

# ODI Pharma (ODI)



## Increased Import Quota in Poland Set to Drive Growth in 2025

ODI Pharma AB:s ("ODI Pharma" or the "Company") past two quarters has been affected by import restrictions in Poland, which is now resolved, as the Polish government nearly doubled the import quota for medical cannabis for 2025, driven by a rapidly growing demand. As ODI Pharma is the exclusive supply partner to one of the leading pharmaceutical brands in Poland, the Company is expected to capitalize on this. With estimated net sales of SEK 85.3m by 2025/2026, an applied P/S multiple of 2.4x, and a discount rate of 13.7%, a potential present value per share of SEK 10.8 (12.3) is derived in a Base scenario.

### Increased Order Intake Paves the Way for Stronger Quarters Ahead

ODI Pharma's net sales amounted to SEK 0m (0) during Q2-24/25. As the previous quarter, sales were affected by import restrictions set by the Polish government, where the import quota for medical cannabis for 2024 were initially set at 6 tons, which was reached with several months left of the year, leading to that the Polish government increased the estimated annual demand for cannabis, hence also the quota, by an additional 5.3 tons in October 2024. As the updated quota has been applied from January 2025, ODI Pharma's sales in the past two quarters has been affected by the import restrictions. Following the updated quota from January 2025, ODI Pharma has experienced an increasing order intake, why we, in combination with the fact that ODI Pharma acts as the supplier to one of the leading pharmaceutical brands in the country, estimate strong revenue growth in 2025.

### Continues to Operate with a Tight Organization

The operating expenses amounted to SEK -2.4m (-1.8) during Q2-24/25, where the increase was attributable to costs for external service providers, where Analyst Group assumes that a main driver of the cost increase are the transaction-related costs for ODI Pharma's rights issue conducted in December, hence a one-off cost. ODI Pharma continues to operate with a tight organization which the business model allows, paving the way for profitability as sales is expected to grow in the coming quarters.

### Updated Valuation Range

Following the Q2-24/25 report, we have made smaller adjustments of our financial forecasts, with an estimated later expansion to new markets as the primary reason. Moreover, we have increased our estimates regarding operational expenses slightly following the recruitments of Malcolm Allan to the board and Jan-Mark Edewaard as CEO, affecting the profitability forecasts somewhat. Moreover, the import restrictions that has affected ODI Pharma in the last quarters serves as a reminder of the Company's dependence on government regulations, which, combined with the updated forecasts, results in a revised valuation range.

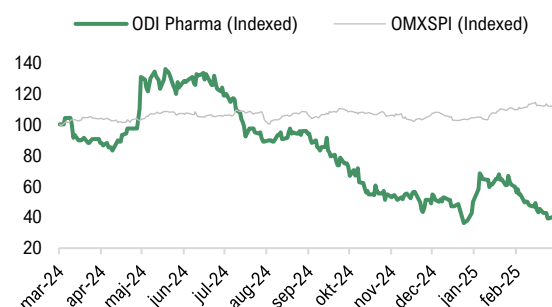
#### VALUATION RANGE



#### KEY INFORMATION

|                              |                        |
|------------------------------|------------------------|
| Share Price (2025-03-06)     | 2.42                   |
| Shares Outstanding           | 15,915,034             |
| Market Cap (SEKm)            | 38.5                   |
| Net cash(-)/debt(+) (SEKm)   | -1.3                   |
| Enterprise Value (SEKm)      | 37.2                   |
| List                         | Spotlight Stock Market |
| Quarterly report 3 2024/2025 | 2025-05-29             |

#### SHARE PRICE DEVELOPMENT



#### OWNERS (SOURCE: HOLDINGS & QUARTERLY REPORT) = INSIDER

|                       |       |
|-----------------------|-------|
| Volker Wiederrich     | 39.0% |
| Niclas Kappelin       | 27.7% |
| Derek Simmross        | 24.8% |
| Tomi Kalevi Heikkinen | 0.3%  |
| Siv Merethe Skorpen   | 0.3%  |

#### Estimates (SEKm) 2023/2024 2024/2025E 2025/2026E 2026/2027E

|                            |            |             |             |             |
|----------------------------|------------|-------------|-------------|-------------|
| Net Sales                  | 22.4       | 27.5        | 85.3        | 129.3       |
| COGS                       | -17.7      | -21.7       | -67.1       | -101.3      |
| <b>Gross Profit</b>        | <b>7.8</b> | <b>5.8</b>  | <b>18.2</b> | <b>27.9</b> |
| Gross Margin <sup>2</sup>  | 21%        | 21%         | 21%         | 22%         |
| Operating Costs            | -6.5       | -8.1        | -10.0       | -11.6       |
| <b>EBITDA</b>              | <b>1.2</b> | <b>-2.4</b> | <b>8.2</b>  | <b>16.3</b> |
| EBITDA Margin <sup>2</sup> | -8%        | -9%         | 10%         | 13%         |
| P/S                        | 1.7        | 1.4         | 0.5         | 0.3         |
| EV/S                       | 1.7        | 1.4         | 0.4         | 0.3         |
| EV/EBITDA                  | 30.4       | -15.7       | 4.5         | 2.3         |
| EV/EBIT                    | 30.5       | -15.7       | 4.5         | 2.3         |

<sup>2</sup>Adjusted for other operating income

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