

## Research update: Q4 2022

### ADVERTLY AB

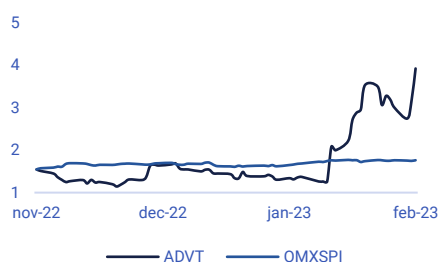
Advertly offers a solution for game developers to generate revenue from its games through ads that are integrated into the game environment, so-called in-game ads.

CEO: Jonas Söderqvist  
CoB: Joachim Roos  
[www.advertly.com](http://www.advertly.com)

List: NGM Nordic SME  
Last: 3,9 SEK  
Market cap: 125 SEKm  
Enterprise value: 123 SEKm

Bloomberg: ADVT:SS  
Refinitiv Eikon: ADVT.ST

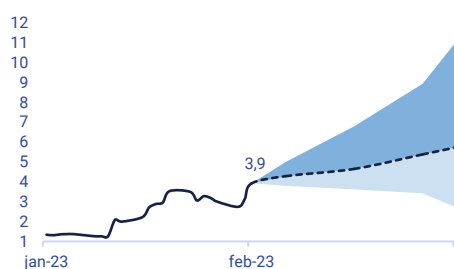
### SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	1	201	24	199

Source: S&P Capital IQ

### VALUATION INTERVAL



	BEAR	BAS	BULL
Fair value (SEK)	2.7	5.7	11.0
Up-/downside (%)	-32	46	181

Source: S&P Capital IQ and Carlsquare estimates

### CARLSQUARE EQUITY RESEARCH

Markus Augustsson  
Head of Equity Research

Bertil Nilsson  
Senior Equity Analyst

## Increased value after topped expectations

Advertly delivered a robust Q4 2022 report with revenues and profitability above our expectations. The substantial increase in gross margin significantly improves the profitability outlook. We raise our justified value per share to SEK 5.7 (4.9) in a base case scenario.

### Revenue and profitability above expectations

Advertly delivered a strong report for the fourth quarter of 2022, with net sales up 197 per cent to SEK 8.6 million, well above our forecast of SEK 6.0 million. Two key growth drivers are; (i) the number of games and (ii) the ad space fill rate. In 2022, the number of mobile games in the company's ad network nearly doubled to 250. In parallel, full-year net revenue grew 250 per cent. That indicates that more ad space is being filled with ads. In light of this, we see good prospects for continued growth as the market matures.

On a year-on-year basis, the gross margin increased in the fourth quarter of 2022 by a whopping 21.4 percentage points to 44.0 per cent. We had anticipated a gross margin of 22.6 per cent. That is an effect of scalability in the platform ad server. That can possibly also be explained by the company no longer making payments to users for their use of the platform. If the gross margin can remain at these levels, the profitability outlook will improve significantly. With revenue sharing at, on average, 50 per cent (part of Raw materials and consumables), it is doubtful whether the gross margin can be normalised around the levels reported in the past quarter. Therefore, we leave our assumption of a normalised gross margin of 40 per cent over time for now.

The EBITDA result for the fourth quarter of 2022 landed at minus SEK 2.9 million. That compares to our estimate of minus SEK 4.2 million. Free cash flow amounted to minus SEK 7.4 million. At the end of January 2023, it was announced that a loan of SEK 8 million had been raised. We estimate the current cash on hand at around SEK 9 million.

### Good prospects translated into high growth expectations

In light of the outcome for the fourth quarter of 2022, we have slightly upwards revised our revenue and profitability estimates. We expect a continued rapid growth rate in the coming years, corresponding to a CAGR 2022-2025 of a robust 123 per cent. In 2023, we expect the gross margin to rise to 38.8 per cent, compared to 28.4 per cent in 2022. We expect a positive EBITDA result in 2025. Over time, we expect the EBITDA margin to increase to 14.5 per cent. If the strength and value of the patents can be made clear, a significant upside is created in our forecasts and valuation.

### Upwards revised fair value

Combining a DCF model with a multiple valuation, a fair value of SEK 5.7 per share (4.9) is calculated for the next 6-12 months. Our valuation corresponds to an EV/Sales multiple 2023 of 4.7x and a valuation multiple on expected sales adjusted for revenue sharing (50 per cent) 2024 of 4.2x. The peer group, consisting of companies in Adtech, is currently trading at an EV/Sales multiple 2023 of 3.8x.

### Key figures (SEKm)

	2020	2021	2022	2023E	2024E	2025E
Net sales	0.7	4.8	16.7	42.9	94.8	184
Gross profit	-1.4	-2.9	5.3	17.2	38.0	74.3
EBITDA	-14.9	-21.8	-19.4	-9.6	-2.2	17.1
EBIT	-15.1	-22.0	-24.3	-11.4	-4.0	15.3
EBT	-15.1	-22.0	-24.3	-12.5	-5.1	13.6
EPS	-0.74	-0.97	-0.76	-0.39	-0.14	0.35
Growth, revenue	268%	593%	250%	157%	121%	94%
Gross margin	-76.0%	-54.1%	30.8%	39.6%	39.9%	40.2%
EBITDA margin	-833%	-411%	-112%	-22.2%	-2.3%	9.2%
EBIT-margin	-843%	-415%	-140%	-26.3%	-4.2%	8.3%
EV/Sales	406x	20.0x	2.0x	2.3x	1.0x	0.5x
EV/EBITDA	NM	NM	NM	NM	NM	5.8x
EV/EBIT	NM	NM	NM	NM	NM	6.4x
P/E	NM	NM	NM	NM	NM	8.9x

Source: Company information and Carlsquare estimates

## Investment case

Adtech company Adverty has developed a solution for in-game ads – ads integrated into the environment of games on mobile platforms and PC. The underlying market is anticipated to grow at an average annual rate of 11.1 per cent over the next few years. A key component of the company’s solution is the patented method for measuring and assessing the visibility of ads in 3D games, in line with current guidelines. That creates an excellent opportunity for the company to grow significantly faster than the market. The company has left the starting blocks, and in a base case scenario, a fair value of SEK 5.7 per share (4.9) is estimated for the next 6-12 months.

### Growth and margin expansion create upside

In 2023, we expect growth of 157 per cent, which is somewhat below the company’s guidance. However, investors’ expectations are even lower, given the current market valuation. In a base case scenario, a fair value of SEK 5.7 per share is calculated, corresponding to an EV/Sales multiple in 2023 of 4.7x and 4.2x adjusted sales in 2024. That compares to the peer group, which trades at an EV/Sales 2023 of 3.8x.

The company’s net sales equal the sum of the advertising revenues. On average, 50 per cent of the net sales is shared with the customers as part of the business model. Adjusted sales thus represent the company’s share of net sales.

- **Benefits of in-game ads.** In-game ads are integrated into the game environment, for example, via billboards in the game’s background. As a natural part of the game, in-game ads are not perceived to interfere with the gaming experience to the same extent as traditional interstitial ads or banners. However, there is a drawback to in-game ads. It isn’t easy to measure its effectiveness with conversion metrics. Therefore, brand awareness and education are the main objectives of in-game ads.
- **The establishment of guidelines is expected to boost the market.** The market for in-game ads can be considered to be in its infancy. We believe that ambiguities around when an ad can be classified as visible, categorised as a view and trigger a payment largely explain this. The industry body IAB has recently published guidelines on what is required for an in-game ad in 3D games to be classified as visible and classified as an actual viewing (and thus trigger payment). We believe this could increase interest in in-game ads and drive the market and the company’s growth over the coming years.
- **Patented method/technology, a hidden value.** The company’s method for determining whether an object in a 3D environment is visible (in line with the IAB guidelines) is patented. Given that the patent is strong enough, it should provide a clear advantage as the market grows, with measurability as one of the drivers. The patent is an asset that is currently hard to value but could prove to be a hidden asset that takes the company to the top. When signs (for example, strong market share growth or a takeover bid) that such a scenario may become a reality, a clear upside is created in both forecasts and valuation.
- **Rapid growth, improved gross margin and scalability.** Although the value of the patent is still largely unproven, we expect strong growth in the coming years. Over the forecast period, 2022-2032, we expect an average annual growth rate of 40.2 per cent. With scalability and an improving gross margin, which in our scenario rises to 40 per cent, the company can reach profitability by 2025. Over time, we expect the EBITDA margin to increase to 14.5 per cent by 2032.

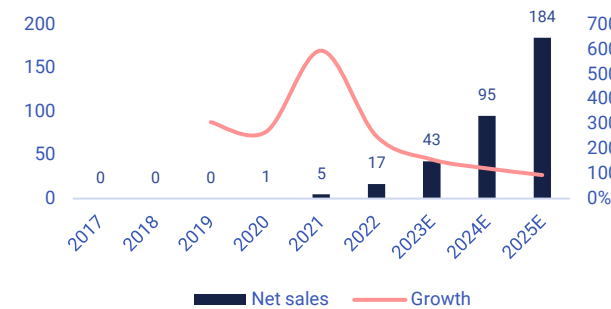
## Assumptions and estimates

### A strong market position creates good growth prospects

We expect a CAGR, 2022-2025, of a substantial 123 per cent. Over the entire forecast period, 2022-2032, we expect an average annual growth rate of 40 per cent. Advert's strong anticipated growth is motivated by its position in a large market and relatively low starting values.

Over the entire forecast period, 2023-2032, we expect an average annual growth rate of 40 per cent.

#### Net sales (SEKm) and growth (%)



Source: Company information and Carlsquare estimates

#### Gross profit (SEKm) and margin (%)



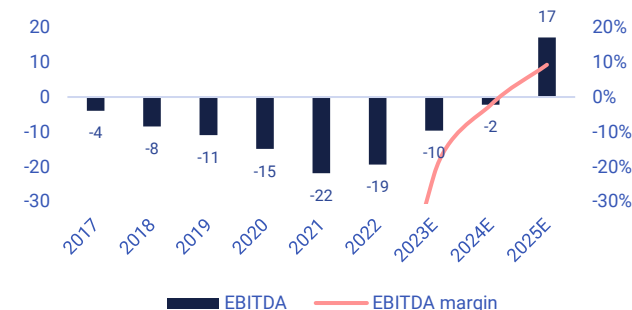
Gross profit = total revenue less raw materials and supplies and revenue sharing. Source: Company information and Carlsquare estimates

With good scalability in the company's ad server, we expect the gross margin to rise relatively quickly to 40 per cent. That is significantly lower than traditional software companies, which typically range between 60-90 per cent. The deviation is explained by the company's revenue-sharing model (50 per cent).

### Profitability and facilitated cash flow

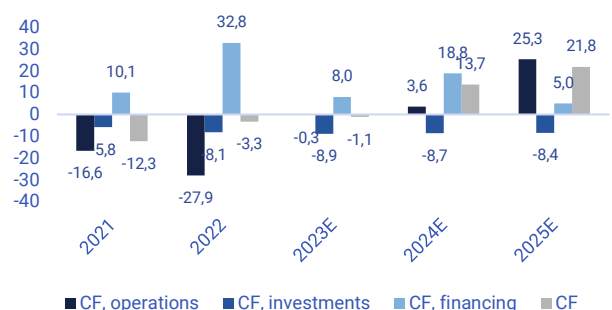
With an already relatively large cost base, we expect the company to achieve a positive EBITDA result in 2025 of SEK 17 million, corresponding to a margin of 9.2 per cent. By 2032, we expect the EBITDA margin to rise to 14.5 per cent. That compares to software companies that typically range between 20-25 per cent. A lower gross margin explains the difference.

#### EBITDA (SEKm) and margin (%)



Källa: Bolagsinformation and Carlsquare prognoser

#### Cash flow (SEKm)



Source: Company information and Carlsquare estimates

The company aims to be cash flow positive by 2023. However, we anticipate that the company will need to raise new capital in early 2024. At the same time, it cannot be ruled out that additional external capital may be needed in the current year. Following the loan raised in January 2023, the funding risk has come down.

## Fair value within a range

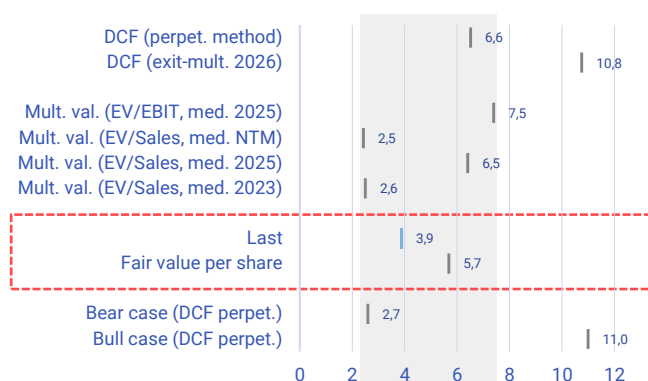
Combining a DCF valuation with a multiple valuation, a fair value per share of SEK 5.7 (4.9) is calculated for the next 6-12 months in a base-case scenario. That corresponds to an upside of approximately 46 per cent. The valuation is based on an assumption of solid growth and a rapidly increasing gross margin. The revision of fair value is partially due to higher estimates and reduced financing risk.

### Fair value, base case scenario

Valuta, SEK		1.0
Mult. val. (EV/Sales, med. NTM)	SEK	2.5
Mult. val. (EV/Sales, med. 2025)	SEK	6.5
Mult. val. (EV/EBIT, med. 2025)	SEK	7.5
DCF valuation	SEK	6.6
Fair value per share	SEK	<b>5.7</b>
Potential up-/downside		46%
Shares outstanding, fully financed, and diluted	M	37
Shareholder value	SEKm	<b>214</b>
Cash (last rep. Q)	SEKm	1.9
Debt (last rep. Q)	SEKm	0.6
PV cash from equity financing	SEKm	11
EV	SEKm	<b>200</b>

Source: Carlsquare estimates

### Fair value within a range (SEK/share)



Source: Carlsquare estimates

### Implied valuation multiples, base case scenario

	NTM	2021	2022	2023E	2024E	2025E
EV/Sales	4.7x	42.0x	12.0x	4.7x	2.1x	1.1x
EV/Adj. sales	9.3x	84.0x	24.0x	9.3x	4.2x	2.2x
EV/EBITDA	NM	NM	NM	NM	NM	11.7x
EV/EBIT	NM	NM	NM	NM	NM	13.1x
P/E	NM	NM	NM	NM	NM	16.2x

\* Adjusted sales refer to reported net sales reduced by 50 per cent, corresponding to the prevailing revenue sharing ratio. Source: Carlsquare estimates

## DCF valuation

### DCF-valuation, base case scenario

DCF						
PV(UFCF)	SEKm	102	Disc. rate			
PV(TV)	SEKm	129	Risk free rate	1.9%	Tax adj. inter. on debt	10.1%
Enterprise value	SEKm	232	Market risk premium	6.7%	Leverage	0.0%
Net cash(+), last Q	SEKm	1.3	Size premium	4.2%	WACC	15.0%
Value, associated comps.	SEKm	0.0	Beta	1.2x	Comp. spec. premium	0.0%
Value, minority interest	SEKm	0.3	Req. return on equity	15.0%	<b>Discount rate</b>	<b>15.0%</b>
Shareholder value	SEKm	233	<b>Assumptions</b>			
PV(equity financing proceeds)	SEKm	11	CAGR, 2022-2032	40.2%		
Shareholder value, after financing	SEKm	245	EBITDA-margin, 2032	14.5%		
Current shares outstanding	M	32	EBIT-margin, 2032	13.5%		
New shares	M	5.5	Tax rate	20.6%		
Shares outstanding after financing and dilution	M	37	<b>Implied multiples</b>			
Value per share (before financing and dilution)	SEK	7.3	EV/Sales, NTM	5.4x	EV/EBITDA, NTM	NM
Value per share (after financing and dilution)	SEK	6.6	EV/Sales, 2023E	5.4x	EV/EBITDA, 2023E	NM
Currency	SEK/SEK	1.0	P/S, NTM	5.4x	EV/EBIT, NTM	NM
Value per share (before financing and dilution)	SEK	7.3	P/S, 2023E	5.4x	EV/EBIT, 2023E	NM
<b>Value per share (after financing and dilution)</b>	<b>SEK</b>	<b>6.6</b>	EV/Gross prof., NTM	13.5x	P/E, NTM	NM
Potential up-/downside		67%	EV/Gross prof., 2023E	13.9x	P/E, 2023E	NM

Source: Carlsquare estimates

## Multiple valuation

### Multiple valuation median EV/Sales NTM, base case scenario

	HQ	Mcap (SEKm)	CAGR, 2022-2025E	μEBITDA-m., 2023-25E	EV/Sales, NTM
The Trade Desk, Inc.	US	20 534	28%	13%	13.2x
DoubleVerify Holdings, Inc.	US	3 388	29%	25%	7.7x
Magnite, Inc.	US	1 322	19%	9%	3.8x
PubMatic, Inc.	US	630	16%	13%	2.1x
YOC AG	DE	46	NA	11%	NA
Bidstack Group Plc	GB	41	165%	NA	3.6x
Median		1 322	23%	13%	3.7x
Average		5 184	23%	14%	5.3x
<b>Discount</b>					
Discount					0.0%
Applied multiple					3.7x
Adjusted sales, NTM*	SEKm				21.4
Enterprise value	SEKm				79.6
Net cash(+), last Q	SEKm				1.3
Value, associated comps.	SEKm				0.0
Value, minority interest	SEKm				0.3
PV(Cash from equity financing)	SEKm				11.2
Shareholder value, after financing	SEKm				92
Current shares outstanding	M				32
New shares	M				5.5
Shares outstanding after financing and dilution	M				37
Value per share (before financing and dilution)	SEK				2.5
Value per share (after financing and dilution)	SEK				2.5
Exchange rate	SEK/SEK				1.0
Value per share (before financing and dilution)	SEK				2.5
<b>Value per share (after financing and dilution)</b>	<b>SEK</b>				<b>2.5</b>

\*Adjusted net sales refer to reported net sales reduced by 50 per cent, corresponding to the current revenue sharing ratio. Source: S&P Capital IQ and Carlsquare estimates

### Multiple valuation median EV/Sales 2025, base case scenario

	HQ	Mcap (SEKm)	CAGR, 2022-2025E	μEBITDA-m., 2023-25E	EV/Sales, NTM
The Trade Desk, Inc.	US	20 534	28%	13%	11.9x
DoubleVerify Holdings, Inc.	US	3 388	29%	25%	6.8x
Magnite, Inc.	US	1 322	19%	9%	3.8x
PubMatic, Inc.	US	630	16%	13%	2.0x
YOC AG	DE	46	NA	11%	2.0x
Bidstack Group Plc	GB	41	165%	NA	3.6x
Median		1 322	23%	13%	3.7x
Average		5 184	23%	14%	5.3x
<b>Discount</b>					
Discount					0.0%
Applied multiple					3.7x
Adjusted sales, 2025E*	SEKm				92
Enterprise value	SEKm				342
PV(Enterprise value)	SEKm				228
Net cash(+), last Q	SEKm				1.3
Value, associated comps.	SEKm				0.0
Value, minority interest	SEKm				0.3
PV(Cash from equity financing)	SEKm				11.2
Shares outstanding (after financing and dilution)	SEKm				241
Current shares outstanding (m)	M				31.8
New shares	M				5.5
Shares outstanding after financing and dilution	M				37.3
Value per share (before financing and dilution)	SEK				7.2
Value per share (after financing and dilution)	SEK				6.5
Exchange rate	SEK/SEK				1.0
Value per share (before financing and dilution)	SEK				7.2
<b>Value per share (after financing and dilution)</b>	<b>SEK</b>				<b>6.5</b>

\*Adjusted net sales refer to reported net turnover reduced by 50 per cent, corresponding to the prevailing revenue sharing ratio. Source: S&P Capital IQ and Carlsquare estimates

**Multiple valuation median EV/EBIT 2025, base case scenario**

	HQ	Mcap (SEKm)	CAGR, 2021-2024E	μEBIT-marg., 2021-24E	EV/EBIT, NTM
The Trade Desk, Inc.	US	20 534	28%	13%	108.8x
DoubleVerify Holdings, Inc.	US	3 388	29%	25%	30.1x
Magnite, Inc.	US	1 322	19%	9%	NA
PubMatic, Inc.	US	630	16%	13%	22.0x
YOC AG	DE	46	NA	11%	18.7x
Bidstack Group Plc	GB	41	165%	NA	NM
Median		1 322	23%	13%	26.0x
Average		5 184	23%	14%	44.9x
<b>Discount</b>					
Discount					0.0%
Applied multiple					26.0x
EBIT, 2025E	SEKm				15.3
Enterprise value	SEKm				398
PV(Enterprise value)	SEKm				265
Net cash(+), last Q	SEKm				1.3
Value, associated comps.	SEKm				0.0
Value, minority interest	SEKm				0.3
PV(Cash from equity financing)	SEKm				11.2
Shares outstanding (after financing and dilution)	SEKm				278
Current shares outstanding (m)	M				31.8
New shares	M				5.5
Shares outstanding after financing and dilution	M				37.3
Value per share (before financing and dilution)	SEK				8.4
Value per share (after financing and dilution)	SEK				7.5
Exchange rate	SEK/SEK				1.0
Value per share (before financing and dilution)	SEK				8.4
<b>Value per share (after financing and dilution)</b>	<b>SEK</b>				<b>7.5</b>

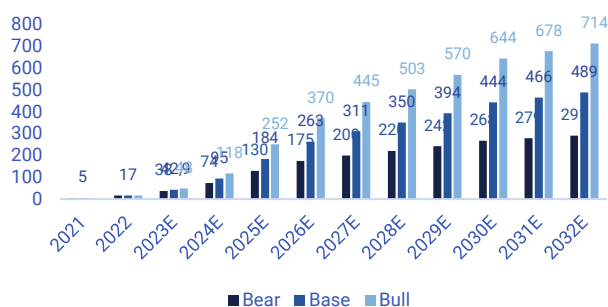
Source: S&amp;P Capital IQ and Carlsquare estimates

## Valuation range

In the Bull and Bear scenarios, we have used our DCF (perpetual capitalisation) model but developed alternative growth and profitability curves. In a more optimistic Bull scenario, we model a risk-adjusted CAGR, 2021-2032, of 45.6 per cent (base 40.2 per cent) and an EBITDA margin in 2032 of 16.7 per cent (base 14.5 per cent). In the Bull scenario, a value per share using our DCF model is calculated at SEK 11.0.

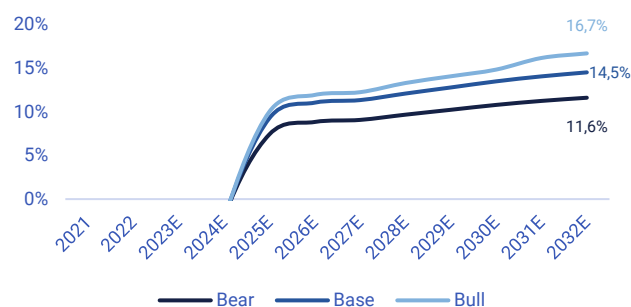
In a more defensive Bear scenario, we model a CAGR, 2021-2032, of 33.1 per cent and an EBITDA margin 2032 of 11.6 per cent. In the Bear scenario, a value per share using our DCF model is calculated at SEK 2.7.

### Net sales (SEKm)



Källa: Bolagsinformation and Carlsquare prognoser

### EBITDA-margin (%)



Source: Company information and Carlsquare estimates

## Aggressive competition, the biggest challenge

### Competition

Competition is significant, which also demonstrates the market potential. Until the first quarter of 2022, the company has reported a negative gross margin. That is large because the company paid customers (read game developers) to use Adverty's solution. The company has implemented a policy of no longer paying customers to use its solution. That is also reflected in the gross margin, which has been positive since the second quarter of 2022. However, to our knowledge, the competition continues to pay game developers to take market share.

### Patented solutions

The company's method for assessing whether an in-game ad in 3D games is visible is patented for all screens. If the patents can keep competition out, the patents are a hidden asset that will take the company to the top. At the same time, the competitors also have patented solutions for determining visibility. It is difficult to assess the strength and value of patents in this industry. Thus, we do not expect the various players' patents to be the determining factor in gaining market shares.

### Market in flux

Advertisers' ability to target digital advertising campaigns has changed. Among other things, third-party cookies and IDFA are being phased out. While new technologies have been developed to maintain the effectiveness of digital marketing, this can lead to squeezed margins for advertisers. That, in turn, may hamper the development of digital marketing, including the market for interest-based in-game ads.

### Constrained finances and uncertainty in assumptions

Today, the company is making a negative result. We expect the company to break even/slightly positive EBITDA for the first time in the fourth quarter of 2024. That can be considered conservative compared to the company's view. At the end of the fourth quarter of 2022, Adverty had cash of SEK 1.9 million. In January 2023, a loan of SEK 8 million was raised. Possible future capital needs are not secured.

Our assumptions regarding revenue and profitability development are associated with high uncertainty. However, this is almost always the case for growth companies. Many growth companies overshoot their targets, which we have considered in our scenario.

# Metrics and financials

## Key figures(SEK)

	2022	2023E	2024E
<b>Updated</b>			
Net sales	16.7	42.9	94.8
Gross profit	5.3	17.2	38.0
EBITDA	-19.4	-9.6	-2.2
EBIT	-24.3	-11.4	-4.0
EPS	-0.76	-0.39	-0.13
<b>Previous</b>			
Net sales	14.1	39.6	88.6
Gross profit	2.8	12.5	35.2
EBITDA	-20.6	-15.9	-6.4
EBIT	-24.6	-17.6	-8.1
EPS	-0.77	-0.45	-0.19
<b>Diff.</b>			
Net sales	18%	8%	7%
Gross profit	90%	38%	8%
EBITDA	6%	39%	66%
EBIT	1%	35%	51%
EPS	1%	12%	31%

EoP = End of period. Source: Company information and Carlsquare estimates

## Key figures(SEK)

	2019	2020	2021	2022	2023E	2024E	2025E
SEK/SEK	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Share price	9.4	13.9	4.5	1.3	3.9	3.9	3.9
Market cap	114	283	102	41	125	125	125
EV	120	279	96	40	124	124	124
P/S	610x	412x	21.4x	2.5x	2.9x	1.3x	0.7x
P/E	NM	NM	NM	NM	NM	NM	11.1x
P/CF operations	NM	NM	NM	NM	NM	34.9x	4.9x
EV/Sales	640x	406x	20.0x	2.4x	2.9x	1.3x	0.7x
EV/Gross profit	258x	NM	NM	7.5x	7.2x	3.3x	1.7x
EV/EBITDA	NM	NM	NM	NM	NM	NM	7.2x
EV/EBIT	NM	NM	NM	NM	NM	NM	8.1x
CSQ fair value per share	9.4	13.9	4.5	5.7	5.7	5.7	5.7
CSQ market cap	114	283	102	214	214	214	214
CSQ EV	120	279	96	212	222	213	196
P/S, CSQ implied	610x	412x	21.4x	12.8x	5.0x	2.3x	1.2x
P/E, CSQ implied	NM	NM	NM	NM	NM	NM	16.2x
P/CF operations, CSQ implied	NM	NM	NM	-7.7x	-811.0x	59.8x	8.5x
EV/Sales, CSQ implied	640x	406x	20.0x	12.7x	5.2x	2.2x	1.1x
EV/Gross profit, CSQ implied	258.0x	NM	NM	12.3x	5.8x	2.9x	1.8x
EV/EBITDA, CSQ implied	NM	NM	NM	NM	NM	NM	11.5x
EV/EBIT, CSQ implied	NM	NM	NM	NM	NM	NM	12.8x
Shares outstanding (EoP)	12.1	20.4	22.6	31.8	31.8	37.3	37.3
Shares outstanding, fully dil. (Avg)	12.1	16.3	21.5	27.2	31.8	34.5	37.3
EPS (SEK)	-1.01	-0.74	-0.97	-0.76	-0.39	-0.14	0.35
DPS (SEK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BV per share (SEK)	-0.1	1.5	0.8	0.8	0.4	0.6	1.0
tBV per share (SEK)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV per share (SEK)	9.9	17.2	4.4	1.5	3.9	3.6	3.3
Equity per share	-0.1	1.9	0.8	1.0	0.4	0.7	1.0
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	-14.4%	-7.7%	-21.9%	-86.8%	-7.3%	-4.1%	13.5%
FCF yield (unlevered)	-11.4%	-6.5%	-17.6%	-74.7%	-4.5%	-2.5%	12.6%

EoP = End of period. Source: Company information and Carlsquare estimates



**Income statement (SEKm), quarterly**

	Q1, 22	Q2, 22	Q3, 22	Q4, 22	Q1, 23E	Q2, 23E	Q3, 23E	Q4, 23E
Net sales	1.9	2.7	3.5	8.6	5.3	8.0	10.6	19.0
Total revenue	2.0	2.8	3.7	8.8	5.4	8.2	10.7	19.1
Gross profit	-0.1	0.6	0.8	4.0	2.2	3.2	4.2	7.6
EBITDA	-4.9	-5.9	-5.7	-2.9	-2.5	-3.1	-2.3	-1.7
Adj. EBITDA	-4.9	-5.9	-5.7	-2.9	-2.5	-3.1	-2.3	-1.7
EBIT	-6.0	-7.0	-6.9	-4.3	-3.0	-3.5	-2.8	-2.2
Adj. EBIT	-6.0	-7.0	-6.9	-4.3	-3.0	-3.5	-2.8	-2.2
EBT	-6.1	-7.0	-6.9	-4.3	-3.2	-3.8	-3.0	-2.5
Adj. EBT	-6.1	-7.0	-6.9	-4.3	-3.2	-3.8	-3.0	-2.5
Net profit/loss	-6.1	-7.0	-6.9	-4.3	-3.2	-3.8	-3.0	-2.5
Adj. Net profit/loss	-6.1	-7.0	-6.9	-4.3	-3.2	-3.8	-3.0	-2.5
Basic EPS adj. (SEK)	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1
<b>Growth</b>	<b>Q1, 22</b>	<b>Q2, 22</b>	<b>Q3, 22</b>	<b>Q4, 22</b>	<b>Q1, 23P</b>	<b>Q2, 23P</b>	<b>Q3, 23P</b>	<b>Q4, 23P</b>
Net sales	1736%	232%	268%	197%	185%	200%	200%	120%
Total revenue	1046%	162%	240%	193%	166%	196%	193%	117%
Gross profit	94%	360%	152%	4029%	4011%	472%	403%	90%
EBITDA	8%	-8%	4%	43%	49%	47%	59%	41%
EBIT	-12%	-28%	-17%	18%	51%	50%	60%	49%
EBT	-13%	-28%	-17%	18%	47%	46%	56%	43%
Net profit/loss	-13%	-28%	-17%	18%	47%	46%	56%	43%
<b>Margins</b>	<b>Kv1, 22</b>	<b>Kv2, 22</b>	<b>Kv3, 22</b>	<b>Kv4, 22</b>	<b>Kv1, 23P</b>	<b>Kv2, 23P</b>	<b>Kv3, 23P</b>	<b>Kv4, 23P</b>
Gross margin	-3%	21%	23%	45%	40%	40%	40%	39%
EBITDA margin	-242%	-212%	-154%	-33%	-46%	-38%	-22%	-9%
Adj. EBITDA margin	-242%	-212%	-154%	-33%	-46%	-38%	-22%	-9%
EBIT margin	-296%	-254%	-189%	-49%	-55%	-43%	-26%	-11%
Adj. EBIT margin	-296%	-254%	-189%	-49%	-55%	-43%	-26%	-11%
EBT margin	-298%	-254%	-189%	-49%	-60%	-47%	-28%	-13%
Adj. EBT margin	-298%	-254%	-189%	-49%	-60%	-47%	-28%	-13%
Profit margin	-298%	-254%	-189%	-49%	-60%	-47%	-28%	-13%
Adj. profit margin	-298%	-254%	-189%	-49%	-60%	-47%	-28%	-13%

Source: Company information and Carlsquare estimates

**Income statement (SEKm), yearly**

	2019	2020	2021	2022E	2023E	2024E	2025E
Net sales	0	1	5	17	43	95	184
Total operating income	2	2	5	17	43	95	185
COGS	-2	-3	-8	-12	-26	-57	-111
Gross profit	0	-1	-3	5	17	38	74
Other operating expenses, less COGS and D&A	-11	-14	-19	-25	-27	-40	-57
EBITDA	-11	-15	-22	-19	-10	-2	17
Adj. EBITDA	-11	-15	-22	-19	-10	-2	17
Dep. and amort.	0	0	0	-5	-2	-2	-2
EBIT	-11	-15	-22	-24	-11	-4	15
Adj. EBIT	-11	-15	-22	-24	-11	-4	15
Net finances	-1	0	0	0	-1	-1	-2
EBT	-12	-15	-22	-24	-13	-5	14
Adj. EBT	-12	-15	-22	-24	-13	-5	14
Tax	0	0	0	0	0	0	0
Net profit/loss	-12	-15	-22	-24	-13	-5	13
Adj. net profit/loss	-12	-15	-22	-24	-13	-5	13
Basic EPS adj.	-1	-1	-1	-1	0	0	0
Fully diluted EPS adj.	0	0	0	0	0	0	0
Shares, EoP	12	20	23	32	32	37	37
Shares, avg.	12	16	22	27	32	35	37
<b>Growth</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Net sales	307%	268%	593%	250%	157%	121%	94%
Tot. revenue	735%	-12%	197%	225%	152%	119%	94%
Gross profit	-117%	-393%	112%	-285%	224%	121%	95%
EBITDA	-29%	-37%	-47%	11%	50%	77%	878%
Adj. EBITDA	-29%	-37%	-47%	11%	50%	77%	878%
EBIT	-29%	-36%	-46%	-10%	53%	65%	482%
Adj. EBIT	-29%	-36%	-46%	-10%	53%	65%	482%
EBT	-46%	-24%	-46%	-10%	48%	59%	367%
Adj. EBT	-46%	-24%	-46%	-10%	48%	59%	367%
Net profit/loss	-46%	-24%	-46%	-10%	48%	59%	359%
Adj. net profit	-46%	-24%	-46%	-10%	48%	59%	359%
Basic EPS adj.	46%	-27%	31%	-21%	-48%	-64%	-351%
<b>Margins</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Gross profit	23%	-76%	-54%	31%	40%	40%	40%
EBITDA margin	-537%	-833%	-411%	-112%	-22%	-2%	9%
Adj. EBITDA margin	-537%	-833%	-411%	-112%	-22%	-2%	9%
EBIT margin	-544%	-843%	-415%	-140%	-26%	-4%	8%
Adj. EBIT margin	-544%	-843%	-415%	-140%	-26%	-4%	8%
EBT margin	-600%	-844%	-415%	-141%	-29%	-5%	7%
Adj. EBT margin	-600%	-844%	-415%	-141%	-29%	-5%	7%
Profit margin	-600%	-844%	-415%	-141%	-29%	-5%	7%
Adj. profit margin	-600%	-844%	-415%	-141%	-29%	-5%	7%

EoP = End of period. Source: Company information and Carlsquare estimates

**Balance sheet (SEKm)**

	2019	2020	2021	2022E	2023E	2024E	2025E
Tot. intangible assets	8	14	19	23	30	36	43
Tot. tangible assets	0	0	0	0	0	0	0
Tot. other fixed assets	0	0	0	0	0	0	0
<b>Total fixed assets</b>	<b>8</b>	<b>14</b>	<b>19</b>	<b>23</b>	<b>30</b>	<b>37</b>	<b>43</b>
Inventories	0	0	0	0	0	0	0
Accounts Receivables	1	1	4	9	5	8	14
Other current assets	0	0	0	0	0	0	0
Cash	1	17	5	2	1	10	32
<b>Total current assets</b>	<b>1</b>	<b>18</b>	<b>9</b>	<b>11</b>	<b>6</b>	<b>17</b>	<b>46</b>
<b>Total assets</b>	<b>10</b>	<b>32</b>	<b>28</b>	<b>34</b>	<b>35</b>	<b>54</b>	<b>89</b>
<b>Total equity</b>	<b>-2</b>	<b>30</b>	<b>18</b>	<b>26</b>	<b>14</b>	<b>23</b>	<b>36</b>
Debt to creditors	0	0	0	0	0	0	0
Other long-term liabilities	8	0	0	1	9	9	14
<b>Tot. long-term liabilities</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>9</b>	<b>9</b>	<b>14</b>
Short-term debt to creditors	0	0	0	0	0	0	0
Accounts payable	2	1	2	3	9	19	36
Other short-term liabilities	1	1	8	4	4	3	3
<b>Tot. short-term debt</b>	<b>3</b>	<b>2</b>	<b>10</b>	<b>7</b>	<b>13</b>	<b>23</b>	<b>40</b>
<b>Total debt</b>	<b>11</b>	<b>2</b>	<b>10</b>	<b>8</b>	<b>22</b>	<b>31</b>	<b>53</b>
<b>Tot. equity and debt</b>	<b>10</b>	<b>32</b>	<b>28</b>	<b>34</b>	<b>35</b>	<b>54</b>	<b>89</b>
<b>Liquidity</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Current ratio	0,5x	10,6x	0,9x	1,6x	0,4x	0,8x	1,2x
Cash ratio	0,2x	10,1x	0,5x	0,3x	0,1x	0,4x	0,8x
<b>Leverage</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Net debt(+)/Net cash(-)	8	-17	-5	-1	8	-1	-18
Net debt/EBITDA	NM	NM	NM	NM	NM	NM	NM
Net debt/Equity	NM	NM	NM	NM	-0,6x	NM	NM
Equity/Total Assets	NM	94%	63%	78%	39%	42%	40%
<b>Efficiency</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
ROA	-90%	-57%	-58%	-62%	-26%	-7%	17%
ROE	-283%	-83%	-72%	-87%	-45%	-17%	41%
ROIC	-329%	-136%	-101%	-92%	-70%	-27%	-8%

Source: Company information and Carlsquare estimates

**Cash flow (SEKm)**

	2019	2020	2021	2022E	2023E	2024E	2025E
CF, operations b4 delta WC	-12	-15	-22	-19	-11	-3	15
Delta operating capital	1	-1	5	-8	10	7	10
<b>CF operations</b>	<b>-11</b>	<b>-16</b>	<b>-17</b>	<b>-28</b>	<b>0</b>	<b>4</b>	<b>25</b>
CF investing	-5	-6	-6	-8	-9	-9	-8
<b>Free cash flow</b>	<b>-16</b>	<b>-22</b>	<b>-22</b>	<b>-36</b>	<b>-9</b>	<b>-5</b>	<b>17</b>
CF financing	11	39	10	33	8	14	5
<b>Cash flow</b>	<b>-6</b>	<b>17</b>	<b>-12</b>	<b>-3</b>	<b>-1</b>	<b>9</b>	<b>22</b>
Cash, BoP	6	1	17	5	2	1	10
Cash, EoP	1	17	5	2	1	10	32
<b>Key ratios</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
CF operations/Total operating income	-552%	-891%	-313%	-162%	-1%	4%	14%
CF operations/EBITDA	103%	107%	76%	144%	3%	-163%	148%

Source: Company information and Carlsquare estimates

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