

Research update: Q1 2022

RISK INTELLIGENCE A/S

Risk Intelligence provides processed, analysed, and actionable risk intelligence through its system and associated advisory services. The lion's share of sales is recurring.

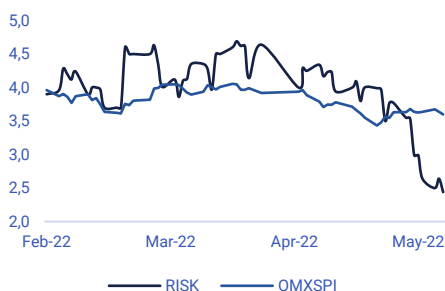
CEO: Hans Tino Hansen
CoB: Jan Holm
investor.riskintelligence.eu

Bloomberg: RISK:SS
Reuters Eikon: RISK.TE

List: Spotlight Stock Market

Last: DKK 2.6
Market cap: DKK 29m

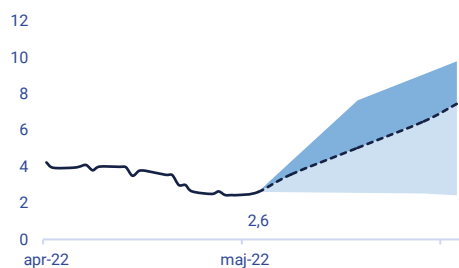
SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	-49	-58	-59	-33

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Share price (DKK)	2,4	7,5	9,8
Up-/diwnside (%)	-7	186	275

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

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Key KPIs continue to develop strongly

For the first quarter of 2022, Risk Intelligence reported net sales of DKK 3.9 million, corresponding to a negative growth of minus 7.5 per cent. Key KPIs such as recurring system revenue and ARPU continue to grow at a high rate. We have adjusted our forecasts downwards, and in a base case scenario, a fair value of DKK 7.5 (9.3) per share is calculated for the next 6-12 months. That leaves a good potential upside for a stock that has been under pressure.

Key KPIs continue to grow

Recurring system revenue at the end of the past quarter amounted to DKK 14.8 million. Total recurring revenue amounted to DKK 16.3 million. That corresponds to a strong growth of 20.4 and 18.4 per cent, respectively. The average revenue per customer amounted to DKK 139,000 and grew by 13 per cent. Although these key KPIs were slightly below our forecast, the continued strong growth bodes well for the future.

Compared to Q1 2021, net sales fell by 7.5 per cent to DKK 3.9 million. That was below our estimate of DKK 5.4 million. The decline is partly explained by lower ARPU than anticipated and falling consultancy-related revenue. The reported EBITDA result was minus DKK 1.7 million. Our forecast was for minus DKK 0.7 million. The deviation is due to lower than expected revenues. On the positive side, operating expenses were slightly below our expectations.

Downgraded forecasts

In light of the outcome for the first quarter of 2022, we have adjusted our revenue estimates downwards. We expect net revenue for the full year 2022 to be DKK 21.6 million. That is down from DKK 23.3 million in the previous research update but still in line with the company's guidance (the lower end). Over the full forecasted period, 2022-2026, we expect an average yearly growth rate of 27.7 per cent, down from 35.1 per cent in the previous research update. On the other hand, we expect a small negative EBITDA result in 2022 of minus DKK 1.2 million (previously minus DKK 3.7 million). With the assumed revenue growth, the EBITDA margin will rise to 30.4 per cent by 2026, aligning with the company's previously communicated long-term target.

Pressured share creates an interesting situation

The valuation multiples for the reference group of "Intelligence providers" with a high share of recurring revenues remain high but slightly down compared to the last analysis. By combining a multiple valuation with a DCF valuation, we calculate a fair value of DKK 7.5 (9.3) per share. The downward revision is explained by downward-adjusted revenue and profit forecasts. The multiple valuation is depressed by slightly lower multiples and the DCF valuation by a higher discount rate, mainly due to a higher risk-free rate. Our valuation equates to EV/Sales 2022 of 6.4x. The peer group is trading at a median EV/Sales 2022 of 8.3x. The stock is currently trading at an unjustifiably low 2.0x.

Key figures (DKKm)

	2020	2021	2022E	2023E	2024E
Net sales	15.7	18.8	21.6	29.4	39.1
Total ARR	13.9	16.0	18.5	24.9	32.5
Total revenues	15.7	18.8	21.6	29.4	39.1
EBITDA	-3.9	-0.9	-1.2	1.5	5.9
EBIT	-5.7	-2.8	-3.6	-1.1	3.0
EBT	-7.8	-4.8	-6.4	-4.1	0.3
Earnings per share	-0.7	-0.3	-0.5	-0.3	0.0
Growth, net sales	10%	20%	15%	36%	33%
EBITDA-margin	Neg.	Neg.	Neg.	5.2%	15.1%
EBIT-margin	Neg.	Neg.	Neg.	Neg.	7.7%
EV/Sales	2.7x	2.2x	2.0x	1.4x	1.1x
EV/EBITDA (curr.)	NM	NM	NM	27.5x	7.1x
EV/EBIT (curr.)	NM	NM	NM	NM	14.0x
P/E (curr.)	NM	NM	NM	NM	319.2x

Total ARR = Annual recurring revenue (long contracts). Source: Company information and Carlsquare estimates

Follow-up and comments

Risk Intelligence reported negative revenue growth, which was below our expectations. The decline in revenue also negatively impacted deviations from our estimates further down the income statement. However, operating expenses as a percentage of net sales were lower than anticipated. Key KPIs such as recurring revenue and average revenue per customer continue to grow rapidly. At the end of the quarter, cash equivalents amounted to DKK 0.5 million. We expect the company to finance its operations with cash flow and loans for the upcoming quarters.

Solid growth in recurring revenue

The table below shows the outcome for the first quarter of 2022 compared to our estimates. The actuals were overall below our expectations. On the positive side, key KPIs mainly attributable to the system, such as annual recurring revenue and average revenue per customer, continue to grow rapidly.

Actuals vs estimates, Q1 2022 (MDKK)

	Q1, 2022E	Q1, 2021A	Q1, 2022A	Growth	Deviation
ARR, system	15.7	12.3	14.8	20%	-6%
ARR, totalt	16.0	13.7	16.3	18%	2%
ARPU (DKKk)	144.9	123.0	139.0	13%	-4%
Net sales	5.4	4.2	3.9	-7%	-27%
EBITDA	-0.7	-0.7	-1.7	-141%	-140%
EBITDA margin	Neg.	Neg.	Neg.		
EBIT	-1.2	-1.1	-2.2	-95%	-87%
EBIT margin	Neg.	Neg.	Neg.		
EBT	-1.8	-1.6	-2.8	-80%	-56%
EPS (DKK)	-0.12	-0.11	-0.20	-82%	-67%

ARR = Annual recurring revenue. ARPU = Average revenue per client. Source: Company information and Carlsquare estimates

Strong development for system revenues

Upsales and price increases pave the way for profitability

NRR, or "Net Revenue Retention", shows the percentage change in revenue from existing customers after cancelled contracts over a given period (one year). The company's NRR at the end of the first quarter was 105 per cent. That means that, on average, customers are generating five per cent more revenue than in the same quarter last year after cancelled contracts. According to the company, the increase is explained by upselling and price increases, which are key components of the strategy to increase profitability.

Important recurring revenue grows with high rates

Risk Intelligence showed annual recurring system revenue (ARR, system) of DKK 14.8 million, corresponding to a growth of 20.4 per cent. Sequentially, i.e. compared to the previous quarter, the growth was 1.4 per cent. Recurring system revenue was slightly below our forecast of DKK 15.7 million. A lower average revenue per customer partly explains the deviation.

Recurring system revenue years contracted over 12 months. Risk reports are typically contracted for three months or longer.

Total recurring revenue (ARR, total), including contracted revenue for the system and the risk reports, increased by 18.4 per cent to DKK 16.3 million. Sequential growth was 1.9 per cent. Total recurring revenue marginally exceeded our forecast of DKK 16.0 million.

In March 2022, a weekly risk report was launched, providing an overview of the current situation in the northern Black Sea and ports in Ukraine, Russia and Romania. With a new report-product, it is not unreasonable that total recurring revenue continues to grow slightly faster than recurring system revenue during the upcoming quarters.

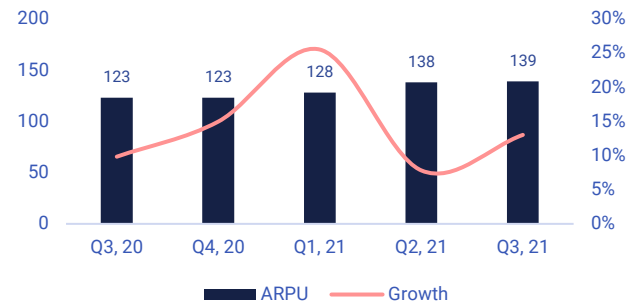
By the end of the first quarter, ARPU (Average revenue per client, the maritime system and LandRisk Logistics) had grown by 13 per cent to DKK 139,000. That was below our forecast of DKK 144,900. ARPU is expected to continue to increase with more customers at LandRisk Logistics. The company estimates that customers on LandRisk Logistics will pay an average of DKK 300,000 over time. Thus, growth for LandRisk Logistics is essential. Higher ARPU will help with scalability and accelerate profitability development.

ARR, system (MDKK) and growth (%)



Source: Company information

ARPU (000 DKK) and growth (%)

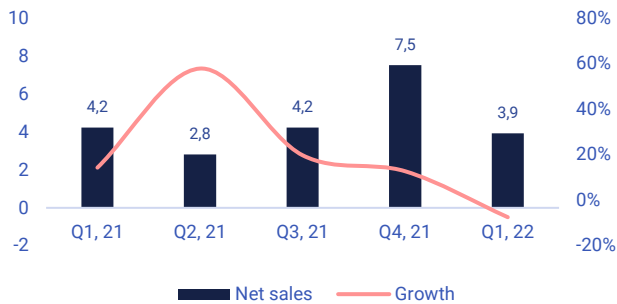


Source: Company information

Net sales held back by advisory services

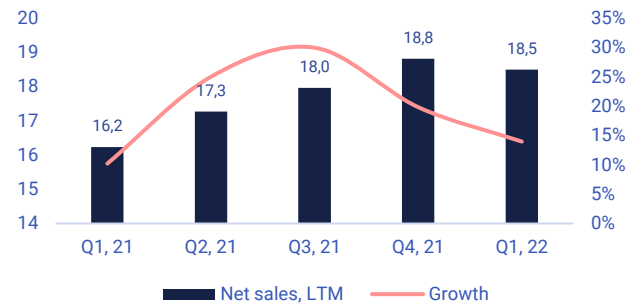
In the end, it's net sales that matter. In the past quarter, net sales fell by 7.5 per cent to DKK 3.9 million. That was below our expectation of DKK 5.4 million. The negative growth was due to lower income from consultancy services. Compared to our estimate, the deviation in the outcome is explained by a lower ARPU than expected and decreased revenues from advisory services.

Net sales (DKKm) and growth (%)



Source: Company information

Net sales (DKKm) and growth (%), LTM



LTM = Last twelve months. Source: Company information

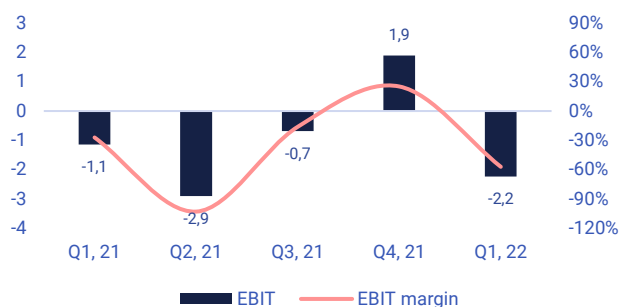
There is significant variation between quarters. That is because the company invoices on an annual basis. The large increase in the fourth quarter of 2021 is because most customers have historically started their contracts in this quarter. On

a rolling 12-month basis, net sales also declined sequentially. Year-over-year growth continues to be high, well above ten per cent. See the right chart above.

Lower operating costs

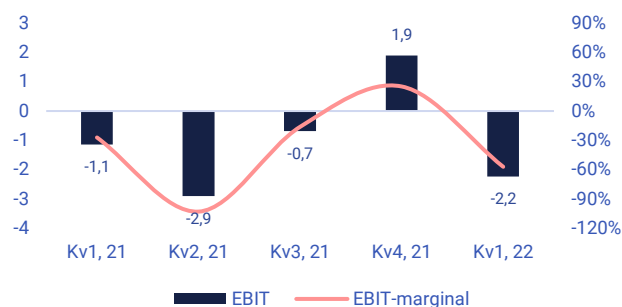
Operating profit came in at minus DKK 2.2 million. Our forecast was minus DKK 1.2 million. Lower revenues explain the deviation. As a percentage of net sales, the cost item Other operating expenses were slightly lower than anticipated.

EBIT (DKKm) and margins (%)



Source: Company information and Carlsquare estimates

EBIT (DKKm) and margins (%), LTM

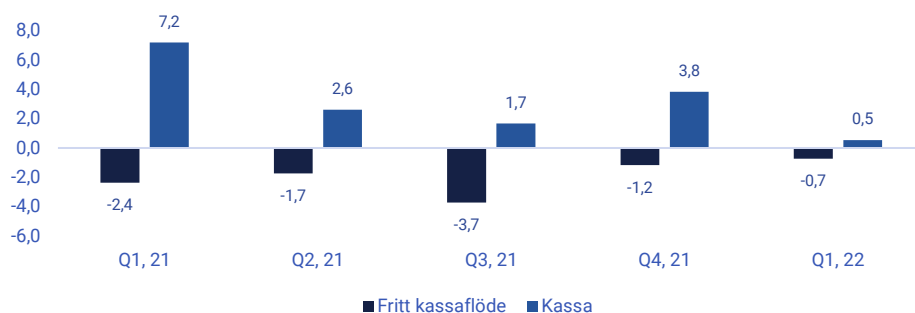


LTM = Last twelve months. Source: Company information

Cash flow and liquidity

During the past quarter, free cash flow amounted to minus DKK 0.7 million, corresponding to approximately 43 per cent of the EBITDA result. Cash and cash equivalents amounted to DKK 0.5 million. Historically, the company has worked out its financing to run the business through loans rather than share issues. That is also something we expect to be possible in the coming quarters.

Cash flow and cash balance (DKKm)

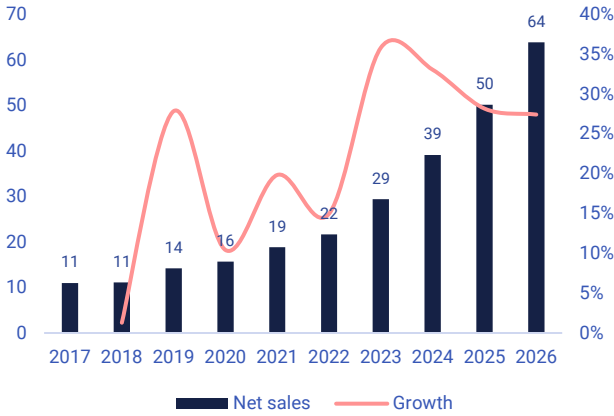


Source: Company information

However, it should be noted that the group's equity may become negative in the near future. At group level, equity was negative for three quarters in 2020.

Equity story in six charts

Good growth prospects with new product in large market



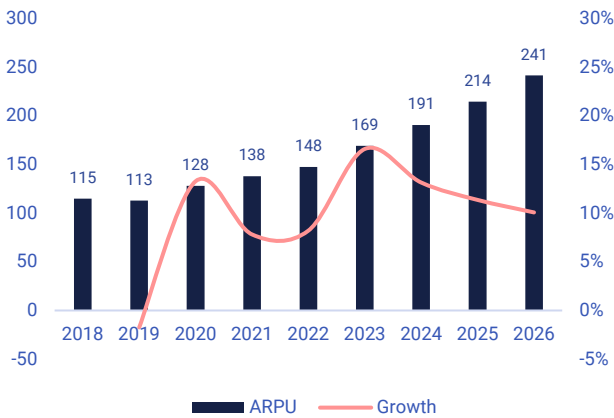
DKK millions. Source: Company information and Carlsquare estimates

High proportion of recurring revenue



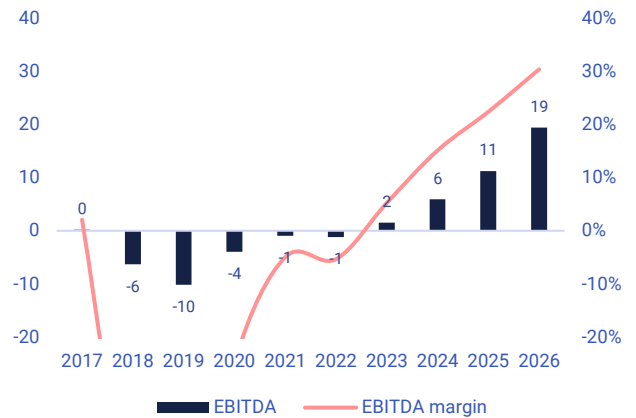
DKK millions. Source: Company information and Carlsquare estimates

Higher ARPU with upsales and new service



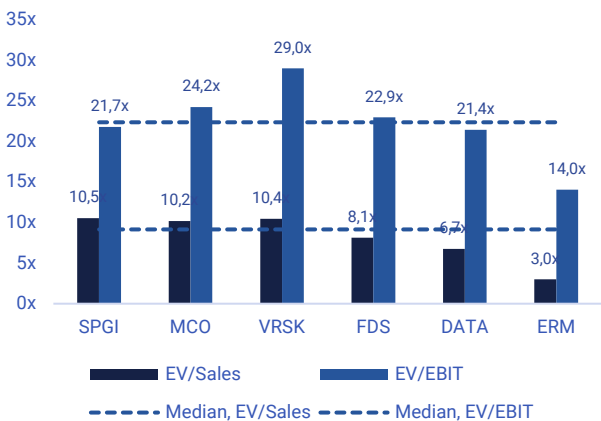
DKK millions. Source: Company information and Carlsquare estimates

Close to break-even with good margin potential over time



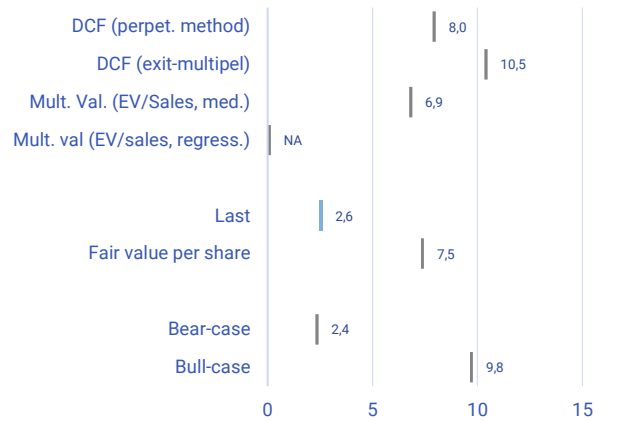
DKK millions. Source: Company information and Carlsquare estimates

High valuation multiples for Intelligence providers



Source: S&P Capital IQ

Fair value within a range



DKK per share. Source: Carlsquare estimates

Investment case, estimates and valuation

Risk Intelligence is a well-established provider to the maritime industry, including oil and gas, of its risk system and associated consultancy services. Historically, growth has been driven by (i) new customers and (ii) increased ARPU. We expect this pattern to continue while LandRisk Logistics can contribute to both growth and profitability. In our base case, we calculate a fair value of DKK 7.5 per share (9.3), corresponding to an EV/Sales of 6.4x in 2022. The median value of the peer group related to EV/Sales in 2022 is 8.3 x. The share is trading at 2.0x.

Sustained growth, scalability, and profitability

Risk Intelligence's revenues consist mainly of recurring revenues contracted for 12 months. We believe that recurring (system) revenue drives the value of Risk Intelligence. Recurring revenue is valuable because it creates predictability in the revenue stream. That is typically also reflected in the revenue-based valuation multiples, such as EV/Sales or P/S. We see good prospects for the company to grow to improved profitability. Our scenario is based on upselling to existing customers on MaRisk and PortRisk and the migration of new customers from competing solutions. However, the most critical factor for future growth is the launch of LandRisk Logistics. In our scenario, the two growth factors result in higher ARPU, enabling scalability and increasing profitability over time.

- **History demonstrates abilities.** Risk Intelligence was founded in 2001 and has since become one of the leading providers of risk intelligence to the maritime industry. That is proven by its historical growth and impressive list of reference clients. The low number of cancelled contracts is also a confirmation of the company's capabilities.
- **Recurring revenue on long-term contracts.** Annual recurring system revenues on long-term contracts (12 months) amounted to DKK 14.8 million by the end of the first quarter of 2022. With a high proportion of recurring revenue, the predictability of revenue flows is increased, a highly valued feature by investors.
- **A new market.** The launch of the LandRisk Logistics application has good potential in a multi-billion-dollar market. It is not an easy task, but the product development has been done in collaboration with the customer Sony, which means that the solution includes features in demand. We believe Land-Risk Logistics will become a key factor in accelerating growth.
- **A higher ARPU offers good prospects for profitability.** The assumed growth of LandRisk Logistics will significantly increase the company's average revenue per customer. An improved ARPU and more extensive use of artificial intelligence will pave the way for good profitability over time.
- **Low valuation compared to reference group.** Risk Intelligence currently trades at an EV/Sales multiple on our 2022 estimate of 2.0x. Our peer group, which consists of actionable intelligence providers with a similar business model, such as FactSet and S&P Global, trades at 8.3x. Our fair value of DKK 7.5 per share represents a good upside and corresponds to an implied EV/Sales multiple 2022 of 6.4x. It is nevertheless a discount to the reference group justified by uncertainty in our estimates given the new launch of LandRisk Logistics as well as the fact that Risk Intelligence is not profitable at the moment, size and therefore profitability prospects.

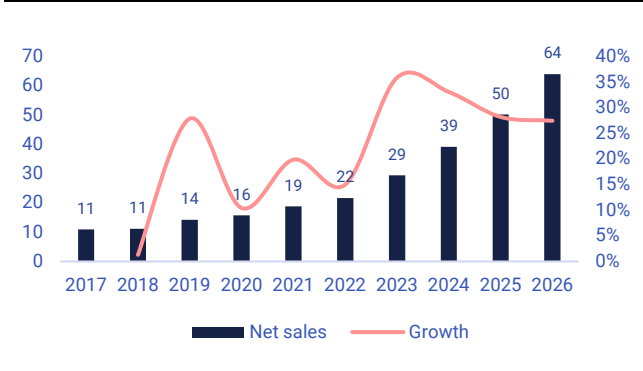
Assumptions and estimates

New growth initiatives will increase net sales

On the back of the outcome of net sales in the first quarter, we have adjusted the revenue forecast for 2022 downwards to DKK 21.6 million. That is an adjustment of minus seven per cent. Over the entire forecast period 2022-2026, we expect an average annual growth rate of around 28 per cent. That is down from the previous research update when the corresponding figure was approximately 35 per cent. The downward adjustment is justified by a slightly weaker inflow of new customers to LandRisk Logistics to date than we initially all expected. The launch is still in the early stages, and our assessment could change quickly.

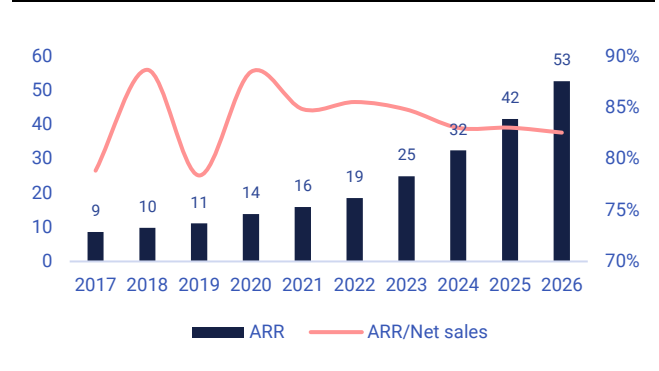
Net sales include revenues from the risk intelligence solution, risk reports and consultancy services. The company has guided for net sales of 21.5 to 23.5 DKKm during 2022.

Net sales (DKKm) and growth (%)



Source: Company information and Carlsquare estimates

Total recurring revenue (DKKm)



Source: Company information and Carlsquare estimates

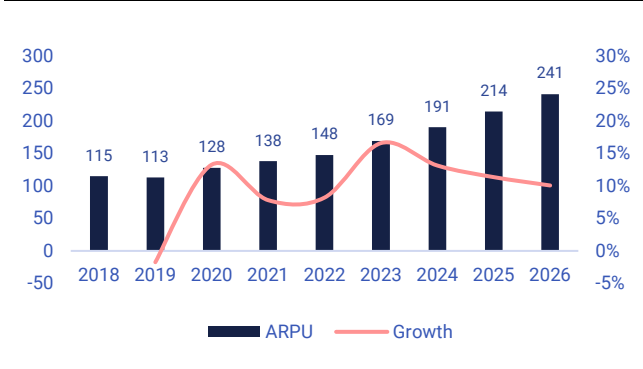
Margin potential with scalability, higher ARPU and AI

Higher revenue per employee is the key to profitability

As shown in the left chart below, we expect an ARPU of DKK 148,000 at the end of 2022. We expect an EBITDA result of minus DKK 1.2 million. That is a revision from the previous analysis update when the corresponding figure was minus DKK 3.7 million. At the same time, a higher average revenue per customer at LandRisk Logistics provides the profitability potential. In 2026, we expect the company to reach an EBITDA margin of 30.4 per cent. Lower revenue estimates result in a downward revision from the previous research update when the corresponding figure was 32.3 per cent. However, our assumption is in line with the company's previously communicated EBITDA margin target.

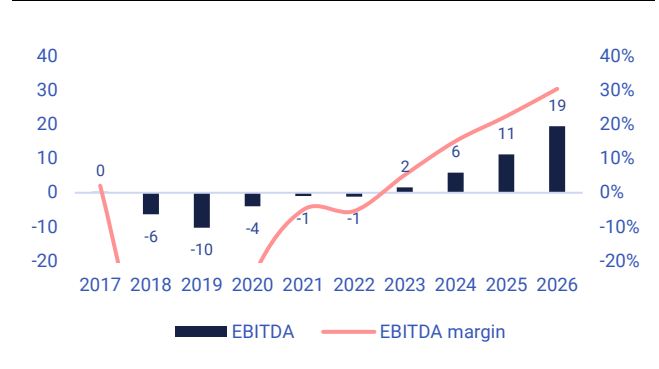
The company has guided for a negative EBITDA result in 2022. Previously, the company's long-term target for the EBITDA margin is to reach a level of at least 30 percent.

ARPU (000 DKK) and growth(%)



Source: Company information and Carlsquare estimates

EBITDA (DKKm) and margin(%)



Source: Company information and Carlsquare estimates

Fair value within a range

Low valuation, given growth potential and reference group

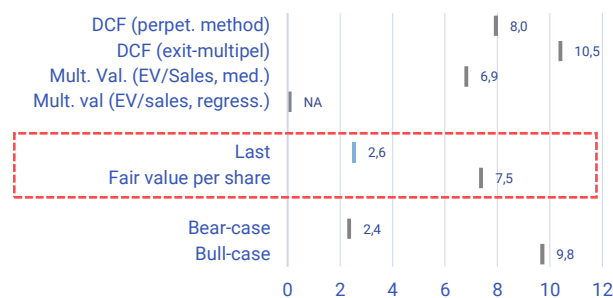
We have combined a DCF model with a multiple valuation model to calculate a fair value per share. Our DCF valuation results in a value per share of DKK 8.0-10.5. Our multiple valuation results in a value per share of DKK 6.9. Combining the lowest value in the DCF model with the multiple valuation in an average, we calculate a fair value per share of DKK 7.5 (9.3) after full funding and accompanying dilution for the next 6-12 months. The revision of the fair value is due to lower revenue and profit estimates, a higher discount rate (higher risk-free interest rate and risk premium for uncertain financing and negative equity) and a lower sector valuation.

Fair value per share (DKK), base case

Multiple valuation	6.9
DCF valuation	8.0
Fair value per share	7.5
Potential up-/down side	186%
Shares outstanding, fully financed and diluted	18.1
Shareholder value	135
Cash	6.1
Debt	24.1
PV cash from equity financing	13.8
EV	139

Source: Carlsquare estimates

Fair value within a range (DKK)



Source: Carlsquare estimates

Impied valuation multiples, base case

	NTM	2022E	2023E	2024E
EV/Sales	5,8x	6,4x	4,7x	3,6x
EV/EBITDA	NM	NM	90,7x	23,6x
EV/EBIT	NM	NM	NM	46,3x

Source: Carlsquare estimates

As shown in the table above, our valuation corresponds to a 2022 EV/Sales multiple of 6.4x. Our reference group of companies delivers processed, analysed, and tradable information providers currently trade at a median 2022 EV/Sales multiple of 8.1x and a 2024 EV/EBITDA multiple of 18.5x. Compared to the reference group, the discount is motivated by uncertainty in our estimates, current profitability and size affecting long-term profitability outlook.

DCF valuation, base case

DCF-valuation	Discount rate	Assumptions
PV(UFCF)	14.6	Risk free rate 1.6% CAGR. 2020-2026 27.7%
PV(TV)	135	Market risk premium 6.7% EBITDA-margin. 2026 30.4%
Enterprise value	150	Size premium 4.2% EBIT-margin. 2026 25.2%
Net debt (31-Dec)	-18.0	Beta 1.2x Tax rate 22.0%
Shareholder value	132	Req. return on equity 14.7%
PV(equity financing proceeds)	13.8	Implied multiples
Shareholder value, after financing	145	Tax adjust. Int. on debt 7.5% EV/Sales. NTM 6.2x
Current shares outstanding	11.1	Leverage 20.0% EV/Sales 2022 6.9x
New shares	7.1	WACC 13.2% EV/EBITDA. NTM NM
Shares outstanding after financing and dilution	18.1	EV/EBITDA 2022 NM
Value per share (before financing and dilution)	11.9	Comp. spec. premium 1.5% EV/EBIT NTM NM
Value per share (after financing and dilution)	8.0	Discount rate 14.7% EV/EBIT. 2022 NM

Source: Carlsquare estimates

Below on the left is a sensitivity analysis with the variables discount rate and assumed growth rate for calculating the terminal value.

Sensitivity analysis (DKK/share), base case

	3.0%	4.0%	5.0%	6.0%
12.7%	8.8	9.8	11.1	12.7
13.7%	8.0	8.8	9.8	11.1
14.7%	7.3	8.0	8.9	9.9
15.7%	6.7	7.3	8.0	8.9
16.7%	6.3	6.8	7.4	8.1

Discount rate on Y-axis and growth perpetuity on X-axis.
Source: Carlsquare estimates

Sensitivity analysis with an exit-multiple (DKK/aktie)

	8.9x (60%)	11.2x (50%)	13.4x (40%)	15.6x (30%)
12.7%	8.6	10.6	12.5	14.5
13.7%	8.5	10.5	12.5	14.5
14.7%	8.5	10.5	12.5	14.4
15.7%	8.5	10.4	12.4	14.4
16.7%	8.4	10.4	12.4	14.4

Discount rate on Y-axis and growth perpetuity on X-axis.
(XX%) = applied rebate on reference group's median value for EV/EBIT.
Source: Carlsquare estimates

On the right is a second sensitivity analysis of the valuation based on a DCF model with an exit multiple to calculate the terminal value - an alternative to perpetual capitalisation. For this method, we took the median EBIT multiple of the reference group, discounted the multiple by 50 per cent and applied it to the assumed EBIT result in 2026. This value is then discounted to its present value and represents the perpetuity value in the DCF model. As can be seen, this model yields a motive-rated value per share of DKK 10.5.

Below is the multiple valuation. As shown, we have applied a discount of 30 per cent due to differences in size and profitability. With expected sales of DKK 21.6 million in 2022, the multiple valuation yields a value per share of DKK 6.9 after full funding and dilution.

Multiple valuation, base case

	HQ	Mcap (DKKm)	CAGR, 2020-2023	μEBIT-marg., 2021-2023	EV/Sales, 2022
S&P Global Inc.	US	851 232	24%	51%	9,8x
Moody's Corporation	US	393 401	9%	44%	9,3x
Verisk Analytics, Inc.	US	195 891	6%	38%	9,9x
FactSet Research Systems Inc.	US	102 109	14%	35%	7,3x
GlobalData Plc	GB	11 299	10%	34%	6,3x
Euromoney Institutional Investor PLC	GB	10 113	12%	22%	2,7x
Median		149 000	11%	36%	8,3x
Average		260 674	12%	37%	7,5x
Discount	30%				
Applied EV/Sales multiple	5,8x				
Exp. sales 2022 (DKKm)	21,6				
Enterprise value	125,3				
Net debt (31-Dec)	-18,0				
Cash from equity financing	17,8				
Shareholder value, after financing	125,0				
Current shares outstanding (m)	11,1				
New shares	7,1				
Shares outstanding after financing and dilution	18,1				
Value per share (before financing and dilution)	9,7				
Value per share (after financing and dilution)	6,9				

Source: S&P Capital IQ and Carlsquare estimates

Valuation range

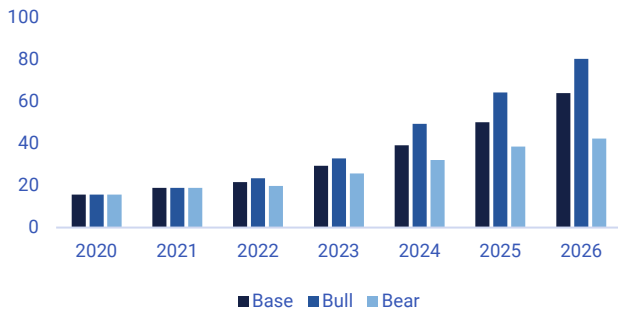
In the Bull and Bear cases, we have used our DCF (perpetual capitalisation) model but developed alternative growth and profitability curves. In the Bull scenario, we model with an average annual growth rate of 33.7 per cent (27.7 per cent in the base case). The EBITDA margin is assumed to increase to 33.1 per cent (30.4 per

cent in the base case). After full funding and dilution, a value per share of DKK 9.8 is calculated.

We model an average annual growth rate of 17.6 per cent for the Bear scenario. The EBITDA margin is assumed to increase to 24.6 per cent in 2026. After full funding and dilution, the more pessimistic scenario yields a value per share of DKK 2.4.

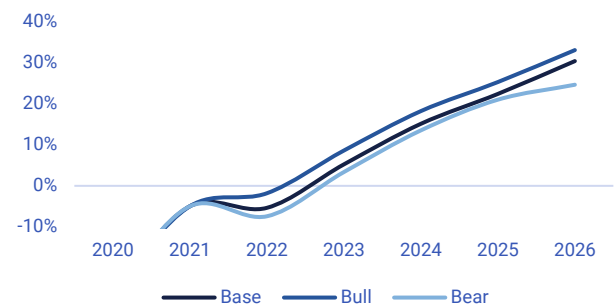
The assumed development of net sales and EBITDA margin is shown below.

Net sales (DKKm), three scenarios



Source: Company information and Carlsquare estimates

EBITDA-margin (%), three scenarios



Source: Company information and Carlsquare estimates

Risks and challenges

The LandRisk Logistics programme, an extended version of the LandRisk module, was recently launched. So far only two customers are using this application. The product launch is therefore still at an early stage, which implies considerable uncertainty. Furthermore, the pricing of the product is uncertain, sales cycles are long and new potential customers often require tailor-made solutions, which implies resource requirements from both sides. The competitive situation is also complex. The solution faces competition from related systems, such as Fleet Management systems, which have overlapping functions.

When the company set a new strategy in 2017, the goal was to have over DKK 30 million in revenue by 2020. The strengthened offering, including the LandRisk module, and intensified sales and marketing efforts were expected to be the main growth drivers. Growth of 27.9 per cent in 2019 was strong, resulting in total revenue of DKK 14.2 million. Although Covid had a negative impact on the outcome, and the target of DKK 30 million in net sales in 2020 was not achieved. That is also an example that illustrates this uncertainty and factors outside the company's control that can have a negative impact on the outcome.

A new wave of restrictions in the wake of the Covid-19 pandemic is likely to worsen market conditions and the company's ability to conduct sales. In such a scenario, accelerating growth may take longer than we had assumed.

Current geopolitical uncertainty is considered not likely to affect the company's ability to do business in its main markets. However, if the situation further escalates, the business can get hampered.

The company has been profitable for several years since its inception in 2001. Since the introduction of the new strategy in 2017/18, the company has not been profitable, which was in line with the budget. Suppose the company does not

continue to increase its average revenue per customer and/or the efficiency effects of AI and machine learning are overestimated. In that case, profitability may not reach the expected levels.

We model that the company is cash flow positive from operations in 2024. In 2021 the company invested DKK 2.9 million. We assume investments will fall to DKK 2.1 million in 2022. As investments should be taken in the development of LandRisk Logistics, we have assumed investments to continue to fall until the end of the projected period, 2026.

To meet its debt commitments and deliver on growth prospects, we have assumed that the company will raise approximately DKK 15m in equity and DKK 15m in debt during 2022-2023. This is in addition to the outstanding warrants. If equity is not issued, the company risk negative shareholders' equity on the balance sheet over a longer period. Negative shareholders' equity on group level can be the case already this quarter.

Nevertheless, in our scenario, the share issue is conducted first in 2023 as investors in Denmark typically have a different view on this. For example, in 2020 shareholders' equity was negative.

Metrics and financials

Key metrics

	2020	2021	2022	2023	2024	2025	2026
Per share							
EPS	-0.66	-0.33	-0.45	-0.27	0.01	0.26	0.64
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BVPS		0.4	0.0	0.7	0.7	1.0	1.7
Valuation (curr.)							
P/E	NM	NM	NM	NM	319.2x	10.2x	4.1x
P/B	NM	5.9x	NM	2.5x	2.3x	1.6x	0.9x
EV/Sales	2.7x	2.2x	2.0x	1.4x	1.1x	0.8x	0.7x
EV/EBITDA	NM	NM	NM	27.5x	7.1x	3.8x	2.2x
EV/EBIT	NM	NM	NM	NM	14.0x	5.2x	2.6x
Other							
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	-20.7%	-9.9%	-19.8%	-22.0%	11.4%	28.0%	59.7%

Source: Company information and Carlsquare

Income statement (MDKK), quarterly

	2021, Q1	2021, Q2	2021, Q3	2021, Q4	2022, Q1	2022, Q2	2022, Q3	2022, Q4
Net sales	4.2	2.8	4.2	7.5	3.9	3.7	5.2	8.9
Total Sales	4.2	2.8	4.2	7.5	3.9	3.7	5.2	8.9
Other operating expenses	-1.5	-1.6	-1.5	-1.7	-1.7	-2.0	-1.8	-1.9
Gross profit	2.7	1.2	2.8	5.9	3.1	1.6	3.4	7.0
Staff costs	-3.4	-3.7	-3.0	-3.4	-3.9	-4.0	-3.5	-4.0
Dep. and amort.	-0.5	-0.5	-0.5	-0.5	-0.6	-0.7	-0.5	-0.7
Other expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	-5.4	-5.7	-4.9	-5.6	-6.2	-6.7	-5.8	-6.6
EBIT	-1.1	-2.9	-0.7	1.9	-2.2	-3.0	-0.6	2.3
EBITDA	-0.7	-2.5	-0.2	2.4	-1.7	-2.4	-0.1	3.0
EBT	-1.6	-3.4	-1.1	1.3	-2.8	-3.8	-1.3	1.5
Net profit	-1.1	-2.7	-0.9	1.5	-2.3	-3.0	-1.0	1.2
Earnings per share (DKK)	-0.11	-0.26	-0.08	0.13	-0.20	-0.27	-0.09	0.10

Source: Company information and Carlsquare

Income statement (DKKm)

	2020	2021	2022	2023	2024	2025	2026
Net sales	15.7	18.8	21.6	29.4	39.1	50.1	63.9
Other revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	15.7	18.8	21.6	29.4	39.1	50.1	63.9
Other operating expenses	-6.5	-6.2	-7.5	-8.5	-11.1	-14.0	-17.5
Gross profit	9.2	12.6	14.2	20.9	28.0	36.1	46.4
Staff costs	-13.1	-13.5	-15.3	-19.4	-22.1	-24.9	-27.0
Dep. and amort.	-1.8	-1.9	-2.5	-2.7	-2.9	-3.1	-3.3
Other expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	-21.4	-21.7	-25.2	-30.5	-36.1	-42.0	-47.8
EBIT	-5.7	-2.8	-3.6	-1.1	3.0	8.1	16.1
EBITDA	-3.9	-0.9	-1.2	1.5	5.9	11.2	19.4
Financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial costs	-2.1	-1.9	-2.7	-3.0	-2.7	-2.2	-1.1
Net finances	-2.0	-1.9	-2.7	-3.0	-2.7	-2.2	-1.1
EBT	-7.8	-4.8	-6.4	-4.1	0.3	5.9	15.0
Tax	1.8	1.2	1.2	0.9	-0.1	-1.3	-3.3
Net loss/profit	-6.0	-3.6	-5.2	-3.2	0.2	4.6	11.7
Earnings per share	-0.7	-0.3	-0.5	-0.3	0.0	0.3	0.6
Shares, EoP	9.1	11.1	11.1	17.6	18.0	18.4	18.7
Growth	2020	2021	2022	2023	2024	2025	2026
Net sales	10.4%	19.8%	15.0%	35.8%	33.1%	28.2%	27.4%
Total Sales	10.4%	19.8%	15.0%	35.8%	33.1%	28.2%	27.4%
Bruttoresultat	162.3%	37.1%	12.7%	47.5%	33.9%	29.0%	28.3%
EBIT	49.9%	50.4%	-26.9%	68.9%	368.1%	169.4%	98.4%
EBITDA	61.3%	76.2%	-23.7%	232.6%	284.6%	89.9%	73.0%
EBT	36.8%	38.8%	-33.4%	35.6%	107.2%	1926.0%	151.9%
Net loss/profit	38.0%	39.4%	-42.7%	38.0%	107.2%	1926.0%	151.9%
Earnings per share	42.1%	50.0%	-37.4%	41.7%	103.1%	2985.5%	149.8%
Margins	2020	2021	2022	2023	2024	2025	2026
Gross profit	58.5%	66.9%	65.5%	71.2%	71.6%	72.1%	72.6%
EBIT margin	-36.5%	-15.1%	-16.7%	-3.8%	7.7%	16.2%	25.2%
EBITDA margin	-25.1%	-5.0%	-5.4%	5.2%	15.1%	22.4%	30.4%
EBT margin	-49.6%	-25.3%	-29.4%	-13.9%	0.8%	11.9%	23.4%
Profit margin	-38.0%	-19.2%	-23.8%	-10.9%	0.6%	9.3%	18.3%

Source: Company information and Carlsquare

Balance sheet (DKKm)

	2020	2021	2022	2023	2024	2025	2026
ASSETS							
Tot. intangible assets	10.6	11.6	11.3	10.5	9.5	8.3	7.1
Tot. tangible assets	1.5	1.5	1.9	2.1	2.1	1.9	1.6
Tot. financial assets	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Tot. other fixed assets	12.5	13.5	13.5	13.0	12.0	10.7	9.1
Accounts Receivables	4.5	5.2	5.5	7.2	9.5	12.1	15.4
Other receivables	0.0	0.1	0.0	1.2	1.2	1.2	1.5
Tax	1.8	2.3	1.7	0.9	0.2	0.2	0.2
Deferred tax	3.7	4.4	5.8	6.7	6.6	5.3	2.0
Accruals	1.0	0.9	1.8	2.3	3.1	3.9	5.0
Cash	0.6	3.8	6.1	9.3	8.0	1.4	14.8
Total current assets	11.6	16.7	20.9	27.6	28.5	24.1	38.8
Total assets	24.1	30.2	34.5	40.7	40.5	34.7	48.0
EQUITY							
Total equity	-2.5	4.9	-0.1	11.6	12.7	18.2	30.8
DEBT							
Debt to credit institutions	4.8	3.5	17.5	16.8	16.0	5.3	4.5
Debt to shareholders & management	6.3	5.1	4.0	2.7	1.3	0.0	0.0
Total long term liabilities	11.2	8.5	21.6	19.5	17.4	5.3	4.5
Short-term part of long-term debt	1.6	2.8	2.5	2.5	2.5	2.5	2.5
Trade payable	1.2	1.0	1.9	2.5	3.3	4.2	5.3
Payables to subsidiaries	0.5	0.2	0.2	0.2	0.2	0.2	0.2
Lease obligations	0.7	0.6	0.6	0.6	0.6	0.6	0.6
Shareholders & management	3.9	6.0	-0.1	-0.1	-0.1	-0.1	-0.1
Other payables	3.7	2.5	5.7	1.7	1.9	2.0	2.5
Credit institutions	2.8	3.0	2.2	2.2	2.2	2.2	2.2
Accrued exp. and prepaid income	1.1	0.7	0.0	-0.1	-0.2	-0.3	-0.5
Tot. short-term debt	15.4	16.8	13.0	9.5	10.4	11.2	12.7
Total debt	26.6	25.3	34.6	29.0	27.8	16.5	17.2
Tot. equity and debt	24.1	30.2	34.5	40.7	40.5	34.7	48.0
Liquidity							
Current ratio	0.8	1.0	1.6	2.9	2.7	2.1	3.1
Cash ratio	0.2	0.3	0.4	0.7	0.6	0.5	0.2
Leverage							
Net debt(-)/Net cash(+)	-12.1	-7.5	-18.0	-12.7	-11.9	-6.4	7.8
Net debt/EBITDA	NM	NM	NM	825%	201%	57%	NM
Net debt/Equity	NM	154%	NM	109%	94%	35%	NM
Debt/Equity	NM	518%	NM	250%	219%	91%	56%
Assets/Equity	NM	16%	NM	29%	31%	52%	64%
Efficiency							
ROA	Neg.	Neg.	Neg.	Neg.	0.6%	13.4%	24.4%
ROE	Neg.	Neg.	Neg.	Neg.	1.9%	30.0%	47.7%
ROIC	Neg.	Neg.	Neg.	Neg.	7.5%	24.4%	33.2%

Source: Company information and Carlsquare

Cash flow (DKKm)

	2020	2021	2022	2023	2024	2025	2026
CF operating activities	-6.0	-2.9	-5.7	-6.4	3.3	8.1	17.3
Delta WC	-1.4	-3.3	-0.4	-1.1	-1.5	-1.7	-2.2
CF operating activities	-7.4	-6.1	-6.1	-7.5	1.8	6.4	15.1
CF investing activities	-2.2	-2.9	-2.1	-1.7	-1.4	-1.3	-1.3
CF financing activities	9.3	12.2	10.4	12.4	-1.7	-11.7	-0.4
Cash flow	-0.2	3.2	2.2	3.2	-1.3	-6.6	13.4
Cash, BoP	0.8	0.6	3.8	6.1	9.3	8.0	1.4
Cash, EoP	0.6	3.8	6.1	9.3	8.0	1.4	14.8
Other							
CF operating activities/Net sales	-47%	-32%	-28%	-25%	5%	13%	24%
CF operating activities/Total assets	-31%	-20%	-18%	-18%	4%	18%	32%

Source: Company information and Carlsquare

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