expenditure	-1	0	0	3	-2	-1	-3	-8	-10	-10
Acquisitions/Investments	0	0	0	0	0	0	0	0	0	0
Cash flow from investing (CFI)	-1	0	0	3	-2	-1	-3	-8	-10	-10
Free cash flow (FCF)	-7	-13	-17	-61	-174	-236	-294	-347	-371	-284
Net change in debt	0	0	0	0	0	0	0	0	0	0
Other	-2	2	3	5	34	45	65	-4	0	0
Cash flow from financing (CFF)	12	2	90	318	580	510	33	-4	500	0
Total cash flow (CFO+CFI+CFF)	4	-11	73	257	406	275	-262	-351	129	-284
<i>FCFF calculation</i>										
Free cash flow	-7	-13	-17	-61	-174	-236	-294	-347	-371	-284
Less: net interest	0	0	-1	-5	-10	19	-23	-2	-2	-1
Less: acquisitions	0	0	0	0	0	0	0	0	0	0
Growth (%)										
CFO	-293.1	-102.7	-32.4	-277.3	-171.3	-36.3	-24.8	-16.1	-6.4	24.1
CFI	nm	108.7	-479.6	1031.8	-180.7	32.8	-67.8	-218.3	-25.0	0.0
FCF	-349.7	-76.1	-35.6	-254.5	-187.3	-35.4	-25.0	-17.9	-6.8	23.4
CFF	-13.9	-84.0	4759.6	253.4	82.5	-12.0	-93.6	-111.0	13916.0	-100.0
FCFF	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

Balance sheet

(NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Assets	22	11	86	346	760	1,045	780	436	572	293
Inventories	0	0	0	0	0	0	0	0	0	0
Trade receivables	4	4	6	7	14	23	20	20	20	20
Other receivables	0	0	0	0	0	0	0	0	0	0
Current financial assets	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	17	7	80	337	743	1,018	757	406	535	251
Current assets	21	11	86	344	758	1,042	776	426	555	271
Property, plant and equipment	1	0	0	2	3	3	4	10	17	22
Goodwill	0	0	0	0	0	0	0	0	0	0
Other intangible assets	0	0	0	0	0	0	0	0	0	0
Defferred tax assets	0	0	0	0	0	0	0	0	0	0
Non-current financial assets	0	0	0	0	0	0	0	0	0	0
Non-current assets	1	0	0	2	3	3	4	10	17	22
Total assets	22	11	86	346	760	1,045	780	436	572	293
Equity and liabilities	22	11	86	346	760	1,045	780	436	572	293
Total equity to the parent	20	8	79	330	713	949	680	339	475	196
Total equity	20	8	79	330	713	949	680	339	475	196
Trade payables	1	2	4	6	20	53	29	29	29	29
Other payables and accruals	1	1	3	9	27	42	68	68	68	68
Short-term debt	0	0	0	0	0	0	0	0	0	0
Total current liabilities	1	3	7	16	48	95	97	97	97	97
Long-term debt	0	0	0	0	0	0	0	0	0	0
Pension liabilities	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	4	0	0	0
Total non-current liabilities	0	0	0	0	0	0	4	0	0	0
Total liabilities	1	3	7	16	48	95	101	97	97	97
Total equity and liabilities	22	11	86	346	760	1,045	780	436	572	293
<i>Key metrics</i>										
Net interest bearing debt	-17	-7	-80	-337	-743	-1,018	-757	-406	-535	-251

Source: Company (historical figures), DNB Markets (estimates)

Valuation ratios

(NOKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
<i>Enterprise value</i>										
Share price (NOK)				28.00	14.10	96.75	81.00	69.50	69.50	69.50
Number of shares (m)	0.32	6.37	8.84	26.55	44.52	48.78	48.78	48.78	48.78	48.78
Market capitalisation				743	628	4,720	3,952	3,390	3,390	3,390
Net interest bearing debt	-17	-7	-80	-337	-743	-1,018	-757	-406	-535	-251
Adjustments to NIBD	0	0	0	0	0	0	0	0	0	0
Net interest bearing debt adj	-17	-7	-80	-337	-743	-1,018	-757	-406	-535	-251
EV				406	-116	3,702	3,195	2,985	2,855	3,139
EV adj				406	-116	3,702	3,195	2,985	2,855	3,139
<i>Valuation</i>										
EPS	-21.42	-2.11	-1.92	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72
EPS adj	-21.42	-2.11	-1.92	-3.54	-4.32	-5.05	-6.02	-6.99	-7.46	-5.72
DPS ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPS extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P/E				-7.9	-3.3	-19.2	-13.4	-9.9	-9.3	-12.2
P/E adj				-7.9	-3.3	-19.2	-13.4	-9.9	-9.3	-12.2
P/B				1.52	0.79	4.75	5.81	10.02	7.14	17.32
Average ROE	-40.7%	-95.5%	-39.3%	-31.1%	-33.1%	-28.3%	-36.0%	-67.0%	-89.5%	-83.2%
Dividend yield				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/SALES				924.74	-264.64	11788.65	10579.25	5969.24	4759.10	89.00
EV/SALES adj				924.74	-264.64	11788.65	10579.25	5969.24	4759.10	89.00
EV/EBITDA				-5.9	0.6	-17.2	-10.1	-8.8	-7.9	-11.4
EV/EBITDA adj				-5.9	0.6	-17.2	-10.1	-8.8	-7.9	-11.4
EV/EBIT				-5.9	0.6	-17.1	-10.1	-8.7	-7.8	-11.2
EV/EBIT adj				-5.9	0.6	-17.1	-10.1	-8.7	-7.8	-11.2
EV/NOPLAT				-5.9	0.6	-17.1	-10.1	-8.7	-7.8	-11.2
EV/OpFCF (taxed)				-6.2	0.6	-17.1	-10.1	-8.5	-7.7	-11.0

Source: Company (historical figures), DNB Markets (estimates)

Key accounting ratios

	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
<i>Profitability (%)</i>										
ROA	-37.4	-81.7	-35.1	-29.5	-31.2	-26.1	-32.2	-56.1	-72.2	-64.5
<i>Return on invested capital (%)</i>										
Net PPE/revenues	1456.3	186.6	109.8	357.9	642.3	1001.6	1382.1	2034.8	2862.3	62.9
Working capital/revenues	3425.1	498.8	-380.5	-1917.2	-7651.3	-22953.2	-25666.2	-15502.4	-12918.7	-219.7
<i>Cash flow ratios (%)</i>										
FCF/revenues	-11350.2	-8500.0	-5577.5	-13772.2	-39796.6	-75002.9	-97504.3	-69416.5	-61806.6	-805.0
FCF/market capitalisation				-8.1	-27.7	-5.0	-7.5	-10.2	-10.9	-8.4
CFO/revenues	-9921.9	-8552.6	-5480.7	-14400.5	-39286.7	-74525.8	-96672.2	-67816.5	-60139.9	-776.7
CFO/market capitalisation				-8.5	-27.4	-5.0	-7.4	-10.0	-10.6	-8.1
CFO/capex	-694.7	16235.5	-5661.6	2292.3	-7705.7	-15621.6	-11617.6	-4238.5	-3608.4	-2739.6
CFO/current liabilities	-432.0	-385.1	-231.8	-408.2	-360.5	-245.2	-300.2	-348.7	-371.1	-281.7
Cash conversion ratio	104.9	93.6	100.3	95.1	100.7	100.1	100.4	101.8	101.9	101.8
Capex/revenues	1428.3	-52.7	96.8	-628.2	509.8	477.1	832.1	1600.0	1666.7	28.3
Capex/depreciation	158.9	-10.0	125.1	-799.3	224.1	129.1	169.5	400.0	333.3	200.0
OpFCF margin	-11771.7	-8699.5	-5936.9	-14919.3	-42180.5	-69012.7	-105149.7	-69816.5	-62139.9	-807.9
Total payout ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Leverage and solvency (x)</i>										
Interest cover	-3048.33	-32252.69	-158.41	-28816.44	-95.15	-7.09	nm	nm	nm	nm
EBIT/interest payable	-3168.13	-32962.60	-169.72	-31100.36	-101.95	-7.45				
EBITA adj/interest payable	-3168.13	-32962.60	-169.72	-31100.36	-101.95	-7.45				
Cash coverage	24.54	43.86	16.25	13.55	17.48	-11.44	13.64	170.54	181.42	274.96
Net debt/EBITDA	2.67	0.51	4.45	4.93	4.08	4.73	2.40	1.19	1.47	0.91
Total debt/total capital (BV)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD / (LTD + equity (MV))				0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Cash conversion cycle</i>										
Inventory turnover days										0.0
Receivables turnover days	20883.9	9927.3	7242.4	5877.1	11854.6	27173.9	23841.0	14400.0	12000.0	204.1
Credit period	nm	nm	nm	nm	nm	nm	nm	nm	nm	3122.1
Cash conversion cycle										-2918.0

Source: Company (historical figures), DNB Markets (estimates)

Important Information

Company: Nordic Nanovector
 Coverage by Analyst: Patrik Ling
 Date: 28/02/2018

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