

Even though H1-22 have been characterized by a low risk appetite and a restrained climate for raising capital, EPTI managed to maintain the Company's net asset value during Q1-22 and increase sales growth by 495%. This, in combination with a reported organic growth of 56%, indicates that the portfolio companies are accelerating their development by taking part in operational support within the company's independent ecosystem. Through a Sum of the Parts (SOTP)-valuation of the current portfolio companies, adjusted for a substance premium and investable capital, a justified value per share of EUR 0.77 is derived in a Base scenario.

▪ Strategic Acquisition in an Attractive Environment

At the end of Q1-22, EPTI acquired the SEO company Adhype AB. The company was founded in 2017 and today has a large share of recurring revenue from e.g. LuckyCasino, Workamo and Glitnor Group. The acquisition strengthens EPTI's deep operational support in keyword optimization, which is of great importance in the development of digital start-up companies. The initial price amounts to SEK 16.5m, which corresponds to approximately 5.9x Adhype's EBITDA result on the 2021 reported figures. In our view, based on the information available, the acquisition is carried out to a reasonable multiple, considering that Adhype increased sales by 66% (YoY) and delivered an operating margin of 52% in 2021.

▪ Attractive Risk-Reward

So far, 2022 has meant geopolitical tensions and increased inflation, which in combination with uncertainty about continued higher interest rates may, in our opinion, be due to EPTI being traded at a substantial discount of 60%¹. Given that the Company would be acquired at current market value, it corresponds the value of the holdings in EPTI Core, which are considered to be valued at conservative valuation multiples or at most recent transaction. The remaining holdings would be obtained free of charge, which includes 21 innovative companies with great potential to grow within EPTI's proven ecosystem. Thus, Analyst Group believes that the current market capitalization continues to invite to an attractive investment opportunity with a good risk-reward.

▪ Updated Valuation Range

We believe that EPTI is developing at a good pace with increased organic growth and maintained net asset value, in a challenging climate for growth companies. Taking in to account the portfolio companies' operational development and EPTI's recent acquisitions, we have chosen to increase our motivated net asset value in a Base scenario. However, to reflect the increased risk premium, we have adjusted the applied substance premium-/discount, and regarding increased number of shares and reduced investable capital, we have updated the valuation range.

CURRENT PRICE | EUR 0.33

VALUATION RANGE

BEAR
EUR 0.33

BASE
EUR 0.77

BULL
EUR 1.01

EPTI AB			
Share Price (2022-06-07) (EUR)	0.33		
Outstanding Shares (M)	106.8		
Market Cap. (EURm)	35.7		
Investable Capital (EURm)	3.0		
Enterprise Value (EURm)	35.3		
1 Year Price Range (EUR)	n.a.		
Exchange	Nasdaq First North Growth Market		
SHARE PRICE DEVELOPMENT			
1 Month	-26.2%		
3 Months	-28.3%		
1 Year	n.a.		
YTD	-56.4%		
OWNERS (SOURCE: HOLDINGS)			
1. Arli Mujkic	47.1%	6. Mps Holding	3.4%
2. Allanova AB	6.7%	7. Sebastian Nyaiesh	2.3%
3. Nordnet Pension	4.2%	8. Avanza Pension	2.3%
4. Måns P. Söderlind	3.6%	9. Felix Granander	1.7%
5. Tord Lendau	3.5%	10. William Moulod	1.5%
CEO AND CHAIRMAN			
CEO	Arli Mujkic		
Chairman	Tord Lendau		
FINANCIAL CALENDAR			
Q2-22	2022-08-18		
ESTIMATES (BASE SCENARIO)		Motivated NAV per 2022-05-31	Percentage of The Portfolio
Gaming (EURk)	8,654	9.0%	
Fintech (EURk)	4,939	5.1%	
Marketplace (EURk)	8,451	8.8%	
SaaS (EURk)	24,801	25.8%	
Core (EURk)	46,391	48.2%	
Investable Capital (EURk)	3,013	3.1%	
Net Asset Value (EURk)		93,236	
Substance Premium (+) / Substance Discount (-)		-15%	
Investable Capital (EURk)		3,013	
Motivated Market Cap. (EURk)		82,264	
Price Per Share (EUR)		0.77	

¹Based on EPTI's market capitalization (2022-06-07) of EUR 35.7m, and the Company's net asset value of EUR 88.0m, including the investment in Adhype and Moblrn.

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Other

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