

FLASH NOTE

Novavis Group - Buy

Target Price: PLN 2.08 | Close as of 27/05/2025: PLN 1.48

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1Q25 results review

In 1Q25, Novavis' **sales revenue** was zero due to the fact that the company's partner, Iberdrola, decided to abandon the ManowoWyszebórz photovoltaic farm project, despite obtaining connection conditions (with a capacity of 53.7 MW). As a result, Novavis, despite reaching a key milestone, cannot book significant revenues resulting from winning the connection conditions. Novavis is currently negotiating with other partners to sell the entire project. In connection with the abandonment of the above-mentioned farm, Novavis will retain payments resulting from milestones achieved so far, such as obtaining the right and conditions for development and signing a land lease agreement.

(mn PLN)	1Q25e	Q1'24	y/y	1Q25e	Diff.	2025e	YTD
Revenues	0.0	2.9	-100%	0.0	-	17	0%
EBITDA	-0.9	1.9	-	-1.0	-6%	7	-13%
EBITDA margin	-	64%	-	-	-	45%	-
EBIT	-0.9	1.8	-	-1.0	-5%	7	-13%
Net income	-0.8	1.6	-	-0.9	-15%	6	-13%

EBITDA loss in 1Q25 amounted to PLN -0.9mn, slightly lower than we expected.

Novavis posted PLN 1.6mn of positive **operating cash flow** in 1Q25, giving the company PLN 200tsd of **net cash** at the end of the quarter.

OPINION: NEUTRAL

1Q25 results are close to expectations. The company is currently working to secure an entity interested in purchasing the ManowoWyszebórz photovoltaic farm project, which is close to ready-to-build status. Unfortunately, Iberdrola's abandonment of the project somewhat undermines the partner's credibility, so it cannot be ruled out that in the future it too may decide to abandon other projects. Novavis will then look for another buyer in the market.

In this document we are not changing our recommendation, forecasts, or price target for Novavis.

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Hold	0% < target price < +10%
Reduce	-10% < target price < 0%
Sell	< -10% from target price

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