

Valuer

Kasper Lihn

kasper@hcandersencapital.dk

+45 28 73 93 22

2 February 2021 08:45 AM

Valuer

Conclusions

- Valuer is a born-global platform company within innovation. Valuer provides a data-driven platform which matches large corporations with startups and scale-ups based on advanced AI. The company's vision is to become the LinkedIn of innovation.
- The investment case is driven by the rise of the innovation economy that forces large corporations to improve innovation efforts and allocate more funds to innovation. Valuer's platform optimizes the innovation process for large corporations by building a bridge to startups with new ideas outside the corporations.
- The company has been nominated for the FUTURE UNICORN AWARD in 2021, which acknowledges Valuer's global unicorn potential. Also, Valuer is attracting interest from foreign investors due to the potential of the platform.
- The digital transformation megatrend also drives the investment case. The global market is currently valued at USD ~2tn, and the digital transformation market is expected to grow by double digits in the coming years.
- Valuer assesses that the company's total addressable market (TAM) amounts to USD 7.3bn based on the platform's current setup. This value is expected to increase in the near term because the company expects to generate new revenue streams on the platform.
- The company's ambition is to achieve an annual recurring revenue (ARR) of DKK 74m in December 2023. This is equivalent to a compounded annual growth rate of 146% based on the current ARR of DKK 5m ARR as at December 2020.
- Valuer expects to sell new shares for DKK 100m with DKK 54.75m being pre-subscribed for by cornerstone investors. The post money valuation of Valuer is expected to be approximately DKK 400m based on the offering. Both the company's CEO and two members of the Board of Directors are major shareholders with lock-up period with an equivalent lock-up for in fact all current shareholders.
- The proceeds from the offering will be used to execute on the company's internationalization strategy. Thus, Valuer plans to invest in growth and expand the organization over the next three years. Valuer expects to break even on both P&L and cash flow by the end of December 2023.

Disclaimer

- HC Andersen Capital receives payment from Valuer for a Digital IR/Corporate Visibility subscription agreement.
- Kasper Lihn has no ownership in Valuer and has no intention of subscribing to new shares in connection with the offering.
- This is not a piece of advice to buy, not to buy, sell or not to sell shares.
- The material has been read by the company before publication.
- HC Andersen Capital ApS assumes no responsibility for the correctness of the contents of the material.

Valuer

IPO information

- Valuer expects to be listed on Nasdaq First North Premier Denmark with the first day of trading on 23 February 2021. Valuer's offer period is expected to begin on 2 February 2021 and end on 15 February 2021.
- The company's offering is DKK 100m. Valuer already has DKK 54.75m from cornerstone investors, which was pre-subscribed to over a three-week period.
- Valuer's post money valuation will be approximately DKK 400m based on the offering of DKK 100m. This corresponds to a pre-IPO valuation of approximately DKK 300m.
- Listing on Nasdaq First North Premier means that Valuer must fulfill several requirements in accordance with companies listed on the Main Market. According to Nasdaq, the Premier segment also attracts higher interest from institutional investors.
- Nasdaq First North Premier is considered a springboard to the Main Market. In Sweden, more than 50 percent of the First North companies that transferred to the Main Market did the transfer from the Premier segment.

Investment case

- The investment case is driven by the digital transformation megatrend. Currently, the digital transformation market is valued at USD ~2tn, and the market is expected to grow by a double digit in the coming years.
- The rise of the innovation economy forces large corporations to continuously focus on innovation. Consequently, large corporations are allocating an increasing amount of funds to innovation and search for new ideas outside the corporations.
- Valuer's platform can potentially also increase the probability of successful M&As using machine-learning and advanced AI for match-making.
- In 2021, Valuer expects to open the startup-side of the platform which enables Valuer to create multiple revenue streams. This is also supporting the investment case.
- As a global-born platform company with well-known customers such as Grundfos, Siemens Gamesa, Sanofi, and Pfizer, Valuer has the potential to become a future unicorn and attract foreign investors.

Disclaimer

HC Andersen Capital receives payment from Valuer for a Digital IR/Corporate Visibility subscription agreement.

Kasper Lihn has no ownership in Valuer and has no intention to subscribe to new shares in connection with the offering.

This is not a piece of advice to buy, not to buy, sell or not to sell shares.

The material has been read by the company before publication.
HC Andersen Capital ApS assumes no responsibility for the correctness of the contents of the material.

Contact information

Kasper Lihn

kasper@hcandersencapital.dk

+45 28 73 93 22

2 February 2021 08:45 AM

Valuer

Valuer – in brief

- Valuer was founded in 2017 with the vision to become the LinkedIn of innovation. Today, Valuer has 35 employees primarily located in Copenhagen.
- The company provides a data-driven platform which matches innovation requests from large corporations with more than 650,000 startups and scale-ups based on machine-learning and advanced AI. The process is illustrated in figure 1. According to the prospectus, Valuer's platform facilitates partnerships with start-ups four times faster than the analogue match-making process.
- Valuer's platform optimizes the innovation flow for large corporations with the current setup. Current customers include global companies such as Grundfos, Siemens Gamesa, Sanofi and Pfizer.
- Access to the platform can either be transaction-based or subscription-based. Furthermore, Valuer splits customers into Standard and Premium customers with subscription-based Standard customers paying around DKK 1m yearly.
- The company expects to generate new revenue streams already from 2021. For instance, Valuer expects to open the startup-side of the platform which enables Valuer to form network effects from both large corporations and start-ups.
- Valuer has also been nominated for the FUTURE UNICORN AWARD in 2021 which acknowledges the potential of the platform.

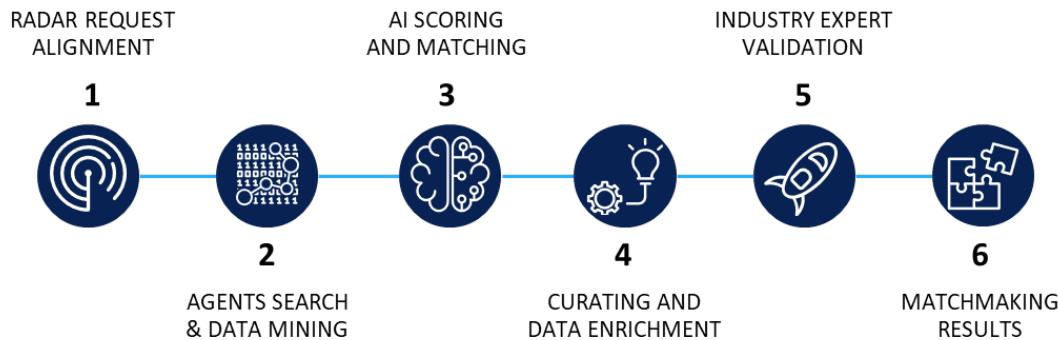


Figure 1: Valuer's process in six steps

Source: Valuer

Valuer

Management and Board of Directors are highly experienced within the IT industry

- Valuer's CEO and co-founder Dennis Juul Poulsen is former CEO and co-founder of Tweakker. Tweakker was sold to Spirent Communications in 2016, which is listed on London Stock Exchange.
- Members of the Board of Directors are highly experienced within the IT industry. Furthermore, Michael Moesgaard Andersen has a solid track record of IPOs with Konsolidator in 2019 and Penneo in 2020.

	Dennis Juul Poulsen CEO & co-founder		Martin Ernst CCO		René Carl Tiedemann Giese CXO & co-founder		Christian Lawaetz Halvorsen CTO & co-founder		Ellen Bente Schulz CFO
<ul style="list-style-type: none">○ Part of Valuer from the beginning as CEO and co-founder○ Former CEO and co-founder of Tweakker – exited to LSE-listed Spirent Communications		<ul style="list-style-type: none">○ Joined Valuer in 2020 as CCO○ Former Head of Wealth & Investment Solutions at Mercer Denmark○ Former Senior Vice President, Head of Nordic Region at Saxo Bank		<ul style="list-style-type: none">○ Part of Valuer from the beginning as CXO and co-founder○ Former Country Sales Director at Experian○ Formerly at Microsoft for 12 years		<ul style="list-style-type: none">○ Part of Valuer from the beginning as Head of Machine Learning and AI and co-founder○ Been a core part of Valuer's technological development and has been CTO since 2020		<ul style="list-style-type: none">○ Joined Valuer in 2018 as CFO○ +25 years of experience at various companies as Director of Finance and Controller including publicly traded companies	
	NINE		PENNEO <small>KONSOLIDATOR</small>		IT-Branchen <small>IT-Branchen</small>		CBS <small>IT-Branchen</small>		
Finn Peder Ramsgaard Hove Chairman & co-founder		Michael Moesgaard Andersen Board member		Natasha Friis Saxberg Board member		Flemming Poulfelt Board member			

Figure 2: Valuer's members of the Executive Management Team and Board of Directors

Source: Valuer

Valuer

Valuer's total addressable market (TAM) is currently valued at USD 7.3bn

- Valuer assesses that the company's total addressable market (TAM) amounts to USD 7.3bn. This estimate is based on Valuer's current platform setup targeting 51,000 corporations with more than 1,000 employees across the United States and Europe. Each corporation is assumed to pay for one subscription with an average ARR of USD 144,000. Furthermore, Valuer expects the total addressable market to grow due to new customer groups in the coming years.
- Valuer's total addressable market is supported by the digital transformation megatrend. According to the prospectus, the global digital transformation market was valued at USD 1,300bn in 2019, and the market is expected to grow yearly by 17.1% on average to USD 2,300bn in 2023.

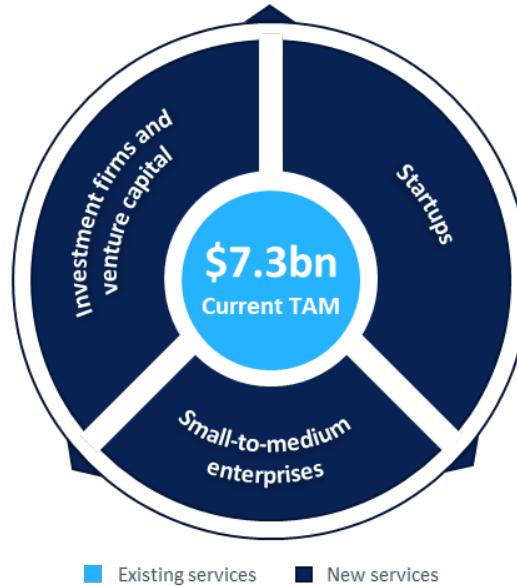


Figure 3: Valuer's total addressable market (TAM)

Source: Valuer

Valuer

Highest tech level and degree of customization among competitors

- According to the prospectus, the competitive landscape of AI-based innovation platforms can be split into different characteristics. The characteristics are customer focus, data-collection techniques, and the objective of artificial intelligence. Overall, Valuer is the most advanced platform in the competitive landscape measured by tech level and degree of customization according to the company.
- Both Valuer and Catapult provide innovation to corporations, while other platforms such as Tracxn and Motherbrain focus on the venture capital customer segment. Moreover, Tracxn and Pitchbook only rely on quantitative techniques such as databases, while Valuer applies both qualitative and quantitative data-collection techniques. Finally, Valuer also assesses that the company's AI approach is more focused on customer inputs and customization than other platforms such as Motherbrain and Tracxn.

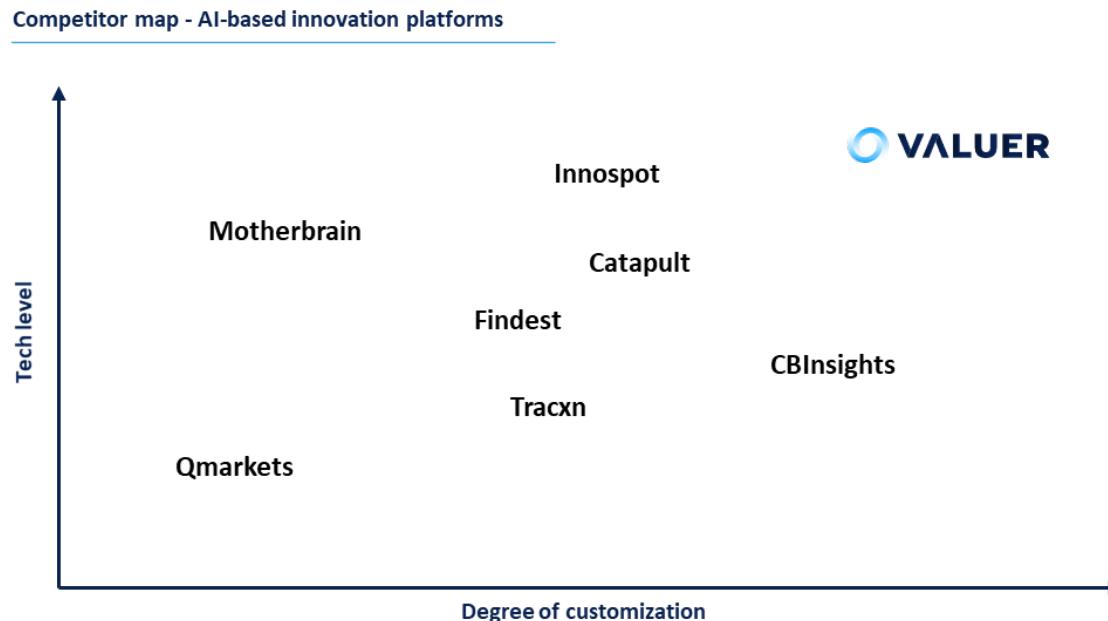


Figure 4: Valuer's competitor map

Source: Markets and Markets: Innovation Management Market report 2019 and Valuer's prospectus

Valuer

Valuer's internationalization strategy is focused on Western Europe, the USA, and Singapore

- Valuer's internationalization strategy focuses primarily on the Western European countries, the United States, and Singapore.
- The company's sales channels are both direct sales, distributors, and agents. As shown in figure 5, Valuer expects to open offices in the United States and the United Kingdom in 2021 before expanding to Singapore in 2022.

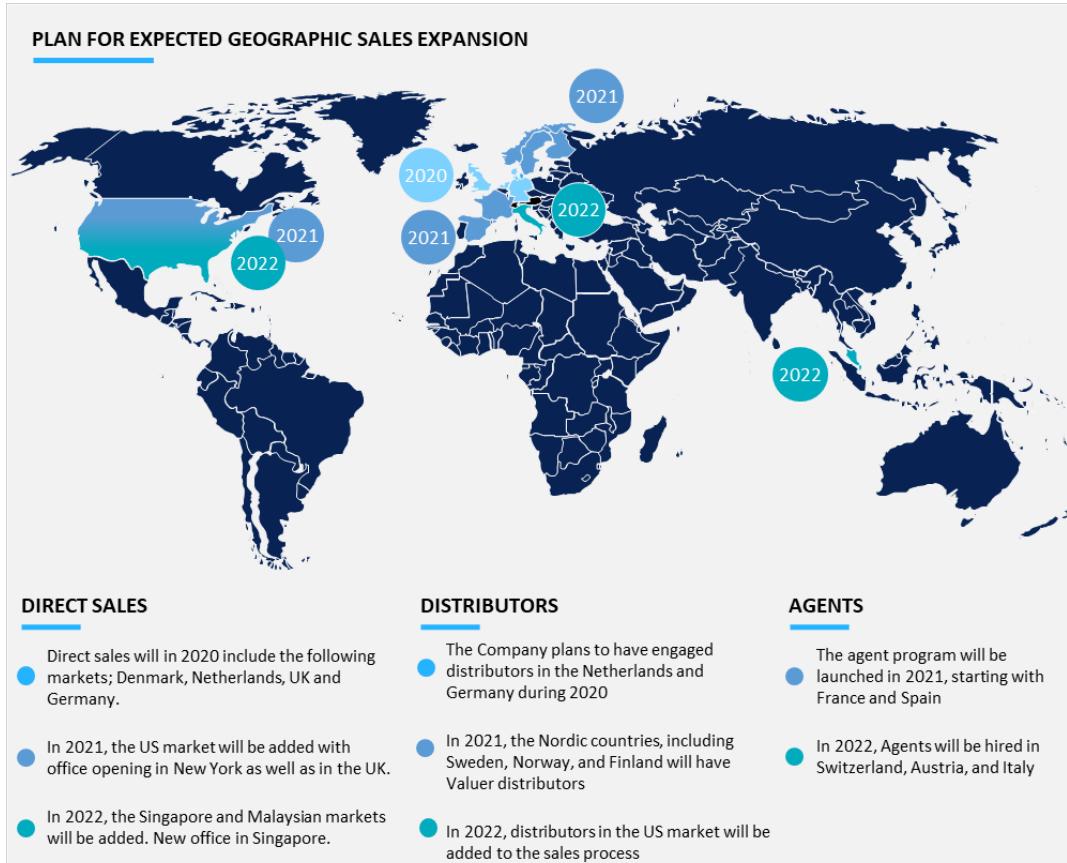


Figure 5: Valuer's internationalization strategy

Source: Valuer

Valuer

Significant growth rates are expected in ARR and customers

- According to the prospectus, Valuer expects to increase the annual recurring revenue (ARR) from DKK 5m in December 2020 to DKK 74m in December 2023. This corresponds to a compounded annual growth rate of 146%.
- Valuer has seven paying Standard customers on their subscription-based model as of December 2020. The company expects to increase customers to 48 Standard customers and 16 Premium customers in December 2023 based on the current business model.

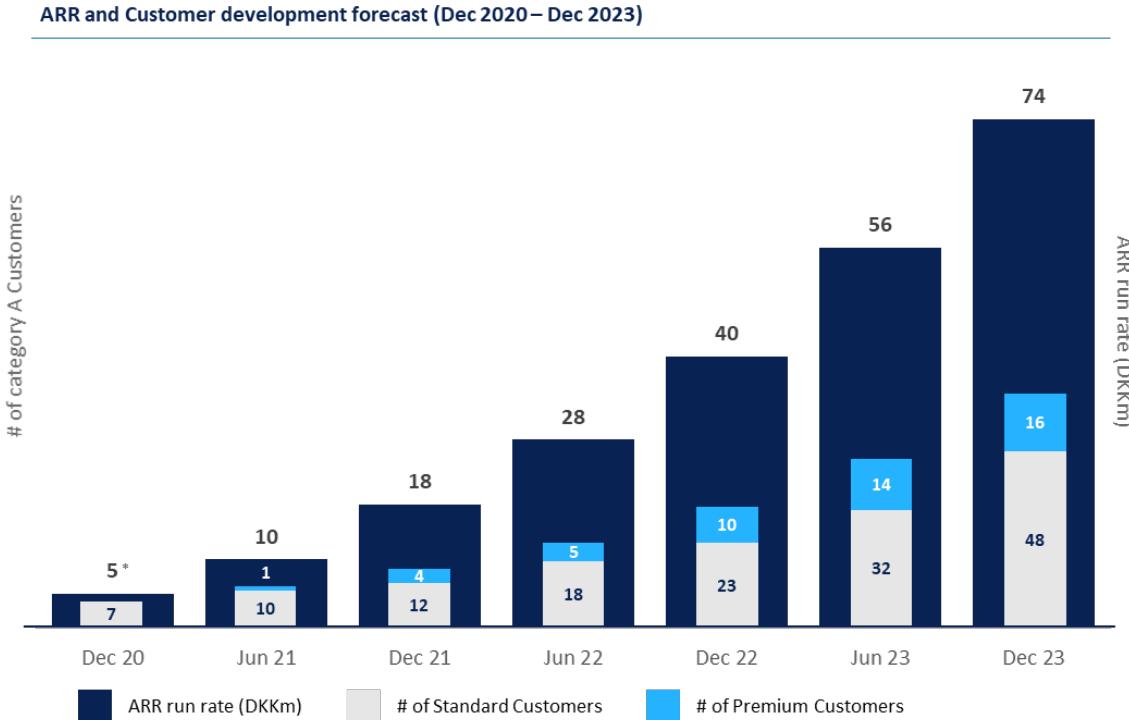


Figure 6: Valuer's expected growth in ARR and number of customers

Source: Valuer

Valuer

Valuer expects high revenue growth from contracts with customers and to break even in December 2023

- As at 2019/2020, Valuer has DKK ~5m in revenue from contracts with customers. However, Valuer expects to grow revenue from contracts with customers to DKK ~97m in 2023/2024 which corresponds to a compounded annual growth rate of ~112%. However, Valuer also sees opportunities for new revenue streams which potentially can increase the growth rates in the forecast.
- The forecasted profit and loss statement shows that Valuer expects to increase staff expenses significantly in line with Valuer's internationalization strategy. Furthermore, the increase in other external expenses is primarily due to increased marketing expenses. Valuer forecasts that the company's P&L and cash flow will break even in December 2023.

	Forecast	Forecast	Forecast	Forecast
DKKk	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Revenue from contract with customers	7,963	30,310	55,458	96,678
Cost of providing services	(1,744)	(6,981)	(14,982)	(24,729)
Other external expenses	(12,881)	(22,196)	(28,397)	(29,405)
Gross profit	(6,662)	1,132	12,079	42,544
Staff expenses	(12,999)	(27,699)	(32,655)	(34,746)
Depreciation & amortization	(807)	(1,403)	(2,195)	(3,080)
Profit/loss before net financials (EBIT)	(20,468)	(27,970)	(22,770)	4,718
Revenue growth (%)	51%	281%	83%	74%
# of FTE*	44	64	65	65

Table 1: Valuer's forecast of P&L

Source: Valuer

Valuer

Cornerstone investors have pre-subscribed for DKK 54.75m over a three-week period

- Members of the Executive Management Team and Board of Directors have the largest ownership of the company before the offering. The largest investor with ownership of 42.44% is Andersen Advisory Group A/S, which is owned by board member Michael Moesgaard Andersen. Both Andersen Advisory Group A/S, Ramsgaard Invest ApS and Dennis Poulsen Holding ApS are major shareholders with lock-up agreements with an equivalent lock-up for in fact all current shareholders.
- Valuer received DKK 54.75m in pre-subscription from cornerstone investors over a three-week period.

<u>Pre-subscribers</u>		
<u>Investor</u>	<u># of shares</u>	<u>Subscription amount (DKK)</u>
METIS Family Office A/S	392,307	5,100,000
Richard Bunck	384,615	5,000,000
Christian Sagild	307,692	4,000,000
Kucing ApS	230,769	3,000,000
Formue Nord Markedsneutral A/S	192,307	2,500,000
Aula Invest ApS	153,846	2,000,000
Lykkemose A/S	153,846	2,000,000
Jørgen Bang-Jensen	153,846	2,000,000
Lombard International Assurance S.A.	153,846	2,000,000
ABH 135 ApS	153,846	2,000,000
PBH 27.933 ApS	153,846	2,000,000
XENIA.TO ApS	76,923	1,000,000
Christian Rovsing A/S	76,923	1,000,000
CGR Invest ApS	76,923	1,000,000
Sparup Holding ApS	76,923	1,000,000
AD.ANDCO ApS	76,923	1,000,000
LKM Eno Capital ApS	76,923	1,000,000
Maj-Britt Forchhammer	76,923	1,000,000
Olaf Hove	76,923	1,000,000
Steffen Heegaard	76,923	1,000,000
Tine Huus	76,923	1,000,000
Flemming Poulfelt	19,153	249,000
Other	992,290	12,900,000
Total	4,211,439	54,749,000

Table 2: Valuer's pre-subscribers

Source: Valuer