

# Artificial Solutions

Sector: Software/ Artificial Intelligence

## Progressing according to plan

Redeye maintains its fair value range unchanged – the quarterly financials were in line with expectations. Artificial Solutions presented some encouraging KPIs relating to its SaaS model and announced a couple of interesting customer engagements.

### SaaS metrics confirm a significant growth outlook

Artificial Solutions disclosed SaaS metrics for the first time in Q1 2022. These are API call volumes from SaaS customers and SaaS ARR. SaaS API calls amounted to 5.5 million in March 2022, which translates into an 84% QoQ growth rate. Non-SaaS API calls increased 19% YoY. SaaS ARR was SEK12.9m in Q1. This translates into a 37% QoQ growth rate. Moreover, we understand that there are 13 customers in the SaaS model, up from eight in the previous quarter.

### Healthcare provider – Q1 commentary indicates major potential

The company entered an agreement with one of the world's largest national healthcare providers in Q1, together with its systems integrator partner CGI. CEO commentary explains that the healthcare provider processes c.500 million patient contacts each year and that Teneo could manage c.20% of that (based on similar implementations). 100 million patient contacts translate into c.500 million API calls, according to the commentary. Potential usage sales from this customer alone are c.SEK40m each year based on management guidance (SEK0.08 per API call). Large-customer implementations require some more time, but the potential is nonetheless huge. This will be an exciting one to follow.

### Unchanged fair value range

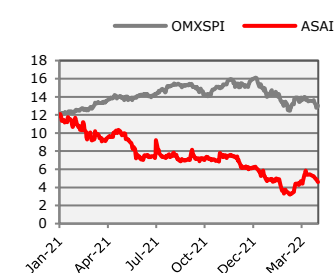
Our fair value range spans from SEK2-26, and our Base Case is SEK7. The fair value range is very wide, owing to the unpredictable nature of Artificial Solutions' long-term growth and profitability. Our terminal EBIT margin assumption is 34%.

Key Financials (SEKm)	2019	2020	2021	2022e	2023e	2024e
Sales	49	54	39	44	61	82
Sales growth	9%	10%	-28%	14%	37%	35%
EBITDA	-135	-86	-58	-65	-58	-43
EBIT	-146	-98	-71	-79	-72	-59
EBIT Margin (%)	-298%	-182%	-183%	-178%	-119%	-72%
Net Income	-182	-154	-70	-102	-109	-98
EV/S	6.9	12.4	13.7	12.1	10.6	9.0
EV/EBITDA	neg	neg	neg	neg	neg	neg
EV/EBIT	neg	neg	neg	neg	neg	neg

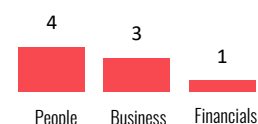
### FAIR VALUE RANGE

BEAR	BASE	BULL
2	7	26

### ASAI VERSUS OMXSPI



### REDEYE RATING



### KEY STATS

Ticker	ASAI
Market	First North
Share Price (SEK)	4.6
Market Cap (SEKm)	302
Net Debt 2022e (SEKm)	234
Free Float (%)	80

### ANALYSTS

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## Artificial Solutions Q1 2022

### SaaS metrics confirm a significant growth outlook

Artificial Solutions disclosed SaaS metrics for the first time in Q1 2022. These are API call volumes from SaaS customers (i.e., requests sent through an endpoint to the server, meaning usage of Teneo, the company's conversational AI platform) and SaaS ARR. SaaS API calls amounted to 5.5 million in March 2022 (3.0 million in December 2021), which translates into an 84% QoQ growth rate. Non-SaaS API calls increased 19% YoY.

SaaS ARR (i.e., annual recurring revenue from SaaS customers in the last month of the quarter times twelve) was SEK12.9m in Q1. This translates into a 37% QoQ growth rate (SEK9.4m in December 2021). Moreover, we understand that there are 13 customers in the SaaS model, up from eight in the previous quarter. Artificial Solutions has 23 customers in total, meaning that 50%+ belong in the SaaS model (or are currently transitioning there).

### Quarterly financials in line with expectations

Net sales amounted to SEK10.1m, rising 3% YoY and 3% QoQ, entirely in line with expectations. While the sales growth is more or less flat, we think its quality and predictability have increased compared to one year ago. This is reflected in recurring revenues, i.e., license & support plus usage, which amounted to SEK8.8m, rising 35% YoY and flat QoQ.

Other sales decreased c.60% YoY, which explains why total sales stayed more or less the same while recurring revenues rose significantly. These include professional services (PS), support, and hosting. In combination with the transition to SaaS, Artificial Solutions no longer expects to support a PS capability in-house – this has been outsourced to its partners and systems integrators. Thus, we expect other sales to constitute a small share of the Artificial Solutions' future offering.

Sales forecast deviations Artificial Solutions Q1 2022						
SEKm	Q1 2021	Actual Q1 2022	Estimated Q1 2022	Diff (%)	Diff (abs)	
License & Support	4.6	5.6	5.7			
Usage	1.9	3.2	3.4			
Other	3.3	1.4	1.3			
Net sales	9.8	10.1	10.3	-1%	-0.2	
YoY	-36%	3%				
QoQ	1%	3%				
Recurring revenues	6.5	8.8	9.0	-3%	-0.3	
YoY	-36%	35%				
QoQ	-14%	0%				

Source: Redeye Research, company data

### Profitability trends

The gross profit was SEK7.5m, which corresponds to a margin of 74%. The gross margin increased 2%-points YoY and QoQ. As other sales make out a diminishing share of the sales mix, we expect the gross margin to approach c.80% over the coming year. In the longer term, we think Artificial Solutions could achieve gross margins of 90%+.

The annual OpEx run rate (excluding D&A and non-recurring items) was SEK124m in Q1, rising 6% QoQ. Management commentary guides for an increased OpEx run rate from Q1 thanks to investments in commercial positions. This was already reflected in our previous expectations and does not alter our estimates.

EBIT was -SEK22.1m, which corresponds to a margin of -218%. The EBIT margin decreased c.40%-points YoY and is driven by an increased cost base relating to, e.g., investments in sales resources and US operations.

Forecast deviations Artificial Solutions Q1 2022					
SEKm	Q1 2021	Actual Q1 2022	Estimated Q1 2022	Diff (%)	Diff (abs)
Net sales	9.8	10.1	10.3	-1%	-0.2
Gross profit margin	7.1 72%	7.5 74%	8.2 80%	-9%	-0.7
EBITDA margin	-14.3 -146%	-18.4 -182%	-17.2 -168%	7%	-1.2
EBIT margin	-17.5 -179%	-22.1 -218%	-20.6 -201%	7%	-1.5

Source: Redeye Research, company data

### Financial position

Artificial Solutions' cash position was SEK84m as of Q1 2022. CF before finance activities (excluding non-recurring items) was c.-SEK22m in the quarter, which means about -SEK88m annualized. We assume the company will maintain a similar cash burn in the near term. Thus, a capital raise will likely come into play in late 2022 / early 2023. Artificial Solutions has a strong owner structure (including Scope, SEB-Stiftelsen and C Worldwide AM), which facilitates an equity issue. At the same time, it recently raised SEK250m through a five-year credit facility with Capital Four, a leading credit AM firm in the Nordics (EUR15bn AUM). It carries a 9.5% interest rate and payment-in-kind (PIK) interest. This means that interest expenses will be capitalized and added to the underlying loan and, therefore, have a non-cash impact.

Considering the recent debt issue, we forecast a SEK125m loan in 2023e (c.10% interest) in our modelling assumptions. However, the terms will, of course, depend on future market conditions.

## Operational highlights

### 13 SaaS customers

Artificial Solutions announced it had 13 customers in the SaaS model out of 23 in total. CEO commentary expects the vast majority of customers in the legacy model to transition over the next year. Almost all of Artificial Solutions' customers are large companies, and the Q1 report confirms that this will remain the strategy looking ahead, even if the sales and implementation process can be somewhat longer. These companies have the resources available to build highly scalable conversational solutions, potentially processing millions of requests each year. Management expects, on average, large customers to generate SEK4.4m in ARR 6-18 months after the initial agreement, as illustrated below.

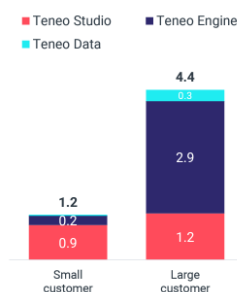
Should management's assumptions play out, we expect the company's SaaS ARR to exceed SEK50m around mid to late 2023e (solely based on existing SaaS customers). Should all existing customers transition successfully, the potential ARR is close SEK100m.

## HIGHLY SCALABLE SAAS MODEL

### | SMALL & LARGE CUSTOMER CASES

Subscription revenues from accessing Teneo Development Suite provides basis in the new model coupled with 100% volume linked user revenues (#API calls)

ARR – Small & Large Customer MSEK



Revenue Model – Primarily Recurring Revenues

Revenue	Source	Small customers	Large customers	Type
Sub- scription (Studio)		EUR 7,500 per month	EUR 10,000 per month	Recurring
API calls (Engine)		EUR 2,000 per month	EUR 24,000 per month	Recurring
Data		10% of API calls	10% of API calls	Recurring
Training & expert services		2 + 0 days	5 + 15 days	Non-recurring

ARTIFICIAL  
SOLUTIONS

10

Source: Company data

### Healthcare provider – Q1 commentary indicates major potential

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### Investing in the US

After seeing customers like AT&T and HelloFresh succeed with their conversational solutions and Azure gaining traction in the US, Artificial Solutions invested meaningful resources to expand its presence there. In a short time span, it has built a team of five people with deep industry know-how (experience from, e.g., Google Dialogflow).

## Financial forecast

### Small estimate changes

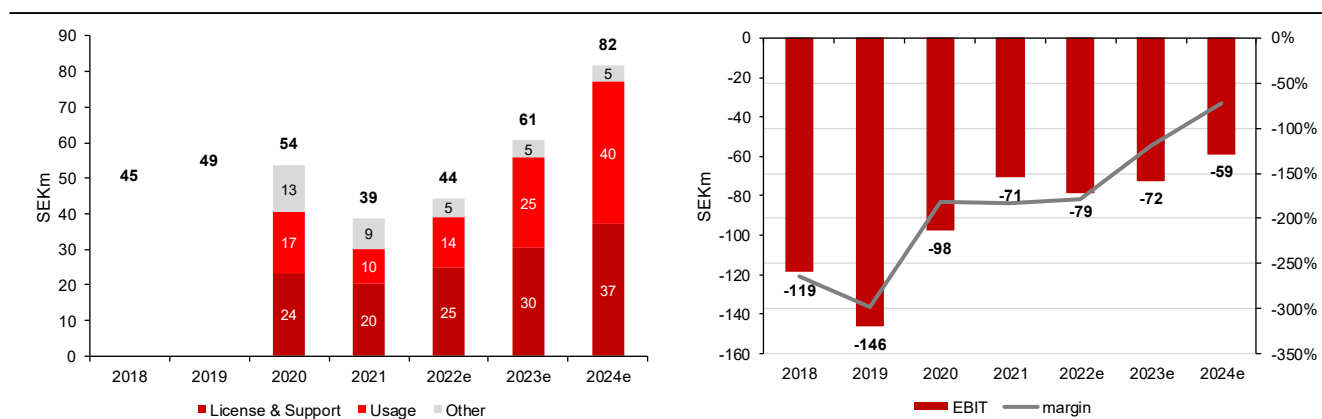
Sales were entirely in line with expectations (1% deviation), while the operating result missed by 7%. Consequently, we only make small adjustments without affecting our fair value range.

Artificial Solutions Q1 2022 forecast adjustments				
SEKm		2022e	2023e	2024e
Net sales	Old	45	61	82
	New	44	61	82
<i>change (%)</i>		-2%	-1%	0%
EBITDA	Old	-62	-55	-39
	New	-65	-58	-43
<i>change (%)</i>		6%	7%	10%
EBIT	Old	-76	-69	-56
	New	-79	-72	-59
<i>change (%)</i>		4%	5%	6%

Source: Redeye Research

## Outlook 2022 and beyond

We forecast Artificial Solutions' sales will rise c.14% in 2022e, driven by strong growth in license & support and usage. The latter is closely tied to API call volumes, and as previously stated, these amounted to 5.5m in March 2022, rising 84% QoQ. CEO commentary explains that all customers are increasing API call volumes each month and that double-digit QoQ growth appears reasonable in the near term.



Source: Redeye Research, company data

Income statement (SEKm)	2020	2021	Q1	Q2e	Q3e	Q4e	2022e	2023e	2024e
Net sales	53.7	38.8	10.1	10.4	11.3	12.4	44.3	60.6	81.7
YoY	10%	-28%	3%	26%	4%	27%	14%	37%	35%
Other income	20.1	17.1	3.0	3.0	3.0	8.5	17.5	18.4	19.3
Total income	73.8	55.9	13.2	13.4	14.3	20.9	61.8	79.1	101.0
CoGS	-18.3	-11.6	-2.6	-2.3	-2.5	-2.7	-10.1	-10.9	-11.4
OpEx	-141.2	-102.4	-29.0	-29.9	-27.7	-30.5	-117.2	-126.5	-132.9
D&A	-12.0	-12.6	-3.7	-3.2	-3.2	-3.2	-13.4	-13.9	-15.5
Total	-171.5	-126.6	-35.3	-35.4	-33.5	-36.5	-140.7	-151.4	-159.8
Gross profit	35.4	27.2	7.5	8.1	8.9	9.7	34.1	49.7	70.2
margin	66%	70%	74%	78%	78%	78%	77%	82%	86%
EBITDA adjusted	-78.3	-60.0	-17.9	-18.8	-15.9	-12.3	-65.5	-58.4	-43.3
margin	-146%	-155%	-177%	-182%	-140%	-99%	-148%	-96%	-53%
EBITDA	-85.7	-58.2	-18.4	-18.8	-15.9	-12.3	-65.5	-58.4	-43.3
margin	-160%	-150%	-182%	-182%	-140%	-99%	-148%	-96%	-53%
EBIT	-97.7	-70.8	-22.1	-22.0	-19.1	-15.6	-78.9	-72.3	-58.8
margin	-182%	-183%	-218%	-213%	-168%	-125%	-178%	-119%	-72%
Net finance	-56.5	1.2	-3.6	-6.6	-6.6	-6.6	-23.5	-36.6	-38.9
PTP	-154.2	-69.6	-25.7	-28.7	-25.8	-22.2	-102.4	-108.9	-97.7
Tax	-0.2	-	-	-	-	-	-	-	-
Net income	-154.4	-69.6	-25.7	-28.7	-25.8	-22.2	-102.4	-108.9	-97.7
margin	-288%	-179%	-254%	-277%	-227%	-179%	-231%	-180%	-120%
EPS	-3.62	-1.06	-0.39	-0.44	-0.39	-0.34	-1.56	-1.66	-1.49
EPS, diluted	-3.46	-1.06	-0.36	-0.41	-0.36	-0.31	-1.45	-1.54	-1.38

## Valuation

We derive our fair value range from a fundamental DCF framework for three scenarios, base case (most likely), bear case (pessimistic), and bull case (optimistic), using a WACC of 11% across all scenarios. We also supplement our DCF analysis with a peer group comparison.

### Unchanged fair value range

Our fair value range spans from SEK2-26, and our Base Case is SEK7. The fair value range is very wide, owing to the unpredictable nature of Artificial Solutions' long-term growth and profitability. Our terminal EBIT margin assumption is 34%, which translates into a 42% EBITDA margin.

### Punished by harsh market sentiment but trading at a slight premium compared to SaaS peers

In relation to a group of Nordic SaaS companies (as seen on the next page), Artificial Solutions' share trades at a slight premium, at least on near term EV/S multiples – 9.0x and 6.5x in 2022e and 2023e (based on the last reported net debt). However, we recognize that meaningful sales are a couple of years away. The share has been punished by negative market sentiment, dropping c.26% YTD. Migrating customers to SaaS and ramping up traffic on the new platform will likely be major catalysts this year.

#### Artificial Solutions: valuation in base case sensitivity analysis

	WACC				
	13%	12%	11%	10%	9%
26%	1.6	2.5	3.5	4.7	6.3
34%	2.8	3.9	5.2	6.9	9.1
42%	4.0	5.4	7.0	9.2	11.9
50%	5.2	6.8	8.8	11.4	14.8
58%	6.4	8.3	10.6	13.7	17.6

Source: Redeye Research

### Bear Case: SEK2 (2)

Sales CAGR 2021-2025e: 20%  
 Sales CAGR 2025e-2030e: 18%  
 Avg. EBIT-m 2021-2025e: -100%  
 Avg. EBIT-m 2025e-2030e: 6%  
 Terminal growth: 2%  
 Terminal EBIT-m: 15%  
 WACC: 11%

### Base Case: SEK7 (7)

Sales CAGR 2021-2025e: 30%  
 Sales CAGR 2025e-2030e: 29%  
 Avg. EBIT-m 2021-2025e: -118%  
 Avg. EBIT-m 2025e-2030e: 14%  
 Terminal growth: 2%  
 Terminal EBIT-m: 34%  
 WACC: 11%

### Bull Case: SEK26 (26)

Sales CAGR 2021-2025e: 50%  
 Sales CAGR 2025e-2030e: 35%  
 Avg. EBIT-m 2021-2025e: -82%  
 Avg. EBIT-m 2025e-2030e: 23%  
 Terminal growth: 2%  
 Terminal EBIT-m: 38%  
 WACC: 11%

Company name	EV	EV/S		EV/EBIT		Sales growth		EBIT margin	
	SEKm	2022	2023	2022	2023	2022	2023	2022	2023
<b>Nordic SaaS</b>									
Addnode Group AB Class B	14,376	2.8	2.6	33.6	29.4	25%	9%	8%	9%
Admicom Oyj	2,970	9.5	8.3	21.7	18.5	22%	14%	44%	45%
Bambuser AB	1,232	4.4	3.0	neg	neg	104%	44%	-58%	-34%
BlMobject AB	270	2.0	1.7	neg	neg	13%	16%	-46%	-33%
Briox AB	156	15.6	10.3	neg	neg	63%	50%	-199%	-106%
BuildData Group AB	219	2.5	2.0	neg	neg	100%	22%	-23%	-18%
Carasent ASA	631	2.9	2.4	16.9	12.2	49%	23%	17%	19%
Checkin.com Group AB	891	11.8	6.1	neg	>100	94%	94%	-24%	5%
Efecte Oyj	630	2.9	2.5	>100	98.8	14%	16%	0%	3%
FormPipe Software AB	1,860	3.7	3.3	30.7	21.9	7%	10%	12%	15%
Fortnox AB	32,518	25.7	19.2	72.2	48.4	35%	33%	36%	40%
Irisity AB	793	3.1	1.8	neg	15.6	228%	76%	-16%	11%
LeadDesk Oyj	682	2.2	1.9	neg	46.3	14%	16%	-1%	4%
Lime Technologies AB	3,864	8.1	6.9	40.7	32.5	19%	16%	20%	21%
Litium AB	194	2.7	2.1	neg	48.6	22%	28%	-13%	4%
Mercell Holding AS	3,133	3.4	3.0	>100	30.6	21%	15%	1%	10%
Mintra Holding AS	680	2.6	2.4	15.5	14.2	4%	5%	17%	17%
PatientSky Group AS	543	2.3	1.9	neg	neg	7%	18%	-43%	-35%
Nordhealth AS	1,086	3.3	2.4	neg	neg	53%	38%	-29%	-15%
Pexip Holding ASA	1,581	1.5	1.3	neg	neg	21%	22%	-21%	-7%
Physitrack Limited	391	3.1	2.5	15.7	10.6	59%	24%	19%	23%
Safeture AB	224	6.4	4.9	neg	neg	30%	30%	-42%	-7%
SmartCraft ASA Class A	2,561	7.3	6.3	23.9	19.3	22%	17%	31%	33%
Upsales Technology AB	905	7.1	5.3	33.7	19.4	37%	34%	21%	27%
Vertiseit AB Class B	612	3.2	2.6	51.0	17.0	47%	23%	6%	15%
Vitec Software Group AB Class B	18,306	10.1	9.0	49.1	41.0	16%	12%	20%	22%
XMRReality AB	17	0.5	0.4	neg	neg	45%	45%	-84%	-39%
ZetaDisplay AB	na	na	na	na	na	na	na	na	na
CSAM Health Group AS	1,324	2.8	1.9	neg	68.5	33%	49%	-1%	3%
<i>Median</i>	<i>842</i>	<i>3.1</i>	<i>2.5</i>	<i>32.2</i>	<i>25.6</i>	<i>28%</i>	<i>23%</i>	<i>0%</i>	<i>7%</i>
<i>Average</i>	<i>3,195</i>	<i>5.3</i>	<i>4.1</i>	<i>14.0</i>	<i>20.4</i>	<i>42%</i>	<i>28%</i>	<i>-12%</i>	<i>1%</i>
Artificial Solutions International AB Class B	395	9.0	6.5	neg	neg	13%	39%	-180%	-118%

Source: Redeye Research, FactSet; multiples based on last reported net debt

## Investment Case

### Scalable SaaS Business Model

Artificial Solutions announced its transition to a SaaS business and delivery model in Q1 2021. In contrast to its previous model, the SaaS model is inherently scalable, owing to its usage-based revenues. Additionally, the company expects to transition most of its installed base from the legacy to the SaaS model in 2022, representing a SEK >75m ARR opportunity.

### Major Partners to Drive Growth

Since Q3 2021, Artificial Solutions has an IP Co-Sell Incentivized Partnership with Microsoft. Essentially, it means that Microsoft's sales team is incentivized through commissions to promote Teneo to enterprise clients on Microsoft Azure. The agreement marks a vote of confidence in Teneo and could enable significant lead-generation among the 1,700+ organizations using Microsoft Azure and LUIS.

Artificial Solutions relies on systems integrators and channel partners such as Tech Mahindra, CGI, and Deloitte to drive sales and usage. These partners have a global profile and could reach many potential customers at a limited customer acquisition cost.

### Attractive Exposure to the Conversational AI Market

The Conversational AI Market is a \$50B industry, while its software segment represents a \$14B opportunity growing at a 22% CAGR. As one of the leading companies in this space, and one of the only publicly listed peers, Artificial Solutions provides attractive exposure to this sought-after market.

### Solid Financial Position

In Q3 2021, Artificial Solutions agreed to a long-term SEK 250m financing agreement with Capital Four, a leading credit asset management firm in the Nordics (€15 billion AUM). Essentially, the company will not need to make cash interest payments during the five-year tenure, in addition to interest expenses decreasing by 7ppts. Near- and mid-term financing issues are out of the picture, providing management ample room to execute on its SaaS model and sales ramp-up.

## Counter-thesis

### Increased Competition

It would weigh heavily on the conversational AI industry if the tech giants flex their muscles and exploit their dominant market positions in the cloud, data, and AI. Even if they do not, this area's significant potential makes it likely that competition will increase further in the future.

### Failing to Commercialize the SaaS Model

Artificial Solutions failing to acquire new customers to its SaaS offering and/ or not transitioning its installed base to the SaaS model would jeopardize the growth story.



## Catalysts

### **Lighthouse Customer Agreements**

We see great potential in large corporations choosing to implement Teneo and Conversational AI for an increasing number of use-cases. Apart from yielding a significant ARR at high margins, it could indicate that its industry is truly ready to adopt the technology on a larger scale.

### **Early Signs of Significant Usage Revenue Potential**

The SaaS model launched in 2021 could turn out to be highly scalable. However, it is still early days, and the model remains unproven. Early signs of scalability, such as steady sequential usage growth, should inspire confidence in its long-term potential.

### **Significant ARR and Top-Line Growth**

Solid quarterly reports demonstrating significant topline growth, and thus a path to profitability should positively impact the share price.

## Summary Redeye Rating

The rating consists of three valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 1 points. The maximum score for a valuation key is 5 points.

### Rating changes in the report: none

#### People: 4

Artificial Solutions appointed Per Ottosson as CEO in November 2020. Ottosson brings extensive C-suite experience from highly successful companies within software and AI – most recently as CRO at IPSoft. Additionally, Ottosson has attracted many high-profile senior recruitments to Artificial Solutions. So far, management has delivered on its goals, i.e., transition to a SaaS model, expand partnerships, and decrease the cost base. Also, we value Scope's ownership and long-term commitment (c.16% of the capital/votes) and some founders having meaningful stakes. Greater consistency in the capital allocation and increased management ownership could help improve the rating.

#### Business: 3

Since transitioning to a SaaS business model in 2021, the company has operated an asset-light (Kubernetes cloud infrastructure) and highly scalable venture, owing to its usage-based revenues – creating product stickiness. Additionally, it relies on global partners such as Microsoft, Deloitte, and CGI to drive sales – which on the flip side, makes some dependencies. The Software Conversational AI market is a \$14B industry, growing at a 22% CAGR – the prospect of achieving long-term organic growth is highly feasible. However, Artificial Solutions is not immune to competition and innovations in the space and has, to some degree, high customer concentration, although this is steadily decreasing.

#### Financials: 1

Artificial Solutions has a negative cash flow track record and will likely remain unprofitable for some years to come – investing significant resources in sales growth. The rating's retrospective nature limits the company from achieving a higher score. However, we positively regard the increasing gross profit margin and expect it to, over time, compare to other SaaS companies (>90%). Also, we are encouraged by the SEK 250m financing agreement with Capital Four in Q3 2021, essentially derisking the case.

	2021	2022e	2023e	2024e			Sum FCF (SEKm)		
<b>INCOME STATEMENT</b>					<b>DCF Valuation Metrics</b>				
Sales	39	44	61	82	2023-26		-136		
Cost of Sales	12	10	11	11	2027-34		414		
Gross Profit	27	34	50	70	2034-		419		
Operating Expenses	102	117	127	133	Firm Value		697		
EBITDA	-58	-65	-58	-43	Net Debt (2022e)		234		
Depreciation & Amortization	13	13	14	16	Equity Value		463		
EBIT	-71	-79	-72	-59	Fair Value per Share		7.0		
Net Financial Items	1	-24	-37	-39		<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
EBT	-70	-102	-109	-98	<b>CAPITAL STRUCTURE</b>				
Income Tax Expenses	0	0	0	0	Equity Ratio	-0.7	-2.8	-2.5	-5.5
Non-Controlling Interest	0	0	0	0	Debt to equity	-2.0	-1.2	-1.2	-1.0
Net Income	-70	-102	-109	-98	Net Debt	126	234	340	435
					Capital Employed	118	38	-46	-116
					Working Capital Turnover	-1.6	-2.3	-2.6	-3.0
<b>BALANCE SHEET</b>					<b>GROWTH</b>				
Assets					Sales Growth	-28%	14%	37%	35%
<b>Current assets</b>					Basic EPS Growth	-71%	47%	6%	-10%
Cash & Equivalents	112	26	70	2	Adjusted Basic EPS Growth	-71%	47%	6%	-10%
Inventories	0	0	0	0	<b>PROFITABILITY</b>				
Accounts Receivable	6	9	12	16	ROE	48%	60%	39%	26%
Other Current Assets	20	14	19	26	ROCE	-60%	-205%	158%	51%
Total Current Assets	138	49	101	45	ROIC	2775%	-1000%	-755%	-886%
					EBITDA Margin (%)	-150%	-148%	-96%	-53%
<b>Non-current assets</b>					EBIT Margin (%)	-183%	-178%	-119%	-72%
Property, Plant & Equipment, Net	1	1	1	1	Net Income Margin (%)	-179%	-231%	-180%	-120%
Goodwill	0	0	0	0	<b>VALUATION</b>				
Intangible Assets	28	29	30	31	Basic EPS	-1.1	-1.6	-1.7	-1.5
Right-of-Use Assets	0	0	0	0	Adjusted Basic EPS	-1.1	-1.6	-1.7	-1.5
Shares in Associates	0	0	0	0	P/E	neg	neg	neg	neg
Other Long-Term Assets	1	1	1	1	EV/S	13.7	12.1	10.6	9.0
Total Non-Current Assets	31	31	33	33	EV/EBITDA	neg	neg	neg	neg
					EV/EBIT	neg	neg	neg	neg
Total Assets	168	81	134	78	P/B	neg	neg	neg	neg
					<b>SHAREHOLDER STRUCTURE</b>				
<b>Liabilities</b>						<b>CAPITAL %</b>	<b>VOTES %</b>		
<b>Current liabilities</b>					Scope	16.3%	16.3%		
Short-Term Debt	0	0	125	125	Nice & Green	7.5%	7.5%		
Short-Term Lease Liabilities	0	0	0	0	AFA Försäkring	5.6%	5.6%		
Accounts Payable	19	13	18	25	SEB-Stiftelsen	5.0%	5.0%		
Other Current Liabilities	0	0	0	0	C WorldWide Asset Management	2.9%	2.9%		
Total Current Liabilities	50	42	180	194	<b>SHARE INFORMATION</b>				
					Reuters code		ASAI.ST		
<b>Non-current liabilities</b>					List		First North		
Long-Term Debt	238	260	285	312	Share price		4.6		
Long-Term Lease Liabilities	0	0	0	0	Total shares, million		65.7		
Other Long-Term Liabilities	0	0	0	0	<b>MANAGEMENT &amp; BOARD</b>				
Total Non-current Liabilities	238	260	285	312	CEO		Per Ottosson		
					CFO		Fredrik Törgren		
Non-Controlling Interest	0	0	0	0	Chairman		Åsa Hedin		
Shareholder's Equity	-119	-222	-331	-428	<b>ANALYSTS</b>				
Total Liabilities & Equity	168	81	134	78	Forbes Goldman		Redeye AB		
							Mäster Samuelsgatan 42, 10tr		
<b>CASH FLOW</b>							111 57 Stockholm		
NOPAT	-71	-79	-72	-59					
Change in Working Capital	-16	-6	4	4					
Operating Cash Flow	-119	-72	-66	-51					
Capital Expenditures	-1	-1	-1	-1					
Investment in Intangible Assets	-14	-13	-15	-16					
Investing Cash Flow	-15	-14	-15	-16					
Financing Cash Flow	225	0	125	0					
Free Cash Flow	-133	-86	-81	-68					

## Redeye Rating and Background Definitions

### Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive long-term earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

### People

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character.

The People rating is based on quantitative scores in seven categories:

- Passion, Execution, Capital Allocation, Communication, Compensation, Ownership, and Board.

### Business

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is based on quantitative scores grouped into five sub-categories:

- Business Scalability, Market Structure, Value Proposition, Economic Moat, and Operational Risks.

### Financials

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

- Earnings Power, Profit Margin, Growth Rate, Financial Health, and Earnings Quality.

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## Disclaimer

### Important information

Redeye AB ("Redeye" or "the Company") is a specialist financial advisory boutique that focuses on small and mid-cap growth companies in the Nordic region. We focus on the technology and life science sectors. We provide services within Corporate Broking, Corporate Finance, equity research and investor relations. Our strengths are our award-winning research department, experienced advisers, a unique investor network, and the powerful distribution channel redeye.se. Redeye was founded in 1999 and since 2007 has been subject to the supervision of the Swedish Financial Supervisory Authority.

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### Redeye Rating (2022-05-01)

Rating	People	Business	Financials
5p	32	15	4
3p - 4p	154	136	47
0p - 2p	5	40	140
Company N	191	191	191

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Forbes Goldman owns shares in the company : No  
 Redeye performs/have performed services for the company and receives/have received compensation from the company in connection with this.