2024-09-02

Contextvision (CONTX)

Leading Imaging Business With an Appealing Risk-Reward

Contextvision AB ("Contextvision" or "the Company") is a market-leading supplier of medical imaging software that assists clinicians in performing faster and more precise diagnoses within ultrasound, MRI, and Radiography. In 2022, Contextvision decided to spin out the Company's unprofitable digital pathology unit in order to focus on the Company's core business, medical imaging and expand into the data quality market. With 415,000 installed systems, Contextvision is set to grow sales through software expansion and capitalize on industry trends such as handheld ultrasound devices, which are estimated to grow at a 20.9% market CAGR until 2026. Based on an equally weighted DCF and Peer valuation with a target multiple of 14.2x EV/EBIT 2025, a potential price per share of NOK 8.1 is implied in a Base scenario.

- **Industry Adaptation Favors Contextvision**

The ultrasound medical imaging market is shifting towards handheld and portable devices, reducing the need for patients to visit stationary machines in hospitals for imaging, which is a key point contributing to the estimated CAGR of 20.9% in the handheld ultrasound device market until 2026. By continuously launching new software, Contextvision is expected to further capitalize on the industry shift. Continued investments in portable and handheld ultrasound devices position Contextvision for long-term growth opportunities as the devices extend beyond clinical settings, contributing to an estimated total revenue CAGR of 8.9% until 2025.

- **Divestment in Order to Focus on Core Business**

In 2022, ContextVision spun off its unprofitable digital pathology unit, leading to improved EBIT margins from -9.2% in 2021 to 30% in 2023. The spin-off resulted in the loss of key personnel, while the hiring of external consultants raised other external costs to 21.1% of sales in 2023 from 9.8% in 2021. The Company's recruitment of key personnel in 2024 enables sales growth without additional hires. Alongside this, a 10% revenue investment in the POCUS segment is projected to yield a 28.1% EBIT margin in 2025, expanding to 34.7% by 2027 as investments normalize. Furthermore, a renewed focus on the medical imaging unit has enabled Contextvision to explore opportunities in neighboring markets such as data quality and enhance the Company's service offerings with consulting and support services, indicating a new phase in the Company's operations and growth strategy.

- **Low Churn and Expansion Ahead**

Contextvision intends to expand the Company's product portfolio and enter the data quality market through point-of-care ultrasound (POCUS), which is estimated to increase the Company's total addressable OEM market size by 76% from 137k annual sold units to 242k. Unlike image quality, which enhances images, data quality is used to read values and identify diseases for the practitioner, making it user independent. POCUS focuses on organ-specific applications, such as liver fat quantification. With liver diseases causing 4% of global deaths, equivalent to 2 million people annually, the POCUS segment is positioned for significant growth potential. The expansion is a natural extension of the Company's growth strategy and is underscored by Contextvision's partnerships including eight of the world's biggest players in ultrasound, a churn rate of under 1%, and a market-leading position.

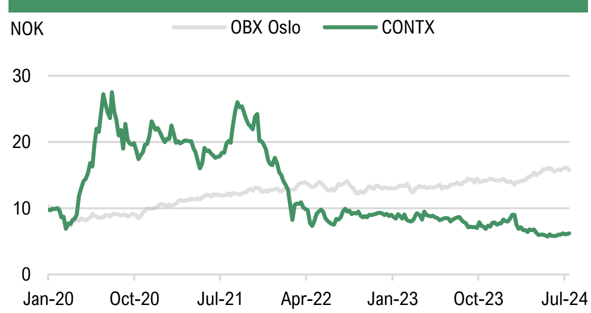
Valuation Range

Bear	Base	Bull
NOK 5.1	NOK 8.1	NOK 10.6

Key Information

Share Price (2023-09-02)	NOK 5.8
Shares Outstanding	77.4m
Market Cap (NOKm)	446.1
Net cash(-)/debt(+) (NOKm)	-76.3
Enterprise Value (NOKm)	372.2
List	Oslo Bors
Quarterly report 2 2024	2024-08-26

Share Price Development



Owners (Source: Holdings)

Monsun AS	29.7 %
Sven Gunther-Hanssen	11.0 %
Martin Hedlund	10.8 %
Tauri AS	5.0%
State Street Bank and Trust Comp	4.2%

Estimates (NOKm)	2023A	2024E	2025E	2026E
Revenue	132.6	143.6	157.3	171.1
COGS	-2.6	-2.9	-3.1	-3.4
Gross Profit	**130.0**	**140.7**	**154.1**	**167.7**
Gross Margin	98.0%	98.0%	98.0%	98.0%
Operating Costs	-81.1	-92.9	-98.7	-101.2
EBITDA	**48.9**	**47.5**	**54.3**	**66.4**
EBITDA Margin	36.7%	33.1%	34.5%	38.8%
P/S	4.5x	3.1x	2.8x	2.6x
EV/S	4.1x	2.6x	2.4x	2.2x
EV/EBITDA	11.0x	7.8x	6.9x	5.6x
EV/EBIT	13.4x	9.7x	8.4x	6.6x

Introduction

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About the Company

Contextvision AB is a Swedish software company specializing in digital solutions for the healthcare industry. Founded in 1983, the Company focuses on enhancing medical imaging for medical professionals in various modalities, including ultrasound, X-ray, and MRI. The Company serves a global customer base with 415,000 installed systems and partners with leading OEMs, positioning the Company as a market leader. Contextvision has been listed on the Oslo Stock Exchange since 1977.

CEO and Chairman	
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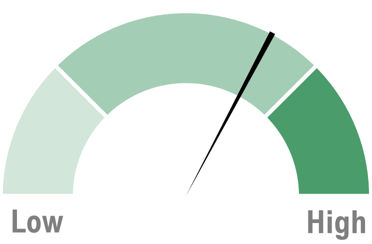
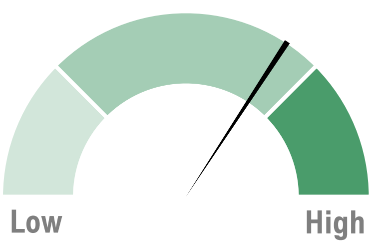
Value Drivers



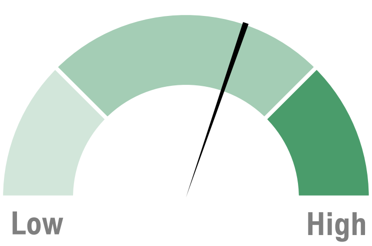
Contextvision operates in a market supported by strong tailwinds including rising chronic diseases, AI integration, and an industry adaptation towards handheld ultrasound devices. With the Company's strong market position and partnerships, Contextvision is expected to capitalize on the underlying market trends, providing long-term growth opportunities. Furthermore, the expansion into the POCUS-market in 2024 drives a potential short-term catalyst.

Historical Profitability



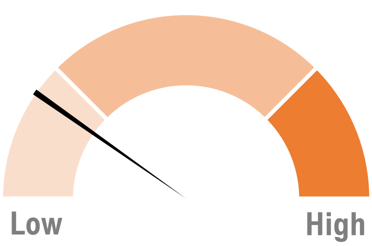
Contextvision has been profitable over the past two years, however, the core business medical imaging has been profitable for more than a decade strengthening the score. The Company is fully financed through internal cash flows and runs with no debt. The grade is solely based on historical numbers and is not forward-looking.

Management & Board



CEO Gerald Pötzsch was appointed in 2022 in conjunction with the spin-off and brings valuable experience, with 16 years of work at Philips within the ultrasound division. Insider ownership amounts to 22.0%, with two of the founders and board directors, Sven Gunther-Hanssen and Martin Hedlund, owning 11%, respectively, which instills confidence in creating further shareholder value.

Risk Profile



Contextvision is dependent on larger OEM companies which could lead to price pressure if OEMs were to increase efforts in developing similar software in-house. However, due to Context-vision's long-standing partnerships, some spanning decades, the Company's 40-year market-leading position, and contracts often lasting up to 10 years, Analyst Group assesses this risk as low.

Investment Thesis

Increasing Demand For Handheld Ultrasound Devices Enables Top-Line Growth

Annual Revenue Growth of 8.9% Until 2025

The ultrasound medical imaging market is shifting towards handheld and portable devices, reducing the need for patients to visit stationary machines in hospitals for imaging, contributing to the estimated market-CAGR of 20.9% in the handheld ultrasound device market until 2026. Continued investments in handheld devices position Contextvision for a broader market reach, due to the absence of radiance in the treatment, creating long-term growth opportunities as medical imaging devices evolve beyond static hospital settings. Contextvision's 2D ultrasound devices currently account for 70.1% of total revenue and have shown a CAGR of 21.2% over the past three years. Contextvision's income model relies on long-term licensing contracts with OEMs, typically lasting up to 10 years, which generates recurring revenue and provides stable cash flows for consecutive software launches. The Company has outperformed the broader medical imaging market by 3-4% annually and is estimated to continuously do so with an estimated total revenue CAGR of 8.9% until 2025, compared to the market CAGR of 4%, primarily through further industry adaptation toward handheld devices and software innovation.

Restructuring Creates Opportunities in the Core Businesses

Opportunities in the Underinvested Core Business

Contextvision previously operated under two business units: *digital pathology* and *medical imaging*. In 2022, the Company decided to spin off the unprofitable digital pathology unit, improving EBIT margins from -9.2% in 2021 to 30% in 2023. As an effect, Contextvision lost key personnel in conjunction with the spin-off and hired external consultants, raising other external costs to 21.1% of sales in 2023 up from 9.8% in 2021. However, the communicated completion of key personnel recruitments throughout 2024, positions the Company to grow sales without adding additional personnel. In tandem with the recruiting, the Company plans to invest 10% of total revenue into the POCUS segment resulting in a estimated EBIT margin of 28.1% in 2025. The EBIT margin is later expected to expand to 34.7% in 2027 as investment in the POCUS segment normalize and external consultants leave. Furthermore, Contextvision's focus has shifted towards medical imaging and data quality, presenting opportunities for the new management to grow the share of wallet among existing OEM customers through introducing a growth program in Q2-23. The program includes expanding into data quality and enhance the Company's service organization with consulting and support services. As a result, services has grown from contributing 2% of revenue in 2022 to 6% in 2023 and is estimated to grow with a 6% CAGR until 2025, signifying a new chapter in the Company's operations and growth strategy.

New Product Launch Accelerates Growth

POCUS Expansion Increases TAM by 76%

Contextvision intends to expand the Company's product portfolio and enter the data quality market through point-of-care ultrasound ("POCUS"). Unlike image quality which enhances images within ultrasound, data quality is used to interpret values to identify diseases for the practitioner making it user independent. The software can be utilized directly at the bedside within the care setting, facilitating earlier diagnoses and eliminating the need for subsequent specialist intervention, thus saving medical costs. POCUS is primarily targeting organ-specific applications, such as liver fat quantification, which is critical for diagnosing and managing several liver-related diseases. With liver diseases accounting for 4% of global deaths annually, equivalent to 2 million people, the POCUS segment is positioned for significant growth potential, by targeting the Company's existing customer base and initiating partnerships.[1] The Company is currently in the late stage of a collaboration with a renowned university and a medical device manufacturer to accelerate the clinical validation and launch of the product. The expansion is expected to increase the Company's ultrasound segment's total addressable OEM device market by 76% raising potential annual unit sales from 137k to 242k. The expansion is underscored by Contextvision's strong partnerships including eight of the world's biggest players in ultrasound, a churn rate of under 1%, and a market-leading position.

Strong Competitive Advantage Allows For Continuous Profitability

High Barriers to Entry and Stickiness

Contextvision maintains partnerships with large, established players in medical imaging, creating high barriers to entry and stickiness due to the Company's software already being installed, integrated, and tailored to clinicians' preferences. Additionally, once the software is integrated within the OEM medical devices, it gains regulatory approval, creating switching costs, as new software would require a new regulatory process and approval. The software is constructed with a standard structure that is later customized for each unique customer, reducing development costs and enhancing the OEM's competitiveness, lowering the incentives for OEMs to develop the software in-house. Due to Contextvision's asset-light business model and license-based income model, the Company can remain at the forefront of innovation, with 40% of personnel engaged in R&D and consecutive product launches continuously raising the entry barriers.

In-House Software Development From OEMs Can Inhibit Growth

The biggest risk facing Contextvision is OEMs developing a similar image-enhancing software in-house. Analyst group assesses the risk as low due to Contextvision´s long-standing partnerships spanning decades and the Company's 40-year market-leading position.

[1] *National library of Medicine, (Global burden of liver disease: 2023 update)*

Market Analysis

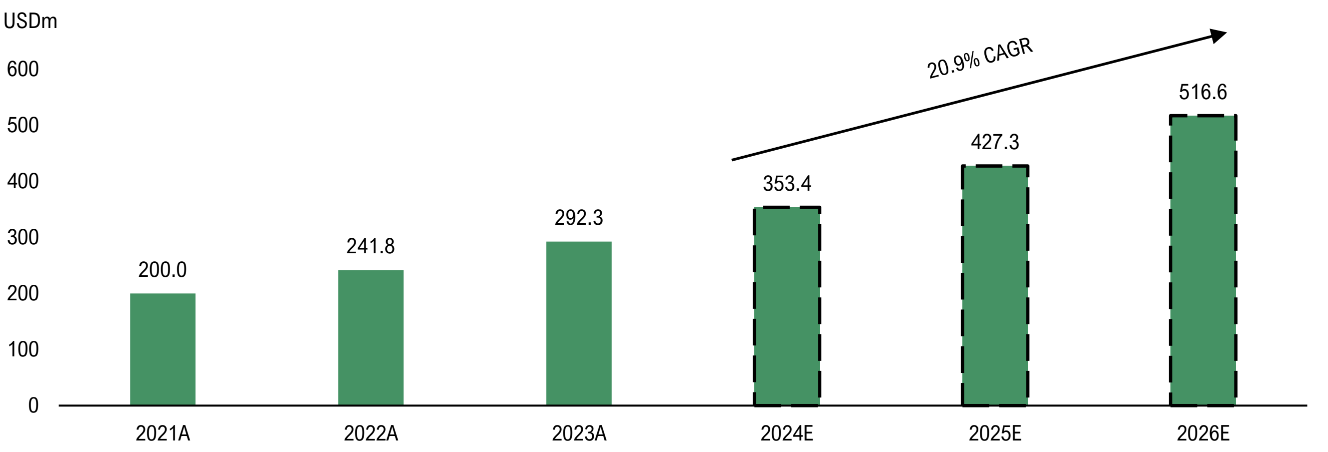
Strong Underlying Market Trends Supporting Growth

Continuously Growing Market Driven by Strong Trends

The global medical imaging market is expected to grow at a 4.0% CAGR until 2030. The growth is driven by several market trends, including AI integration, aging population and an increase in chronic diseases. The medical imaging market is extensively consolidated, with large OEM players supplying the medical devices, in addition to being a fundamental standard of care, the treatment also saves costs. For every dollar invested in medical imaging, there are estimated total savings of three dollars, explained by spending USD 385 on medical imaging can reduce a patient's hospital stay by one day through earlier diagnosis, resulting in savings of approximately USD 3,000 per patient, consequently leading to a higher demand for Contextvision's software systems.[2] Furthermore, due to subdued healthcare accessibility caused by the COVID-19 pandemic, the industry is trending towards a growing preference for handheld imaging devices, which has resulted in an increased focus on the convenience and portability of diagnostic tools. Especially in emerging economies, where there is a limited supply of, and access to, healthcare facilities, leading to a growing demand for portable and handheld devices that can cater to a larger population, hence positioning Contextvision in an attractive market.

Handheld ultrasound devices is estimated to grow at a 20.9% CAGR until 2026 reaching USD 516.6m

Global Handheld Ultrasound Device Market



Source: Signify Research, Handheld deep dive report, December 2022

Growth Opportunities in the Pocus Market

POCUS Market Estimated to Grow at a 10.8% CAGR Until 2027

The POCUS market is estimated to grow at a 10.8% CAGR, reaching USD 72bn by 2027. The market is experiencing increasing implementation of AI, which has accelerated growth and improved the accuracy and efficiency of POCUS devices. The technique is used in a variety of patient care settings, including emergency departments, hospitals, disaster areas, and at homes, as the test can be performed on-site with immediate results, without the need for a skilled clinician. The POCUS market is driven by an increase in chronic conditions, shifting focus from acute diseases to chronic diseases. It is projected that the U.S. population 50 years or older, with at least one chronic disease will increase by 99.5% from 71m to 142m people by 2050, driving the demand for medical imaging as consequential monitoring needs to be carried out, resulting in an increasing demand among healthcare providers to access more advanced medical imaging to deliver faster and more detailed diagnoses. Traditional treatment caters generally to acute diseases, therefore increasing volumes of chronic diseases have positioned POCUS to play a crucial role by providing early insights regarding preventive measures, by enabling doctors and patients to make well–informed decisions about necessary interventions, thereby addressing potential issues proactively.

Non-Cyclical End Customers and Increasing Healthcare Costs

The healthcare sector is one of the most essential components for a functioning society, regardless of economic conditions, people will always need necessary medical care. Contextvision's end customers are hospitals and diagnostic centers which positions the Company in a non-cyclical industry, while healthcare costs are expected to rise by 38% by 2050. Contextvision's software is expected to play a crucial role by treating patients more effectively and in a shorter time frame, to cope with rising costs.

[2] Medical Expenditure Panel Survey, (Expenses for Hospitals Inpatient Stays)

Financial Forecast

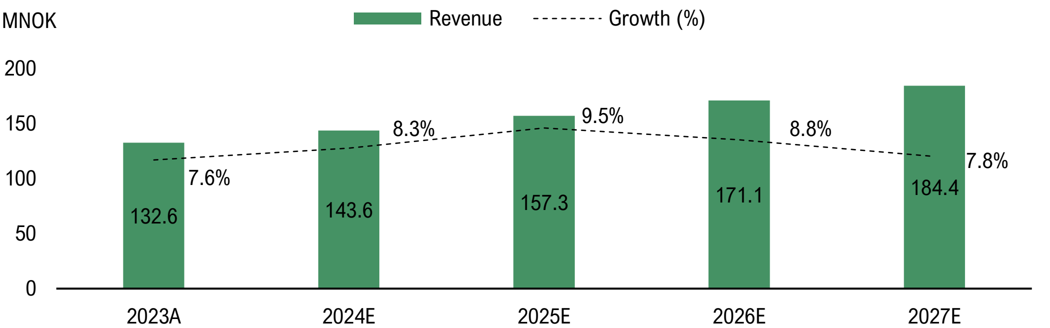
Revenue Forecast 2024-2027

8.6% Revenue CAGR Until 2027

Contextvision's revenue is split in four different segments: X-ray, Ultrasound, MRI, and services. In 2023, X-ray generated 14.1% of revenue, ultrasound 76.5%, MRI 3.5%, and services 6.0%. The ultrasound segment is estimated to grow at an annual rate of 10.4% until 2027, the growth is driven by Contextvision's strong market position in the ultrasound segment, the Company's expansion into the POCUS market with already established partners, and the current industry trend towards handheld ultrasound devices. The service segment is estimated to grow at a 6.0% CAGR until 2027 due to Contextvision's initiative to formalize a service team with consulting and support services during 2023, broadening the Company's value proposition. Furthermore, Contextvision's sticky solutions and long-lasting customer contracts provide recurring revenue for continued stable cash flow, allowing for consequent launches of new products. The estimates are based on organic growth, as the Company has no outspoken M&A strategy. In total, Analyst Group estimates revenue to grow at an 8.6% CAGR until 2027, reaching NOK 184.4m.

Revenue estimated to reach NOK 184.4m by 2027

Estimated Net Revenue Year 2024–2027



Source: Contextvision, Analyst Group estimates

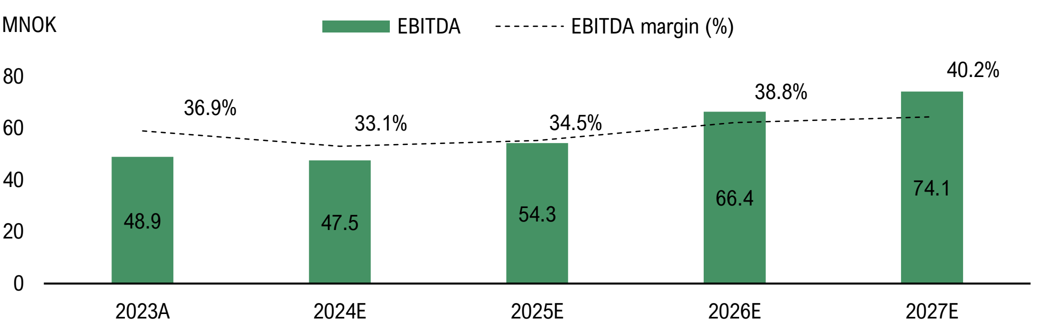
Expected Cost Structure Forecast 2023-2027

EBITDA Margin of 40.2% in 2027

Contextvision's gross margin has historically been 98.0% in the last decade and is estimated to remain the same percentage due to the fixed costs of installing the software. Contextvision's main cost driver is personnel costs, which accounted for 37.4% of sales in 2023, and are estimated to decrease to 34.8% by 2027. The lower percentage of sales is possible due to major parts of recruiting being done throughout 2024 after the loss of key personnel in conjunction with the spin-off, making personnel costs semi-fixed, positioning the Company for further growth without significant recruiting. The Company plans to invest 10% of total revenue into the POCUS expansion decreasing profitability short term, however as investments normalize the Company is estimated to reach an EBITDA margin of 40.2% in 2027. Furthermore, other external costs accounted for 21.1% of sales in 2023 and are estimated to reach 22.4% in 2024 due to costs associated with the POCUS expansion. Other external costs are expected to normalize at 20% of sales by 2027 due to lower consultant costs, resulting in an EBITDA margin expansion from 36.9% in 2023 to 40.2% in 2027. Due to Contextvision's investment in intangible CAPEX, D&A is estimated to remain at 5%-6% of sales, resulting in an EBIT margin of 34.7% in 2027, compared to 30.2% in 2023.

Estimated EBITDA margin of 40.2% and EBITDA of NOK 74.1m

Estimated EBITDA Margin and EBITDA



Source: Contextvision, Analyst Group estimates

Valuation

Peer-Valuation

The companies used for comparison in the peer valuation are chosen based on similar business models including SaaS and license-based income model. The companies deliver sales through a B2B channel, operate in the healthcare sector, and exhibit similar financials.

Comparable companies	MCAP	EV	Gross margin	EBIT Margin	Revenue	EV/EBIT
Company name	**MNOK**	**MNOK**	**2023A**	**2025E**	**(2023A-2025E)**	**2025E**
CellaVision	5,891	5,781	68.4%	30.6%	14.0%	21.3x
Medistim	3,117	2,956	78.8%	29.1%	3.5%	17.9x
C-RAD	1,452	1,307	66.9%	18.6%	15.4%	12.2x
Surgical science	6,547	5,887	68.6%	30.8%	9.1%	15.8x
OMDA	753	1,103	92.9%	17.6%	7.7%	14.8x
Median	**3,117**	**2,956**	**68.6%**	**29.1%**	**9.1%**	**15.8x**
Average	**3,552**	**3,407**	**75.1%**	**25.3%**	**9.9%**	**16.4x**
Contextvision	446	372	98.0%	28.1%	8.9%	8.4x

Source: Capital IQ, Analyst Group estimates

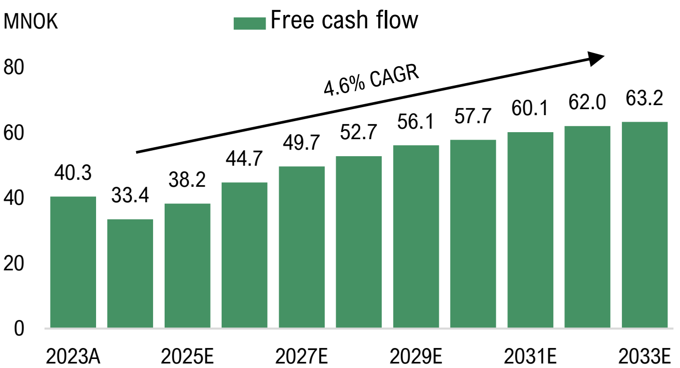
DCF-Valuation

DCF Implies an Equity Value Per Share of NOK 7.3

A discounted cash flow analysis (DCF) has also been applied. The DCF assumptions are based on a growth period between 2024-2027E, a normalized period between 2028-2033E, and a terminal period. Contextvision is estimated to grow at a CAGR of 8.6% during the growth period, with EBIT margins estimated to increase from 30.2% in 2023 to 34.7% in 2027E. The terminal growth rate applied is 2.0% and the WACC is calculated to be 11.7%, the higher WACC is due to a 100% equity ratio and two customers contributing 30% of the Company's earnings. Furthermore, D&A is estimated to remain at the historical post-spin-off rate of 5%-6% of sales, and CAPEX investments are expected to decrease from 16.0% of EBIT in 2024 to 13.1% of EBIT in 2027E, following the normalization of investments needed in the core business post-spin-off, resulting in an implied intrinsic multiple of 11.3x and a price per share of NOK 7.3.

Contextvision is estimated to generate significant free cash flow going forward

Forecasted Free Cash Flow, Assumptions for DCF, and Sensitivity Analysis



WACC \ Perpetual Growth Rate	1.0%	1.5%	2.0%	2.5%	3.0%
9.7%	8.6	8.9	9.2	9.5	9.8
10.7%	7.8	7.9	8.1	8.4	8.6
11.7%	7.1	7.2	7.3	7.5	7.7
12.7%	6.5	6.6	6.7	6.8	7.0
13.7%	6.0	6.1	6.2	6.3	6.4

Source: Analyst Group estimates

Base Scenario

NOK 8.1 Base Scenario

An EV/EBIT multiple has been used to account for the capital structure of the peer companies. Contextvision operates at the same EBIT margin but at a lower projected growth rate and is significantly smaller than comparable companies. Therefore, a size discount of 10% is applied against the peer median of 15.8x. Applying the discount results in a multiple of 14.2x 2025 EBIT, weighing the intrinsic multiple and peer multiple together results in a target multiple of 12.7x. Applying the weighted 2025 EV/EBIT multiple of 12.2x to 2025 estimated EBIT of NOK 44.2m implies an enterprise value of NOK 562.8m. Contextvision is estimated to further finance the Company's operations through free cash flow, adjusting for the Company's net cash position of NOK 76.3 in Q2-24, motivates a potential price per share of NOK 8.1 in a Base scenario.

Bull & Bear

BULL scenario

Estimated EBIT of NOK 56.1m

Applied EV/EBIT multiple of 13.5x

Implied value of NOK 10.6

BEAR scenario

Estimated EBIT of NOK 32.9m

Applied EV/EBIT multiple of 10.1x

Implied value of NOK 5.1

Bull Scenario

The following scenarios are potential value drivers in a Bull scenario:

- In a Bull scenario Analyst Group estimates the POCUS expansion to accelerate, driving a CAGR of 16.9% in the ultrasound segment until 2025, due to OEMs underestimated demand for superior medical imaging in a point-of-care setting leading to a higher penetration than expected.
- Contextvision's growth strategy is successfully implemented and the higher growth rate results in a scalable runway contributing to an estimated EBIT margin of 33.1% in 2025. Furthermore, with higher product volume, services are expected to grow with a 6.5% CAGR until 2025 compared to 6% in a Base scenario.
- The handheld ultrasound market's preference for portable devices is developing more rapidly than anticipated in the Base scenario. Contextvision's strategic shift towards the handheld ultrasound market is proving successful, allowing the Company to capitalize on the industry trend, resulting in a total revenue CAGR of 13.3% until 2025.

Given an applied EV/EBIT multiple of 13.5x on 2025 estimated EBIT of NOK 56.1m, and adjusted for the Company's net debt an equity value of NOK 825m is implied, which results in a potential price per share of NOK 10.6 in a Bull scenario.

Bear Scenario

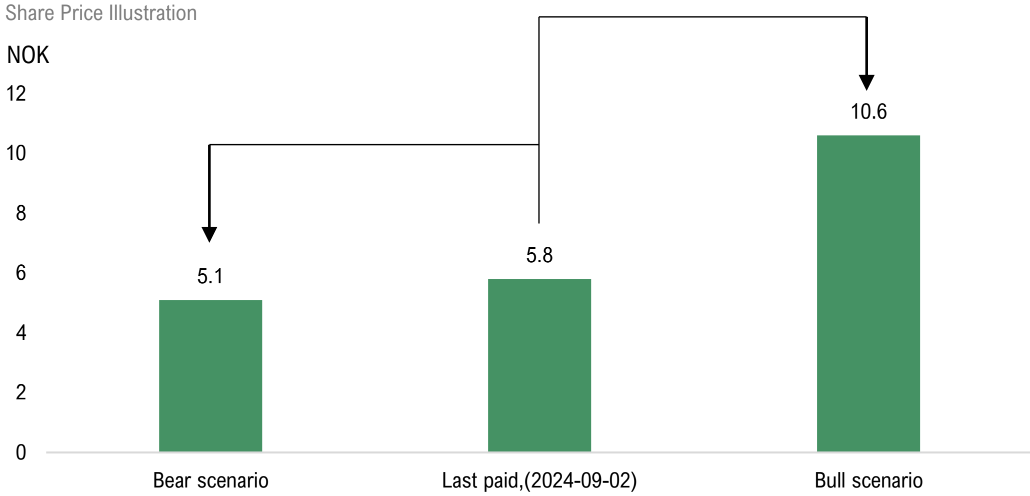
The following factors are potential events in a Bear scenario:

- In a Bear scenario Contextvision's POCUS expansion is estimated to not reach the expected growth target and fail to gain traction in the market, resulting in an estimated ultrasound CAGR of 5.2% until 2025.
- Costs associated with the POCUS expansion accelerate and the Company fails to capitalize on the handheld ultrasound device market, contracting EBIT margins to 22.6% in 2025 compared to 33.9% in a Base scenario.
- OEMs starts to develop software in-house leading to higher competition and price pressure, decreasing the total annual growth to 5.1% between 2023-2025

Given an applied EV/EBIT multiple of 10.1x on 2025 estimated EBIT of NOK 32.9m, and adjusted for the Company's net debt an equity value of NOK 399m is implied, which results in a potential price per share of NOK 5.1 in a Bear scenario.

Potential share price in a Bull & Bear scenario

Share Price Illustration

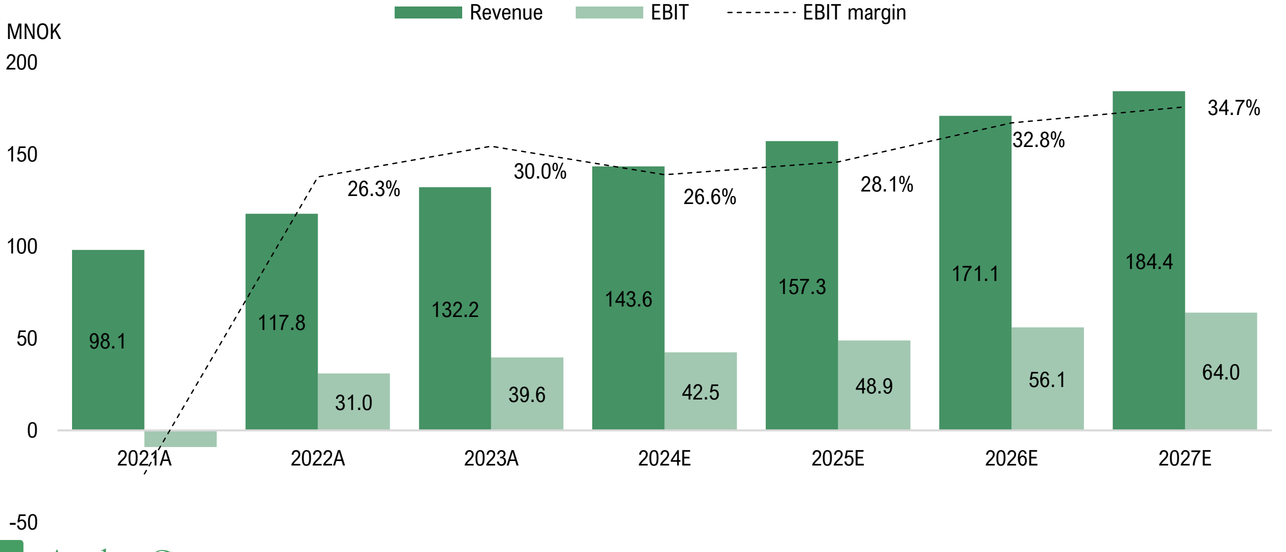


Source: Analyst Group estimates

Appendix

Income statement (Base scenario), SEKk	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Revenue	**98,099**	**117,825**	**132,193**	**143,608**	**157,251**	**171,089**	**184,434**
Capitalized work for own account	0	3.7	0	0	0	0	0
Other income	0	1.7	0	0	0	0	0
Total revenue	**98,099**	**117,830**	**132,193**	**143,608**	**157,251**	**171,089**	**184,434**
Cost of goods sold	-1,967	-2,404	-2,607	-2,872	-3,145	-3,422	-3,689
Gross Profit	**96,132**	**115,426**	**129,586**	**140,736**	**154,106**	**167,667**	**180,745**
Gross margin	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Other external costs	-29,371	-27,851	-27,977	-32,168	-33,809	-35,244	-36,887
Personnel costs	-64,512	-47,878	-49,593	-56,725	-61,328	-60,908	-64,183
Other operating expenses			-3,555	-4,308	-4,718	-5,133	-5,533
EBITDA	**2,249**	**39,697**	**48,461**	**47,534**	**54,251**	**66,382**	**74,142**
EBITDA Margin	2.3%	33.7%	36.7%	33.1%	34.5%	38.8%	40.2%
D&A	-11,292	-8,700	-8,834	-9,335	-10,064	-10,265	-10,144
EBIT	**-9,043**	**30,997**	**39,627**	**38,200**	**44,187**	**56,117**	**63,998**
EBIT Margin	-9.2%	26.3%	30.0%	26.6%	28.1%	32.8%	34.7%
Net financial items	-145	-100	1,227	-1,419	-1,575	-1,739	-1,920
EBT	**-9,188**	**30,897**	**40,854**	**36,781**	**42,613**	**54,378**	**62,079**
EBT Margin	3.7%	-3.2%	23.4%	20.7%	20.8%	20.9%	21.0%
Tax expense	1,535	-7,726	-8,534	-9,040	-10,413	-11,963	-13,657
Net income	**-7,653**	**23,171**	**32,320**	**27,741**	**32,200**	**42,415**	**48,422**
Net margin	-7.8%	19.7%	24.4%	19.3%	20.5%	24.8%	26.3%

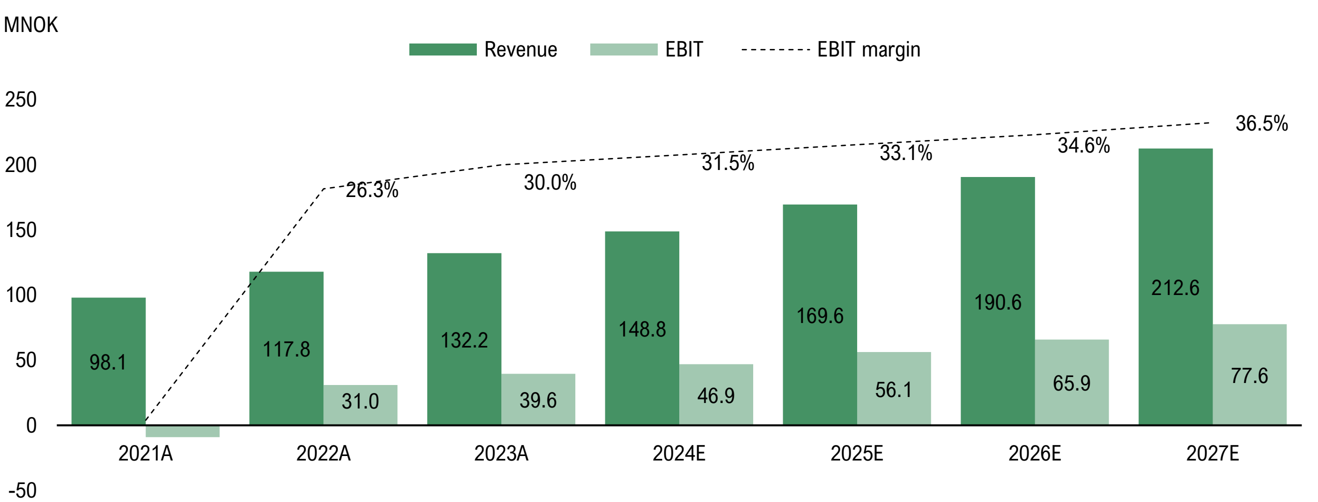
Base scenario	2021A	2022A	2023A	2024E	2025E	2026E	2027E
EV/EBIT	n.a	15.8x	13.4x	9.7x	8.4x	6.6x	5.8x
EV/EBITDA	n.a	13.3x	11.0x	7.8x	6.9x	5.6x	5.0x
P/S	10.3x	5.8x	4.5x	3.1x	2.8x	2.6x	2.4x
P/E	n.a	20.7x	18.0x	15.5x	13.4x	10.5x	9.2x
EV/S	10.1x	5.5x	4.1	2.6x	2.4x	2.2x	2.0x



Appendix

Income statement (Bull scenario), NOKk	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Revenue	**98,099**	**117,825**	**132,193**	**148,809**	**169,560**	**190,586**	**212,576**
Capitalized work for own account	0	3.7	0	0	0	0	0
Other income	0	1.7	0	0	0	0	0
Total revenue	**98,099**	**117,830**	**132,193**	**148,809**	**169,560**	**190,586**	**212,576**
Cost of goods sold	-1,967	-2,404	-2,607	-2,976	-3,391	-3,812	-4,252
Gross Profit	**96,132**	**115,426**	**129,586**	**145,833**	**166,168**	**186,775**	**208,324**
Gross margin	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Other external costs	-29,371	-27,851	-27,977	-31,250	-33,912	-36,974	-41,240
Personnel costs	-64,512	-47,878	-49,593	-53,571	-60,194	-66,705	-71,425
Other operating expenses	0	0	-3,555	-4,464	-5,087	-5,718	-6,377
EBITDA	**2,249**	**39,697**	**48,461**	**56,548**	**66,976**	**77,378**	**89,282**
EBITDA Margin	2.3%	33.7%	36.7%	38.0%	39.5%	40.6%	42.0%
D&A	-11,292	-8,700	-8,834	-9,673	-10,852	-11,435	-11,692
EBIT	**-9,043**	**30,997**	**39,627**	**46,875**	**56,124**	**65,943**	**77,590**
EBIT Margin	-9.2%	26.3%	30.0%	31.5%	33.1%	34.6%	36.5%
Net financial items	-145	-100	1,227	-1,419	-1,575	-1,739	-1,920
EBT	**-9,188**	**30,897**	**40,854**	**45,456**	**54,549**	**64,204**	**75,671**
EBT Margin	3.7%	-3.2%	23.4%	20.7%	20.8%	20.9%	21.0%
Tax expense	1,535	-7,726	-8,534	-10,000	-12,001	-14,125	-16,648
Net income	**-7,653**	**23,171**	**32,320**	**35,456**	**42,548**	**50,079**	**59,023**
Net margin	-7.8%	19.7%	24.4%	23.8%	25.1%	26.3%	27.8%

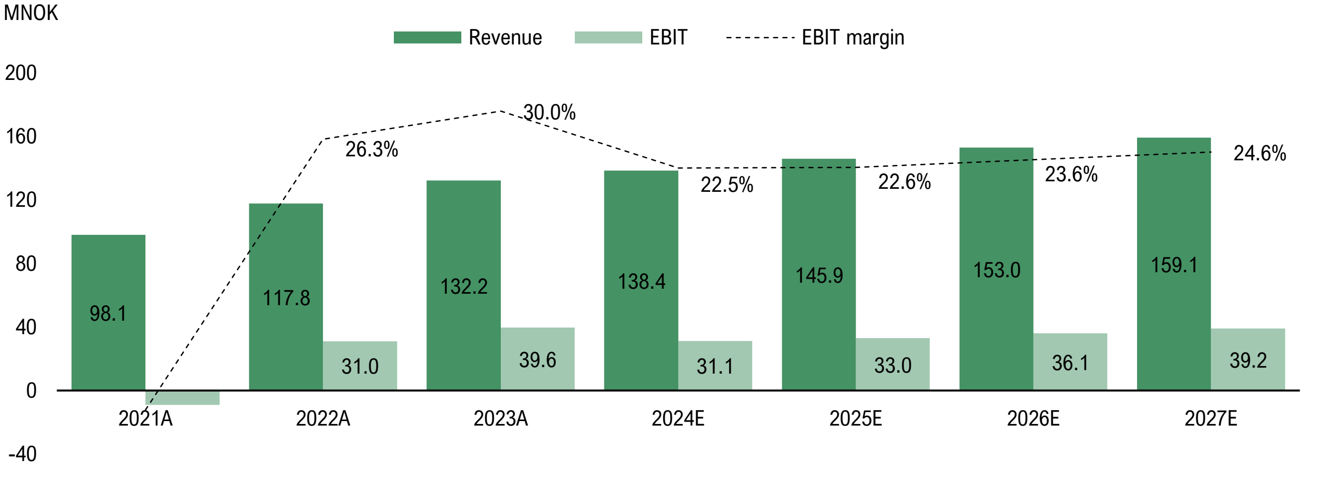
Bull scenario	2021A	2022A	2023A	2024E	2025E	2026E	2027E
EV/EBIT	n.a	15.8x	13.4x	7.9x	6.6x	5.6x	4.8x
EV/EBITDA	n.a	13.3x	11.0x	6.6x	5.6x	4.8x	4.2x
P/S	10.3x	5.8x	4.5x	3.0x	2.6x	2.3x	2.1x
P/E	n.a	20.7x	18.0x	12.6x	10.5x	8.9x	7.6x
EV/S	10.1x	5.5x	4.1x	2.5x	2.2x	2.0x	1.7x



Appendix

Income statement (Bear scenario), NOKk	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Revenue	**98,099**	**117,825**	**132,193**	**138,406**	**145,880**	**153,029**	**159,150**
Capitalized work for own account	0	3.7	0	0	0	0	0
Other income	0	1.7	0	0	0	0	0
Total revenue	**98,099**	**117,830**	**132,193**	**138,406**	**145,880**	**153,029**	**159,150**
Cost of goods sold	-1,967	-2,404	-2,607	-2,768	-2,918	-3,061	-3,183
Gross Profit	**96,132**	**115,426**	**129,586**	**135,638**	**142,963**	**149,968**	**155,967**
Gross margin	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Other external costs	-29,371	-27,851	-27,977	-34,602	-36,470	-38,257	-38,992
Personnel costs	-64,512	-47,878	-49,593	-56,747	-59,811	-61,824	-64,296
Other operating expenses	0	0	-3,555	-4,152	-4,376	-4,591	-4,774
EBITDA	**2,249**	**39,697**	**48,461**	**40,138**	**42,305**	**45,296**	**47,904**
EBITDA Margin	2.3%	33.7%	36.7%	29.0%	29.0%	29.6%	30.1%
D&A	-11,292	-8,700	-8,834	-8,996	-9,336	-9,181	-8,753
EBIT	**-9,043**	**30,997**	**39,627**	**31,141**	**32,969**	**36,115**	**39,151**
EBIT Margin	-9.2%	26.3%	30.0%	22.5%	22.6%	23.6%	24.6%
Net financial items	-145	-100	1,227	-1,419	-1,575	-1,739	-1,920
EBT	**-9,188**	**30,897**	**40,854**	**29,723**	**31,394**	**34,376**	**37,231**
EBT Margin	3.7%	-3.2%	23.4%	20.7%	20.8%	20.9%	21.0%
Tax expense	1,535	-7,726	-8,534	-6,539	-6,907	-7,563	-8,191
Net income	**-7,653**	**23,171**	**32,320**	**23,184**	**24,487**	**26,813**	**29,040**
Net margin	-7.8%	19.7%	24.4%	16.8%	16.8%	17.5%	18.2%

Bear scenario	2021A	2022A	2023A	2024E	2025E	2026E	2027E
EV/EBIT	n.a	15.8x	13.4x	11.9x	11.3x	10.3x	9.5x
EV/EBITDA	n.a	13.3x	11.0x	9.3x	8.8x	8.2x	7.8x
P/S	10.3x	5.8x	4.5x	3.2x	3.1x	2.9x	2.8x
P/E	n.a	20.7x	18.0x	19.2x	18.2x	16.6x	15.4x
EV/S	10.1x	5.5x	4.1x	2.7x	2.6x	2.4x	2.3x



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