

# M.O.B.A. Network

Sector: E-sports/Gaming

## Q1 2023 Preview – A Transformative Acquisition

Redeye updates its view on M.O.B.A. Network ahead of its Q1 2023 report. MOBA carried out a transformative acquisition of Wargraphs S.A.S in May 2023.

### Transformative acquisition of Wargraphs S.A.S

MOBA acquired Wargraphs S.A.S, owners of the website Porofessor.gg and the in-game app Porofessor.gg. The website attracts 7-7.5m monthly visitors, while the app has close to 10m downloads and 800k daily average app users. The acquisition generated sales and EBITDA of EUR12.3m and EUR8.4m on a twelve-month rolling basis ending November 2022, adding ~50% in sales and ~300% in EBITDA to MOBA networks in 2022. We believe the acquisition is made at an attractive multiple and can potentially lead to synergies for MOBA. The target is highly profitable with a high cash conversion.

### FY 2023-2025 EBIT raised by 141%, 248% and 235%

We raise FY 2023e-2025e sales and EBIT by 18%, 42% and 43% and 141%, 248% and 235%, respectively. We expect the EBIT margin to improve from 12% in 2024e-2025e to 28% and 29%.

### Valuation

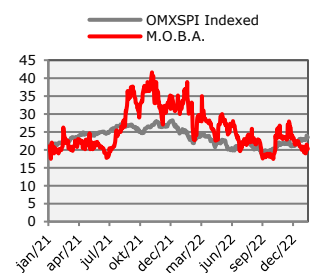
We have increased our DCF valuation on the back of our new estimates, our new valuation range is SEK16 to SEK44 with a Base Case of SEK32. Up from SEK16 to SEK34 with a Base Case of SEK24. We increased our WACC from 9.5% to 11% as the leverage ratio, cost of debt and cost of equity has increased. The cost of equity increased as the net debt to EBITDA ratio is quite high, raising the financial risks profile of the company. MOBA trades at a 2024e EV/EBIT of ~5x.

Key Financials (SEK m)	2022	2023E	2024E	2025E
Revenues	291	355	457	477
Revenue growth	45%	22%	29%	5%
EBITDA	32	81	138	147
EBIT	27	75	130	138
EBIT Margin (%)	9%	21%	28%	29%
Net Income	22	45	69	68
EV/Revenue	1.6	1.7	1.5	1.4
EV/EBITDA	14.1	7.6	5.0	4.5
EV/EBIT	16.6	8.2	5.3	4.8

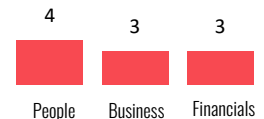
### FAIR VALUE RANGE

BEAR	BASE	BULL
16	32	41

### M.O.B.A. VERSUS OMXSPI



### REDEYE RATING



### KEY STATS

Ticker	MOBA
Market	First North
Share Price (SEK)	16.2
Market Cap (SEKm)	367
Net Debt 2023E (SEKm)	194
Free Float (%)	28%
Avg. daily volume ('000)	3

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## Q1 2023 Preview

### A transformative acquisition

M.O.B.A. Network ("MOBA" or "the Company") announced the transformative acquisition of Wargraphs S.A.S on May 5, 2023. We do not use the term transformative lightly as this acquisition is very significant compared to the current size of MOBA. MOBA made another transformative acquisition in 2021 when it acquired Magic Find, a company larger than MOBA at the time of the acquisition. MOBA successfully integrated Magic Find and its assets following the acquisition, which gives us confidence in its ability to make more significant acquisitions.

The initial purchase price of Wargraphs S.A.S is EUR50m, of which EUR25m is payable upfront and up to EUR25m in additional conditional consideration. The additional consideration is based on EBITDA targets 12 and 24 months out. MOBA aims to finance the acquisition through a senior secured bond ("the bond") with an expected volume of EUR25m within a framework of EUR60m and a maturity in May 2026. MOBA has mandated Nordea Bank to act as the sole bookrunner.

Wargraphs S.A.S (Wargraphs) is a game service provider and in-game application developer providing players with crucial statistics and data for popular games such as League of Legends, Teamfight Tactics and Runeterra. The bulk of revenues is derived from sales of advertising inventories sold across its website and its in-game application Porofessor.gg. Wargraphs generated adj. net sales and adj. EBITDA of EUR12.3m and EUR8.4m on a rolling twelve-month basis for the period ending 30 November 2022. Operating cash flow during the same period amounted to EUR6.6m.

The website Porofessor.gg has 7-7.5 million visits each month based on data on January through March from similarweb.com. The in-game app has 800k daily average users and has been downloaded close to 10 million times. It is one of the highest rated in-game apps for League of Legends on overwolf.com, which is the most popular platform for in-game apps. To put the number into perspective, MOBA's communities excluding Wargraphs attract close to 40 million visits each month.

We are happy to see that the founder will join the MOBA team and potentially receive EUR10m in issued shares in kind as part of the earnout. We believe it is positive that the founder is retained and incentivized through equity.

### Pro-forma financials

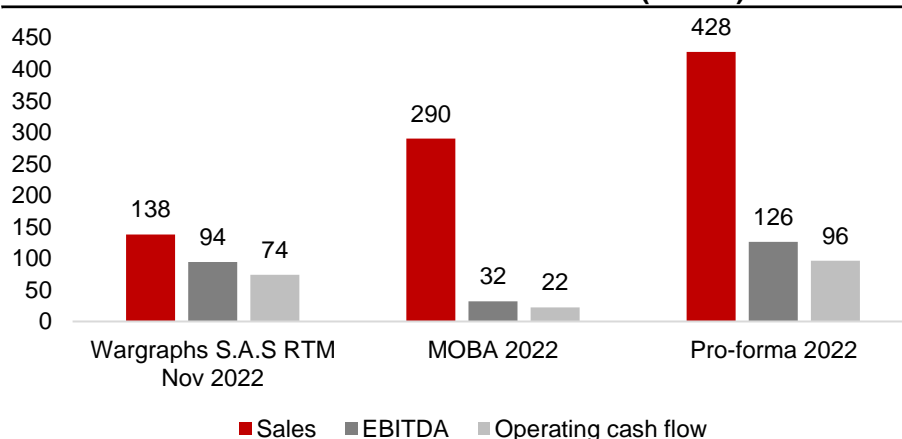
The acquisition adds SEK138m and SEK94m in sales and EBITDA on a pro-forma basis ending November 2022. MOBA generated SEK290m and SEK32m in sales and EBITDA in 2022.

Pro-forma 2022 (SEKm)	Wargraphs S.A.S RTM Nov 2022	MOBA 2022	Pro-forma 2022
<b>Sales</b>	138	290	428
<b>EBITDA</b>	94	32	126
<b>Operating cash flow</b>	74	22	96
<b>Cash conversion</b>	79%	69%	76%
<b>EBITDA margin</b>	68%	11%	30%

Source: Redeye research, company data

The acquisition thus adds almost 50% in sales and 200% in EBITDA to MOBA's 2022 financials. Wargraphs appear to be highly profitable with an EBITDA margin of 68%. This coupled with a high cash conversion in the high 70's makes for an attractive target.

### M.O.B.A. Network: Pro-forma financials 2022 (SEKm)



Source: Redeye Research, company data

### Risks

MOBA becomes more dependent on League of Legends as a title after the acquisition. The concentration risks increase both on a game title level, website, and product-level as Wargraphs is set to generate a considerable amount of MOBA's total sales and EBITDA following the acquisition. MOBA's largest community is still MOBAFire, which attracts roughly 10m monthly visitors and accounts for roughly 25% of MOBA's total community visits pre-acquisition.

### Financing

MOBA will finance the upfront consideration of EUR25m by issuing a bond with a EUR60m framework. We estimate that MOBA will issue EUR12.5m in mid-2024 and EUR2.5m in the middle of 2025 to cover the earn-out payments. We assume that the shares issued in kind of EUR10m will be issued in 2025 as well. The interest rate of the bond is EURIBOR 3m plus 10 per cent per annum. As per May 16 2023 the EURIBOR 3m rate is 3.4%.

### Balance sheet

MOBA's net debt to EBITDA ratio will amount to 5.7x and 2.9x in FY 2023e and 2024e, which is on the higher end. However, the 2023e ratio is misleading as only six months of Wargraphs EBITDA contributes, albeit 2.9x is still on the high side. The interest coverage ratio is 3.5x in 2024e based on our assumptions of its financial expenses. Net debt using the maximum consideration of EUR50m into account.

### Conclusion

We do not know about the conditions for the additional earn-out. But we view this acquisition favourably as the acquisition is carried out at an attractive EV/EBITDA multiple of ~6x, and the target has good cash conversion leading to a 2022 EV/OCF multiple of 7.6x.

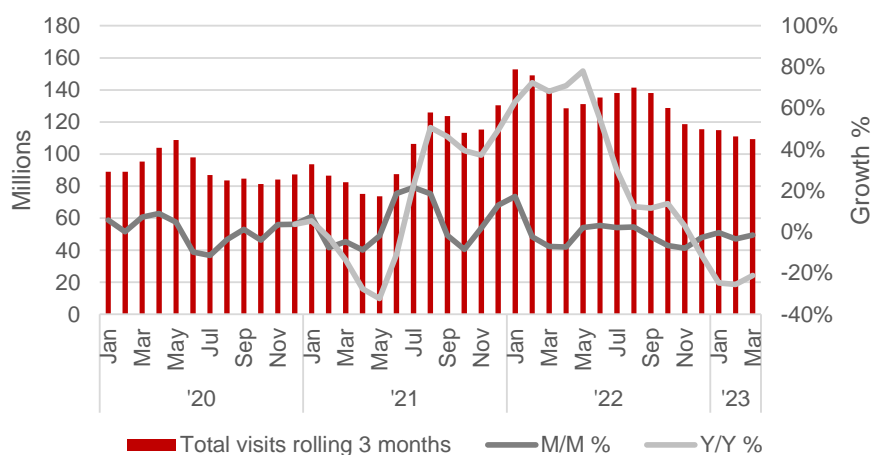
We believe that the acquired target probably enjoyed high levels of growth in 2021 and 2022, and we do not expect growth in 2023. We assume that the conditions for additional considerations will protect MOBA if the targets EBITDA were to decline on a 12 or 24-month basis. This means the valuation multiple would still be attractive in such a scenario. The acquisition is truly transformative on an EBITDA and cash flow level.

### Traffic data

Total monthly visitor traffic within M.O.B.A.’s communities amounted to 109 million (139 million in Q1 2022) in Q1 2023 on an aggregated level, declining 21% y/y and 5% q/q. The decline is in line with MOBA’s main competitor sites: OP.gg, U.gg, Champion.gg, Dotabuff.com, Rankedboost.com, and LoLcounter.com. Traffic volume across the competitor sites has decreased by 25% y/y and increased 3% q/q.

Traffic to the largest competitor, OP.gg, declined 26% y/y. It is encouraging to see that MOBA’s competitors are also experiencing decreased engagement across its communities. It is signaling that the problem is not exclusive to MOBA.

#### M.O.B.A. Network: Monthly visitor traffic - Rolling three months (million)



Source: Similarweb.com, Redeye Research

### League of Legends

MOBA’s revenues are quite dependent on the ongoing success of League of Legends. The game was released in 2009, but it is one of the world’s most popular games with its ~150 million monthly active users (MAUs), 14 years after its initial release. Growing by roughly 3 million MAUs in 2022 from 2021. The game is still experiencing growth albeit at low rates from today’s very elevated levels. It is the most played PC game in the world going by MAUs if one were to exclude games that are also played on mobile. Fortnite, Minecraft, PUBG and Roblox have inflated MAUs due to mobile players. League of Legends is a live service game so its lifespan can be extended long into the future as the game receives continuous updates to feel fresh and new.

## State of the advertising market

Alphabet and Meta control a significant portion of the digital advertising market (roughly 60%). Both companies reported stable revenue development in Q1 2023. Alphabet ad revenue was flat y/y. Search & other grew 2%, YouTube Ads and Google Network declined by 3% and 8%, respectively.

Meta reported an increase in ad impressions of 26% y/y, but the price per ad declined by 17% in the same period. Meta's total revenues grew 3% in Q1 2023 y/y.

We expect MOBA's revenues to decline due to tough year-over-year comparisons caused by a pandemic-boasted 2022, where players' increased engagement and activity levels benefited MOBA's portfolio of communities. YouTube revenues were down 3% in the quarter, and we expect MOBA's video service revenues to decline in line with that. However, we also believe that the gaming segment on YouTube has declined more. We expect a decline of 6% in revenues from video services.

We expect that revenues from MOBA's communities will decline ~15% in Q1 2023 due to a decrease in traffic of 20% y/y and a decline in revenues per ad. Overall we estimate revenues will decrease by 8%.

## A platform for continued growth

As we alluded to in [our previous research update](#) dated 16 February 2023, we argued that MOBA, with its strong balance sheet, could benefit from the macroeconomic environment and that the opportunity for acquisitions could be significant. The acquisition of Wargraphs confirms this notion. MOBA will generate much more cash flow post-acquisition, enabling it to acquire small to medium targets through its cash flows going forward.

## Financials

### Estimate changes

We raise FY 2023e-2025e sales and EBIT by 18%, 42% and 43% and 141%, 248% and 235%, respectively. We expect the EBIT margin to improve from 12% in 2024e-2025e to 28% and 29%.

Financial expenses, stemming mainly from the bonds, in FY 2023e-2025e amounts to SEK18m, SEK42 and SEK52m respectively. This is based on an assumed interest rate of 13% on the bond.

MOBA Estimates SEK m	Q1'22				Q2'22				Q3'22				Q4'22				New Estimates			Old Estimates			Diff (%)		
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e					
<b>Net Sales</b>	<b>67.4</b>	<b>70.8</b>	<b>71.3</b>	<b>80.3</b>	<b>56.2</b>	<b>67.5</b>	<b>104.4</b>	<b>126.4</b>	<b>354.5</b>	<b>455.6</b>	<b>476.4</b>	<b>301.5</b>	<b>320.8</b>	<b>333.4</b>	<b>17.6%</b>	<b>42.0%</b>	<b>42.9%</b>								
Other Revenues	0.2	0.4	0.4	0.1	0.2	0.2	0.2	0.2	0.8	1.0	1.0	0.8	1.0	1.0	0.0%	0.0%	0.0%								
<b>Total Revenue</b>	<b>67.6</b>	<b>71.2</b>	<b>71.7</b>	<b>80.4</b>	<b>56.4</b>	<b>67.7</b>	<b>104.6</b>	<b>126.6</b>	<b>355.3</b>	<b>456.6</b>	<b>477.4</b>	<b>302.3</b>	<b>321.8</b>	<b>334.4</b>	<b>17.6%</b>	<b>41.9%</b>	<b>42.8%</b>								
COGS	-53.4	-56.3	-57.6	-64.2	-44.7	-53.7	-64.3	-78.2	-240.9	-276.0	-287.6	-238.9	-249.0	-257.1	0.8%	10.8%	11.9%								
<b>Gross Profit</b>	<b>14.2</b>	<b>14.9</b>	<b>14.1</b>	<b>16.2</b>	<b>11.7</b>	<b>14.0</b>	<b>40.4</b>	<b>48.4</b>	<b>114.5</b>	<b>180.6</b>	<b>189.9</b>	<b>63.3</b>	<b>72.7</b>	<b>77.3</b>	<b>80.7%</b>	<b>148.4%</b>	<b>145.7%</b>								
Employee costs	-2.3	-2.4	-2.7	-2.7	-2.8	-2.9	-3.0	-3.1	-11.8	-12.2	-12.5	-11.8	-13.6	-14.3	0.0%	-10.4%	-12.1%								
Activated development costs	1.6	1.7	1.8	1.6	1.3	1.6	2.4	2.9	8.2	9.1	9.5	7.0	6.4	6.7	17.6%	41.9%	42.8%								
Other external expenses	-5.0	-5.3	-5.8	-7.1	-5.9	-6.1	-6.1	-6.7	-20.3	-21.1	-21.5	-21.5	-21.6	-21.7	-5.2%	-2.2%	-0.9%								
Other operational expenses	0.0	0.0	-0.2	-0.4	-0.1	-0.2	-0.3	-0.3	-0.9	-1.1	-1.0	-0.8	-0.8	-0.7	17.6%	41.9%	42.8%								
Opex Wargraphs							-3.8	-4.5	-8.3	-17.0	-17.5	na	na	na	na	na	na								
<b>Total Opex</b>	<b>-5.8</b>	<b>-6.0</b>	<b>-6.9</b>	<b>-8.6</b>	<b>-7.6</b>	<b>-7.6</b>	<b>-10.7</b>	<b>-11.7</b>	<b>-33.2</b>	<b>-42.3</b>	<b>-43.0</b>	<b>-27.1</b>	<b>-29.5</b>	<b>-30.0</b>	<b>22.4%</b>	<b>43.3%</b>	<b>43.5%</b>								
<b>EBITDA</b>	<b>8.4</b>	<b>8.9</b>	<b>7.2</b>	<b>7.6</b>	<b>4.1</b>	<b>6.4</b>	<b>29.7</b>	<b>36.7</b>	<b>81.3</b>	<b>138.3</b>	<b>146.9</b>	<b>36.2</b>	<b>43.2</b>	<b>47.3</b>	<b>124.4%</b>	<b>220.1%</b>	<b>210.4%</b>								
D&A	-1.0	-1.1	-1.4	-1.3	-1.5	-1.5	-1.5	-1.5	-5.9	-8.3	-8.6	-5.0	-5.9	-6.0	17.6%	41.9%	42.8%								
<b>EBIT</b>	<b>7.4</b>	<b>7.7</b>	<b>5.8</b>	<b>6.3</b>	<b>2.6</b>	<b>4.9</b>	<b>28.2</b>	<b>35.3</b>	<b>75.5</b>	<b>130.01</b>	<b>138.3</b>	<b>31.3</b>	<b>37.3</b>	<b>41.3</b>	<b>141.4%</b>	<b>248.1%</b>	<b>234.8%</b>								
Net financials	-0.6	-0.7	-0.3	0.5	-0.5	-0.5	-8.6	-8.6	-18.1	-42.0	-52.0	-2.0	-2.0	-2.0	805.0%	2000.0%	2500.0%								
EBT	6.9	7.0	5.5	6.8	2.1	4.4	19.7	26.7	57.4	88.0	86.3	29.3	35.3	39.3	96.0%	149.0%	119.6%								
Tax	-1	-1	-1	-2	0	-1	-4	-6	-12	-19	-19	-6	-8	-8	96.0%	149.0%	119.6%								
<b>Net Profit</b>	<b>6.4</b>	<b>6.3</b>	<b>4.4</b>	<b>4.9</b>	<b>1.7</b>	<b>3.5</b>	<b>15.4</b>	<b>21.0</b>	<b>45.0</b>	<b>69.1</b>	<b>67.7</b>	<b>23.0</b>	<b>27.7</b>	<b>30.8</b>	<b>96.0%</b>	<b>149.0%</b>	<b>119.6%</b>								

Source: Redeye research

Segments																		
Net Sales - Ads	12.3	12.7	11.3	13.7	9.6	11.5	44.0	52.7	117.8	195.2	205.6	52.7	59.5	64.3	123.7%	228.0%	219.9%	
Net Sales - Video Services	55.1	58.1	60.0	66.6	46.6	55.9	60.4	73.7	236.7	260.4	270.8	248.8	261.3	269.1	-4.9%	-0.3%	0.6%	
Gross Profit - Ads	9.7	10.1	9.3	10.3	7.7	9.2	35.2	42.2	94.3	156.2	164.5	42.1	48.2	52.1	123.7%	224.0%	215.9%	
Gross Profit - Video services	4.3	4.4	4.4	5.8	3.8	4.6	5.0	6.0	19.4	23.4	24.4	20.4	23.5	24.2	-4.9%	-0.3%	0.6%	

KPIs																		
Gross margin %	21%	21%	20%	20%	21%	21%	39%	38%	32%	40%	40%	21%	23%	23%	11.3pp	17.0pp	16.7pp	
EBITDA margin %	12%	12%	10%	9%	7%	9%	28%	29%	23%	30%	31%	12%	13%	14%	10.9pp	16.9pp	16.6pp	
EBIT margin %	11%	11%	8%	8%	5%	7%	27%	28%	21%	28%	29%	10%	12%	12%	10.9pp	16.9pp	16.6pp	
Net Sales y/y %	818%	126%	0%	-10%	-17%	-5%	46%	57%	22%	29%	5%	4%	6%	4%	18.2pp	22.1pp	0.6pp	
EBITDA y/y %	148%	145%	-18%	-34%	-51%	-24%	235%	408%	153%	70%	6%	13%	19%	9%	140.3pp	50.9pp	-3.3pp	
EBIT y/y %	162%	152%	-29%	-40%	-65%	-34%	266%	505%	176%	72%	6%	14%	19%	11%	161.8pp	52.8pp	-4.2pp	

Source: Redeye research

## Valuation

### DCF valuation

We have increased our DCF valuation on the back of our new estimates, our new valuation range is SEK16 to SEK44 with a Base Case of SEK32. Up from SEK16 to SEK34 with a Base Case of SEK24. The table below summarizes our assumptions for our Base, Bull, and Bear cases. We increased our WACC from 9.5% to 11% as the leverage ratio, cost of debt and cost of equity has increased. The cost of equity increased as the net debt to EBITDA ratio is quite high, raising the financial risks profile of the company.

#### Bear Case SEK16

Sales CAGR 2023-27e: 4%  
 Sales CAGR 2028-37e: 2%  
 Avg. EBITDA margin 2023-36e: 24%

Terminal growth: 2%  
 Terminal EBITDA margin: 20%.

#### Base Case SEK32

Sales CAGR 2023-27e: 5%  
 Sales CAGR 2028-37e: 3%  
 Avg. EBITDA margin 2023-37e: 30%

Terminal growth: 2%  
 Terminal EBITDA margin: 25%.

#### Bull Case SEK44

Sales CAGR 2023-27e: 7%  
 Sales CAGR 2028-37e: 5%  
 Avg. EBITDA margin 2023-37e: 31%

Terminal growth: 2%  
 Terminal EBITDA margin: 27.5%.

## 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

Business and financials was lowered from 4 to 3 due to a new rating model. MOBA has no clear competitive advantages per the Redeye rating and it thus score a 3 in business. The lack of consistent growth in EPS and subpar returns on equity and returns on asset leads to a lowering of the financial rating.

#### People: 4

M.O.B.A. Network's management and board have extensive experience in gaming, digital platforms, and consolidating e-commercial companies. During the last year, the management has proved that it could commercialize and improve the operations of CriticalClick. We believe that M.O.B.A.'s CEO, Björn Mannerqvist, has used much of his experience from working with digital marketing and SEO in the improvement work of CriticalClick. Furthermore, M.O.B.A. has a clear M&A strategy in which the experience of the Board members Jonas Bertilsson and Fredrik Burvall will be essential. In addition, Board member Maria A. Grimaldi has broad experience in the gaming industry, both operational and as an investor. We argue that the ownership structure is robust as the Management and Board own around 15% of the shares in M.O.B.A. In addition, the company has two institutions, TIN Fonder (9.7%) and Alcur Fonder (9.6%), amongst its ten largest owners, which is impressive given M.O.B.A.'s relatively small market cap and low stock liquidity.

#### Business: 3

M.O.B.A. Network is a community-focused gaming company capitalizing on the rapidly growing gaming and Esport sectors. The underlying growth for the sectors is around 15%, and the company has proven that it can grow much faster than the underlying market. The propriety platform communities are connected to sharp gaming IPs that ensure long-lasting activity, while the user content and network effects create strong traffic inflow to the websites. The company has also started to execute its M&A strategy with recent acquisitions.

#### Financials: 3

M.O.B.A. has an asset-light business model that ensures impressive cash conversion. The company could likely continue to multiply without more substantial in-house investments. The company's M&A strategy could, however, put pressure on the financials, but we see room for additional leverage that can improve the Return on Equity.

	2021	2022E	2023E	2024E						
<b>INCOME STATEMENT</b>					<b>DCF Valuation Metrics</b>					<b>Sum FCF (SEKm)</b>
Revenues	200	291	355	457	Initial Period (2022–2024)					-155
Cost of Revenues	154	232	241	276	Momentum Period (2025–2036)					565
Gross Profit	46	59	114	181	Terminal Period (2037–)					264
Operating Expenses	18	27	33	42	Firm Value					674
EBITDA	27	32	81	138	Net Debt					-32
Depreciation & Amortization	-3	-5	-6	-8	Equity Value					706
EBIT	25	27	75	130	Fair Value per Share					32
Net Financial Items	5	5	20	44						
EBT	23	26	57	88						
Income Tax Expenses	-7	-4	-12	-19						
Non-Controlling Interest	0	0	0	0						
Net Income	16	22	45	69						
<b>BALANCE SHEET</b>										
<b>Assets</b>										
<b>Current assets</b>										
Cash & Equivalents	37	48	103	170						
Inventories	0	0	0	0						
Accounts Receivable	13	11	16	21						
Other Current Assets	27	25	32	39						
Total Current Assets	77	84	150	229						
<b>Non-current assets</b>										
Property, Plant & Equipment, Net	0	0	0	0						
Goodwill	114	132	692	692						
Intangible Assets	155	182	186	188						
Right-of-Use Assets	0	0	0	0						
Shares in Associates	0	0	0	0						
Other Long-Term Assets	0	0	0	0						
Total Non-Current Assets	269	314	877	880						
Total Assets	346	398	1028	1109						
<b>Liabilities</b>										
<b>Current liabilities</b>										
Short-Term Debt	5	5	5	5						
Short-Term Lease Liabilities	0	0	0	0						
Accounts Payable	51	42	64	75						
Other Current Liabilities	2	3	5	6						
Total Current Liabilities	59	49	74	86						
<b>Non-current liabilities</b>										
Long-Term Debt	16	11	291	431						
Long-Term Lease Liabilities	0	0	0	0						
Other Long-Term Liabilities	23	29	309	169						
Total Non-current Liabilities	39	40	600	600						
Non-Controlling Interest	0	0	0	0						
Shareholder's Equity	248	309	354	423						
Total Liabilities & Equity	346	398	1028	1109						
<b>CASH FLOW</b>										
NOPAT	17	23	59	102						
Change in Working Capital	19	-4	12	1						
Operating Cash Flow	25	23	63	78						
Capital Expenditures	-46	0	-280	-140						
Investment in Intangible Assets	-30	-17	-9	-11						
Investing Cash Flow	-76	-17	-289	-151						
Financing Cash Flow	119	1	280	140						
Free Cash Flow	-51	6	-226	-73						
					<b>CAPITAL STRUCTURE</b>					
					Equity Ratio	0.7	0.8	0.3	0.4	
					Debt to equity	0.1	0.1	0.8	1.0	
					Net Debt	-15	-32	194	266	
					Capital Employed	287	349	954	1023	
					Working Capital Turnover	-15.4	-33.9	-17.0	-21.1	
					<b>GROWTH</b>					
					Revenue Growth	504%	45%	22%	29%	
					Basic EPS Growth	-55%	-51%	105%	53%	
					Adjusted Basic EPS Growth	-68%	-32%	106%	53%	
					<b>PROFITABILITY</b>					
					ROE	9%	8%	14%	33%	
					ROCE	9%	8%	8%	13%	
					ROIC	10%	8%	10%	24%	
					EBITDA Margin (%)	14%	11%	23%	30%	
					EBIT Margin (%)	12%	9%	21%	28%	
					Net Income Margin (%)	8%	8%	13%	15%	
					<b>VALUATION</b>					
					Basic EPS	2.0	1.0	2.0	3.0	
					Adjusted Basic EPS	1.4	1.0	2.0	3.0	
					P/E	24.7	22.2	9.5	6.2	
					EV/Revenue	2.0	1.6	1.7	1.5	
					EV/EBITDA	14.6	14.1	7.6	5.0	
					EV/EBIT	16.2	16.6	8.2	5.3	
					P/B	1.7	1.6	1.2	1.0	
					<b>SHAREHOLDER STRUCTURE</b>					
										<b>CAPITAL % VOTES %</b>
					New Equity					22.7% 22.7%
					Henrik Kvick					16.0% 16.0%
					Jonas Bertilsson					10.4% 10.4%
					Thomas Jansson					10.2% 10.2%
					Alcur Fonder					9.7% 9.7%
					<b>SHARE INFORMATION</b>					
					Reuters code					MOBA
					List					First North
					Share price					16.2
					Total shares, million					22.7
					<b>MANAGEMENT &amp; BOARD</b>					
					CEO					Björn Mannerqvist
					Chairman					Fredrik Burvall
					<b>ANALYSTS</b>					
										Redeye AB
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## 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.

## Redeye Equity Research team

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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 does not issue any investment recommendations for fundamental analysis. However, Redeye has developed a proprietary analysis and rating model, Redeye Rating, in which each Company is analyzed and evaluated. This analysis aims to provide an independent assessment of the Company in question, its opportunities, risks, etc. The purpose is to provide an objective and professional set of data for owners and investors to use in their decision-making.

### Redeye Rating (2022-08-12)

Rating	People	Business	Financials
5p	32	15	4
3p - 4p	157	140	48
0p - 2p	5	39	142
Company N	194	194	194

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### CONFLICT OF INTERESTS

Danesh Zare owns shares in the Company: No

Anton Hoof 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.