

## Important news

Opinion <sup>(1)</sup>: Positive

Impact <sup>(1)</sup>: Included in our estimates

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## Reinforcing capital to continue growing

**SOLANS “TEMPORARILY” REDUCES ITS SHAREHOLDING TO MAKE ROOM FOR NEW SHAREHOLDERS...** In the past, the Solans family has provided PANG with financing on numerous occasions that has largely been capitalised (EUR 11.0Mn cumulative -5y). At the 2020 close its shareholding in PANG was 21.4% (through its companies GrupoPikolin and Hersol XXI), having reached 39.8% in 2018. On previous occasions Solans has made placements to allow new shareholders to enter PANG's capital.

**...AND ALLOW THE DIVERSIFICATION OF CORE SHAREHOLDERS.** On this occasion, the complete exit from the share capital of Hersol XXI and the reduction of the GrupoPikolin shareholding (7.1% and 14.3% of capital in 2020) has allowed Inversiones Industriales Serpis (the Pascual Bernabeu family) to enter the capital, becoming the third largest shareholder (9.6% of capital).

Global Portfolio Investments (Mayoral) has taken advantage of the changes in the shareholder base to increase its stake, consolidating its position as the main core shareholder (22.5% of capital vs. 14.1% in 2020). Similarly, the family offices Vidaro Inversiones and Inversiones Orensanas, who have held stakes in PANG since the end of 2020, have also taken advantage of the transaction to strengthen their positions (to 13.4% and 8.9% respectively). Solans' current shareholding has been temporarily reduced to 3.0% (GrupoPikolin; see chart 2).

**RECOVERING ITS SHAREHOLDING IN 2021 (C.21%).** The “strategic” reduction in the Solans family shareholding has been accompanied by the granting of a credit line of up to EUR 6.0Mn (GrupoPikolin) obligatorily convertible in shares of PANG (EUR 5.0Mn already drawn down; financial cost 3.5%, in line with 2020). The exchange of the amount drawn down will be made this year (exchange rate: EUR 1.4/share; of which EUR 0.02 corresponds to the par value). Its total conversion would imply issuing a maximum of 4.3Mn shares (+22.9% of 2020 capital), that would increase the Solans family shareholding to 21.1% of capital (see chart 3). So the current exit from capital is temporary.

**IN CONCLUSION, PANG HAS STRENGTHENED ITS ABILITY TO GROW.** Its positioning in liquid biopsy (a nascent technology with high potential for growth in oncology) continues to attract investors, reinforcing its capacity for growth (organic and inorganic). In a project at the start-up stage and so requiring investment this point is critical. Along these lines, PANG has incorporated Michel Ángel Bonachera (founder of AB-Biotics) and Ramón Raventós Basagoiti (a member of the Codorniu family) to the board as independent directors.

**Pangaea Oncology (PANG)** is a small Spanish biotech company (Zaragoza), specialising in differentiated cancer diagnosis and treatment and corporate services (molecular diagnostics and biomarker discovery for the pharmaceutical industry). It is run by a prestigious medical team that includes its founders (c.20% of capital). The Solans family (G. Pikolin) and GPI (Mayoral) are reference shareholders.

### Market Data

Market Cap (Mn EUR and USD)	35.2	42.0
EV (Mn EUR and USD) <sup>(2)</sup>	37.0	44.2
Shares Outstanding (Mn)	18.7	
-12m (Max/Med/Mín EUR)	2.70 / 1.67 / 0.97	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation <sup>(3)</sup>	3.2	
Refinitiv / Bloomberg	PANGO.MC / PANG SM	
Close fiscal year	31-Dec	

### Shareholders Structure (%) <sup>(7)</sup>

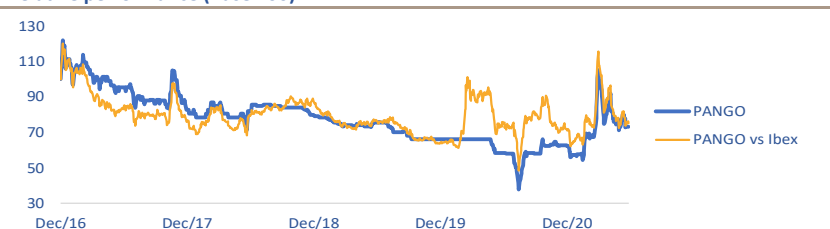
Founders	23.3
GPI (Domínguez Family, Mayoral)	22.5
Vidaro Inv. (Villagrà Blanco Fam.)	13.4
Solans Family	3.0
Free Float	19.2

Financials (Mn EUR)	2020	2021e	2022e	2023e
Adj. nº shares (Mn)	18.7	20.0	23.0	23.0
Total Revenues	4.1	5.2	6.8	8.2
Rec. EBITDA	-1.6	-0.6	0.6	1.5
% growth	9.3	60.4	195.0	153.4
% Rec. EBITDA/Rev.	n.a.	n.a.	8.7	18.5
% Inc. EBITDA sector <sup>(4)</sup>	-2.9	-15.3	3.3	14.1
Net Profit	-1.8	-0.2	0.8	1.4
EPS (EUR)	-0.10	-0.01	0.03	0.06
% growth	66.6	91.6	517.7	84.9
Ord. EPS (EUR)	-0.12	-0.02	0.03	0.06
% growth	63.5	82.3	235.6	103.3
Rec. Free Cash Flow <sup>(5)</sup>	-2.0	-1.0	0.1	1.2
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	5.3	0.4	0.1	-1.3
ND/Rec. EBITDA (x)	n.a.	n.a.	0.1	-0.8
ROE (%)	n.a.	n.a.	5.2	9.0
ROCE (%) <sup>(5)</sup>	n.a.	n.a.	5.0	9.1

### Ratios & Multiples (x) <sup>(6)</sup>

P/E	n.a.	n.a.	56.0	30.3
Ord. P/E	n.a.	n.a.	68.1	33.5
P/BV	4.1	2.4	2.3	2.1
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	9.03	7.13	5.41	4.54
EV/Rec. EBITDA	n.a.	n.a.	n.a.	24.5
EV/EBIT	n.a.	n.a.	36.8	19.9
FCF Yield (%) <sup>(6)</sup>	n.a.	n.a.	0.2	3.3

### Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-5.1	-13.0	25.3	17.5	-10.7	n.a.
vs Ibex 35	-3.7	-19.0	-0.6	4.5	-3.6	n.a.
vs Ibex Small Cap Index	-7.5	-14.7	-13.1	7.1	-20.6	n.a.
vs Eurostoxx 50	-7.1	-19.1	-2.8	1.3	-25.4	n.a.
vs Sector benchmark <sup>(5)</sup>	-13.7	-22.8	8.4	11.0	-53.0	n.a.

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 3.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) Sector: TR Europe Biotechnology & Medical Research.

(5) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

(6) Multiples and ratios calculated over prices at the date of this report.

(7) Others: Inv. Indust. Serpis 9.6%, Inv. Orensanas 8.9%, Founders: BIOSense (J. Rivela) 8.0%, Top Genetics 8.9%, Biolifept 3.2% and Maectorax 3.2%.

(\*) Unless otherwise indicated, all the information contained in this report is based on: The Company, BME and Lighthouse

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## Pangaea Oncology (PANG) is a BME Growth company

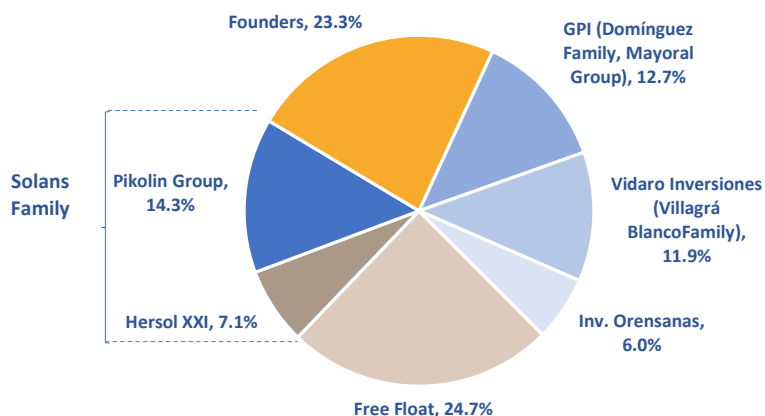
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BME Growth is the segment of BME MTF Equity aimed at small and medium sized companies, directed and managed by the Spanish stock market and is subject to the CNMV supervision. BME MTF Equity is not a Regulated Market but instead falls within the classification of a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive (MiFID). In July 2020, BME Growth obtained the status of SME Growth Market, a new category of EU regulations, which in Spain is called Mercado de Pymes en Expansión.

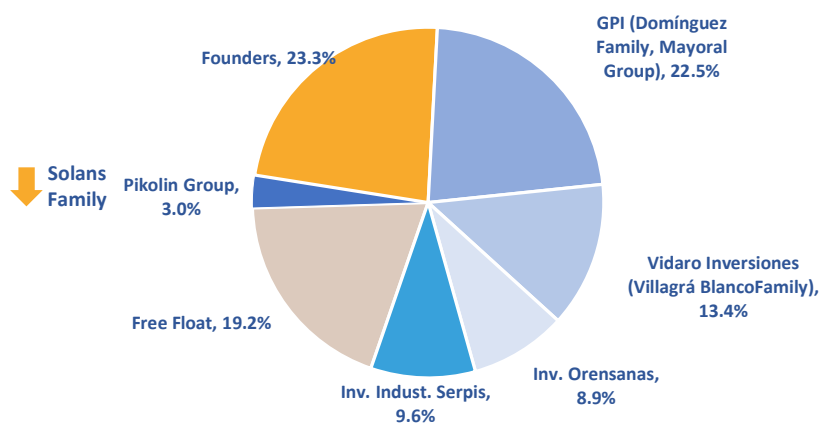
BME Growth is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c.120 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

## Changes in the shareholding

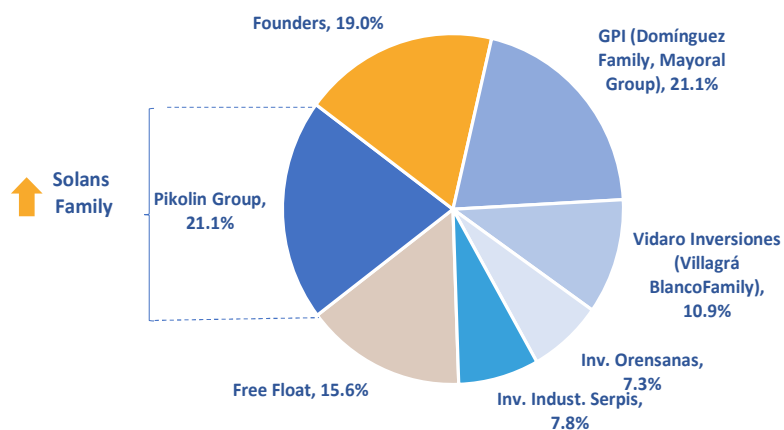
**Chart 1. Status as at 2020**



**Chart 2. Current status**



**Chart 3. Status post- credit line conversion (2021e)**



## Valuation inputs

### Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value <sup>(1)</sup>		
Free Cash Flow "To the Firm"	(1.8)	(0.8)	0.0	n.a.		
Market Cap	35.2	At the date of this report				
Net financial debt	6.4	Debt net of Cash (12m Results 2020)				
					Best Case	Worst Case
Cost of Debt	3.0%	Net debt cost			2.8%	3.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	2.4%	$Kd = \text{Cost of Net Debt} * (1-T)$			2.2%	2.6%
Risk free rate (rf)	0.4%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	9.0%	R (own estimate)			8.5%	9.5%
Beta (B)	1.4	B (own estimate)			1.3	1.5
Cost of Equity	13.0%	$Ke = Rf + (R * B)$			11.5%	14.7%
Equity / (Equity + Net Debt)	84.7%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	15.3%	D			=	=
WACC	11.4%	$WACC = Kd * D + Ke * E$			10.1%	12.8%
G "Fair"	2.5%				2.5%	1.5%

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

## Appendix 1. Financial Projections<sup>(1)</sup>

<b>Balance Sheet (EUR Mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>		
Intangible assets	8.2	10.0	10.3	7.1	6.9	7.4	7.8	8.1		
Fixed assets	0.9	0.9	0.8	0.6	0.6	0.8	0.8	0.8		
Other Non Current Assets	2.7	4.0	3.8	4.0	3.9	3.1	2.2	1.0		
Financial Investments	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.2		
Goodwill & Other Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Current assets	1.8	2.4	3.6	3.6	4.4	5.2	6.4	7.3		
<b>Total assets</b>	<b>13.7</b>	<b>17.4</b>	<b>18.5</b>	<b>15.4</b>	<b>15.8</b>	<b>16.6</b>	<b>17.2</b>	<b>17.4</b>		
Equity	6.0	5.0	8.5	8.3	8.6	14.4	15.2	16.6		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	0.1	0.4	0.4	0.3	0.2	0.2	0.2	0.2		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	4.8	10.7	8.0	5.5	5.3	0.4	0.1	(1.3)		
Current Liabilities	2.8	1.3	1.6	1.3	1.6	1.6	1.7	1.8		
<b>Equity &amp; Total Liabilities</b>	<b>13.7</b>	<b>17.4</b>	<b>18.5</b>	<b>15.4</b>	<b>15.8</b>	<b>16.6</b>	<b>17.2</b>	<b>17.4</b>		
										<b>CAGR</b>
<b>P&amp;L (EUR Mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>	<b>16-20</b>	<b>20-23e</b>
<b>Total Revenues</b>	<b>2.5</b>	<b>2.6</b>	<b>3.1</b>	<b>3.3</b>	<b>4.1</b>	<b>5.2</b>	<b>6.8</b>	<b>8.2</b>	<b>13.0%</b>	<b>25.8%</b>
<i>Total Revenues growth</i>	29.2%	4.1%	16.7%	8.4%	23.6%	26.7%	31.9%	19.1%		
COGS	(2.1)	(2.8)	(1.4)	(1.1)	(1.6)	(1.6)	(1.7)	(1.9)		
<b>Gross Margin</b>	<b>0.4</b>	<b>(0.2)</b>	<b>1.7</b>	<b>2.2</b>	<b>2.5</b>	<b>3.6</b>	<b>5.2</b>	<b>6.3</b>	<b>57.7%</b>	<b>35.4%</b>
<i>Gross Margin/Revenues</i>	16.3%	n.a.	54.5%	66.9%	61.9%	69.1%	75.3%	77.2%		
Personnel Expenses	(2.3)	(2.8)	(2.7)	(2.7)	(2.7)	(3.0)	(3.3)	(3.4)		
Other Operating Expenses	(1.4)	(1.4)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.4)		
<b>Recurrent EBITDA</b>	<b>(3.3)</b>	<b>(4.5)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(1.6)</b>	<b>(0.6)</b>	<b>0.6</b>	<b>1.5</b>	<b>16.9%</b>	<b>43.5%</b>
<i>Recurrent EBITDA growth</i>	-60.5%	-34.3%	47.7%	25.3%	9.3%	60.4%	195.0%	153.4%		
<i>Rec. EBITDA/Revenues</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.7%	18.5%		
Restructuring Expense & Other non-rec.	0.0	(0.1)	0.3	0.3	0.2	0.2	0.2	0.2		
<b>EBITDA</b>	<b>(3.3)</b>	<b>(4.5)</b>	<b>(2.1)</b>	<b>(1.4)</b>	<b>(1.3)</b>	<b>(0.4)</b>	<b>0.8</b>	<b>1.7</b>	<b>20.3%</b>	<b>48.4%</b>
Depreciation & Provisions	(0.9)	(1.8)	(2.4)	(3.1)	(2.4)	(1.5)	(1.6)	(1.7)		
Capitalized Expense	2.7	3.7	2.6	2.2	2.1	1.9	1.8	1.8		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
<b>EBIT</b>	<b>(1.5)</b>	<b>(2.6)</b>	<b>(1.8)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(0.0)</b>	<b>1.0</b>	<b>1.9</b>	<b>-2.8%</b>	<b>46.1%</b>
<i>EBIT growth</i>	-52.7%	-74.8%	30.3%	-26.7%	27.5%	99.9%	n.a.	84.4%		
<i>EBIT/Revenues</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.7%	22.8%		
Impact of Goodwill & Others	(0.0)	(0.1)	0.0	(2.5)	-	-	-	-		
Net Financial Result	(0.2)	(0.4)	(0.3)	(0.2)	(0.2)	(0.2)	(0.0)	(0.0)		
Income by the Equity Method	-	-	-	-	(0.0)	-	0.1	0.1		
<b>Ordinary Profit</b>	<b>(1.7)</b>	<b>(3.1)</b>	<b>(2.1)</b>	<b>(5.0)</b>	<b>(1.9)</b>	<b>(0.2)</b>	<b>1.0</b>	<b>1.9</b>	<b>-2.4%</b>	<b>44.2%</b>
<i>Ordinary Profit Growth</i>	-55.9%	-81.8%	32.4%	-134.2%	61.7%	88.8%	581.0%	84.9%		
Extraordinary Results	-	-	-	-	-	-	-	-		
<b>Profit Before Tax</b>	<b>(1.7)</b>	<b>(3.1)</b>	<b>(2.1)</b>	<b>(5.0)</b>	<b>(1.9)</b>	<b>(0.2)</b>	<b>1.0</b>	<b>1.9</b>	<b>-2.4%</b>	<b>44.2%</b>
Tax Expense	1.1	1.5	0.9	0.1	0.1	0.1	(0.3)	(0.5)		
<i>Effective Tax Rate</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.0%	25.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>(0.6)</b>	<b>(1.6)</b>	<b>(1.3)</b>	<b>(4.8)</b>	<b>(1.8)</b>	<b>(0.2)</b>	<b>0.8</b>	<b>1.4</b>	<b>-31.8%</b>	<b>40.9%</b>
<i>Net Profit growth</i>	-22.2%	-177.0%	23.9%	-286.4%	62.9%	91.1%	581.0%	84.9%		
<b>Ordinary Net Profit</b>	<b>(1.8)</b>	<b>(3.1)</b>	<b>(2.4)</b>	<b>(5.3)</b>	<b>(2.2)</b>	<b>(0.4)</b>	<b>0.6</b>	<b>1.3</b>	<b>-5.3%</b>	<b>37.5%</b>
<i>Ordinary Net Profit growth</i>	-42.2%	-76.2%	22.9%	-123.7%	59.5%	81.1%	256.1%	103.3%		
										<b>CAGR</b>
<b>Cash Flow (EUR Mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>	<b>16-20</b>	<b>20-23e</b>
<b>Recurrent EBITDA</b>						<b>(0.6)</b>	<b>0.6</b>	<b>1.5</b>	<b>16.9%</b>	<b>43.5%</b>
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(0.8)	(1.1)	(0.9)		
<b>Recurrent Operating Cash Flow</b>						<b>-1.5</b>	<b>-0.5</b>	<b>0.6</b>	<b>2.8%</b>	<b>32.3%</b>
CAPEX						(0.1)	(0.1)	(0.1)		
Net Financial Result affecting the Cash Flow						(0.2)	(0.0)	(0.0)		
Tax Expense						0.8	0.7	0.7		
<b>Recurrent Free Cash Flow</b>						<b>(1.0)</b>	<b>0.1</b>	<b>1.2</b>	<b>10.2%</b>	<b>37.2%</b>
Restructuring Expense & Other non-rec.						0.2	0.2	0.2		
- Acquisitions / + Divestures of assets						(0.2)	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>(1.0)</b>	<b>0.3</b>	<b>1.3</b>	<b>7.6%</b>	<b>38.5%</b>
Capital Increase						6.0	-	-		
Dividends						-	-	-		
<b>Net Debt Variation</b>						<b>(5.0)</b>	<b>(0.3)</b>	<b>(1.3)</b>		

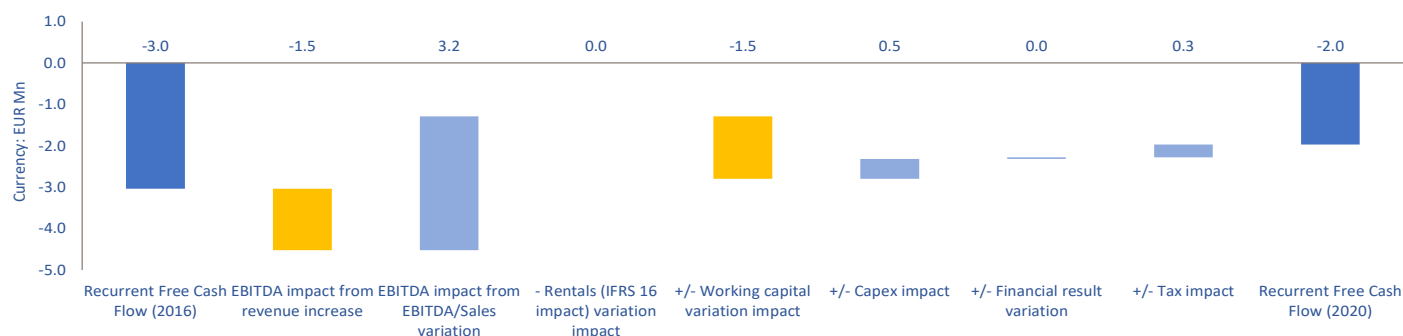
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

## Appendix 2. Free Cash Flow<sup>(1)</sup>

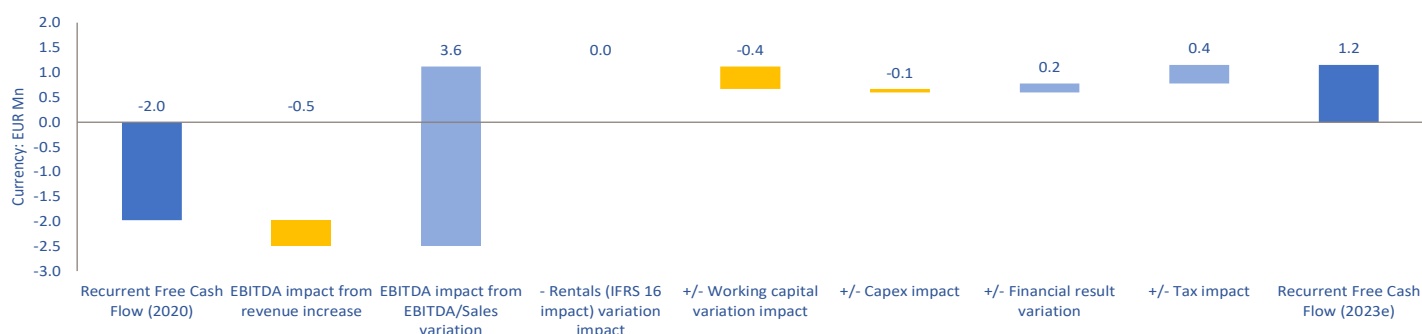
A) Cash Flow Analysis (EUR Mn)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
								17-20	20-23e
<b>Recurrent EBITDA</b>	<b>(4.5)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(1.6)</b>	<b>(0.6)</b>	<b>0.6</b>	<b>1.5</b>	<b>29.2%</b>	<b>43.5%</b>
<i>Recurrent EBITDA growth</i>	-34.3%	47.7%	25.3%	9.3%	60.4%	195.0%	153.4%		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	8.7%	18.5%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(2.1)	(0.8)	(0.4)	(0.4)	(0.8)	(1.1)	(0.9)		
<b>= Recurrent Operating Cash Flow</b>	<b>(6.6)</b>	<b>(3.2)</b>	<b>(2.1)</b>	<b>(2.0)</b>	<b>(1.5)</b>	<b>(0.5)</b>	<b>0.6</b>	<b>32.7%</b>	<b>32.3%</b>
<i>Rec. Operating Cash Flow growth</i>	-193.7%	51.8%	33.9%	4.3%	27.6%	67.2%	233.6%		
<i>Rec. Operating Cash Flow / Sales</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	7.8%		
- CAPEX	(0.2)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)		
- Net Financial Result affecting Cash Flow	(0.4)	(0.3)	(0.2)	(0.2)	(0.2)	(0.0)	(0.0)		
- Taxes	0.4	0.4	0.4	0.3	0.8	0.7	0.7		
<b>= Recurrent Free Cash Flow</b>	<b>(6.8)</b>	<b>(3.1)</b>	<b>(1.9)</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>0.1</b>	<b>1.2</b>	<b>33.8%</b>	<b>37.2%</b>
<i>Rec. Free Cash Flow growth</i>	-124.1%	54.2%	40.0%	-5.6%	51.7%	108.9%	<i>n.a.</i>		
<i>Rec. Free Cash Flow / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	1.2%	14.2%		
- Restructuring expenses & others	1.0	0.4	0.2	0.3	0.2	0.2	0.2		
- Acquisitions / + Divestments	-	-	-	(0.3)	(0.2)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow</b>	<b>(5.8)</b>	<b>(2.7)</b>	<b>(1.7)</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>0.3</b>	<b>1.3</b>	<b>29.5%</b>	<b>38.5%</b>
<i>Free Cash Flow growth</i>	-108.4%	53.0%	39.4%	-22.7%	50.5%	126.6%	399.2%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.2%	3.3%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.8%	3.8%		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
<b>Recurrent FCF(FY - 1)</b>	<b>(3.0)</b>	<b>(6.8)</b>	<b>(3.1)</b>	<b>(1.9)</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>0.1</b>		
EBITDA impact from revenue increase	(0.1)	(0.7)	(0.2)	(0.4)	(0.4)	(0.2)	0.1		
EBITDA impact from EBITDA/Sales variation	(1.0)	2.9	0.8	0.6	1.4	1.4	0.8		
<b>= Recurrent EBITDA variation</b>	<b>(1.1)</b>	<b>2.1</b>	<b>0.6</b>	<b>0.2</b>	<b>1.0</b>	<b>1.2</b>	<b>0.9</b>		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	(3.2)	1.3	0.5	(0.1)	(0.4)	(0.2)	0.2		
<b>= Recurrent Operating Cash Flow variation</b>	<b>(4.3)</b>	<b>3.4</b>	<b>1.1</b>	<b>0.1</b>	<b>0.6</b>	<b>1.0</b>	<b>1.1</b>		
+/- CAPEX impact	0.4	0.1	0.0	(0.1)	(0.0)	(0.0)	(0.0)		
+/- Financial result variation	(0.2)	0.1	0.2	(0.0)	(0.0)	0.2	0.0		
+/- Tax impact	0.4	0.0	(0.0)	(0.1)	0.5	(0.1)	(0.0)		
<b>= Recurrent Free Cash Flow variation</b>	<b>(3.8)</b>	<b>3.7</b>	<b>1.2</b>	<b>(0.1)</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>		
<b>Recurrent Free Cash Flow</b>	<b>(6.8)</b>	<b>(3.1)</b>	<b>(1.9)</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>0.1</b>	<b>1.2</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
<b>EBIT</b>	<b>(2.6)</b>	<b>(1.8)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(0.0)</b>	<b>1.0</b>	<b>1.9</b>	<b>13.8%</b>	<b>46.1%</b>
* <i>Theoretical Tax rate</i>	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	-	-	-	-	-	(0.3)	(0.5)		
<b>Recurrent EBITDA</b>	<b>(4.5)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(1.6)</b>	<b>(0.6)</b>	<b>0.6</b>	<b>1.5</b>	<b>29.2%</b>	<b>43.5%</b>
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(2.1)	(0.8)	(0.4)	(0.4)	(0.8)	(1.1)	(0.9)		
<b>= Recurrent Operating Cash Flow</b>	<b>(6.6)</b>	<b>(3.2)</b>	<b>(2.1)</b>	<b>(2.0)</b>	<b>(1.5)</b>	<b>(0.5)</b>	<b>0.6</b>	<b>32.7%</b>	<b>32.3%</b>
- CAPEX	(0.2)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)		
- Taxes (pre- Financial Result)	-	-	-	-	-	(0.3)	(0.5)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>(6.7)</b>	<b>(3.2)</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>(1.5)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>32.5%</b>	<b>26.3%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	-141.5%	52.5%	34.5%	1.0%	25.7%	45.1%	103.7%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.4%		
- Acquisitions / + Divestments	-	-	-	(0.3)	(0.2)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>(6.7)</b>	<b>(3.2)</b>	<b>(2.1)</b>	<b>(2.4)</b>	<b>(1.8)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>29.1%</b>	<b>26.3%</b>
<i>Free Cash Flow (To the Firm) growth</i>	-141.5%	52.5%	34.5%	-14.6%	25.6%	52.6%	103.7%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.1%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.1%		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

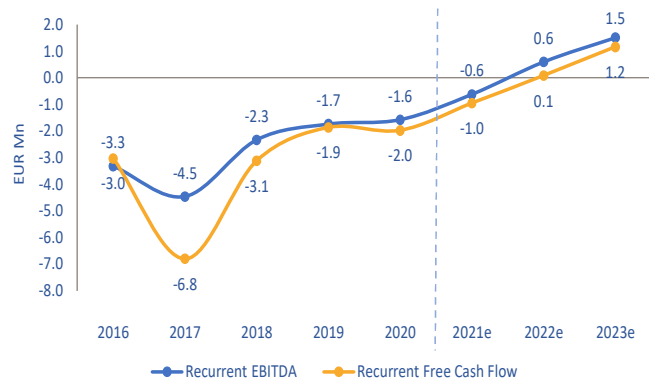
### Recurrent Free Cash Flow accumulated variation analysis (2016 - 2020)



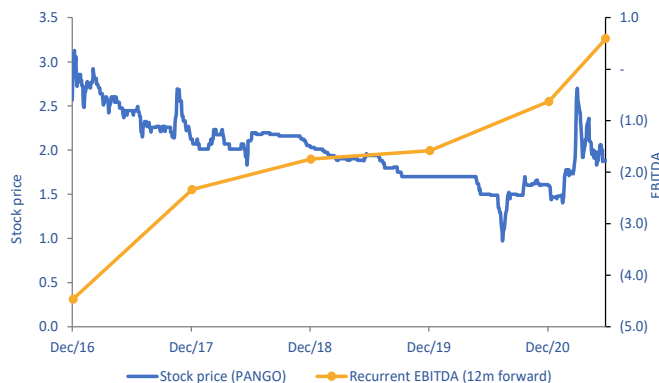
### Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023e)



### Recurrent EBITDA vs Recurrent Free Cash Flow



### Stock performance vs EBITDA 12m forward



## Appendix 3. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	35.2	
+ Minority Interests	-	12m Results 2020
+ Provisions & Other L/T Liabilities	0.2	12m Results 2020
+ Net financial debt	6.4	12m Results 2020
- Financial Investments	0.1	12m Results 2020
+/- Others <sup>(1)</sup>	(4.7)	12m Results 2020
<b>Enterprise Value (EV)</b>	<b>37.0</b>	

(1) Tax loss carry forward

## Appendix 4. Historical performance <sup>(1)(2)</sup>

Historical performance (EUR Mn)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
															12-20	20-23e
<b>Total Revenues</b>			2.6	3.1	1.7	1.9	2.5	2.6	3.1	3.3	4.1	5.2	6.8	8.2	5.7%	25.8%
<i>Total Revenues growth</i>			<i>n.a.</i>	17.7%	-44.4%	13.5%	29.2%	4.1%	16.7%	8.4%	23.6%	26.7%	31.9%	19.1%		
<b>EBITDA</b>			(1.2)	(0.5)	(1.6)	(2.0)	(3.3)	(4.5)	(2.1)	(1.4)	(1.3)	(0.4)	0.8	1.7	-1.1%	48.4%
<i>EBITDA growth</i>			<i>n.a.</i>	61.2%	-237.0%	-22.1%	-69.4%	-37.0%	54.0%	32.7%	5.1%	67.4%	279.3%	117.3%		
<i>EBITDA/Sales</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	11.4%	20.7%		
<b>Net Profit</b>			(0.4)	0.1	(0.2)	(0.5)	(0.6)	(1.6)	(1.3)	(4.8)	(1.8)	(0.2)	0.8	1.4	-20.0%	40.9%
<i>Net Profit growth</i>			<i>n.a.</i>	124.9%	-289.1%	-147.7%	-22.2%	-177.0%	23.9%	-286.4%	62.9%	91.1%	581.0%	84.9%		
Adjusted number shares (Mn)	0.2	0.2	0.2	0.2	0.2	10.6	10.6	13.1	16.9	18.7	20.0	23.0	23.0	23.0		
EPS (EUR)	-2.55	0.63	-1.20	-2.97	-0.06	-0.16	-0.10	-0.29	-0.10	-0.10	-0.01	0.03	0.06	33.7%	38.3%	
<i>EPS growth</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	98.1%	<i>n.a.</i>	38.4%	<i>n.a.</i>	66.6%	91.6%	<i>n.a.</i>	84.9%			
Ord. EPS (EUR)	-4.30	0.57	-13.18	-11.77	-0.17	-0.29	-0.18	-0.32	-0.12	-0.02	0.03	0.06	36.4%	35.5%		
<i>Ord. EPS growth</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	10.7%	98.6%	-76.2%	37.6%	-73.7%	63.5%	82.3%	<i>n.a.</i>	<i>n.a.</i>		
CAPEX	-	(0.1)	(0.1)	-	(0.5)	(0.2)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
<i>CAPEX/Sales %</i>			0.0%	3.5%	3.5%	0.0%	21.8%	5.9%	0.9%	0.0%	1.7%	1.7%	1.7%	1.7%		
<b>Free Cash Flow</b>			(0.1)	(0.8)	(1.9)	(2.8)	(2.8)	(5.8)	(2.7)	(1.7)	(2.0)	(1.0)	0.3	1.3	-47.2%	38.5%
<i>ND/EBITDA (x)<sup>(3)</sup></i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.1x	-0.7x		
<i>P/E (x)</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	56.0x	30.3x		
<i>EV/Sales (x)</i>			0.00x	0.00x	0.00x	0.00x	16.16x	11.57x	10.30x	9.33x	5.52x	7.13x	5.41x	4.54x		
<i>EV/EBITDA (x)<sup>(3)</sup></i>			0.0x	0.0x	0.0x	0.0x	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	47.6x	21.9x		
<i>Absolute performance</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	-22.0%	-4.3%	-16.3%	-5.9%	17.5%				
<i>Relative performance vs Ibex 35</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	-27.4%	12.6%	-25.2%	11.3%	4.5%				

Note 1: The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12).

Note 2: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

Note 3: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Note 4: Nr. of shares for the period 2021e-2023e adjusted by the issue of 4.3Mn shares (2021e) corresponding to the conversion of the credit line (EUR 6.0Mn).



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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
25-Jun-2021	n.a.	1.88	n.a.	n.a.	Important news	Ana Isabel González García, CIIA
05-May-2021	n.a.	2.20	n.a.	n.a.	12m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
03-Nov-2020	n.a.	1.60	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIIA
16-Oct-2020	n.a.	1.58	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

