

GREATER THAN AB (GREAT)

INSURTECH IS SEEING RECORD GROWTH



2020 was an important year for Greater Than. The Company streamlined its operations by ending its insurance brokerage service, which was both resource-intensive and of lower profitability, to focus entirely on its core business, selling AI risk insight to, e.g. insurance companies. Greater Than has thus laid a good foundation for capitalising on the accelerated shift in the insurance industry that the pandemic has brought about, where more flexible and individual-adapted insurance solutions are demanded. Greater Than has been valued based on 2022's estimated sales of SEK 42.6 M, and with an applied P / S multiple, a value per share of SEK 92 is derived in a Base scenario.

▪ Sales in Q1-21 in Line With our Estimates

Net sales in Q1-21 amounted to SEK 3.96 M (2.98), corresponding to a growth of 33% YoY, which was more or less in line with our estimates. We believe that the user growth of paying insurance contracts, which was up 7% YoY, is a sign of strength compared to the corresponding quarter where Greater Than provided a B2C deal for its Enerfy solution through Moderna Försäkringar, terminated during Q2-20.

Developing the World's First Motor Risk Index

Greater Than recently announced that they have begun developing the world's first predictive motor risk index, which will indicate current and future on-the-road risk levels. The motor risk index will provide a benchmark for traffic risk at local and global levels, enabling comparing, for example, different markets, cities, and countries. The motor risk index will provide real-time traceability and price of risk. Similar to how a stock index displays the value of shares and currencies.

Record Growth in InsurTech

After the record year 2020, money continues to flow into InsurTech. During Q1-21, USD 2.6 billion was invested in InsurTech companies, divided into 146 transactions, which meant a new All-Time High for invested capital and the number of transactions for a single quarter. There are also clear signs that InsurTech is gaining a broader international foothold. During Q1-21, an increased amount of investments was also made in early-stage start-ups from more than 24 countries - which itself is a record. The pandemic has undoubtedly accelerated the strategic shift in the insurance industry, which is only becoming clearer. With world-class AI technology, Greater Than is ready to meet the growing demand in the future.

Valuation Range Intact

Sales in Q1-21 were in line with our forecast, and although operating profit came in stronger than expected, we maintain our valuation range. The pandemic is still a worrying factor in the short term, which is why we choose not to make any revisions to the forecasts. Instead, we await Greater Than's Q2 report for 2021 to see how costs and the topline have developed.

SHARE PRICE | 105.5 SEK

VALUATION RANGE, PRESENT VALUE 2022Y FORECAST

BEAR	BASE	BULL
65 SEK	92 SEK	114 SEK

The valuation is derived as a present value of sales forecasted in the year 2022. The potential valuation increase is expected to be gradual, given that assumed events occur.

GREATER THAN

Share Price (2021-05-20)	105.5
Number of Shares Outstanding	12,624,171
Market Cap (MSEK)	1,331.8
Net Cash (-)/Debt(+) (MSEK)	-134.2
Enterprise Value (EV) (MSEK)	1,197.6
W.52 Price Interval (SEK)	124.0– 64.4
Stock Exchange	First North Growth Market

SHARE PRICE

1 Month	-1.4%
3 Months	13.7%
1 Year	2.9%
YTD	37.0%

TOP SHAREHOLDERS (AS OF 2021-03-31)

Sten Forseke	29.8%
Keel Capital	16.1%
Cuarto AB	15.2%
Carn Capital	4.8%
Karin Forseke	4.2%

CEO	Liselott Johansson
Chairman of the Board	Lars M. Berg

FINANCIAL CALENDAR

Quarterly Report Q2-21	2021-08-25
------------------------	------------

FORECAST (BASE), MSEK	2020	2021E	2022E	2023E
Revenues	11.6	12.9	42.6	60.0
Revenue Growth	-22.9%	10.9%	230.7%	41.0%
Gross Profit	13.6	16.2	43.0	54.2
Gross Margin (adj.)	70.0%	87.3%	89.3%	90.3%
EBIT	-23.4	-25.2	-6.1	-0.9
EBIT-margin	neg.	neg.	neg.	neg.
P/S	68.6	65.5	24.6	19.5
EV/S	neg.	neg.	neg.	neg.
EV/EBIT	neg.	neg.	neg.	neg.

DISCLAIMER

Disclaimer

These analyses, documents and any other information originating from AG Equity Research AB (Henceforth “AG”) are created for information purposes only, for general dissipation and are not intended to be advisory. The information in the analysis is based on sources, data and persons which AG believes to be reliable. AG can never guarantee the accuracy of the information. The forward-looking information found in this analysis are based on assumptions about the future, and are therefore uncertain by nature and using information found in the analysis should therefore be done with care. Furthermore, AG can never guarantee that the projections and forward-looking statements will be fulfilled to any extent. This means that any investment decisions based on information from AG, any employee or person related to AG are to be regarded to be made independently by the investor. These analyses, documents and any other information derived from AG is intended to be one of several tools involved in investment decisions regarding all forms of investments regardless of the type of investment involved. Investors are urged to supplement with additional relevant data and information, as well as consulting a financial adviser prior to any investment decision. AG disclaims all liability for any loss or damage of any kind that may be based on the use of analyzes, documents and any other information derived from AG.

Conflicts of Interest and impartiality

To ensure AG’s independence, AG has established compliance rules for analysts. In addition, all analysts have signed an agreement in which they are required to report any and all conflicts of interest. These terms have been designed to ensure that *COMMISSION DELEGATED REGULATION (EU) 2016/958 of 9 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest*. Compliance policy: <https://analystgroup.se/interna-regler-ansvarsbegransning/> (Swedish)

Bull and bear

The recommendations in the form of bull alternatively Bear aims to provide a comprehensive picture of Analyst Group's opinion. The recommendations are developed through rigorous processes consisting of qualitative research and the weighing and discussion with other qualified analysts.

Definition Bull

Bull is a metaphor for an optimistic view of the future. It indicates a belief in improvement.

Definition Bear

Bear is a metaphor for a pessimistic view set on the future. It indicates a belief deterioration.

Other

This analysis is a task analysis. This means Analyst Group has received payment for doing the analysis. The Principal, **Greater Than AB** (furthermore” the Company”) has had no opportunity to influence the parts where Analyst Group has had opinions about the Company's future valuation or anything that could constitute an objective assessment.

The parts that the company has been able to influence are the parts that are purely factual and objective. The analysis is planned to be updated within three months.

This analysis is copyright protected by law © AG Equity Research AB (2014-2021). Sharing, dissemination or equivalent action to a third party is permitted provided that the analysis is shared unchanged.