

Raen S.A.



Price target: PLN 1.30

Update

Rating: n.a.

H1/24 was very difficult for Raen mainly due to 1. Lack of grid connections in Poland in general and 2. Delayed payments for development milestones. Also, the capacity of PV projects under development reached only 1,550 MW, while we had previously forecast 1,800 MW already in '23. Nevertheless, we expect a much stronger H2 (especially Q4) '24 due to a likely sale of min. 300 MW (PV projects with environmental decisions) and a significant recovery in '25E (e.g. sale of additional max. 900 MW). Poland remains one of the most attractive renewables markets in Europe as it still generates c. 71% of energy from fossil fuels and the share of renewables only equals 29% (compared to e.g. >60% in D). With lower estimates, our 12-months FV (80% DCF, 20% peer group) goes down to PLN 1.30 (prev. PLN 1.90). The risks, which we see, are: 1. if other than expected RAE's results do not recover strongly in H2/24, the company could face serious liquidity issues as on 30/06/2024 it had short-term interest-bearing debt of PLN 2.9m (thereof PLN 2.3m due within 1 year) but only PLN 97k of cash 2. In H1/24, 3.6m out of 4.2m new shares were bought by RAE's 45% subsidiary ERA PV 3. Dilution (up to 30m warrants/shares for key staff if EBITDA reaches PLN 7.5m-15m in '24E + capital increase of 30m shares in '25E).

After lower-than-expected 2023 results, Raen also showed weak results in H1/24, which however stemmed from delayed payments for milestones by one of its foreign partners. Management is optimistic that H2 (especially Q4) will be much better on top-line and profitable. In Jan-Jun 2024, Raen generated revenues of PLN 1.4m vs. PLN 13.7m in H1/23. While the number of employees increased from c. 13 in H1/23 to 17 (EVRe), the company's EBIT and net income declined from PLN 4.9m to PLN -1.5m and from PLN 4.6m to PLN -1.7m respectively. Operating and free cash flow reached PLN -1.9m (H1/23: PLN -1.7m) and PLN -5.1m (PLN -2.7m). On 30/06/2024, RAE had net debt of PLN 2.8m (net gearing: 30.3%) vs. PLN 2.3m (27.4%) in Dec23.

At year-end 2024E, we now expect that Raen will have in total 1.8 GW (prev. 2.4 GW) of projects signed. From 2025E, when we believe the company will raise additional capital for investments especially in own renewable production assets, the number of grid connections in PL should strongly accelerate (so far, RAE has filed for grid connections for >700 MW) and thus the value of milestone payments. Our new estimates for 2024E are PLN 9.3m (prev. PLN 35.7m) for sales and PLN 1.4m (PLN 13.6m) for EBITDA. For 2025E, we now expect PLN 25.3m (PLN 50.2m) and PLN 7.3m (PLN 18.6m) respectively.

in PLNm	2022	2023	2024E	2025E	2026E	2027E
Net sales	3.44	22.46	9.30	25.28	40.19	77.83
EBITDA	1.10	5.26	1.39	7.33	11.86	22.18
EBIT	1.05	5.02	0.83	6.76	11.28	21.59
Net income	1.98	2.77	0.36	5.18	8.85	17.22
Diluted EPS	0.13	0.06	0.01	0.06	0.11	0.21
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RoE	82.17%	54.40%	3.27%	16.51%	16.58%	25.93%
Net gearing	11.58%	27.45%	-6.50%	-66.36%	-65.61%	-67.07%
EV/Sales	11.04x	1.69x	4.09x	1.50x	0.95x	0.49x
EV/EBITDA	34.66x	7.22x	27.24x	5.18x	3.20x	1.71x
P/E	3.3x	7.3x	61.6x	6.8x	4.0x	2.0x

Company profile

Raen takes over all tasks related to the preparation of the PV project incl. land leasing from farmers, raising funding from external investors, filing for an environmental decision, filing for a building permit, connection of the project to the public energy network. Usually, the whole process takes 2-3 years, during which Raen receives 6.-7 milestone payments. Raen's partners include e.g. French Engie, Greek Mytilineos, German Goldbeck Group and Canadian Solar.

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Sector	Renewable Energy
Country	Poland
ISIN	PLIQPRT00017
Reuters	RAE.WA
Bloomberg	RAE PW

Share information

Last price	0.43
Number of shares (m)	51.28
Market cap. (PLNm)	22.00
Market cap. (EURm)	5.13
52-weeks range	PLN 0.94 / PLN 0.40
Average volume (shares)	252,040

Performance

4-weeks	-23.80%
13-weeks	-22.28%
26-weeks	-35.00%
52-weeks	-46.38%
YTD	-46.24%

Shareholder structure

Adam Guz (CEO)	26.33%
Wojciech Przylecki*	12.30%
Dien Sp. z o.o.*	8.70%
ERA PV Sp. z o.o	7.02%
Maciej Hazubski*	2.93%
IQ Partners Sp. z o.o.**	1.89%
Free float	40.83%

* relates to the shareholders of PunkPirates S.A., a gaming company, with which Raen conducted a reversed merger in Q1/23

** Owned by Messrs Maciej Hazubski (50% stake) and Wojciech Przylecki (50%)

Financial calendar

9M/24 report	November 20, 2024
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Recent results & change of our forecasts

Revenues and Profitability

So far, Raen has disappointed. While in 2023 the company faced administrative delays (e.g. related to the terms & conditions for grid connection, which until recently even took 240-360 days to be granted, and environmental permits) and had to conduct a goodwill write-down related to the reverse takeover of Seed Capital Sp. z.o.o by listed PunkPirates S.A. of PLN 3.6m, in H1/24 the main issues were a difficult market environment for PV developers – low energy prices that led to declining prices of renewable energy projects and an oversupply of PV project – and delayed payments for milestones by international partners. This had a significantly negative impact on Raen’s revenues – which reflect the milestone payments - and profitability.

in PLNm	H1/24	H1/23	change y-o-y
Net sales	1.43	13.71	-89.6%
EBITDA	-1.21	5.08	-123.7%
<i>EBITDA margin</i>	<i>-84.6%</i>	<i>37.1%</i>	
EBIT	-1.49	4.89	-130.4%
<i>EBIT margin</i>	<i>-104.4%</i>	<i>35.6%</i>	
Net income	-1.65	4.56	-136.2%
<i>Net margin</i>	<i>-115.8%</i>	<i>33.3%</i>	

Source: Company information, East Value Research GmbH

Although Raen’s liquidity looked problematic after H1/24 – PLN 97k of cash and PLN 2.9m of interest-bearing debt – we believe that it has improved since then due to several smaller milestone payments e.g. for project Grunwald. Management expects additional cash inflows from milestone payments and project sales in the coming weeks and Q4/24 to be the by far best quarter for the company this year.

Nevertheless, our previous forecasts for Raen currently do not look realistic and we have significantly reduced them, both for 2024E and the coming years. For 2024E, we now expect 1,800 MW of projects (also accounting for the likely sale of min. 300 MW of PV projects with environmental decisions) compared to our previous forecast of 2,400 MW. Slower than expected completions due to delays with grid connections result in a lower average market price per MW and much lower total revenues (PLN 9.3m vs. PLN 35.7m before). Due to much lower revenues we do not believe that the PLN 7.5m-15m of EBITDA, which would allow management to subscribe to max. 30m warrants, will be achieved (based on our discussions with management, those warrants, which were not granted for 2023 or will not be granted for 2024E will become invalid).

Although we expect a recovery of the renewables market from next year (e.g. due to global pressure for green energy, changes in the Polish legislation regarding wind and energy storage and lower interest rates) and only in H1/25E Raen could receive the terms & conditions for grid connection for 120 MW of PV projects (for which milestones are particularly high and very profitable), our estimates for 2025E also decline due to the lower base.

We now expect 2,500 MW (3,000 MW before) of projects at year-end, an average fee per MW of EUR 2,800 (EUR 4,300) and PLN 25.3m (PLN 50.2m) of revenues.

In the following years, the average milestone fee per MW should strongly increase as a higher share of PV projects reaches the ready-to-build phase. We would like to emphasize that our estimates do not account for three business areas, which Raen would like to enter in the future but for which it has not yet published any details: 1. Construction/acquisition of PV plants and sale of energy in the long-term PPA (Power Purchase Agreements with a fixed price and volume) model directly to business clients, 2. Energy storage and 3. Wind projects.

The additional PLN 30m, which we expect that Raen will raise in 2025E especially from foreign investors, are supposed to be spent on own PV farms where Raen will own 100% of shares. In addition to that, within 2-3 years, Raen is supposed to develop and operate project Bładkowo through the 20-80% JV Solar Polska New Energy PV 20 (owns 206.92 sqm of leased land in Bładkowo and Bienice) with Spanish company ZERO-E GLOBAL ASSETS S.L.U. (part of the Cobra Group). Through the 100% shareholding Raen Obrot Sp. z.o.o, Raen plans to sell energy directly to business clients.

in PLNm	2024E	2025E	2026E	2027E
Project capacity at the start of the year (in MW)	1,550	1,800	2,500	3,300
Project capacity at the end of the year (in MW)	1,800	2,500	3,300	3,500
Average project capacity (in MW)	1,675	2,150	2,900	3,400
Average fee per MWh per year (in EUR)	1,300	2,800	3,300	5,450
PLN-EUR FX rate	4.27	4.20	4.20	4.20
EBITDA margin	15.0%	29.0%	29.5%	28.5%
Net sales	9.30	25.28	40.19	77.83
(change y-o-y)	-58.6%	171.9%	59.0%	93.6%

Source: East Value Research GmbH

in PLNm	2023			2024E		2025E		2026E		2027E	
	act.	guid.	est.	new	old	new	old	new	old	new	old
Net sales	22.46		25.53	9.30	35.67	25.28	50.16	40.19	63.50	77.83	99.25
EBITDA	5.26	10.00	8.93	1.39	13.55	7.33	18.56	11.86	22.86	22.18	34.74
<i>EBITDA margin</i>	23.4%	<i>n.a</i>	35.0%	15.0%	38.0%	29.0%	37.0%	29.5%	36.0%	28.5%	35.0%
EBIT	5.02		8.53	0.83	12.65	6.76	16.86	11.28	20.36	21.59	31.84
<i>EBIT margin</i>	22.3%		33.4%	9.0%	35.5%	26.7%	33.6%	28.1%	32.1%	27.7%	32.1%
Net income	2.77		6.86	0.36	10.21	5.18	13.63	8.85	16.48	17.22	25.80
<i>Net margin</i>	12.3%		26.9%	3.9%	28.6%	20.5%	27.2%	22.0%	26.0%	22.1%	26.0%

Source: East Value Research GmbH

CAPEX and Working capital

We have assumed a gross CAPEX of PLN 460k in 2024E and PLN 5.3m between 2025E and 2027E due to investments in own renewable energy plants. Regarding working capital, we expect a cash conversion cycle in the long run of 30 days.

Valuation

We have valued Raen S.A. by using a weighted average of our DCF model (80%) and peer group (20%). In our valuation, we have used a WACC of 20% to account for the company's early stage of development. Our approach, which accounts for the share issues this year and the planned capital increase of 30m shares, derives a 12-months fair value for the stock of PLN 1.30 (prev. PLN 1.90). This implies an upside of 203.1% at present.

DCF model

in PLNm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Net sales	9.30	25.28	40.19	77.83	111.72	143.33	174.93	206.54	238.14
(y-o-y change)	-58.6%	171.9%	59.0%	93.6%	43.6%	28.3%	22.1%	18.1%	15.3%
EBIT	0.83	6.76	11.28	21.59	29.23	35.08	39.79	40.88	42.70
(EBIT margin)	9.0%	26.7%	28.1%	27.7%	26.2%	24.5%	22.7%	19.8%	17.9%
NOPLAT	0.68	5.48	9.13	17.49	23.68	28.41	32.23	33.12	34.59
+ Depreciation & amortisation	0.56	0.57	0.58	0.59	0.60	0.61	0.62	0.63	0.64
= Net operating cash flow	1.24	6.05	9.71	18.08	24.28	29.02	32.85	33.75	35.23
- Total investments (Capex and WC)	-1.16	-4.16	-3.99	-5.42	-4.85	-4.50	-4.50	-4.30	-4.20
Capital expenditure	-0.46	-2.07	-2.08	-1.09	-1.10	-1.11	-1.12	-1.13	-1.14
Working capital	-0.70	-2.09	-1.91	-4.32	-3.75	-3.39	-3.38	-3.17	-3.06
= Free cash flow (FCF)	0.08	1.88	5.73	12.66	19.42	24.52	28.35	29.44	31.03
PV of FCF's	0.08	1.51	3.82	7.05	9.01	9.48	9.13	7.90	6.94
PV of FCFs in explicit period	54.92								
PV of FCFs in terminal period	43.09								
Enterprise value (EV)	98.01								
+ Net cash / - net debt (30 June 2024)	-2.79								
+ Investment / - minorities	0.00								
Shareholder value	95.22								
Fully-diluted number of shares (m)	82.04								
					Terminal EBIT margin				
WACC	20.0%								
Cost of equity	n.a								
Pre-tax cost of debt	n.a								
Normal tax rate	n.a								
After-tax cost of debt	n.a								
Share of equity	n.a								
Share of debt	n.a								
Fair value per share in PLN (today)	1.16								
Fair value per share in PLN (in 12 months)	1.39								

Source: East Value Research GmbH

Peer Group Analysis

We have found the following listed companies, which operate in the same area as Raen.

- (1) *Greenergy Renovables SA*: Greenergy Renovables, which is based in Madrid/Spain, develops, builds and operates wind, solar, and energy storage systems. With a presence in 11 countries, it has >15 GW under development and 1 GW in operation. In 2023, the Spanish company, which has a market cap of EUR 972.9m, generated revenues of EUR 400.2m and an EBITDA margin of 25.6%. Its ROCE equalled 7%.
- (2) *7C Solarparken AG*: 7C Solarparken, which is based in Bayreuth/Germany, owns and operates PV farms primarily in Germany and Belgium. It has a combined asset portfolio of 500 MWp. In 2023, 7C Solarparken, which has a market cap of EUR 182.3m, generated revenues of EUR 69.8m and an EBITDA margin of 83.4%. Its ROCE equalled 3.4%.
- (3) *clearvise AG*: clearvise, which is headquartered in Wiesbaden/Germany, is an independent electricity producer from renewable sources. Its operational portfolio consists of wind and solar parks, and a biogas plant in four countries with an installed capacity of approximately 303.6 MW. In 2023, clearvise, which has a market cap of EUR 135.7m, generated revenues of EUR 44.8m and an EBITDA margin of 59.4%. Its ROCE equalled 2.2%.
- (4) *Energiekontor AG*: Energiekontor, which is based in Bremen/Germany, engages in the planning, construction, and operation of wind farms and solar parks in Germany, Portugal, UK and France. It owns and operates 140 wind farms and 15 solar parks with a total output of approximately 1.3 GW. In 2023, Energiekontor, which has a market cap of EUR 725.6m, generated revenues of EUR 241.8m and an EBITDA margin of 56.3%. Its ROCE equalled 14.3%.
- (5) *PNE AG*: PNE, which is based in Cuxhaven/Germany, develops, constructs, and sells onshore and offshore wind farms; provides technical and commercial operation management services for wind farms, PV plants, and transformer stations; and generates electricity from wind and biomass power plants. It is also involved in the development of photovoltaics and hybrid solutions. Currently, the company, which is active in 14 countries in Europe, South Africa, North America and Asia, has a pipeline of >17.9 GW (wind & PV) and own plants with 412 MW. In 2023, PNE, which has a market cap of EUR 925.3m, generated revenues of EUR 121.5m and an EBITDA margin of 24.2%. Its ROCE equalled 0.3%.
- (6) *Photon Energy NV*: Photon Energy, which is based in Amsterdam/the Netherlands, provides development, engineering, construction, installation, operation and maintenance of photovoltaic systems. The company also invests in and generates electricity through photovoltaic power plants. It has a project pipeline of 1+ GWp in Australia, the Czech Republic, Hungary, Slovakia, Poland, and Romania and own electricity generation assets of 140.3 MWp. In 2023, Photon Energy, which has a market cap of PLN 366m, generated revenues of PLN 302.2m and an EBITDA margin of 0.9%.

- (7) *Voltaia SA*: Voltaia, which is based in Paris/France, develops, constructs, operates, and maintains wind, solar, hydro, biomass, and storage plants. The company has a project pipeline of 16.6 GW and operates solar power plants with an installed capacity of 2.85 GW in Europe, Africa, and Latin America. In 2023, Voltaia, which has a market cap of EUR 1.2bn, generated revenues of EUR 495.2m and an EBITDA margin of 43.2%. Its ROCE equalled 2.9%.
- (8) *Neoen SA*: Neoen, which is headquartered in Paris/France, operates through Solar Power, Wind Power, Storage, Farm-Down, Development and Investments segments. It operates in Argentina, Australia, Canada, Ecuador, the United States, Finland, France, Ireland, Italy, Jamaica, Mexico, Mozambique, Portugal, El Salvador, Sweden, and Zambia. Currently, the company has >8 GW of assets in operation, under construction and awarded. In 2023, Neoen, which has a market cap of EUR 6bn, generated revenues of EUR 524.4m and an EBITDA margin of 93.6%. Its ROCE equalled 3.8%.

Company	EV/Sales		EV/EBITDA		P/E		P/BVPS	EBITDA margin	Net gearing
	2024E	2025E	2024E	2025E	2024E	2025E	Latest	Last FY	Latest
Greenergy Renovables SA (€)	4.0x	2.3x	15.3x	7.8x	22.2x	8.7x	2.6x	25.6%	213.8%
7C Solarparken AG (EUR)	5.4x	5.1x	7.1x	6.3x	44.8x	20.4x	0.8x	83.4%	75.2%
clearwise AG (EUR)	7.7x	6.6x	12.5x	10.5x	n.a	n.a	0.8x	59.4%	95.5%
Energiekontor AG (EUR)	3.4x	2.1x	10.3x	6.5x	20.2x	9.7x	4.0x	56.3%	144.5%
PNE AG (EUR)	10.5x	9.0x	38.6x	26.9x	n.a	n.a	4.8x	24.2%	413.3%
Photon Energy NV (PLN)	1.4x	1.3x	7.8x	6.4x	n.a	n.a	5.8x	0.9%	275.3%
Voltaia SpA (EUR)	5.8x	4.7x	14.0x	10.8x	72.7x	52.5x	1.0x	43.2%	156.8%
Neoen SA (EUR)	15.1x	10.7x	17.9x	13.6x	74.0x	45.6x	2.2x	93.6%	136.7%
Median	5.6x	4.9x	13.3x	9.2x	44.8x	20.4x	2.4x	49.8%	150.6%
Raen S.A. (PLN)*	4.1x	1.5x	27.2x	5.2x	61.6x	6.8x	3.8x	36.7%	30.3%
Premium/Discount	-26.9%	-69.4%	105.4%	-43.5%	37.5%	-66.6%			
Fair value Raen (PLN)	0.78								

* On a fully-diluted basis incl. 30m new shares

Source: CapitalIQ, marketscreener.com, East Value Research GmbH

This year, there have been two notable M&A transactions in the renewables industry in Europe, which are also relevant for Raen: 1. The US-based private equity fund KKR and the family office of the Viessmann family announced their intention to take the German leader Encavis, which Raen's management compares itself to, private at a valuation of EUR 2.83bn (impl. EV/EBITDA 2023 = 15.3x), and 2. The Swedish private equity fund EQT acquired 100% in the listed operator of solar and wind farms OX2 for USD 1.5bn (impl. EV/EBITDA 2023 = 11.6x).

Price target calculation

Valuation method	Fair value	Weight
DCF model	1.16	80%
Peer Group Analysis	0.78	20%
Weighted average (present value)	1.08	
In 12-months (PV * (1+WACC))	1.30	

Source: East Value Research GmbH

Profit and loss statement

in PLNm	2022*	2023	2024E**	2025E***	2026E	2027E
Total revenues	3.44	22.46	9.30	25.28	40.19	77.83
Direct costs	-1.79	-12.94	-6.04	-15.17	-24.32	-47.47
Gross profit	1.65	9.52	3.25	10.11	15.88	30.35
Other operating income	0.00	0.64	0.01	0.01	0.01	0.01
Administrative expenses	-0.51	-1.37	-1.52	-2.48	-3.86	-7.39
Other operating expenses	-0.05	-3.52	-0.35	-0.31	-0.17	-0.79
EBITDA	1.10	5.26	1.39	7.33	11.86	22.18
Depreciation & amortization	-0.05	-0.24	-0.56	-0.57	-0.58	-0.59
EBIT	1.05	5.02	0.83	6.76	11.28	21.59
Net financial results	1.33	-0.72	-0.39	-0.37	-0.35	-0.33
EBT	2.38	4.30	0.44	6.39	10.93	21.26
Income taxes	-0.40	-1.54	-0.08	-1.21	-2.08	-4.04
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Net income / loss	1.98	2.77	0.36	5.18	8.85	17.22
Diluted EPS	0.13	0.06	0.01	0.06	0.11	0.21
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Share in total sales						
Total revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Direct costs	-52.11 %	-57.63 %	-65.00 %	-60.00 %	-60.50 %	-61.00 %
Gross profit	47.89 %	42.37 %	35.00 %	40.00 %	39.50 %	39.00 %
Other operating income	0.00 %	2.85 %	0.11 %	0.04 %	0.03 %	0.02 %
Administrative expenses	-14.71 %	-6.11 %	-16.35 %	-9.80 %	-9.60 %	-9.50 %
Other operating expenses	-1.34 %	-15.67 %	-3.76 %	-1.24 %	-0.43 %	-1.02 %
EBITDA	31.85 %	23.43 %	15.00 %	29.00 %	29.50 %	28.50 %
Depreciation & amortization	-1.48 %	-1.09 %	-6.02 %	-2.25 %	-1.44 %	-0.76 %
EBIT	30.37 %	22.34 %	8.98 %	26.75 %	28.06 %	27.74 %
Net financial results	38.68 %	-3.18 %	-4.19 %	-1.46 %	-0.87 %	-0.42 %
EBT	69.05 %	19.16 %	4.78 %	25.28 %	27.19 %	27.32 %
Income taxes	-11.60 %	-6.85 %	-0.91 %	-4.80 %	-5.17 %	-5.19 %
Minority interests	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income / loss	57.45 %	12.31 %	3.87 %	20.48 %	22.02 %	22.13 %

* 2022 figures reflect the results of the PunkPirates, the company with which Raen conducted a reversed takeover in March 2023

** Our EPS figure at the end of 2024 accounts for the share issues of 5.18m at PLN 1 per share

*** Our EPS figure at the end of 2025 is based on the assumption that RAE will raise PLN 30m (30m shares at PLN 1)

Balance sheet

in PLNm	2022*	2023	2024E**	2025E***	2026E	2027E
Cash and cash equivalents	0.02	0.55	2.52	33.51	38.35	50.65
Other financial assets	0.00	0.46	0.00	0.00	0.00	0.00
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Trade accounts and notes receivable	0.00	3.31	1.37	3.70	5.86	11.30
Other current assets	2.92	6.91	8.98	9.16	9.34	9.53
Current assets	2.94	11.22	12.87	46.37	53.55	71.48
Property, plant and equipment	0.49	1.40	1.21	2.71	4.21	4.71
Investment property	0.00	2.75	2.75	2.75	2.75	2.75
Other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Long-term financial assets	0.00	0.20	0.29	0.29	0.30	0.30
Deferred tax assets	0.00	0.07	0.00	0.00	0.00	0.00
Non-current assets	0.49	4.42	4.25	5.75	7.25	7.76
Total assets	3.43	15.64	17.12	52.12	60.81	79.23
Trade payables	0.77	0.79	0.37	0.93	1.49	2.90
Short-term financial debt	0.05	2.14	1.00	0.50	0.00	0.00
Other liabilities	0.08	1.50	1.35	1.21	1.09	0.98
Provisions	0.00	1.31	0.00	0.00	0.00	0.00
Current liabilities	0.90	5.73	2.72	2.64	2.58	3.88
Long-term financial debt	0.20	0.67	0.63	0.53	0.43	0.33
Other long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.40	1.01	0.00	0.00	0.00	0.00
Long-term liabilities	0.60	1.67	0.63	0.53	0.43	0.33
Total liabilities	1.50	7.41	3.35	3.17	3.01	4.21
Shareholders equity	1.94	8.23	13.77	48.95	57.80	75.02
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities and equity	3.43	15.64	17.12	52.12	60.81	79.23

* 2022 figures reflect the results of the PunkPirates, the company with which Raen conducted a reversed takeover in March 2023

** Our cash figure at the end of 2024 accounts for the share issues of 5.18m at PLN 1 per share

*** Our cash figure at the end of 2025 is based on the assumption that RAE will raise PLN 30m (30m shares at PLN 1)

Cash Flow Statement

in PLNm	2022*	2023	2024E**	2025E***	2026E	2027E
Net income / loss	1.98	2.77	0.36	5.18	8.85	17.22
Depreciation & amortization	0.05	0.24	0.56	0.57	0.58	0.59
Change of working capital	-1.26	-5.86	-0.70	-2.09	-1.91	-4.32
Others	-2.53	0.77	-0.37	0.00	0.00	0.00
Net operating cash flow	-1.76	2.30	-0.15	3.66	7.53	13.49
Cash flow from investing	1.77	-3.33	-0.46	-2.07	-2.08	-1.09
Free cash flow	0.01	-1.04	-0.61	1.58	5.44	12.39
Cash flow from financing	0.00	1.56	2.59	29.40	-0.60	-0.10
Change of cash	0.01	0.52	1.98	30.98	4.84	12.29
Cash at the beginning of the period	0.00	0.02	0.55	2.52	33.51	38.35
Cash at the end of the period	0.02	0.55	2.52	33.51	38.35	50.65

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** Our cash figure at the end of 2024 accounts for the share issues of 5.18m at PLN 1 per share

*** Our cash figure at the end of 2025 is based on the assumption that RAE will raise PLN 30m (30m shares at PLN 1)

Financial ratios

Fiscal year	2022*	2023	2024E**	2025E***	2026E	2027E
Profitability and balance sheet quality						
Gross margin	47.89%	42.37%	35.00%	40.00%	39.50%	39.00%
EBITDA margin	31.85%	36.72%	15.00%	29.00%	29.50%	28.50%
EBIT margin	30.37%	22.34%	8.98%	26.75%	28.06%	27.74%
Net margin	57.45%	12.31%	3.87%	20.48%	22.02%	22.13%
Return on equity (ROE)	82.17%	54.40%	3.27%	16.51%	16.58%	25.93%
Return on assets (ROA)	18.82%	22.25%	4.38%	10.64%	15.13%	22.15%
Return on capital employed (ROCE)	34.33%	32.55%	4.70%	11.07%	15.69%	23.21%
Economic Value Added (in EURm)	0.36	1.24	-2.20	-4.42	-2.51	2.42
Net debt (in EURm)	0.22	2.26	-0.89	-32.48	-37.92	-50.32
Net gearing	11.58%	27.45%	-6.50%	-66.36%	-65.61%	-67.07%
Equity ratio	56.36%	52.63%	80.44%	93.91%	95.05%	94.68%
Current ratio	3.27	1.96	4.74	17.56	20.77	18.40
Quick ratio	0.02	0.75	1.43	14.09	17.15	15.95
Net interest cover	-0.79	7.02	2.14	18.28	32.22	65.43
Net debt/EBITDA	0.20	0.27	-0.64	-4.43	-3.20	-2.27
Tangible BVPS	0.13	0.18	0.27	0.60	0.70	0.91
Capex/Sales	78.09%	-18.27%	-4.93%	-8.20%	-5.18%	-1.40%
Working capital/Sales	60.10%	35.30%	92.77%	42.39%	31.40%	21.78%
Cash Conversion Cycle (in days)	n.a	32	31	31	31	31
Trading multiples						
EV/Sales (fully-diluted)	11.04	1.69	4.09	1.50	0.95	0.49
EV/EBITDA (fully-diluted)	34.66	7.22	27.24	5.18	3.20	1.71
EV/EBIT (fully-diluted)	36.35	7.57	45.51	5.62	3.37	1.76
P/Tangible BVPS	3.4x	2.4x	1.6x	0.7x	0.6x	0.5x
P/E (fully-diluted)	3.3x	7.3x	61.6x	6.8x	4.0x	2.0x
P/FCF	3519.6x	-34.0x	-57.7x	22.2x	6.5x	2.8x

* 2022 figures reflect the results of the PunkPirates, the company with which Raen conducted a reversed takeover in March 2023

** 2024 figures account for the share issues of 5.18m at PLN 1 per share

*** Figures for 2025 are based on the assumption that RAE will raise PLN 30m (30m shares at PLN 1)

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