

Asset
Management

Portfolio Update
H2 2021

Asset Management

Asset Management Group

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H2 2021 in review

"The mistakes we make as investors is when the market is up, we think it is going to go up forever. When the market goes down, we think it is going to go down forever. Neither of those things actually happen. It does not do anything forever. It is by the moment."

- John C. Bogle

It has been a very volatile and exciting semester, with a lot of action both in the markets and for our Asset Management Group. We, Ludvig Bretz and William Florin, were appointed as the Heads of Asset Management in mid-September, and quickly laid out the vision of how we wanted the group to be organized and where we wanted the group to be at the end of the year.

The Asset Management Group has previously been an undeservedly neglected part of the association, which has been unfortunate as there are plenty of finance interested students in the association that could benefit greatly from being a part of this community, where students gain actual experience of writing reports, pitching stocks and feel the responsibility of running a fund.

After an intense application period for new members of the AMG, we have grown the group from an initial five members to fourteen analysts, all responsible for producing Equity Research Reports, preparing investment pitches and in some cases covering entire sectors. We now believe that there's a good ground for the Asset Management Group to stand on, even after our departure, and an organizational structure that will make the group thrive for many years to come.

During the autumn, we have acquired a number of interesting new positions and cases to the portfolio. These include: VNV Global, Bahnhof B, FlatexDEGIRO AG, Lammhults Design Group B and Smart Eye. We believe that these additions to the AMG portfolio offer us the advantage of more diversification into different industries, and also into a broader range of investment approaches. Some holdings will deliver stable and predictable cash flows, whilst others have been bought for their long-term growth potential. However, all of these investments have one thing in common; we believe that they will add value to our portfolio, and in turn to the Association.

As the markets have seen an outflow of capital and rising volatility in growth equities, our portfolio has seen temporary diminishing returns over the last months of 2021, and going into 2022. We have seen a shift in market focus from growth to value, mostly derived from a global jump in inflation numbers, alongside a fear of rising interest rates. With this in mind we have taken action to reallocate some of our portfolio towards assets that could be considered as "value investments".

The Asset Management Groups focus for the coming months will be to put our considerable cash reserves to work, cover our current holdings and continue our organizational and structural development of the group.

Ludvig Bretz & William Florin
20/01/2022



Ludvig Bretz



William Florin

Portfolio Financials

Company Name	Industry	Share Price		Return
		Initial	Current	% *
Lammhults Design Group	Consumer Goods	39.00	41.70	6.92
Bahnhof	Telecom	38.70	38.85	0.39
Tourn International	Technology	29.90	49.00	63.88
VNV Global	Financials	108.40	104.70	(3.41)
Embracer	Gaming	108,40*	96.51	(10.97)
Smart Eye	Technology	172.40	196.60	14.04
Xbrane Biopharma	Healthcare	90.70	104.80	15.55
flatexDEGIRO AG***	Financials	18.48	20.24	9.52

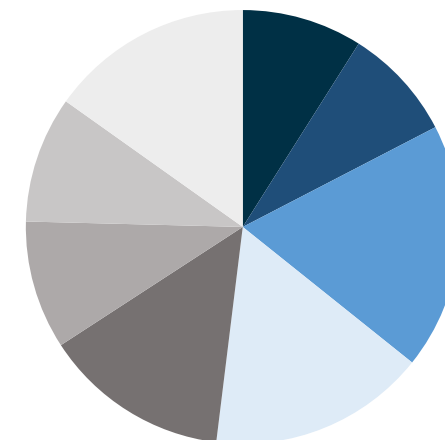
*Adjusted for average share price

**Adjusted for split

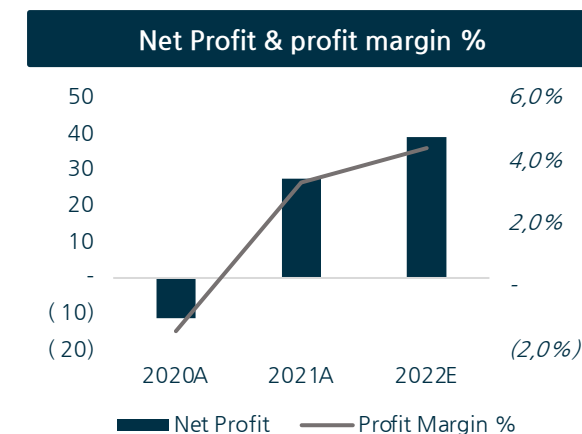
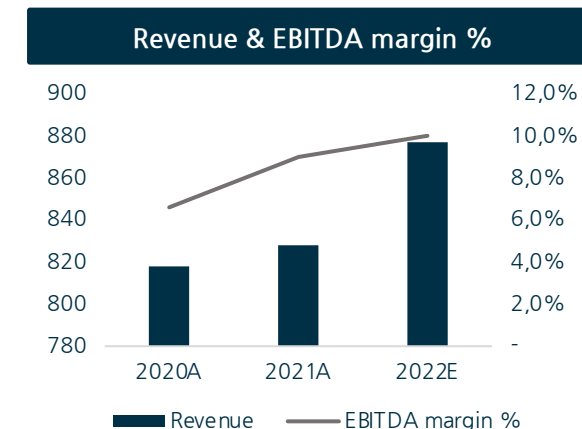
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Portfolio Allocation

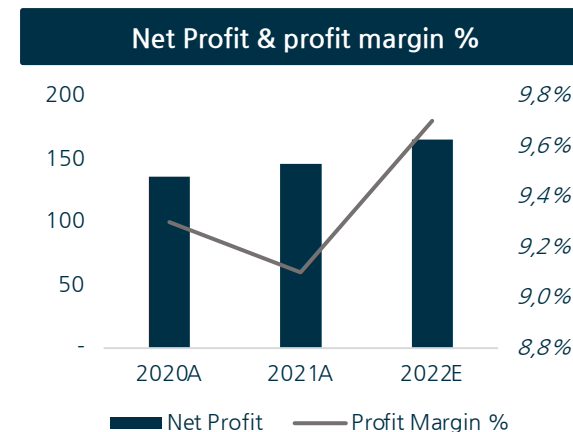
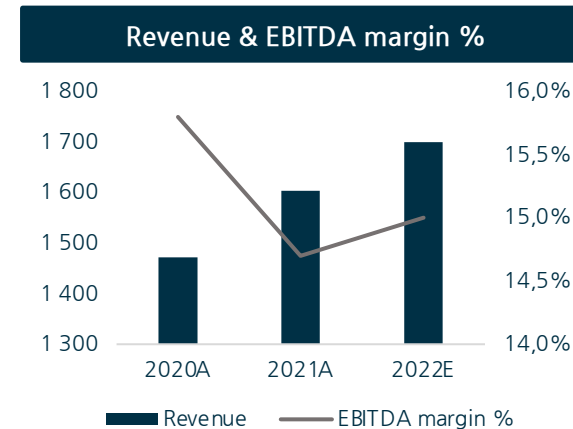
- Lammhults Design Group
- Bahnhof
- Tourn International
- VNV Global
- Embracer
- Smart Eye
- Flatexdegiro
- Xbrane Biopharma



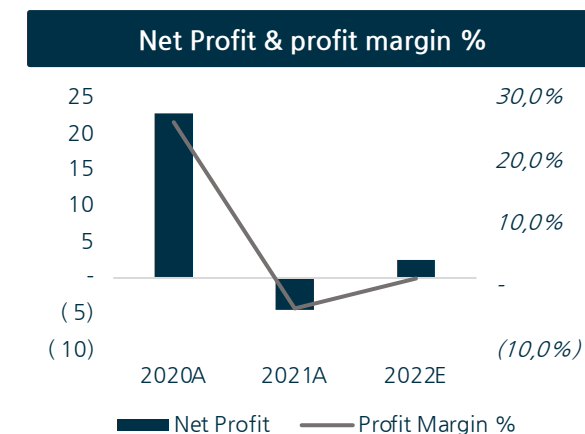
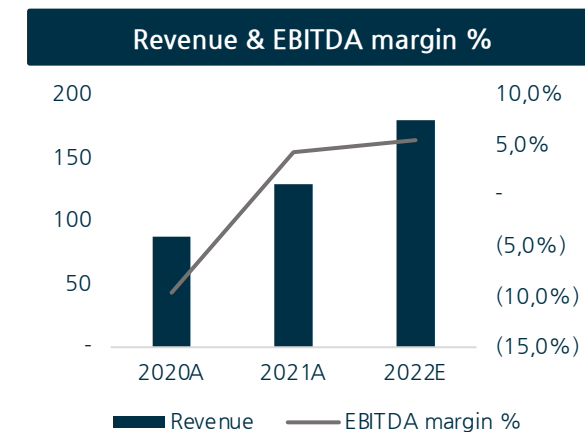
Key Info	Ticker	Sector	Market	Date of investment	Returns %		
	Lamm B	Consumer Goods	OMXS Small Cap	20 December 2021	6.92		
Business Description	Lammhults designs and manufactures furniture and interior solutions for public spaces, mainly offices and libraries. Lammhults sells their own brands focused on a high level of design and quality. They are positioned in the premium segment.						
Key Events	<ul style="list-style-type: none"> Board member Morten Falken has turned down re-election Peter Conradsson will step down as chairman and assume regular board position Per Samuelsson has been proposed as new chairman, his most recent position is CEO at Beijer Electronics Share purchase from board member Anna Stålenbring, 4000 shares at 43 SEK. She previously held 0 shares. Released Q4 numbers. Very good from the Office Interior segment both on turnover and profitability. Poor profitability and turnover from Library segment. We believe Lammhults sales should not be affected by the war in Ukraine due to low sales numbers in that region. Profitability may be affected since 15% of COGS stem from Eastern Europe. 						
Company Financials	[MSEK]	H2 2021			Full Year		
		Actuals	Prev. Year	Change %	LTM	2021	2022E
	Revenue	444	414	7.2	818	828	877
	EBITDA	46.4	33.7	37.7	54	77	88
	EBIT	29.9	13.0	130	(8)	39	53
	Net profit	20.8	8.3	150	(11.1)	27.5	39
	EBITDA margin %	10.5	8.1		7	9	10
	EBIT margin %	6.7	3.1		(0.9)	4.8	6.0
Profit margin %	4.7	2.0		(1.4)	3.3	4.4	



Key Info	Ticker	Sector	Market	Date of investment	Returns %		
	BAHN B	Telecom	Spotlight Stock Market	20 December 2021	0.39		
Business Description	Bahnhof AB is a Swedish based telecommunications company offering internet services, both B2B and B2C. The company was founded in 1994, and was one of the first internet service providers in the country. The company today operates service halls, develops anti-virus programs and offers cloud-based storage. The firm was listed on the Spotlight Stock Market in December 2007, and has since then delivered shareholder value through share price appreciation and consistent dividends.						
Key Events	<ul style="list-style-type: none"> Reached 425,000 unique household customers in December of 2021 (395,000 in 2020). Set out new financial targets for 2022, with a goal of SEK 1.7 Billion in Revenue and SEK 200 Million in EBIT. Bahnhof was awarded "The Best Operator in Sweden" according to the customers, in an award by Svenskt Kvalitetsindex. 						
Company Financials	[MSEK]	H2 2021			Full Year		
		Actuals	Prev. Year	Change %	LTM	2021	2022E
	Revenue	820	761	7.75	1 604	1 604	1 700
	EBITDA	119.2	121.1	(0.15)	235	235	255
	EBIT	92.8	97.2	(0.45)	182	182	200
	Net profit	74.9	70	7.00	146	146	165
	<i>EBITDA margin %</i>	<i>14.55</i>	<i>15.90</i>	<i>(8.50)</i>	<i>14.70</i>	<i>14.70</i>	<i>15.00</i>
	<i>EBIT margin %</i>	<i>11.30</i>	<i>12.75</i>	<i>(1.38)</i>	<i>11.30</i>	<i>11.30</i>	<i>11.76</i>
<i>Profit margin %</i>	<i>9.15</i>	<i>9.25</i>	<i>(0.01)</i>	<i>9.10</i>	<i>9.10</i>	<i>9.70</i>	



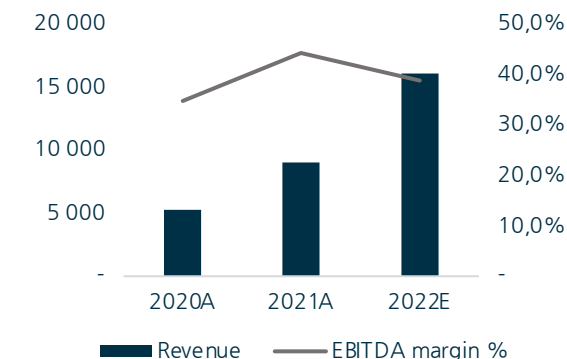
Key Info	Ticker	Sector	Market	Date of investment	Returns %		
	Tourn	Technology	First North	18 June 2021	63.88		
Business Description	Tourn develops tech for influencer marketing on a global scale for both brands and influencers. The aim is to be the backbone platform for influencer marketing in the world. Tourn has been a publicly listed company since June 2019.						
Key Events	<ul style="list-style-type: none"> • Issued new shares of about SEK 50.6 Million to finance further growth. • The NAGATO business-line has grown into the most vital part of the company. • NAGATO agreed cooperation agreement with a large TikTok-agency. 						
Company Financials	[MSEK]	H2 2021			Full Year		
		Actuals	Prev. Year	Change %	LTM	2021	2022E
	Revenue	70.2	49	43.3	129	129	180
	EBITDA	(1.92)	(4.06)	52.7	(5.6)	(5.6)	10
	EBIT	(2.67)	(5.04)	47.0	(7.1)	(7.1)	8.5
	Net profit	(5.3)	(9.3)	43.0	(4.4)	(4.4)	2.5
	EBITDA margin %	(3.3)	(11.3)	70.8	(4.30)	(4.30)	5.5
	EBIT margin %	(4.4)	(13.0)	66.2	(5.50)	(5.50)	4.72
Profit margin %	(7.3)	(17.4)	58.0	(3.40)	(3.40)	1.39	



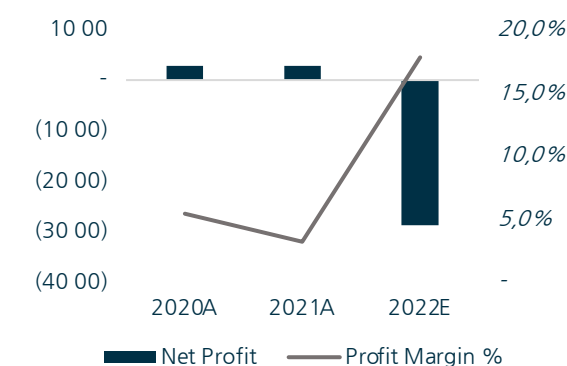
Key Info	Ticker	Sector	Market	Date of investment	Returns %		
	VNV	Financials	OMXS Mid Cap	8 October 2021	(3.41)		
Business Description	VNV Global AB (publ) is a Sweden-based investment company. The Company invests in high-growth technology companies with the potential to become global leaders.						
Key Events	<ul style="list-style-type: none"> Investment in a the SaaS company Boka Direkt Babylon listed on the NYSE via a SPAC merger SWVL entered into a SPAC merger agreement for listing on Nasdaq Hemnet listed on OMXS Large Cap Scout investments of MUSD 18 in Study Smarter, NoTraffic & Byte to name a few 						
Company Financials	[MSEK]	H2 2021			Full Year		
		Actuals	Prev. Year	Change %	LTM	2021	2022E
	EV/NAV	966	8.9	10 754	81.13	43.95	n/a
	Net profit	(5.3)	(9.3)	43.0	(4.4)	(4.4)	n/a
	Free cash flow	(570)	(814)	42.8	(886)	(1 616)	n/a
Cash flow	966	8.9	10 754	966	966	n/a	

Key Info	Ticker	Sector	Market	Date of investment	Returns %		
	EMBRAC B	Gaming	First North Stockholm	5 March 2021	(10.97)		
Business Description	Embracer Group is the parent company of 10 (8) operative groups that develops and publishes PC, console and mobile games on the global gaming market. Product development takes place through a number of game development studios and through contracted developers, where the company has a broad gaming portfolio with over 250 owned brands.						
Key Events	<ul style="list-style-type: none"> • Asmodee and dark horse main acquisitions • Several other smaller acquisitions in subsidiaries (antal) • Issue of 69m shares • 5 August acquisition • 18 August acquisition • 22 August acquisition • 22 September acquisition • 30 September share split 2:1 						
Company Financials	[MSEK]	H2 2021			Full Year		
		Actuals	Prev. Year	Change %	LTM	2021	2022E
	Revenue	2 848	4 572	60.6	9 024	9 024	16 072
	EBITDA	2 051	1 014	102.3	3 985	3 985	6 217
	EBIT	84	188	(55.1)	477	477	(2 534)
	Net profit	167	(32)	(119.2)	287	287	(2 873)
	EBITDA margin %	44.9	35.6	26.0	44.2	44.2	38.7
	EBIT margin %	6.6	1.8	(72.0)	5.3	5.3	(15.8)
Profit margin %	(0.7)	5.9	(111.9)	3.2	3.2	(17.8)	

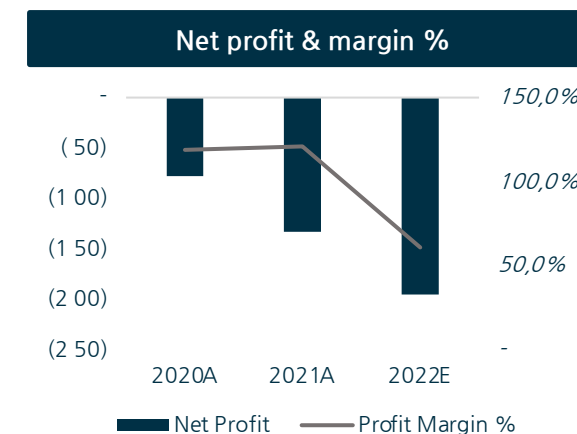
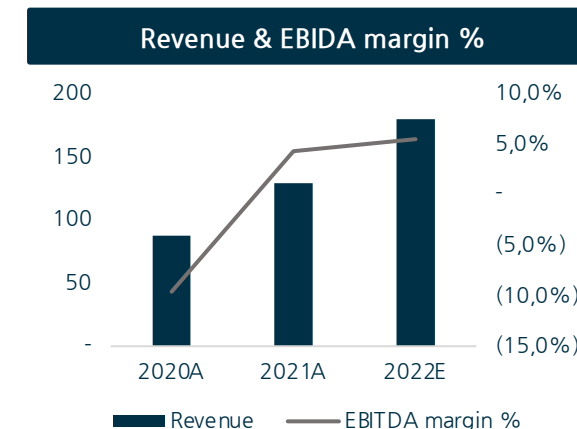
Revenue & EBITDA margin %



Net Profit & profit margin %



Key Info	Ticker	Sector	Market	Date of investment	Returns %		
	SEYE	Technology	First North Stockholm	20 December 21	14.04		
Business Description	<p>For over 20 years, Smart Eye has been developing eye tracking technology that understands, supports and predicts human intentions and actions. Their technology is used in the next generation of cars, commercial vehicles while providing new insights within the research subject. Smart eye has an operation divided into four business areas: Automotive Solutions, Research Instruments, Applied AI Systems and Media Analytics following their recent acquisition of Affectiva. These solutions are used by over 700 partners and customers worldwide, including customers such as US Air Force, NASA, BMW, Lockheed Martin, Audi, Boeing, Volvo, GM and Harvard University.</p>						
Key Events	<ul style="list-style-type: none"> • New large design win of 50M with European OEM • Two more OEM has started production, five in total • Almost 1 million vehicles is powered by Smart eye • AIS, is nearing the end of its development cycle • Strong growth within the Research unit, growing 30% over 2021 despite challenges with COVID-19 						
Company Financials	[MSEK]	H2 2021			Full Year		
		Actuals	Prev. Year	Change %	LTM	2021	2022E
	Revenue	75	34	123	65	110	320
	EBITDA	(43)	(21)	102	(56)	(72)	(94)
	EBIT	(90)	(32)	181	(77)	(131)	(190)
	Net profit	(92)	(33)	184	(78)	(133)	(195)
	EBITDA margin %	(57)	(63)	10.5	(85)	(65)	(29)
	EBIT margin %	(121)	(96)	(20.7)	(119)	(119)	(59)
Profit margin %	(124)	(97)	(21.8)	(119)	(121)	(61)	



Key Info	Ticker	Sector	Market	Date of investment	Returns %		
	Xbrane	Healthcare	OMXS Mid Cap	9 April 2021	15.55		
Business Description	<p>Xbrane Biopharma is active in biotechnology. The company specializes in research and development of drugs for the treatment of critical illnesses. Today, the business is focused on research in microspherical technology and in the development of protein molecules. The products are used in the treatment of prostate cancer and endometriosis, as well as in rare and serious eye diseases.</p>						
Key Events	<ul style="list-style-type: none"> • Biogen deal • New issue of 380m • Market authorization of Xlucane via STADA • Granted six new patents • Signed cooperation agreement with AGC Biologics for upscaling manufacturing progress of Xcimzane 						
Company Financials	[MSEK]	H2 2021			Full Year		
		Actuals	Prev. Year	Change %	LTM	2021	2022E
	EBITDA	(64.6)	(117.2)	81.4	(168)	(168)	n/a
	Cash flow	166.4	13.0	1 180.0	52.4	52.4	n/a
	Free cash flow	(186.1)	(174.6)	6.6	(297)	(297)	n/a
EV/FCF	(7.7)	(6.6)	(14.3)	(7.7)	(7.7)	n/a	

Disclaimer

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