



SAMESYSTEM

INVESTMENT CASE



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HIGHLIGHTS

 SameSystem is a leading European Software-as-a-Service (SaaS) company within workforce management (WFM) providing a software for store-based retailers and foodservice providers. **SameSystem's software solution optimizes the performance by ensuring the right people at the right place at the right time.** As a result, store-based retailers and foodservice providers can increase sales, improve customer service and cut costs.


 Today, SameSystem has a strong foothold in Europe with **731 customers and more than 65,000 users across 21 European countries.** Customers include large well-known retailers such as BESTSELLER, Hugo Boss, Pandora, Normal, Matas, and IKEA.

 SameSystem taps into a **DKK 25.2bn valued market within the European retail and foodservice industry with a CAGR of 11.2% towards 2026.** The workforce management market is driven by large trends; **retailers need to increase efficiency due to pressure from online providers,** COVID-19 has pushed the digital agenda even further and new technology enables traditional retailers to use AI and machine learning for prediction.

 A scalable business model is demonstrated by already being profitable in the past two years. Combining profitability with a sticky SaaS platform and low payback time of acquiring new customers provides a **highly compelling investment case for SameSystem to increase investments in future growth.**

 **Higher future growth than historically and market growth rates** are supported by **1)** a large part of the proceeds from the offering is invested in scaling up the sales organization, **2)** SameSystem has already started investing in digital lead inbound efforts, but is still in the early innings of optimization, **3)** SameSystem offers a more focused one-stop software solution for retailers and foodservice providers than large competitors.

 **Pre-money valuation of DKK 375m** corresponds to **valuation multiples of 10.4x ARR (April 2021), 8.9x ARR (end September 2021E), 6.3x ARR (end September 2022E), and 4.4x (end September 2023E).** For comparison, **the US SaaS sector is valued to 15.4x ARR.**

 **SameSystem has received DKK 44.5m in pre-subscription from institutional investors including DKK 20m from BankInvest and 33 board members, members of the management team and employees** who have pre-subscribed to the same price per share as the public price. In total, the pre-subscription amount corresponds to 59.32% of the offering.

IPO INFORMATION

Market: Nasdaq First North Premier Growth Market Denmark

Existing shares: 55,111,100

Offer price per share: DKK 6.80

Pre-money valuation: DKK 375m

Size of the offering*: DKK 75m

Pre-subscription amount: DKK 44.5m

Subscription period: 31 May 2021 – 11 June 2021

Expected first day of trading: 21 June 2021

*DKK 60m in new shares and DKK 15m sale of existing shares

DISCLAIMER

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

Kasper Lihn has no ownership in SameSystem 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 correctness of the contents of the material.

SELECTED RISK FACTORS AND LOCK-UP AGREEMENTS

Nasdaq First North Premier Growth Market: Potential investors must be aware of the significant risks related to investing in IPOs and in companies being listed on Nasdaq First North Premier Growth Market.

Share price development and the offering: The market price of the SameSystem share may vary negatively from the offer price per share depending on several factors including financial results varying from expectations, economic downturns, changes in expectations, changes in geopolitical conditions, and the risk of a declining global stock market. There is also a risk that the offering is withdrawn which can take place any time prior to the announcement of the result of the offering.

Business model risks: SameSystem generates approx. 35% of the total ARR from the 20 largest customers as of 2019/2020. Thus, losing one of its top ten customers will have a medium impact on the company's ARR of between 1.5% to 4% and affect future ARR and financial results. In 2019/2020, SameSystem's ARR churn was 3.1% corresponding to a theoretical customer lifetime of more than 30 years. If the churn rate increases substantially, the total ARR and profit will be negatively affected due to a shorter customer lifetime.

Industry risks: SameSystem's management assesses that the competition within the workforce management software industry will increase due to changes in technology and/or entry of new competitors. Notable, SameSystem has built the solution over several years, and a team of 20-30 developers with extensive industry knowledge should use at least 3-4 years before a similar solution is developed according to SameSystem's management.

Operational risks: SameSystem's expansion strategy is dependent on key personnel. Both Sales Director Mikael Christensen (joined in March 2019) and CEO Henrik Peter Salicath (joined in April 2021) have 12 months competition clauses. Also, SameSystem is exposed to risks related to cybersecurity issues similar to any cloud-based SaaS provider, which can affect the reputation negatively. However, SameSystem has implemented several initiatives to reduce the risk of cyberattacks and data breaches.

Liquidity risks: SameSystem is in a growth and expansion phase focusing on increasing the presence in Europe. Going forward, this implies that SameSystem does not expect to achieve a positive EBITDA before 2024. Proceeds from the offering is expected to provide sufficient liquidity to execute on the expansion strategy, however, there is a risk that SameSystem may be required to raise additional capital to finance its continued expansion strategy.

Financial risks: SameSystem's customers are located across 21 European countries with customers being invoiced in DKK, EUR, NOK, and SEK. Since DKK is pegged to EUR, exchange rate fluctuations are primarily related to NOK and SEK. Currently, SameSystem does not hedge the currency risks.

Sale of shares by major and existing shareholders: Large sales of shares by major shareholders or members from the Board of Directors and management team may affect the company's ability to raise additional capital in the future.

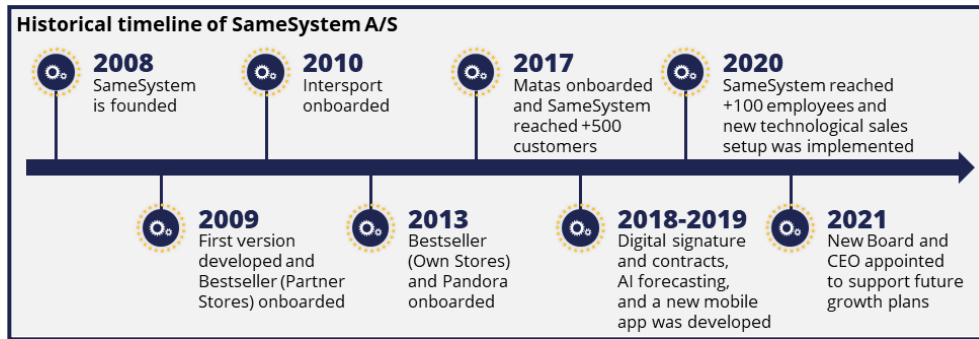
Lock-up agreements: Major shareholders and board members of existing shares before the offering have agreed to enter lock-up agreements. Only Tobias Byrial Ritlov (Ritlov Invest IVS owns 8.8% of SameSystem before the offering) and Lucas Byrial Ritlov (Lucas Ritlov Investments IVS owns 8.8% of SameSystem before the offering) from the executive management and management team own shares in SameSystem before the offering. All shareholders with lock-up agreements are Ritlov ApS (owned by co-founder and consultant to the CEO, Henrik Byrial Ritlov), Ritlov Invest IVS, Lucas Ritlov Investments IVS, Same System Invest ApS (owned by Jess Glad Frandsen) and Ingerslev ApS (owned by Søren Elmann Ingerslev). In total, the shareholders own 86% of the existing shares before the offering.

The lock-up obligation is released in five equal-sized instalments starting 12 months after the first day of trading and released every 3 months afterwards. This means that shares under lock-up are fully released 24 months after the first day of trading. Pre-subscribed shares or shares bought in connection with the offering or later are not locked-up.

SAMESYSTEM - IN BRIEF / OFFERING DETAILS

SameSystem's workforce management software solution has proved its worth, and SameSystem is now ready to expand further in Europe

SameSystem is a **Software-as-a-Service (SaaS) company** headquartered in Copenhagen with 119 employees. The company was founded in 2008 by the two former retailers, Henrik Ritlov and Jesper Djursø, who developed a solution to optimize the workforce management in the retail industry.

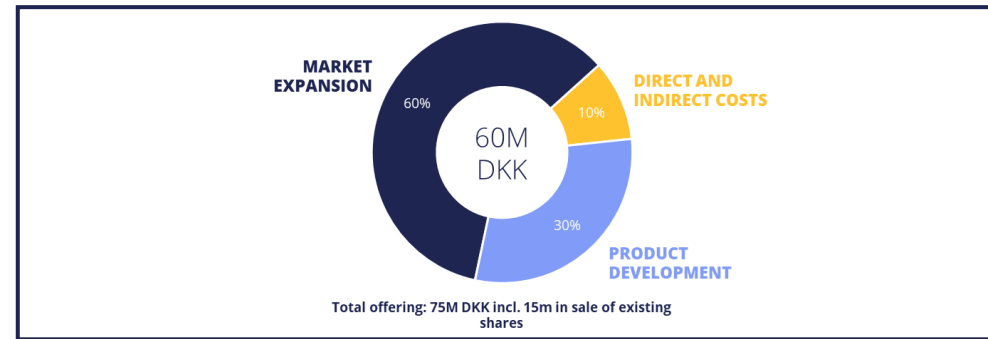


Historical timeline of SameSystem
Source: SameSystem's prospectus p. 36

SameSystem's SaaS platform offers a complete data-driven SaaS workforce management (WFM) software solution with flow planning, scheduling, time and attendance tracking, automatic payroll & Point-of-Sales integration, digital contract management, budgeting and forecasting based on AI and machine learning.

Today, **731 customers across 21 European countries** are using SameSystem's workforce management software. Customers include large well-known retailers such as BESTSELLER, Pandora, Normal, Matas, Hugo Boss, IKEA and Bunnpris. The solution fits to both small local retailers and larger blue-chip retailers.

SameSystem is offering **DKK 75m in the IPO on First North Premier** with DKK 60m of new shares and DKK 15m sale of existing shares primarily from the founder, Henrik Ritlov, who recently stepped down as CEO. The primary reason for the offering is to accelerate growth and fuel the expansion strategy.



Expected use of funds
Source: SameSystem's investor brochure

- **60% for market expansion:** SameSystem will expand its commercial efforts in the European workforce management software market for store-based retailers and foodservice providers.
- **30% for product development:** SameSystem will invest in product development to e.g. facilitate the adoption process among new customers.
- **10% for direct and indirect costs:** Different costs including external operational- and legal consultancy, and internal administrative costs to support the market expansion strategy.

SameSystem has received **pre-subscription for DKK 44.5m** from 70 pre-subscribers corresponding to 59.32% of the total offering. Interestingly, 33 of the 70 pre-subscribers are board members, members of the management team and/or employees. **Most significant, BankInvest has pre-subscribed to DKK 20m.** Additionally, other institutional investors such as Fundamental Invest (DKK 2.0m) and IPO Nordic Fund (DKK 2.0m) have pre-subscribed to the same offer price of DKK 6.80.

KEY SaaS METRICS AND AMBITIONS

High stickiness, low customer acquisition costs and historical profitability equals compelling investment case for acquiring new customers

SameSystem's key SaaS metrics

Total ARR (April 2021)

35.9m

ARR run rate as of April 2021

ARR growth rate

17.3%

ARR growth rate from 18/19 to 19/20

Expected CAGR ARR

~41%

Expected CAGR ARR from Sep 2020 to Sep 2023

Churn rate (19/20)

3.1%

ARR churn in the recent financial year (19/20)

Uplift (19/20)

5.1%

ARR uplift in 2020 from existing customers

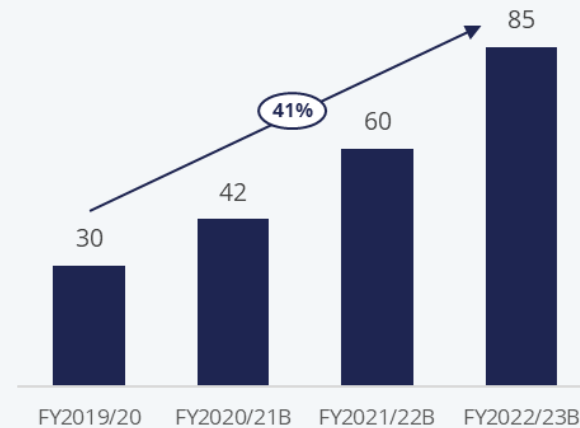
Net revenue retention (19/20)

102%

100% plus uplift minus churn

As of April 2021, SameSystem has a total ARR of DKK 35.9m incl. DKK 3.9m in signed contracts that are not yet onboarded due to COVID-19 restrictions. In 2019/2020, the ARR growth rate was 17.3% with the second half being highly affected by COVID-19 lockdowns across Europe.

SameSystem has historically been profitable with a net profit of DKK 2.05m in 2018/2019 and DKK 3.24m in 2019/2020. Additionally, the EBITDA margin was 30% in 2019/2020. Important for investors to understand is that SameSystem plans to invest in growth, i.e. scale up the organization and initiate more sales and marketing activities to penetrate the European market. Thus, SameSystem does not expect to be profitable in the coming years due to the planned expansion strategy. The expansion strategy focusing on growth is supported by an ARR churn rate of 3.1% in 2019/2020 and 3.8% in 2018/2019 which demonstrates the high stickiness of the platform with theoretical customer lifetime of 26-32 years. **Taking the payback period of less than 12 months¹ for acquiring new customers into perspective, SameSystem should invest heavily in acquiring new customers as planned.**



SameSystem's ARR expectations from 2019/2020 to 2022/23

Source: SameSystem's prospectus p. 66

Going forward, SameSystem expects to increase the total ARR to DKK 85m on the 30 September 2023 (financial year ending 22/23). This increase corresponds to a **CAGR ARR of ~41% from FY 2019/2020 to FY 2022/2023** driven by increasing sales- and marketing efforts and product development fueled by the proceeds from the offering. Uplift from existing customers are expected to constitute of 7.5-8.0% including a price increase of 2.5%. In SameSystem's own guidance, the ARR churn rate is expected to be at 4% which is close to the historical performance.

¹Note: Calculated as Customer Acquisition Costs (CAC) divided by average gross profit per customer in 2020 (avg. ARR * gross margin on software) multiplied by 12 months. Customer acquisition costs is calculated as the costs associated with acquiring new customers in 2020 divided by the number of new customers in 2020. This includes sales and marketing costs and salaries to salespersons (SameSystem's prospectus p. 42).

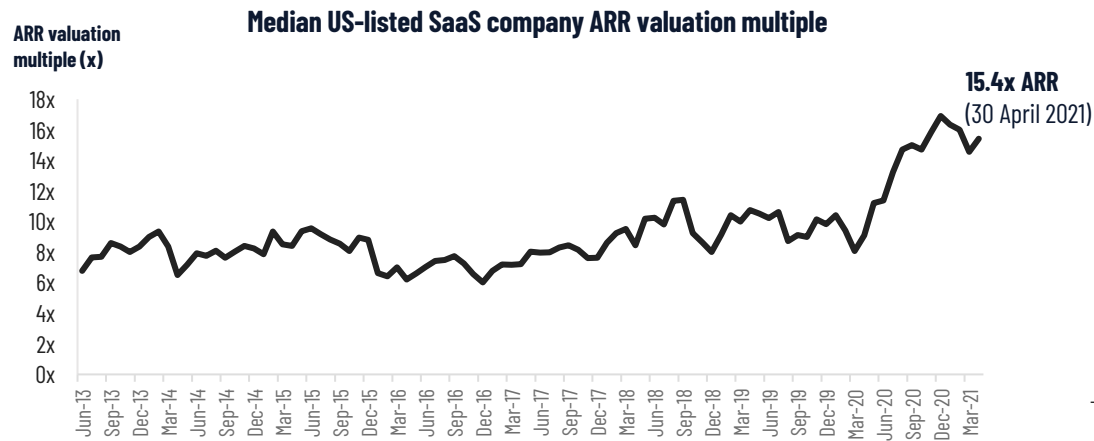
VALUATION PERSPECTIVES

SameSystem is valued lower than US-listed peers on revenue multiples and lower than the SaaS sector on ARR multiples

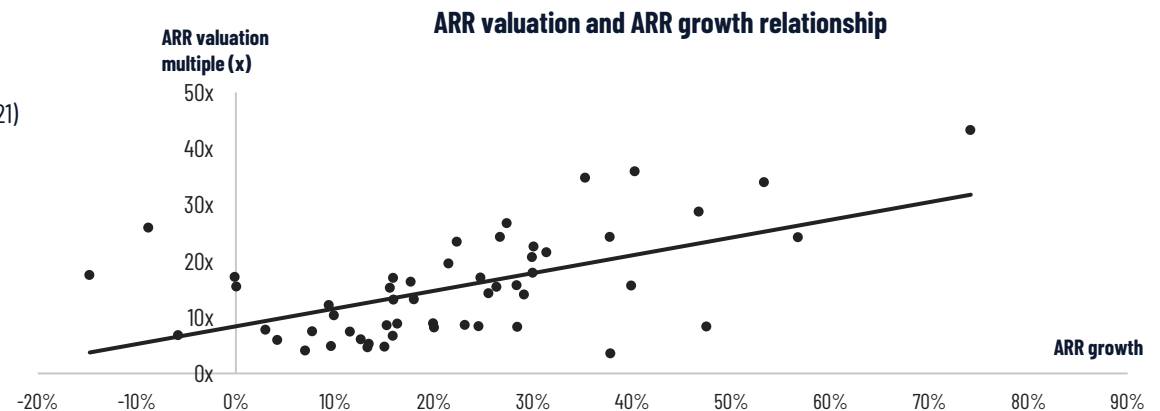
An appropriate measurement for valuing SaaS companies with a subscription-based business model is the annual recurring revenue (ARR). For perspective, we use *The SaaS Capital Index*, which consists of more than 60 US-listed SaaS companies. **As of 30 April 2021, the median value of the index's ARR valuation multiple is 15.4x ARR** which is above SameSystem's ARR valuation multiple of 10.4x as of April 2021.

	<u>April 2021</u>	<u>September 2021 (end 20/21E)</u>	<u>September 2022 (end 21/22E)</u>	<u>September 2023 (end 22/23E)</u>
SameSystem's ARR valuation multiple*	10.4x	8.9x	6.3x	4.4x
SameSystem's expected annual growth rates towards 22/23		40%	43%	42%

*Based on pre-money valuation of DKK 375m. As of April 2021, the total ARR is DKK 35.9m incl. signed contracts of DKK 3.9m that are not yet onboarded due to COVID-19 restrictions.



Current valuation of US-listed SaaS companies, 30 April 2021. Source: SaaS Capital Index



Plot of relationship between historical ARR growth rate and ARR valuation (SaaS Capital Index, 30 April 2021). SaaS companies with ARR growth rates of more than 100% and companies without ARR growth data are excluded. Source: SaaS Capital Index.

Potential listed peers in the US such as **ServiceNow** (market value of USD 94.6bn), **Ceridian HCM Holding** (market value of USD 13.4bn) and **Paylocity** (market value of USD 9.2bn) are somewhat similar in terms of being software companies providing solutions for HR, payroll, time reporting and workforce management with subscription-based business models. The companies are **trading to price-to-sales (2020A) ratios between ~15.9x and ~20.9x** with an average multiple of ~17.7x¹. With SameSystem's pre-money valuation of DKK 375m and revenue of DKK 30.2m in 2020 (1 October 2019 to 30 September 2020), **SameSystem is valued to 12.4x Sales (2020A)**. We do not incorporate 2021 expectations since SameSystem has no revenue guidance for FY 2020/2021.

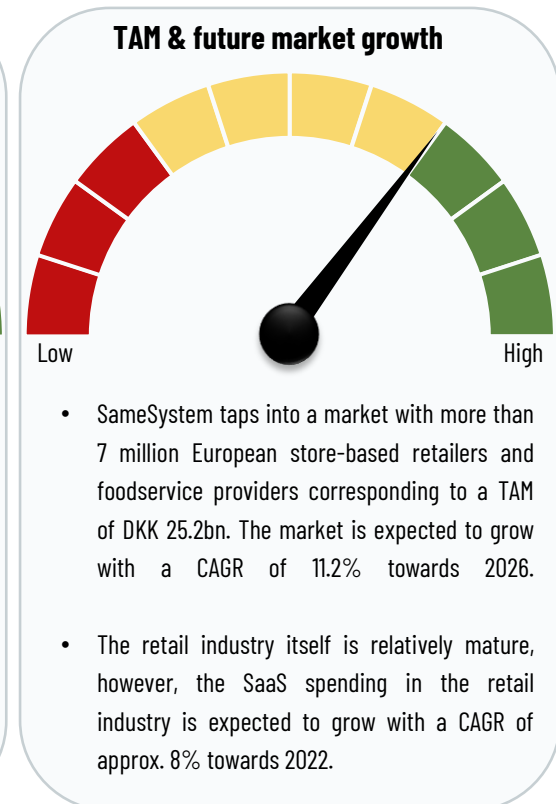
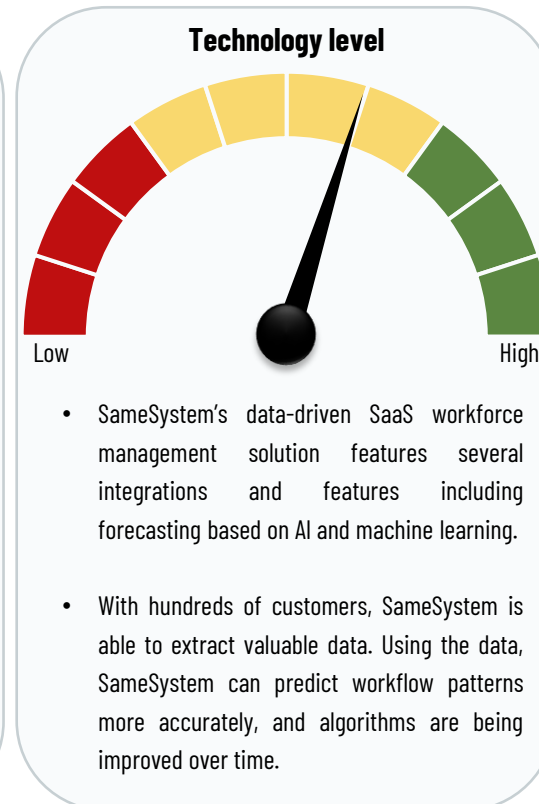
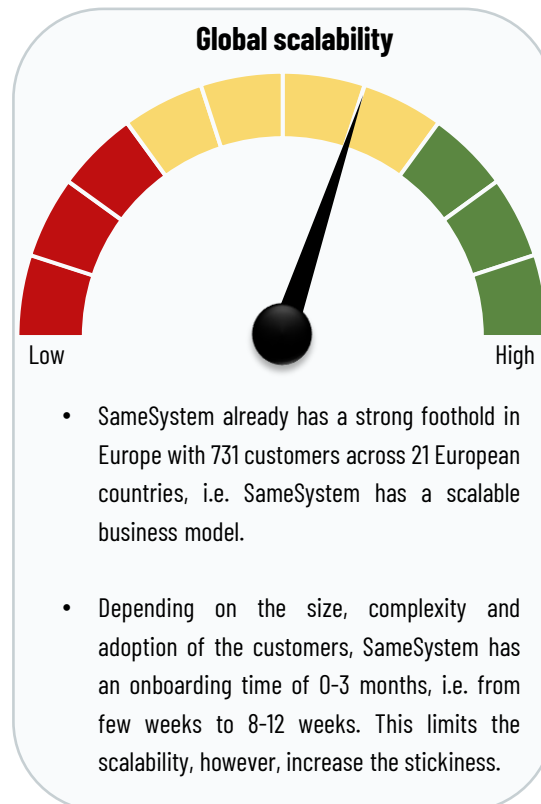
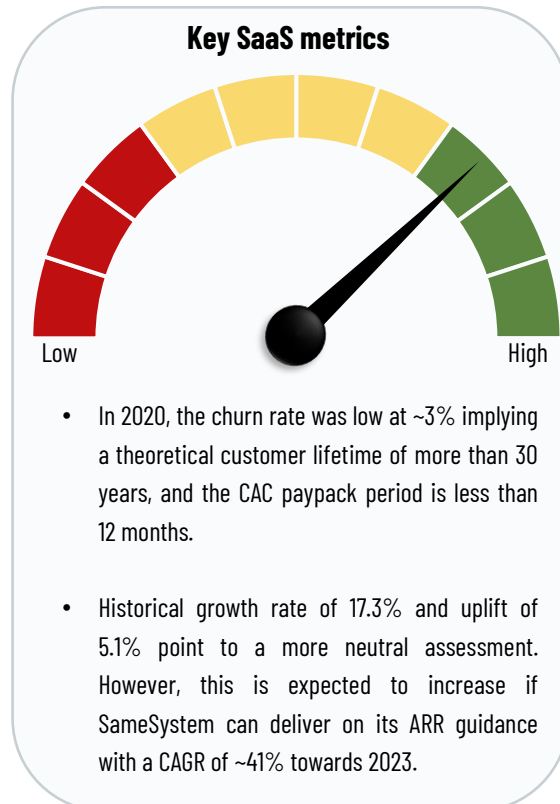
¹Source: Marketscreener.com

SaaS ASSESSMENT OF SAMESYSTEM

How does SameSystem stack up with other companies in the SaaS sector?

The SaaS business model and market potential vary across companies and industries besides growth rates. Therefore, it is helpful to score the company on some of the most important general criteria for the SaaS industry **to determine whether a company should trade with a discount/premium to other SaaS companies**. We have pointed out four criteria to assess SameSystem or any other SaaS company as shown in the speedometers below. A medium/neutral rating points to pricing on par with the SaaS sector.

The assessment criteria are **1) Key SaaS metrics**, i.e. SameSystem's ARR growth, churn rate, upselling etc., **2) Global scalability**, i.e. how scalable the business model is across borders and in terms of onboarding time etc., **3) Technology level**, i.e. how advanced the software is and whether it is inimitable, and **4) Total addressable market (TAM) and future market growth**, i.e. how big is the market and future growth rates.



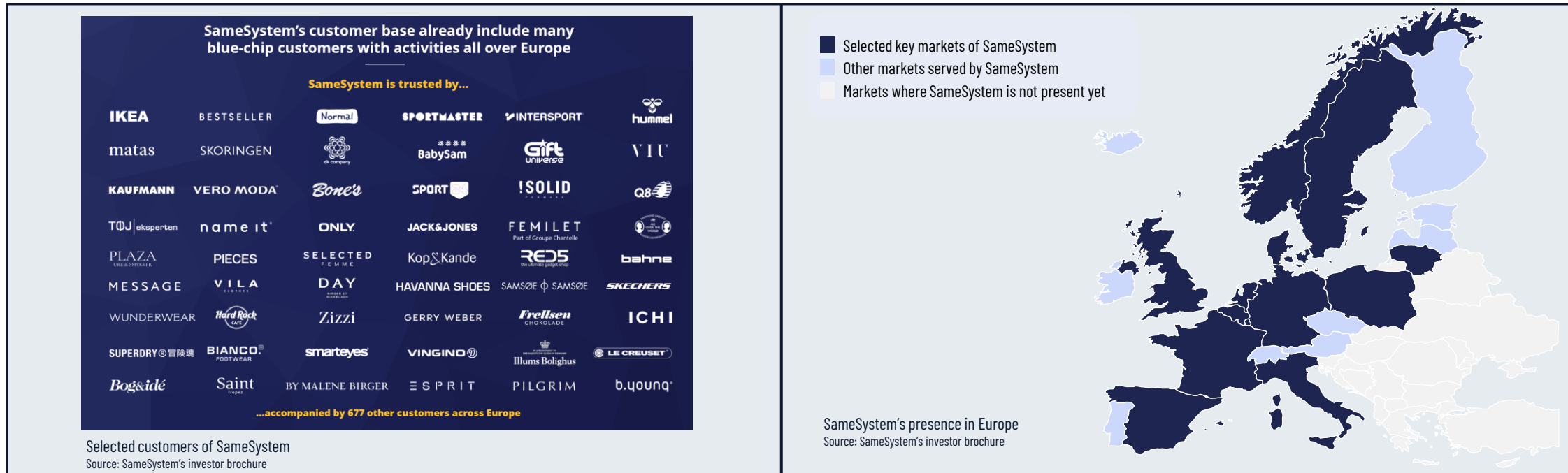
CUSTOMERS AND GO-TO-MARKET STRATEGY

Large European customers combined with a proven go-to-market strategy are important prerequisites for future growth

SameSystem has a strong foothold in Europe with 731 customers across 21 European countries including well-known store-based retailers such as IKEA and BESTSELLER. At the same time, SameSystem also has many smaller local retail customers, i.e. SameSystem's solution has broad applicability for store-based retailers and foodservice providers.

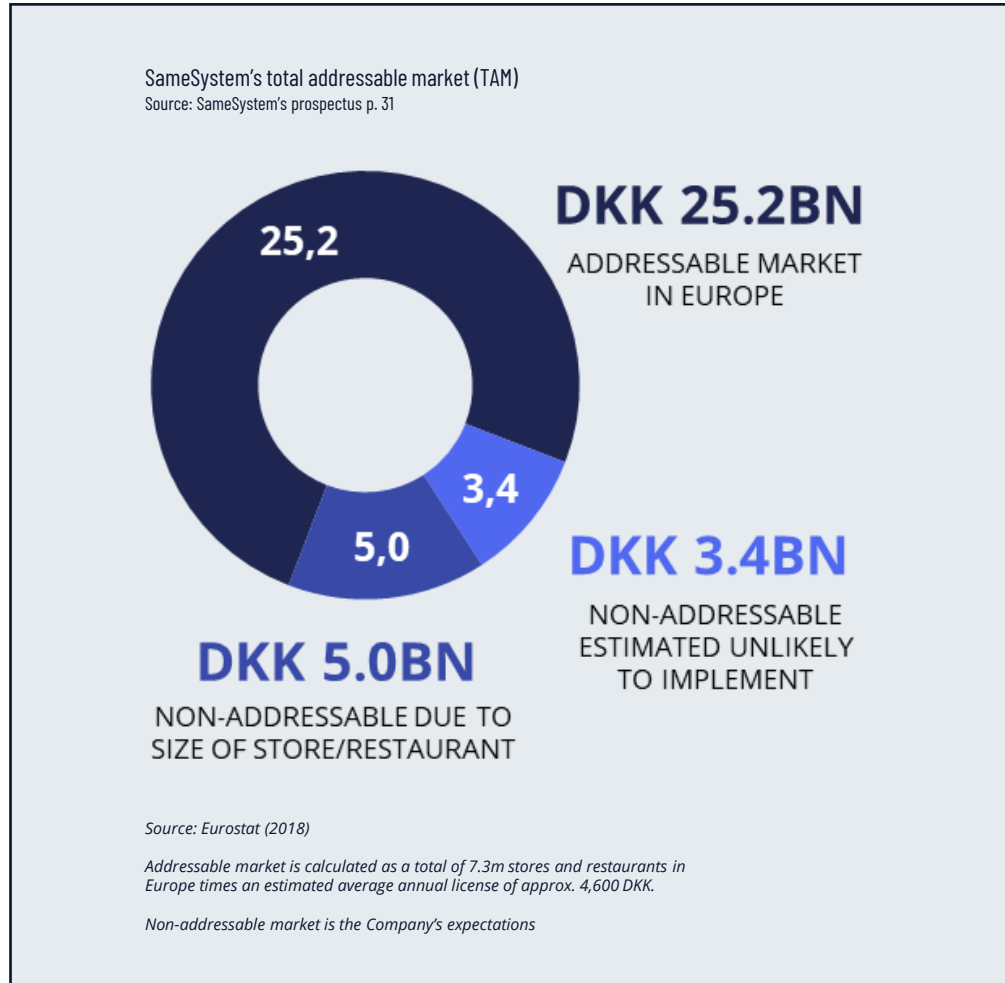
The company has a **proven three-steps go-to-market strategy**; **1)** following customer's request to expand in collaboration with the customer, **2)** direct sales from HQ in Denmark or with limited local employees and **3)** fully local establishment when the market is evaluated as a key market for SameSystem.

Towards 2023, SameSystem plans to accelerate the market expansion strategy by investing in commercial hubs in selected key markets to grow above the market and increase the total ARR with a CAGR of ~41%. In total, SameSystem has identified 13 European key markets which comprise of more than 3.5 million enterprises within the store-based retail- and foodservice industry. The enterprises are attracted by SameSystem's digital lead inbound efforts such as improved search engine optimization, advertising on social media platforms and agreements with a best-in-test lead research specialist. Moreover, SameSystem expects to scale up the organization by increasing the number of employees in local commercial hubs from currently 48 employees to 107 employees in 2023.



TOTAL ADDRESSABLE MARKET AND COMPETITION

SameSystem's total addressable market (TAM) is estimated with a value of DKK 25.2bn and growth rates of 11.2% towards 2026



Workforce management (WFM) refers to the process of improving and optimizing an organization using budgeting, planning, tracking of time, payroll management, digital contract management, and forecasting of number of employees and customers based on AI and machine learning. The demand has increased due to structural changes such as 1) higher wages and lower productivity in physical stores and 2) more online shopping putting pressure on retailers.

SameSystem estimates that the total addressable market (TAM) is DKK 25.2bn calculated as 7.3m European store-based retailers and foodservice providers times an estimated average annual license of approx. DKK 4,600 (Eurostat, 2018). Unfolding the numbers, there are estimated to be 5.0m store-based retailers and 2.3m foodservice providers across key European markets. In another market report by Mordor Intelligence, the European workforce management solutions market for retail and foodservice is expected to grow with a CAGR of 11.2% towards 2026. Obviously, not all retailers are investing in workforce management solutions, however, a Gartner market report estimates that the software spending within the retail industry is growing with a CAGR of approx. 8% towards 2022.

The competitive landscape is highly fragmented with no dominant European market leader. According to the prospectus, approx. 80% of the market has no WFM solution implemented, i.e. the market is relatively immature. SameSystem's main competitors are Quinyx, Planday and Timeplan, however, SameSystem differentiates itself by focusing on the retail industry with a fixed price independent of the number of features and users. Additionally, SameSystem has deep integrations to other software and local compliance in Europe. Thus, SameSystem aims to be the market-leading workforce management solution for store-based retailers and foodservice providers. According to SameSystem's management, new entrants in the workforce management software industry will have to use at least 3-4 years with a team of 20-30 developers to build up a solution similar to SameSystem's software solution.

VALUE PROPOSITION FOR CUSTOMERS

SameSystem helps store-based retailers and foodservice providers to project the right amount of resources to the right time

sameSYSTEM	Feature adoption
Basic solution	<ul style="list-style-type: none"> ✓ Staff planning ✓ Communication ✓ Desktop time registration ✓ Open shifts and absence requests ✓ Availability
Advanced solution	<ul style="list-style-type: none"> ✓ iBeacon time registration ✓ Automatic payroll ✓ Manual forecasting ✓ Digital documents and contracts ✓ All basic features
Full solution	<ul style="list-style-type: none"> ✓ Point-of-Sales integration ✓ Employee (HR/Payroll) integration ✓ AI-powered forecasting and budgets ✓ Customized business intelligence dashboards ⊕ All basic and advanced features

Solution overview
Source: SameSystem's prospectus p. 54

Some of SameSystem's integrations
Source: SameSystem's prospectus p. 56

SameSystem's easy-to-use tools reduce administrative tasks and are freeing up resources that store-based retailers and foodservice providers can use on sales efforts. Using SameSystem, employees and management have a structured overview of updated schedules, KPIs, communication flows etc. with the app-based platform which increase the employee satisfaction and provide a detailed overview for the managers.

SameSystem provides its platform in three solutions depending on how extensive the customer wants to adopt the software solution; **1)** the basic solution includes staff planning, communication features and desktop time registration, **2)** the advanced solution is more comprehensive with digital contracts, forecasting and automatic payroll, and **3)** the full solution provides a complete package that features AI and BI dashboards.

- **Customer satisfaction of 99.3%** demonstrates the value that SameSystem creates for customers every day. This is secured by a free of charge support and with a response time of less than 20 seconds. Hence, the Customer Success and Support team are a vital part of SameSystem which also is shown in the low churn rate of 3-4%.
- **SameSystem grows with their customers**, i.e. SameSystem has high upselling potential on e.g. digital signature services in more stores, restaurants, cafés or bars within a customer's organization.
- **Integrations to more than 50 providers of complementary software solutions** enable that SameSystem works smoothly with all necessary software systems, i.e. ERP systems, salary systems, digital signature, HR solutions, etc. The integrations ensure that both store staff and the HR department for store-based retailers save time due to automatic real-time data, GDPR issues with contracts are solved, and human errors from manual processes are eliminated.

MANAGEMENT TEAM AND MEMBERS OF THE BOARD OF DIRECTORS

Experienced management team within retail and tech and board members with knowledge from listed companies

Henrik Peter Salicath
CEO



Tobias Byrial Ritlov
Product Development Director



Mikael Christensen
Sales Director



Jesper Karbæk Ryskin
Marketing and Communications Director



Jacob Rasmussen
Customer Success Director



Tenna Skovgaard Bosold
Global People & Culture Director



Lucas Louis Ritlov
Deputy Sales Director



The founder and largest shareholder, Henrik Byrial Ritlov, recently stepped down from his position as CEO. However, he is expected to work as consultant for the new CEO, Henrik Peter Salicath, until April 2022. In April 2021, Henrik Peter Salicath joined SameSystem as CEO. He has extensive experience from tech companies working in global and well-known tech enterprises such as Microsoft, Columbus, and Tectura.

Henrik Byrial Ritlov's two sons have important positions in the management team, i.e. Tobias Byrial Ritlov is Product Development Director, and Lucas Louis Ritlov is Deputy Sales Director. Moreover, the brothers are major shareholders with 8.8% ownership each before the offering. Other management team members are Sales Director Mikael Christensen, Marketing & Communications Director Jesper Karbæk Ryskin, Customer Success Director Jacob Rasmussen, and Global People & Culture Director Tenna Skovgaard Bosold.

SameSystem's Board of Directors consists of four members with experience in listed companies. All four board members are pre-subscribing shares in the offering for between DKK 250k and DKK 300k.

Søren Elmann Ingerslev
Chairman



Thomas á Porta
Board member



Hans Henrik Hoffmeyer
Board member



Birgitte Nielsen
Board member



The chairman of SameSystem is Søren Elmann Ingerslev, who is Partner at Elmann Advokatpartnerselskab. He also holds other management and board positions including being chairman in the First North-listed SaaS company, Konsolidator.

Other boards members of SameSystem are Thomas á Porta, Hans Henrik Hoffmeyer and Birgitte Nielsen. Thomas á Porta has extensive experience with scaling software companies and is CEO at Formpipe Software. Hans Henrik Hoffmeyer is co-founder and COO of Coinify ApS and has experience from top-tier global IT companies, large-scale IPOs and Fintech companies. Birgitte Nielsen is a professional board member after working in top positions for e.g. FLSmidt. Today, she is also board member in Matas, Coloplast, KIRK Kapital, De Forenede Ejendomsselskaber and Haldor Topsøe.



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