Redeye SaaS Q3 2025: Cost cuts coming through

Redeye provides its Q3 2025 sector update for the Nordic SaaS space. We discuss SaaS companies in our coverage universe, other SaaS businesses we find interesting, their operational performance, SaaS metrics and valuations. In this Update, we also discuss how AI agents might threaten SaaS.

Small changes in valuations

Valuations have decreased slightly since our last SaaS Update (September 4) for both the market-weighted and equal-weighted indexes. The equal-weighted index trades at 3.6x NTM sales, while the market-weighted index trades at 3.4x NTM sales. That compares to 3.7x and 3.6x in our last SaaS Update. Overall, we observe a rather tough investor sentiment, where weak reports are punished, while reactions to positive reports are more muted.

High single-digit is the new normal(?)

The median organic growth rate was 7% in Q3 2025, consistent with the rate in H1 2025. This marks a stabilisation at high single-digit growth rates, suggesting that SaaS companies continue to outgrow GDP, yet notably lower than the ~15% seen before 2025. This moderation is driven by a soft market, where customers are hesitant to incur additional costs and are less likely to accept price increases – partly due to lower inflation. Essentially, all companies view a soft market, and few see any clear signs of improvement in the near term. While median churn and NRR both increased slightly quarter-over-quarter, the insights from previous quarters during this downturn, i.e., lower upsell and stable churn rates, hold.

Surprising improvements in margins

While Q3 always is strong margin-wise, due to vacations, we are surprised by the substantial increases relative to H1 2025, where the trend was negative. The median EBITDA-CAPEX margin increased to 9.1% (4.1) in Q3 2025, a notable increase from the -3% seen in the previous quarter. More importantly, the y/y improvement was also substantial. More and more companies have adjusted their workforces to align with the softer market, which started to lower ARR growth in early 2025, and those cost cuts are now reaching their full impact. As growth rates in median have remained positive, the cost cuts have had a positive impact on margins. Earlier cost cuts were, in some cases, mitigated by negative growth in non-SaaS revenue.

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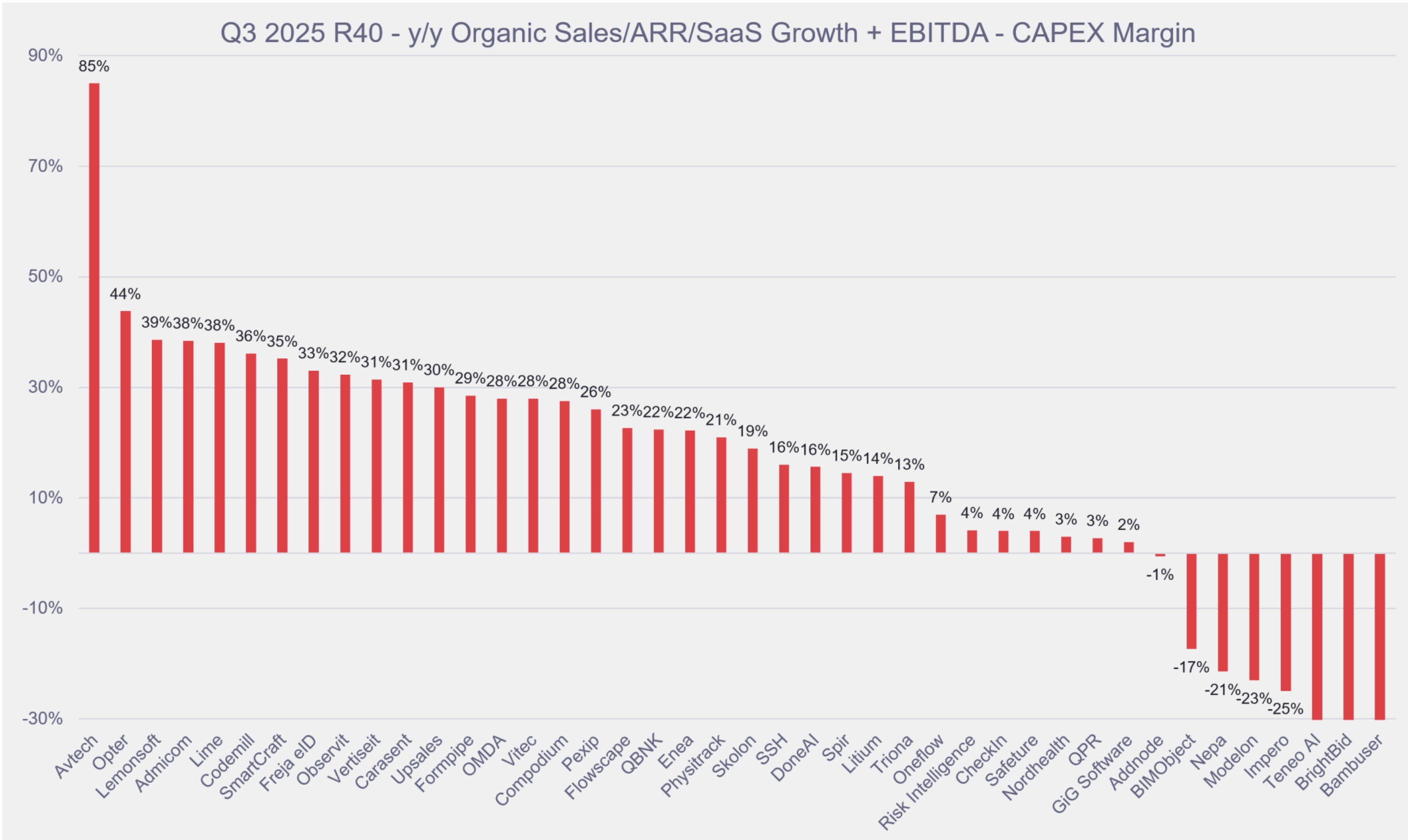
Operational Performance Q3 2025 and R12m SaaS Metrics

R40, Organic Growth and EBITDA - CAPEX Margins

R40



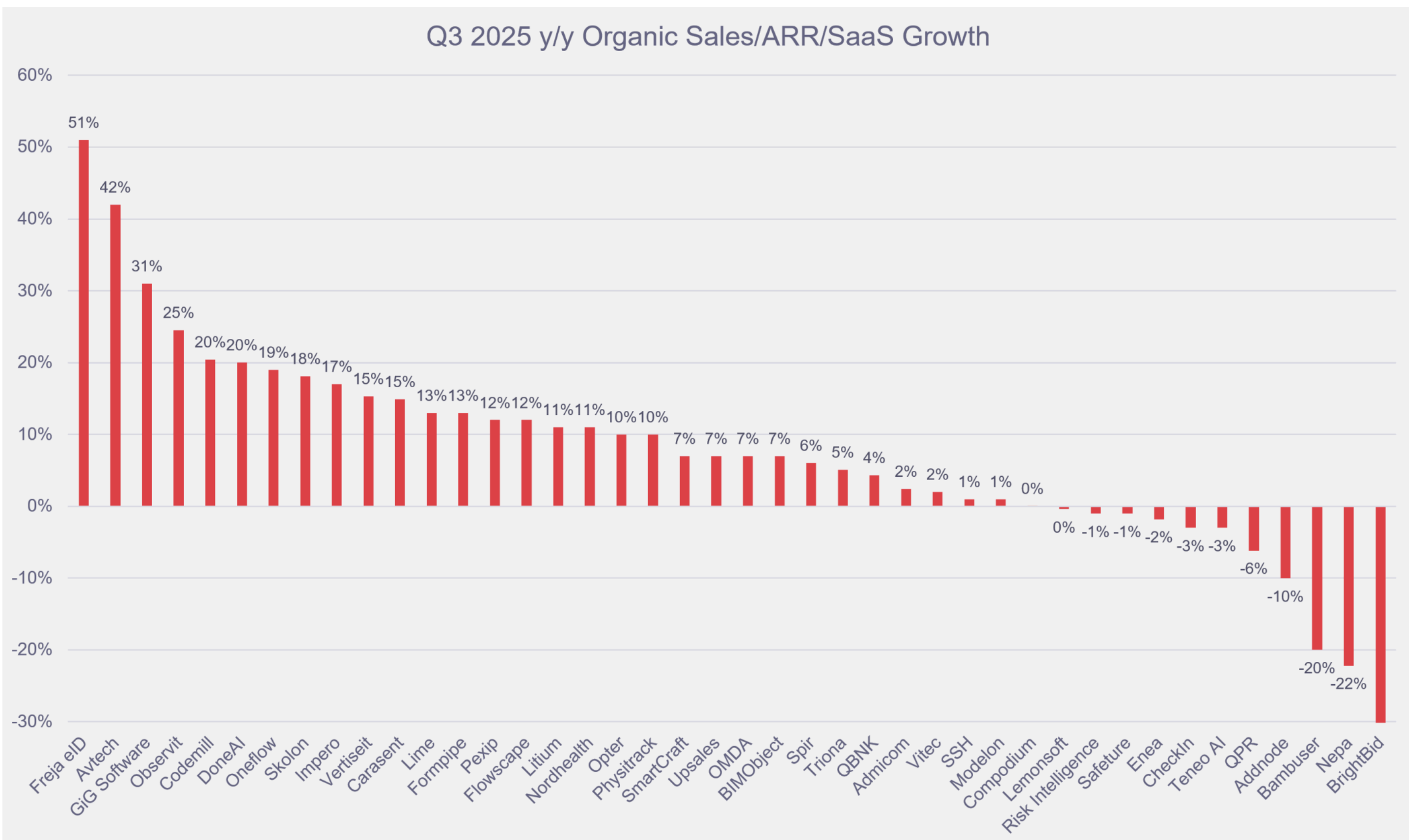
Despite the typically Q3 boost in margins, only two (Avtech and Opter) out of the 42 companies included reached the so-called R40, meaning that their combined organic growth in ARR/net sales/SaaS sales rate (we use what we believe is most relevant for the given company) and EBITDA – CAPEX margin is 40% or higher. While the delisting of Fortnox lowers the number by one, in 2023-2024, there were about six to seven R40 companies.

Five companies are in the +35% space: Lemonsoft, Admicom, Lime, Codemill, and SmartCraft. All have track records of being +40%-companies, but the soft market environment currently limits their organic growth (except for Codemill), and some acquisitions have reduced their margins in some cases.

21 (12 in Q2, 15 in Q1, 18 in Q4, 20 in Q3 2024) companies have an R40 of 20% or above. While Q3 is always strong due to boosted margins, the y/y number increases slightly. The median R40 (median organic growth + median EBITDA-CAPEX) was 16.1% (17.8). While still somewhat lower y/y, H1 2025 saw much larger y/y declines. Although growth in the current macroeconomic environment is challenging, it appears that companies in the median have been able to execute cost cuts with limited impact on growth, contrary to what we have seen in recent quarters. Furthermore, many companies may finally begin to see the full positive impact of cost cuts.

The graph above is only a snapshot of the total sales growth rate and margin, in this case, actuals for Q2 2025. The long-term sales growth and margin outlooks are more important than the Q3 2025 snapshot. However, most SaaS businesses tend to have a high serial correlation regarding sales growth and margins over the years.

Organic Growth



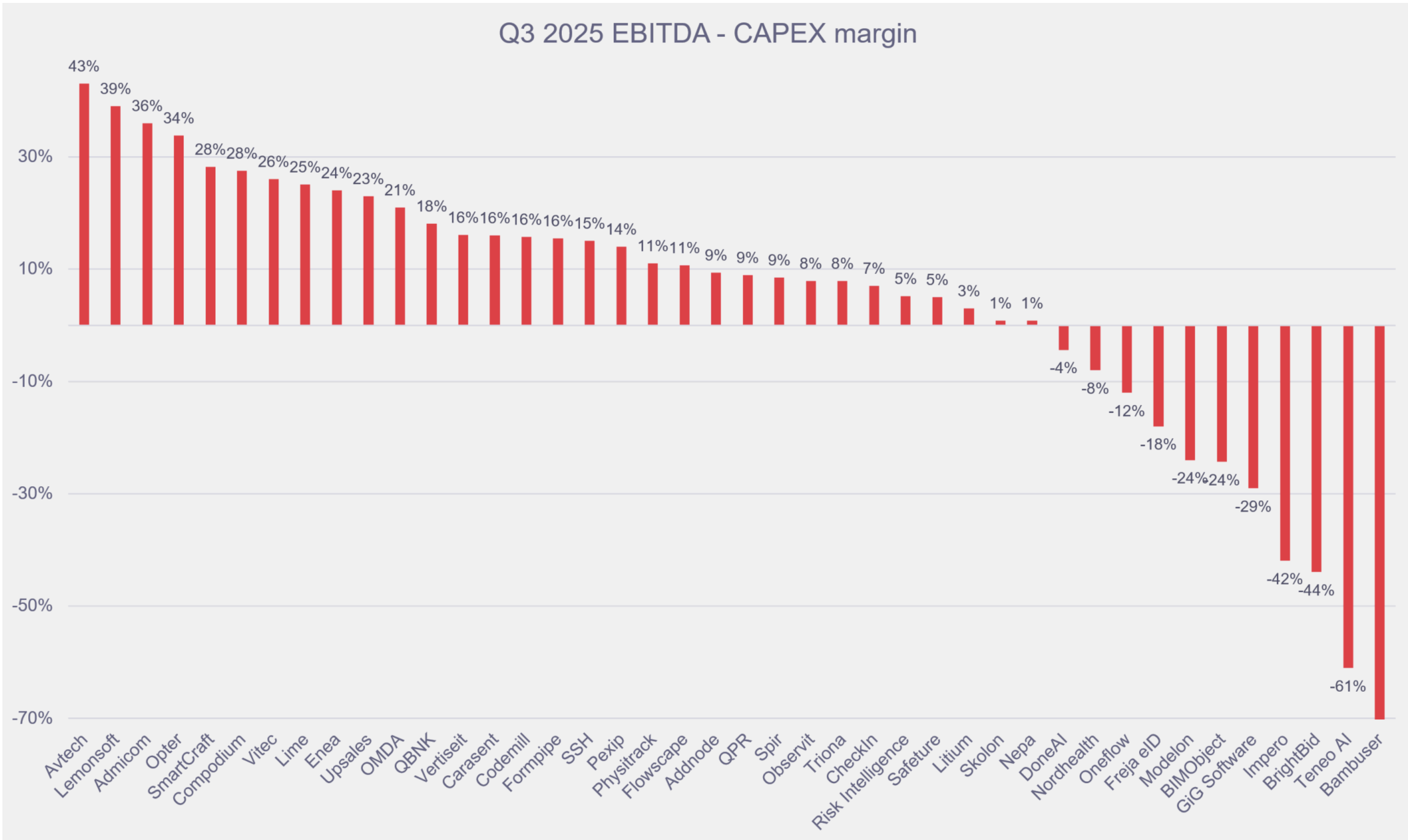
About 71% of companies grew their sales/ARR/SaaS sales y/y in Q3 2025, which is lower than the ~80% seen in H1 2025. Three of the +20% growth companies (out of only six companies) have a positive EBITDA–CAPEX margin. The median organic growth rate was flat q/q at 7%. After several quarters with a median organic growth rate of about 15% (since Q3 2023), it seems to have stabilised at high single digits in 2025.

The soft market continues to impact growth rates, as customers remain cautious about adding costs, and more companies are affected by the weak macroeconomic environment. Before, several companies saw no or a limited negative impact from soft market conditions; in 2025, there are very few. Additionally, many companies have recently implemented significantly lower price increases, as high inflation had allowed for higher price increases in 2022-2023. Furthermore, the average ARR of the companies covered in this SaaS Update has increased, making it relatively more challenging to achieve growth in percentage terms.

The median growth rate remains clearly above the GDP growth rate. Still, we believe investors should exercise greater caution regarding growth expectations, also in SaaS companies, given the persistence of the current macroeconomic environment. A 5-10% median seems to be a reasonable assumption for the next few quarters as well.

A crucial point to note here is that it is much more challenging for a company with an ARR of SEK200m to achieve a 50% growth rate per year than a company with a substantially lower ARR, such as SEK20m. Assuming similar growth rates, the net increase in ARR between these two companies would be SEK100m and SEK10m, respectively. It is important to remember that while some companies might report very high growth rates and top the charts, they could be considerably smaller in terms of ARR/net sales compared to others that report good growth rates but at a lower percentage basis. Thus, size is an important aspect to consider.

EBITDA-CAPEX Margin



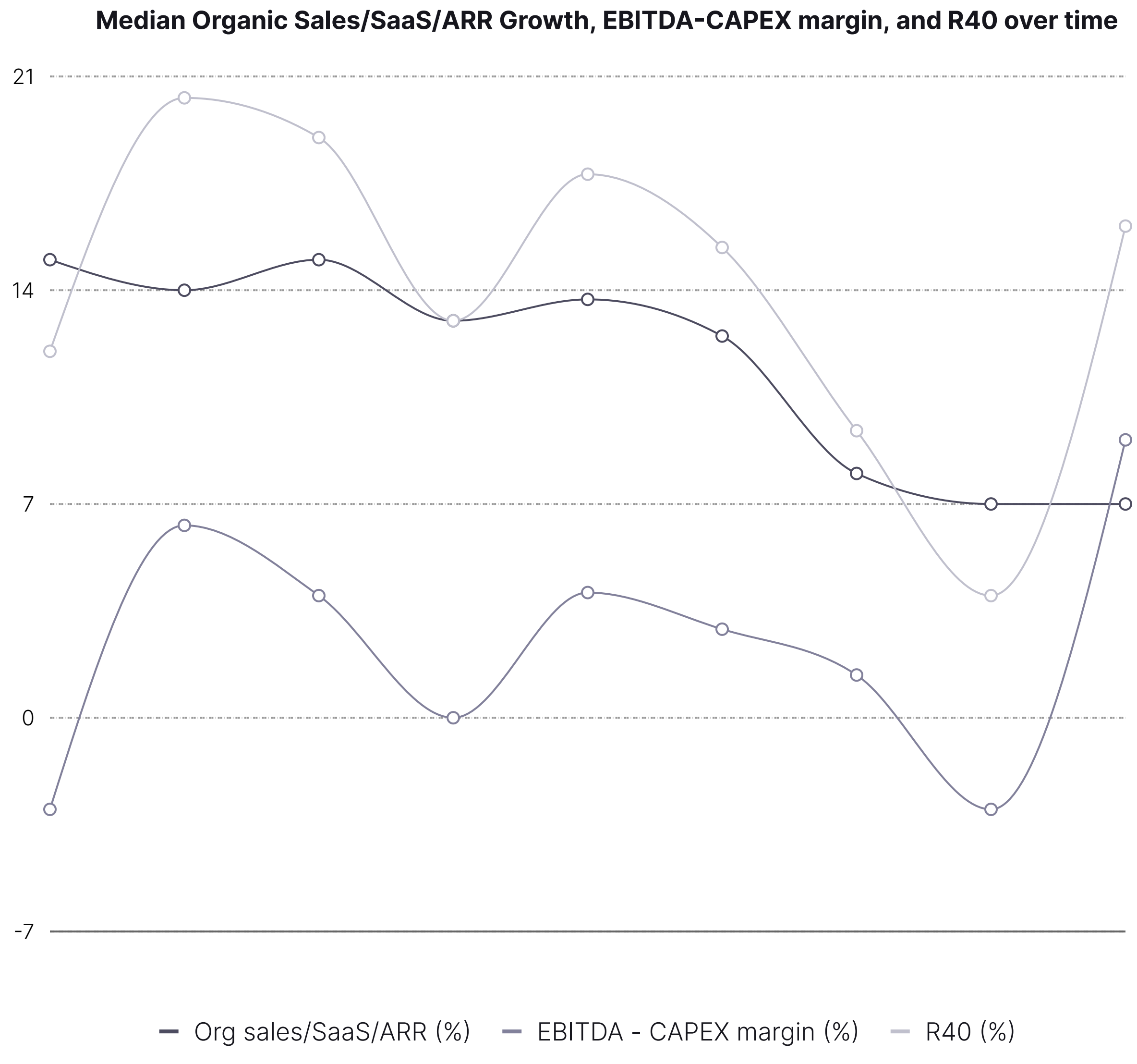
The median EBITDA–CAPEX margin was 9.1% (4.1), which surprised us positively, as the trend in median profitability was negative in H1 2025. More and more companies have adjusted their workforces to align with the softer market, which started to lower ARR growth in early 2025, and those cost cuts are now reaching their full impact. Aligning with stable growth rates (yet relatively low), the cost cuts have had the anticipated positive impact on margins. Furthermore, fewer negative one-offs in several companies have a positive impact. Whether those cost cuts will hurt growth is yet to be seen (in the coming quarters). However, we believe that most companies have made reasonable cost cuts, which should have a limited impact on sales growth.

Several companies also report better productivity, particularly within R&D, due to AI. However, most believe that extra product development output is necessary to stay ahead in competition rather than a cause for further cost cuts. The situation might be different within sales and marketing, though.

While most companies will tell you they can be profitable if they want to, a proven track record of profitable growth has increased in importance after 2021/22. It continues to be important – although the pendulum has swung back somewhat to growth in the last quarters. As mentioned above, some companies have struggled to sustain growth while focusing on profitability. Pexip is an interesting example of a company that started this process early and has successfully turned around growth and profitability. After several quarters of negative growth in late 2022-2023 following significant cost reductions, its R12m numbers show both organic growth and profitability with an R12m R40 of about 30%. Oneflow is on a similar path currently. While yet unprofitable on EBITDA-CAPEX, the company improved its margins significantly y/y and aims to reach break-even with current funds.

17 (vs 10 in Q3 2024) out of 42 companies have an EBITDA–CAPEX margin above 15%. We believe it is essential for unprofitable companies to have comprehensive SaaS metrics reporting to support their claims of underlying profitability. Such metrics demonstrate profitability at the customer level. Nevertheless, we see many examples of companies with positive margin momentum, despite still being far from solid profitability (~15% on the EBITDA–CAPEX level). Only about 26% of companies had negative EBITDA–CAPEX in Q3 2025. Although Q3 is always strong margin-wise and uncomparable to other quarters, the share of unprofitable companies declined year-over-year.

R40, Organic Growth and EBITDA - CAPEX Margins over time



Source: Company reports

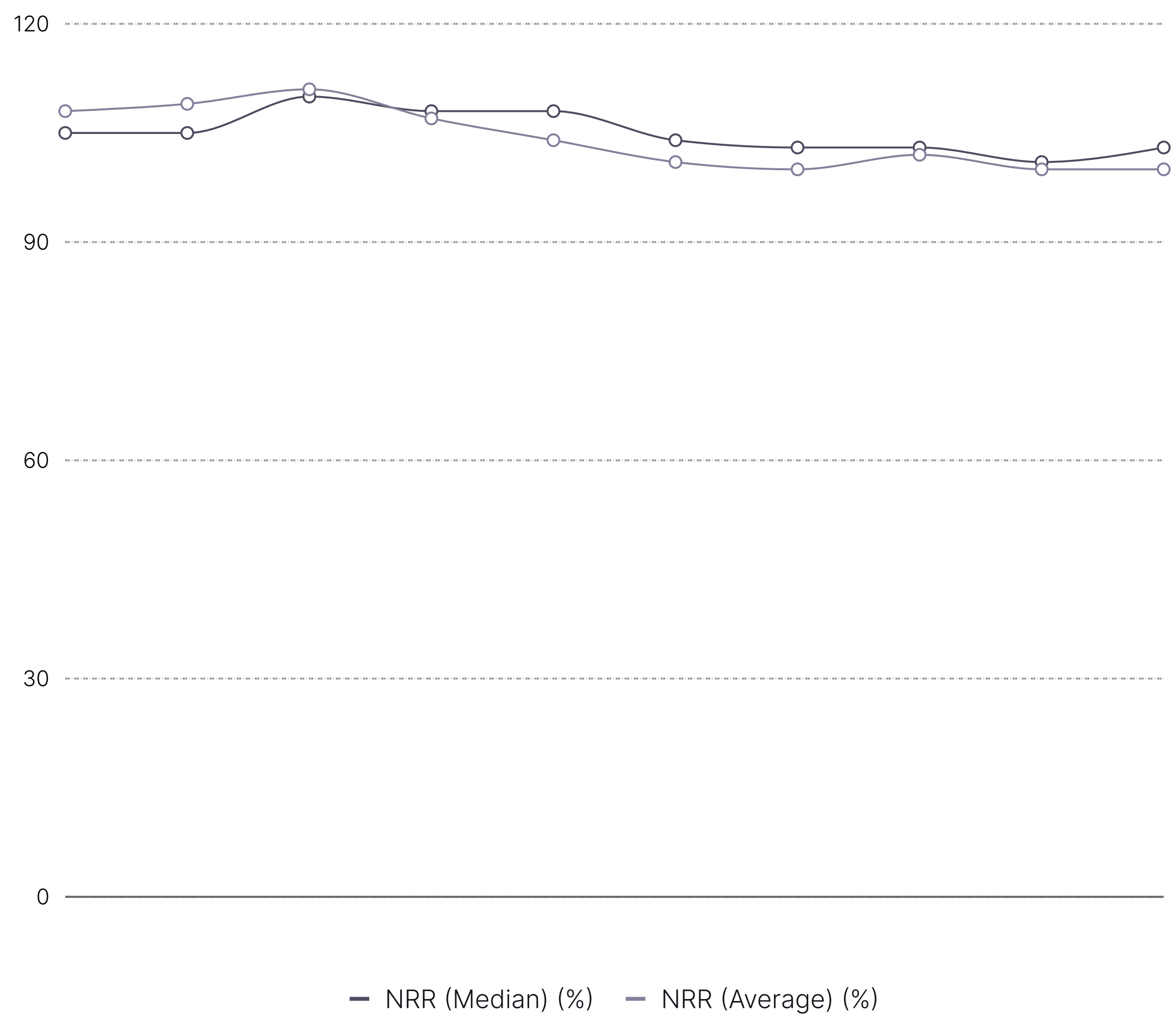
SaaS Metrics

NRR

The median NRR increased slightly q/q to 103% (104), from 101% in Q2 2025. As seen in recent quarters, companies report that the "organic" part of the upsell, which comes from customers expanding their businesses, such as additional seats/licenses and revenue-related fees, remains soft – not surprisingly, given the current market environment. Additionally, in contrast to earlier downturns, the rate of upselling from customers using additional modules and functionality appears to be reduced. Even though it might be a long-term cost-saver, a higher cost focus from customers and hesitation to incur extra costs hold back the upsell. Interestingly, several companies mention that new sales are relatively strong while upsell remains weak, which seems a bit counterintuitive in a soft market, in our view.

In contrast to previous quarters during the current downturn, when the median NRR was 105-110%, the last few quarters have shown that the median SaaS company's ARR from current customers is roughly flat year-over-year – upsell compensates for churn and downgrades, but not by more. However, that is likely partly because high inflation allowed greater price increases in 2022-2023.

NRR R12m over time



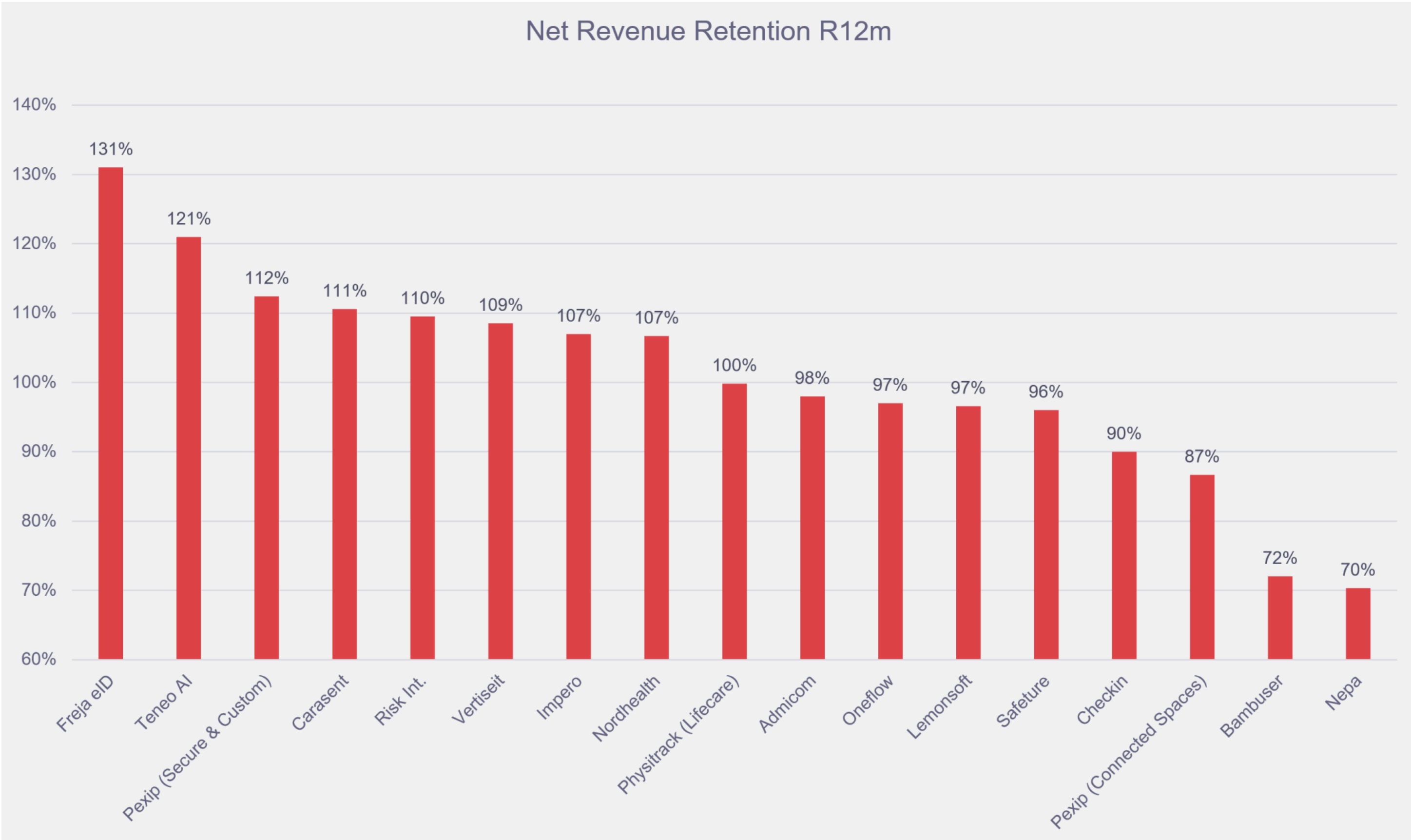
Source: Company reports

Note that the number of companies reporting NRR differs slightly from quarter to quarter because some companies only reported FY figures, and some recently added NRR to their reporting. Thus, we believe the Median is more relevant than the Average and small changes should not be overemphasized.

We argue that the NRR is one of the most important metrics to track as an investor, as it indicates a solid value proposition (few customers would continue buying more software from a provider they are unsatisfied with) and a good product-market fit. However, some companies that sell larger upfront contracts might get "punished" regarding NRR. Therefore, one must evaluate the number in light of the company's strategy to gauge whether it succeeds. Nevertheless, a company that can achieve a stable NRR of 105% could grow its revenues by 5% annually without adding a single new customer. It creates a stable foundation for durable growth in combination with new sales. 9 of 17 companies have NRRs at 100% or above, implying that net upsell roughly compensates for churn or better. 9 of 17 is lower than the usual +10 companies having an NRR of 100% or above. All things equal, such numbers hinder large and sudden sales drops that one might otherwise observe in more cyclical companies.

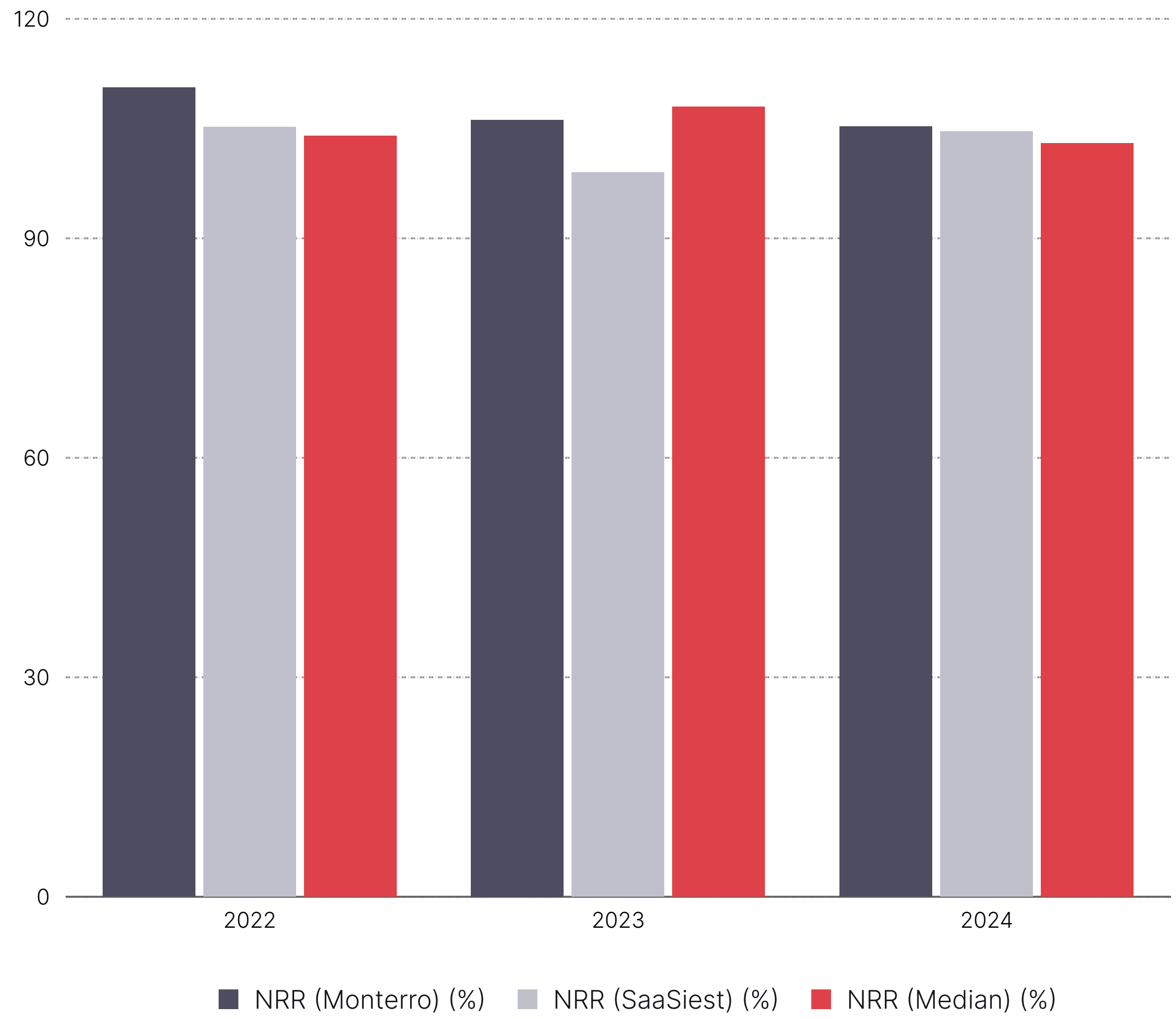
As mentioned before, we want to highlight that the NRR is typically cyclical – especially if the NRR is based on customers' revenues or the number of employees. For example, the Finnish ERP providers exposed to the construction industry, Admicom, SmartCraft (which does not disclose NRR but churn and downgrades), and Lemonsoft have recently seen declining NRRs. However, that is likely due to a probable temporary weakness in the customers' underlying markets rather than a structural decline in NRR. Thus, investors should look at averages over longer periods (to smooth out good and bad years). Benchmarking against close peers' NRRs is also important to draw better conclusions about the underlying business momentum.

Furthermore, for companies with very high customer concentrations, there is a higher risk of big swings in NRR. In general, there tends to be an inverse relationship between stable NRRs and customer concentration. Teneo AI and CheckIn are two examples of companies with high customer concentrations; both had very strong NRRs in 2023 and early 2024. Teneo AI still has a solid level of ~130-140% – that has been very stable so far – while CheckIn has seen a substantial drop from ~150% to ~60% – now back to 80% although. See our segment about CheckIn's ARR in our Q3 2024 SaaS Update for further discussion.



The average NRR in the Monterro Nordic B2B Software Growth - Benchmark report 2025 and the SaaSiest Benchmark Report 2025 for 2024 was 105% in both, roughly aligning with the 103% level seen among listed Nordic SaaS companies in 2024.

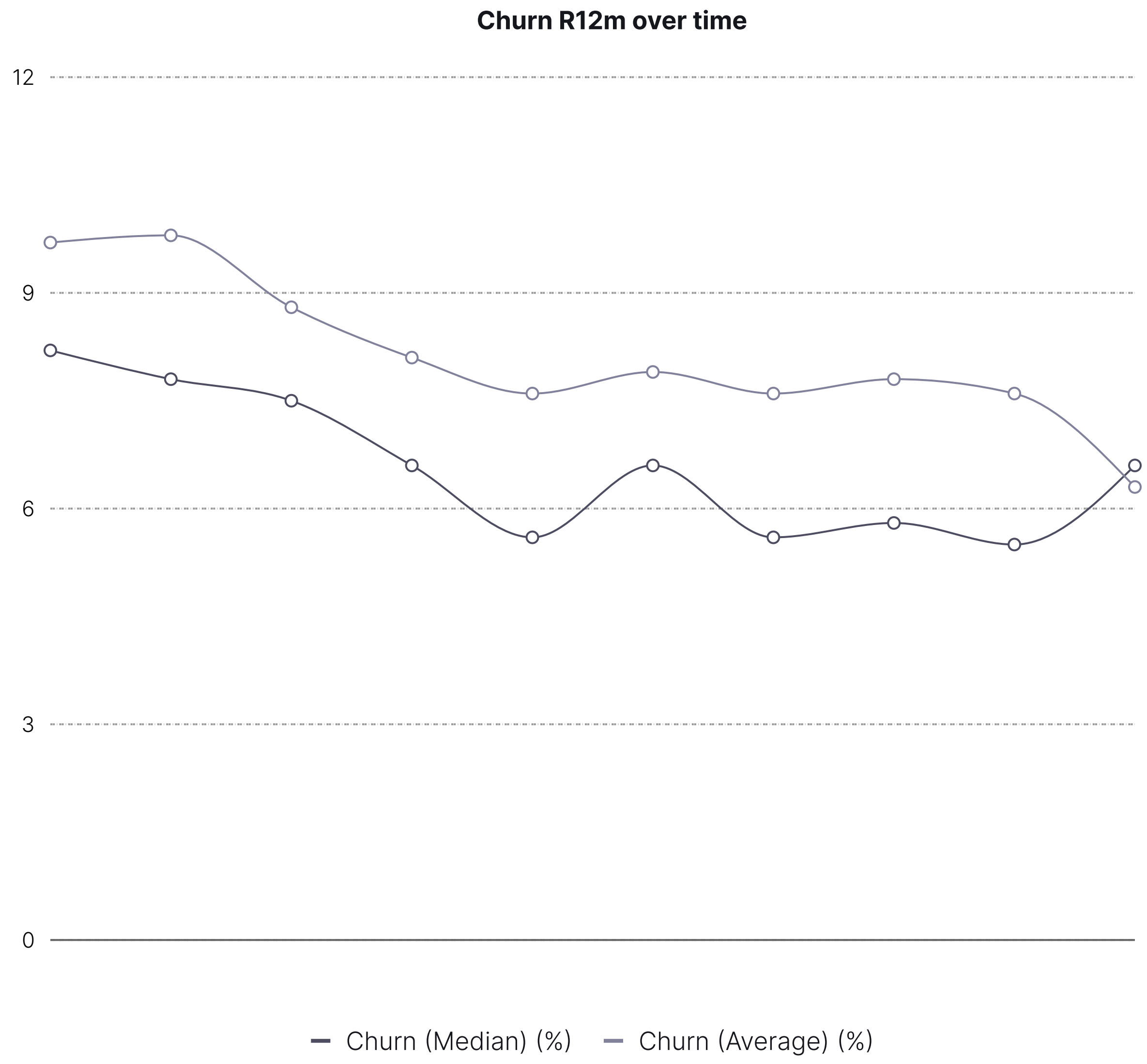
NRR: Comparison with Monterro and SaaSiest



Source: Monterro Nordic B2B Software Growth - Benchmark report 2025, SaaSiest Benchmark Report 2025, company reports.

Churn

The average and median churn rates of the Nordic-listed SaaS companies reporting the metric (16 of the 42 companies included in our report) increased slightly, amounting to 6.6% (6.3) in median in Q3 2025, up from 5.8% in Q2 2025. Despite the slight increase in churn, we believe the conclusions drawn in the earlier SaaS Update hold. Considering the softening macroeconomic environment, we believe the numbers suggest that most Nordic SaaS companies are providing business-critical software that customers are unwilling to or cannot easily cut, despite many customers having a focus on reducing costs. It also highlights that the lower NRR seen in the last 12 months is due to less net upsell and not because of increasing churn.

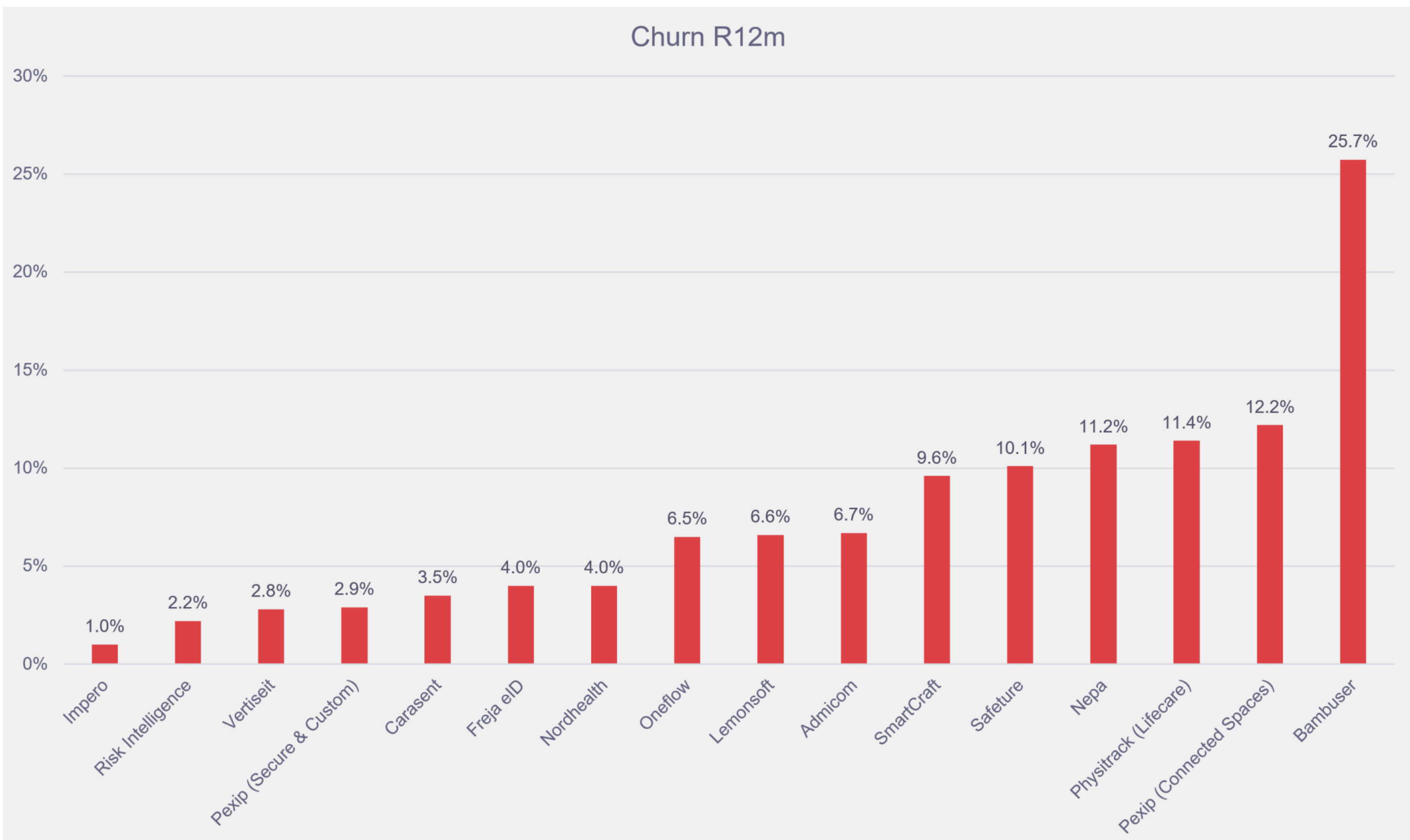


Source: Company reports

Note that the number of companies reporting churn differs slightly from quarter to quarter due to some companies only reporting FY figures and some companies adding churn to their reporting recently. Thus, we believe the median is more relevant than the average and small changes should not be overemphasised.

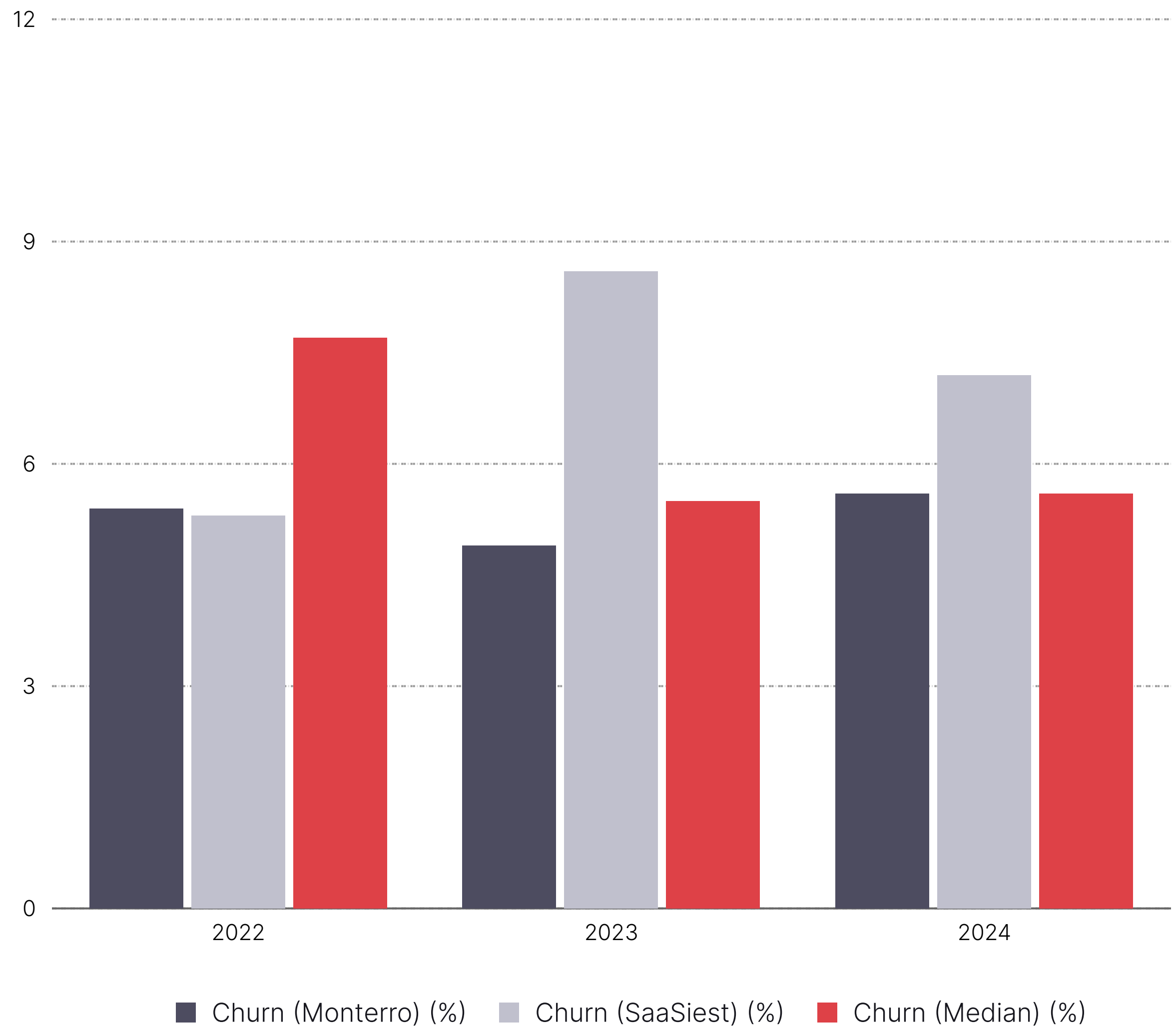
The median of about 6% is in line with what one should expect for a sample of B2B SaaS companies. However, note that the churn of some smaller businesses, like Safeture, tends to fluctuate between years. Also, companies focusing on SMEs, such as SmartCraft, typically have higher churn rates than companies focusing on larger B2B customers.

It is important to note that downgrades are not included in the churn calculation. Therefore, two companies reporting similar churn levels could face significantly different challenges in terms of maintaining sales volumes from existing customers. For example, a company reporting 5% churn could potentially experience a downgrade impact of a similar magnitude. However, downgraded revenues are often easier to regain once the market environment improves, as the customer relationship is intact and the product is still in use.



The average churn in the Monterro Nordic B2B Software Growth - Benchmark report 2025 and the SaaSiest Benchmark Report 2025 for 2024 was 5.6% and 7.2% respectively. Our listed Nordic SaaS universe had a median churn of 5.6% in 2024.

Churn: Comparison with Monterro and SaaSiest



Source: Monterro Nordic B2B Software Growth - Benchmark report 2025, SaaSiest Benchmark Report 2025, company reports.

M&A Deals

M&A deals

Company	Date	Bidder	Market cap	Premium	EV/sales multiple (TTM)	EV/EBIT multiple (TTM)	
Basware	April, 2022	Accel-KKR, Long Path, Partners, Briarwood Chase	EUR580m	95%	3.1	59	
Ørn Software	June, 2022	EG A/S	NOK590m	41%	3.5	12	(EBITDA)
Momentum Software	July, 2022	Aareon AG	SEK1800m	71%	17.1	80	
Meltwater	January, 2023	Altor, Marlin Equity	SEK6000m	39%	1.4	neg	
Patientsky	March, 2023	EG A/S	NOK900m	110%	4.6	neg	
SignUp Software	April, 2023	Insight Partners	SEK2360m	39%	8.5	97	
Precio Fishbone (Omnia)	December, 2023	Monterro	SEK210m	-	2.6	16	(EBITDA)
Pagero	January, 2024	Thomson Reuters	SEK8000m	138%	11.0	neg	
Byggfakta	January, 2024	Macquarie, SSCP, TA	SEK3200m	31%	2.4	21	
Efecte	January, 2024	Matrix42	SEK1100m	91%	3.9	n.m.	
Mestro	February, 2024	EG A/S	SEK204m	104%	5.4	neg	
Carasent (withdrawn)	April, 2024	EG A/S	NOK1445m	40%	4.5	neg	
Volue	July, 2024	Arendals Fossekompani, Advent, GIM	NOK6000m	51%	3.9	84	
24SevenOffice (ERP and related)	November, 2024	Accountor Software (KKR)	SEK2400m	-	6.5	41	(EBITDA)
Heeros	November, 2024	Accountor Software (KKR)	EUR31m	52%	2.7	9	(EBITDA)
Penneo	November, 2024	Visma	DKK560m	110%	5.9	116	(EBITDA)
Codemill (withdrawn)	March, 2025	Ateliere	SEK313m	53%	3.4	12	(EBITDA)
Fortnox	March, 2025	Hallrup, EQT	SEK54bn	38%	26	61	
Risma	July, 2025	Triple Private Equity	DKK222m	44%	5.1	neg	
Formpipe (Public)	August, 2025	STG	SEK825m	-	2.7	18	(EBITDA-CAP.)
Spir	November, 2025	Karbon, Carucel, Stella, Varner	NOK1139m	38%	2.2	16	(EBITDA-CAP.)

Source: Redeye, Company reports, FactSet

During 2023, 2024, and so far in 2025, many listed Nordic SaaS companies were targets of acquisitions, with an average premium of ~66%. The typical target company has a product offering that is scalable globally and is running its operations at negative margins or, at least, substantially below potential profitability. As the stock market has favoured profitability over growth in recent years, valuations on some more growth-focused companies have apparently become attractive, according to the acquirers. Given that valuations on globally scalable companies running at negative-to-low profitability remain low, we believe this segment is where we will most likely see takeovers for the rest of 2025 and beyond as well.

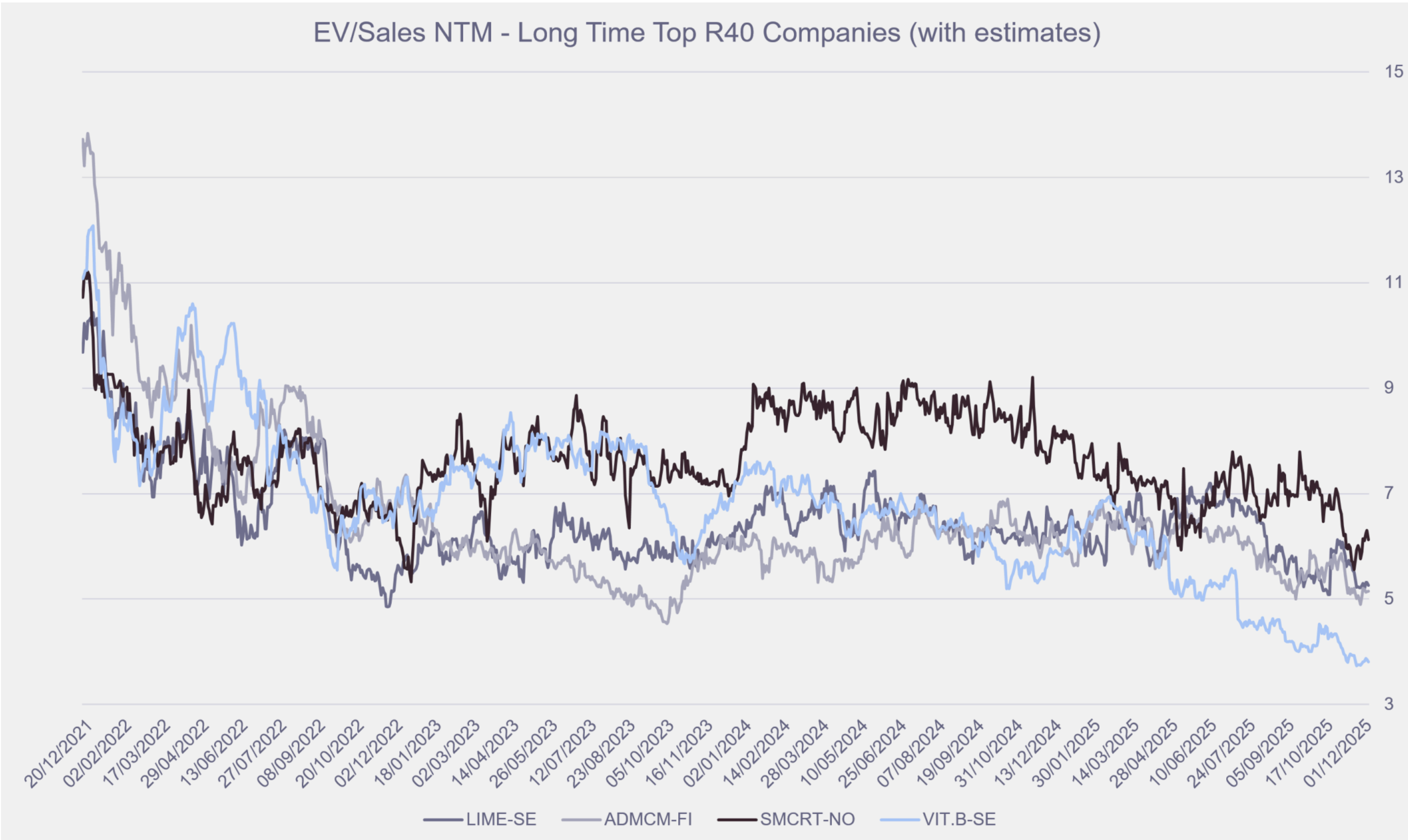
Since our last Update, Norwegian Spir has received a takeover bid from its four largest owners at a 38% premium. Overall, the M&A interest for Nordic SaaS businesses remains significant.

Valuations

Data from FactSet and Redeye.

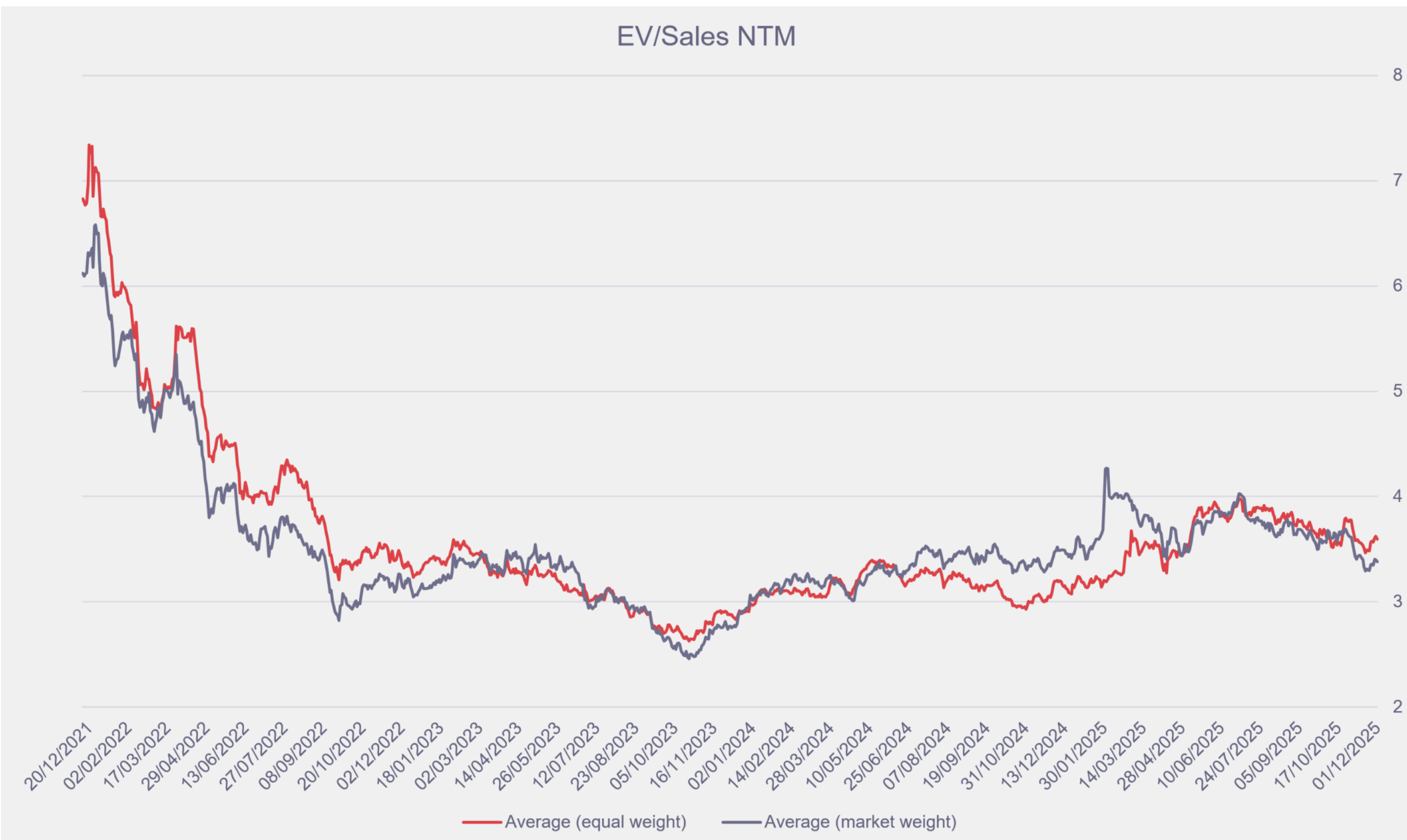
EV/S NTM Over Time

Looking at the long-term top 4 R40 performers (R12m) with rolling estimates, the companies are trading at about 4-6x sales NTM. Lower organic growth, primarily due to weak macro and limited margin expansions, is the likely reason behind the difference. At 6-7x sales NTM, there is limited room for disappointment in operational performance. Vitec has experienced a sharp decline in valuation over the last few months, although we argue that the underlying business (SaaS ARR organic growth and EBITDA-CAPEX) appears solid. However, the headline numbers are currently negatively affected by volatile transaction revenue in a large subsidiary.

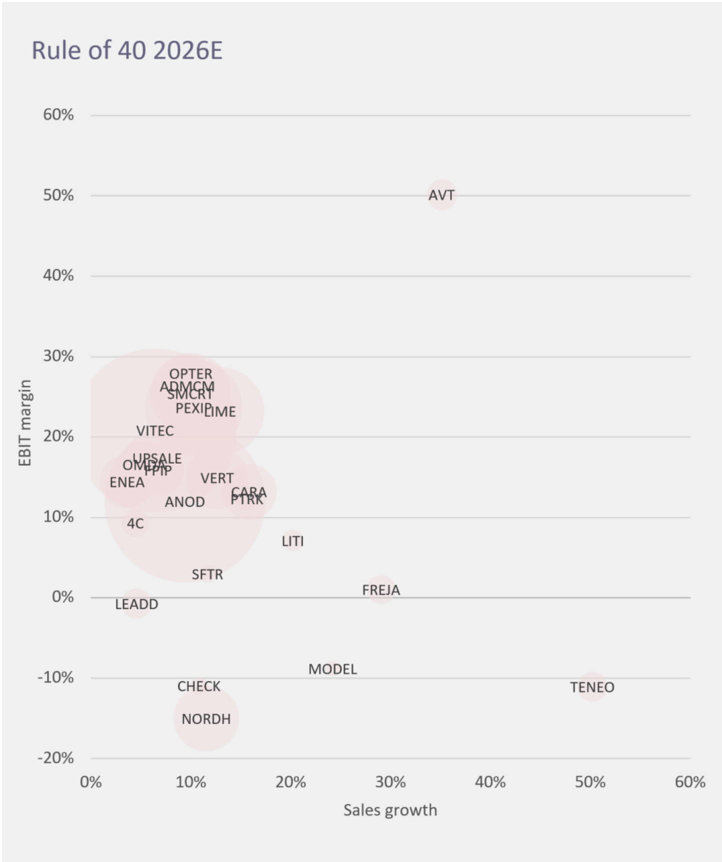


Valuations have decreased slightly since our last SaaS Update (September 4) for both the market-weighted and equal-weighted indexes. The equal-weighted index trades at 3.6x NTM sales, while the market-weighted index trades at 3.4x NTM sales. That compares to 3.7x and 3.6x in our last SaaS Update. Overall, we observe a rather tough investor sentiment, where weak reports are punished, while reactions to positive reports are more muted.

As several businesses are unprofitable or barely profitable, we believe it makes sense to look at EV/S when evaluating the overall market valuations.



R40 Estimates 2026 and 2027



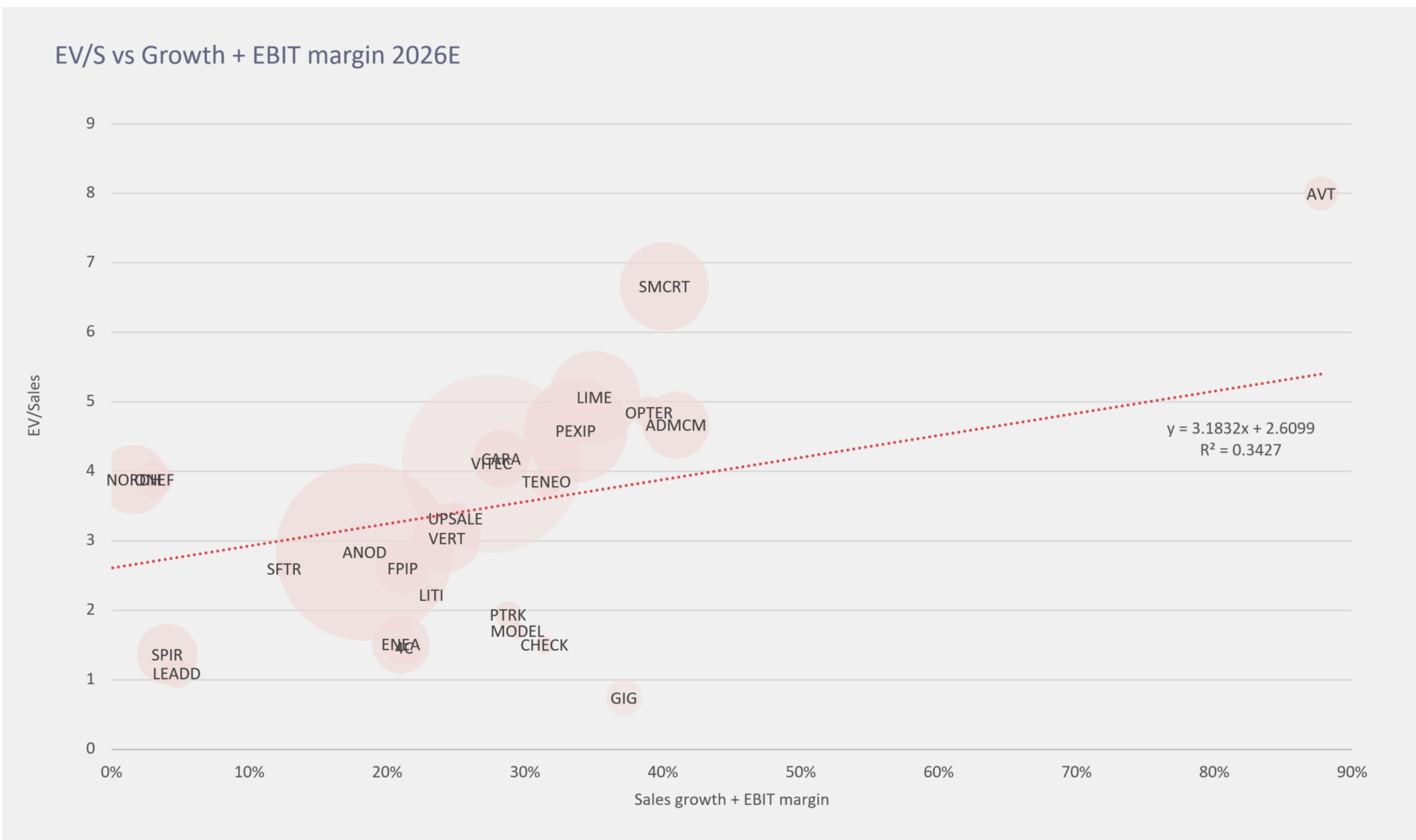
Notably, very few profitable companies are expected to grow sales by 15% or higher over the next two years. It appears that analyst estimates are assuming market conditions will remain at least relatively soft in 2026-2027. While that might seem somewhat pessimistic, it may also be more realistic than the typical "rebound in 6-12 months" that many analysts and we often adhere to.

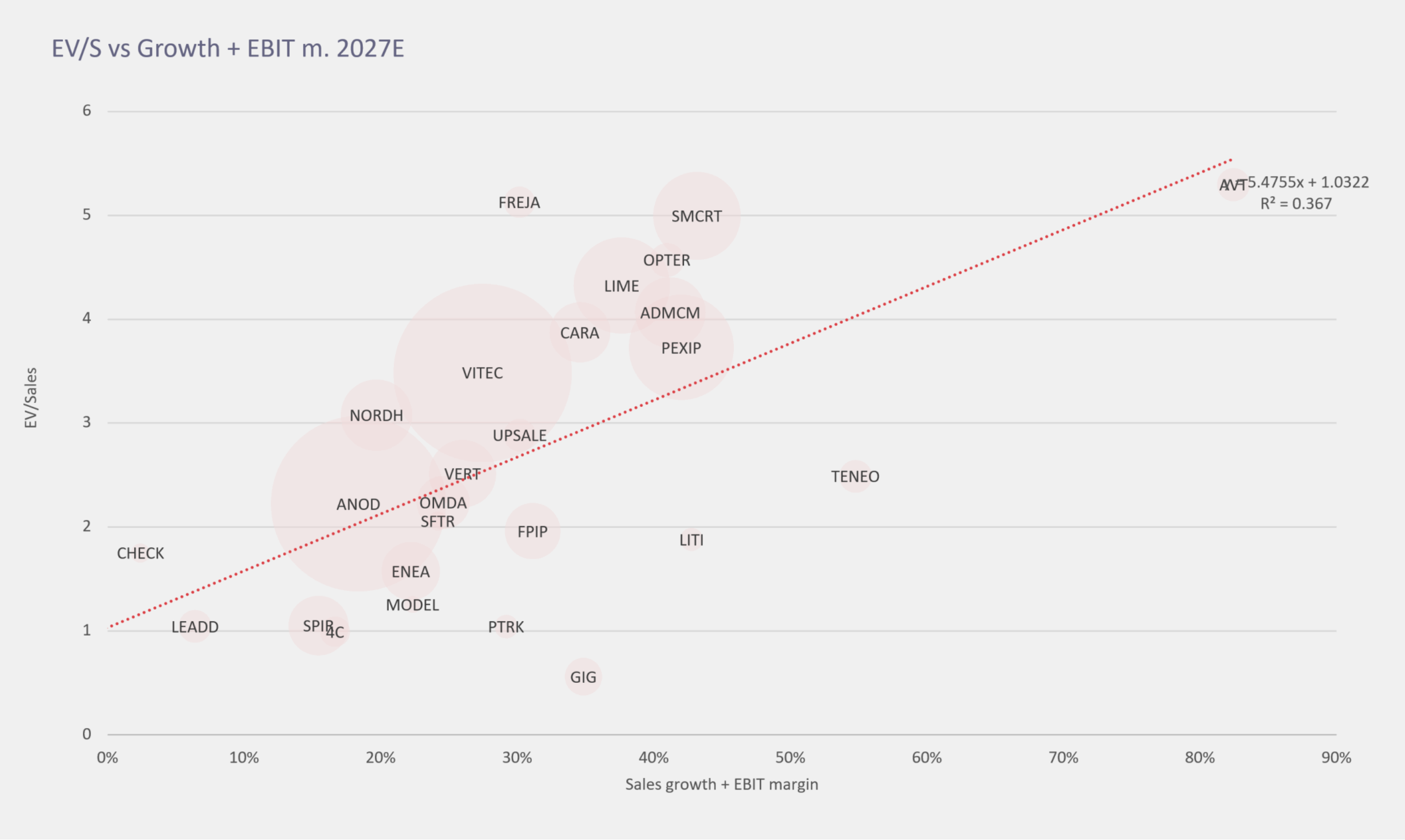
EV/S vs R40 Estimates 2026 and 2027

Companies that combine high growth with decent margins or vice versa are unsurprisingly valued at high multiples. High growth and margins indicate that the company can increase its sales efficiently. Companies with a combined sales growth and EBIT margin of 40% or above are considered successful SaaS companies – i.e., the "Rule of 40". However, several other essential factors determine valuation: company size, competitive advantages, recurring revenue share, and total addressable market.

The graphs below are only snapshots of the total sales growth rate and margin, in this case, the estimates for 2026 and 2027. The long-term sales growth and margin outlooks are likely more important to the businesses' valuation than the 2026/2027E snapshot. However, most SaaS businesses have a high serial correlation regarding sales growth and margins over the years. That is likely one reason behind the high correlation between EV/Sales multiples and the sales growth + EBIT margin. Note that most Nordic SaaS companies are followed only by one or a few analysts, likely decreasing the accuracy of the estimates.

The graphs below show relatively strong fits between R40 performance and EV/S with R2 of ~0.54, ~0.37 for 2026 and 2027.




EV/S vs Growth + EBIT m. 2027E
EV/Sales
Sales growth + EBIT margin
y = 5.4755x + 1.0322
R² = 0.367
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Valuations

Q3 2025 Summary of Quarterly Company Updates – Redeye's Coverage

Addnode

Solid margin improvements in PLM and PM

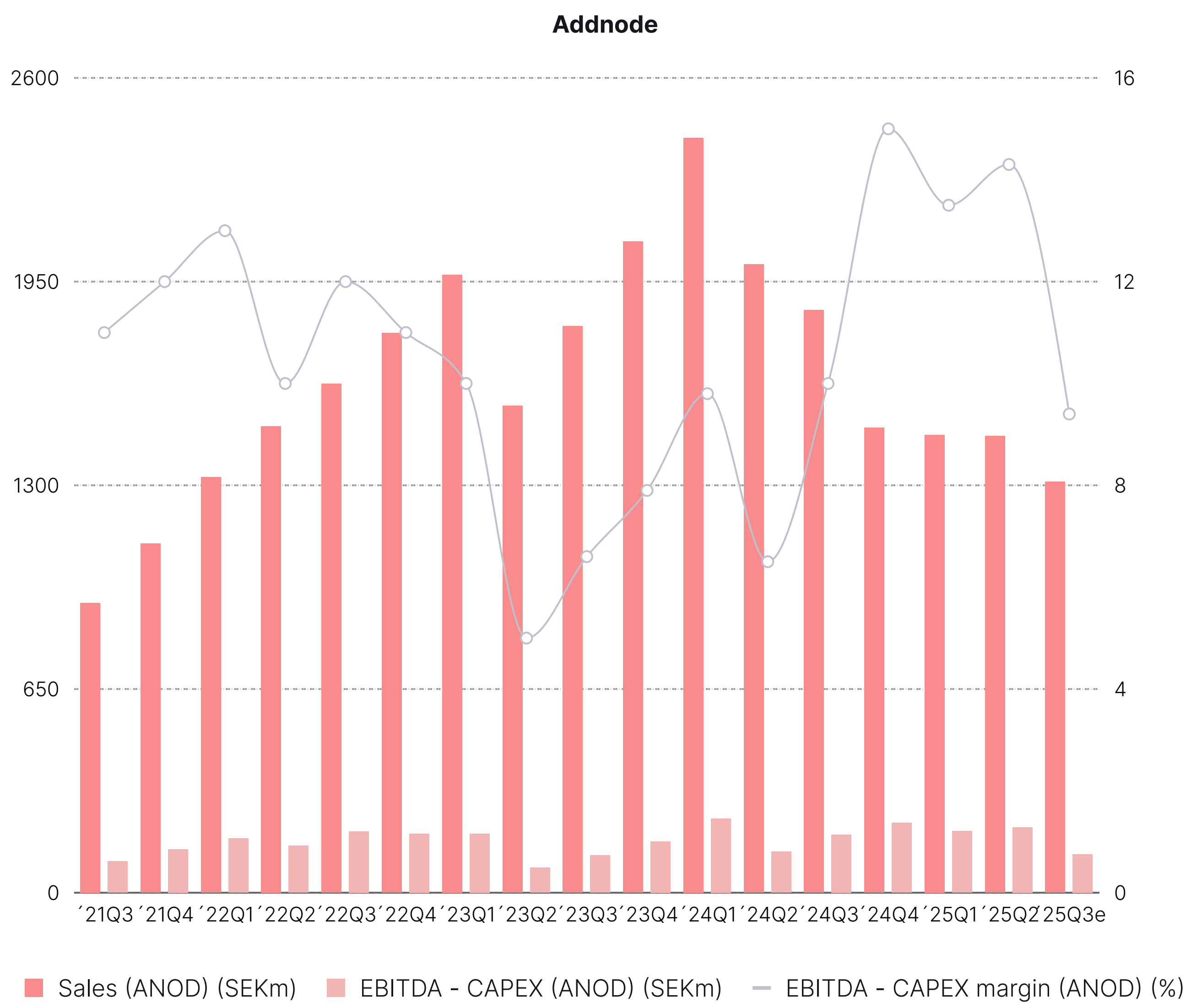
Total Net Sales reached SEK1,311m in Q3 2025, roughly matching our estimate of SEK1,306m. DM and PM had slightly higher sales than expected, while PLM came in slightly lower. The group's total EBITA amounted to SEK149m, a deviation of +3% against our estimate of SEK144m. DM was somewhat softer than expected, while PLM and PM beat our EBITA forecasts by about 15%, driven primarily by stronger margins than expected. PLM reached an EBITA margin of almost 10% despite the cost savings program having a full impact first in Q4. PM reached a record high EBITA margin thanks to M&A, prices and efficiency. Market conditions remain generally stable, with aerospace and defence (in PLM) and data Centre (in DM) being the bright spots, while automotive and residential remain on the softer side.

High M&A activity in Q3

Q3 2025 was marked by high M&A activity, with the major acquisition of SolidCAD in Canada being the most significant. SolidCAD, a market leader for Autodesk solutions, contributes substantial sales (SEK280m est. for 2025) and an impressive 43% EBITA margin, which is above the group average. This acquisition, FF Solutions, and X10D add about SEK410m in total sales, which is largely concentrated in DM's Autodesk-related offering, where margins are substantially higher under the new transaction model. The acquisition pace returns Addnode to a high M&A activity level R12m, with 11% growth contribution.

Base Case unchanged at SEK124

We leave our Base Case unchanged at SEK124, as group-level forecasts remain largely constant. We slightly increased PM margin assumptions due to what we believe is sustainable underlying improvements. The margin beat in PLM increases confidence in our estimates but leads to only minor near-term revisions. The valuation of 22x EBIT for 2026e is in line with the median SaaS business peers, but the EV/EBITDA-CAPEX multiple is trading at a more attractive 17x for 2026e. Following recent driving acquisitions and the lower share price, the risk/reward has improved since our Q2 Update.



Source: Company reports

Full Company page

Avtech

Quarterly results: solid growth but below expectations

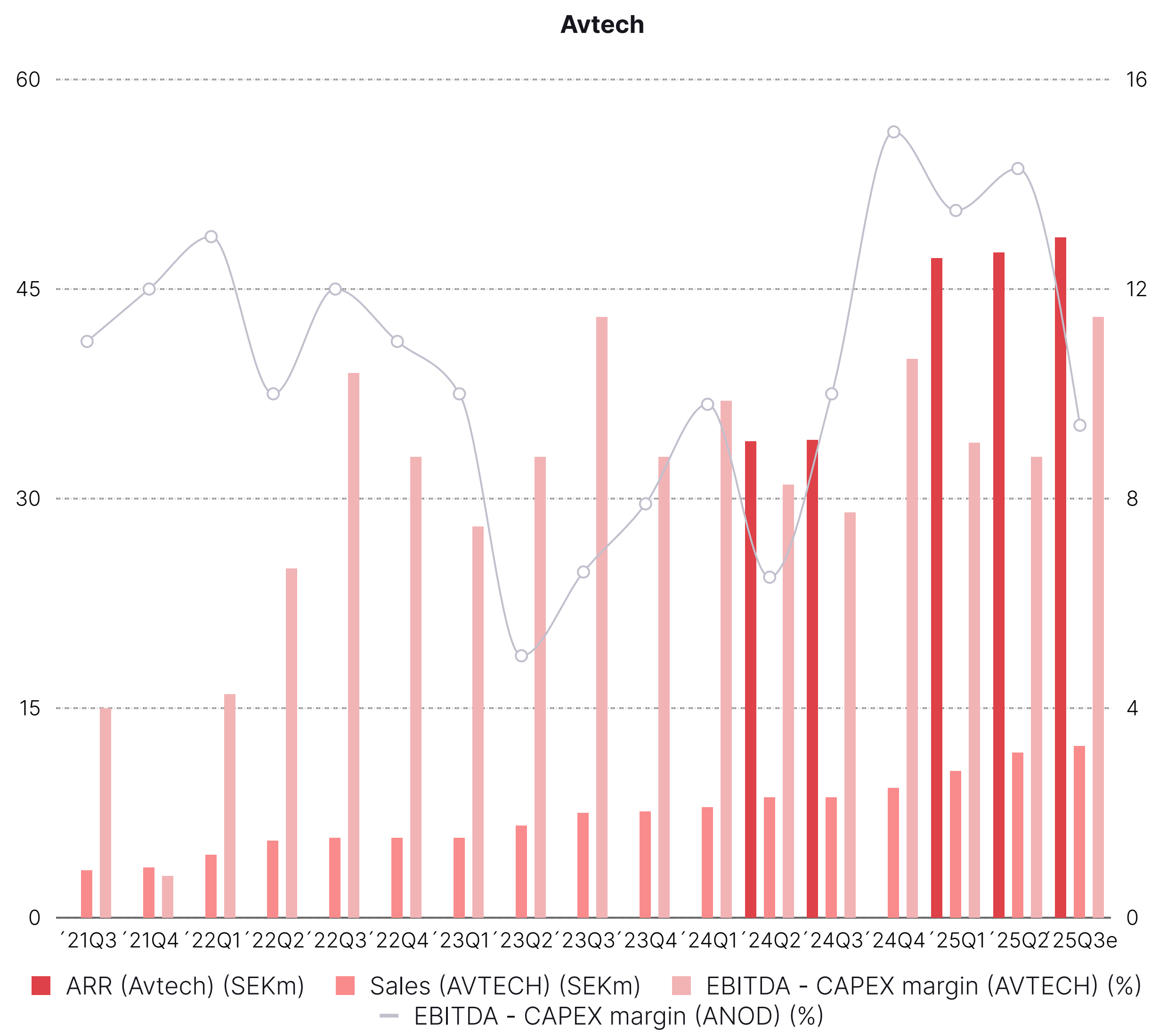
The figures were 11% and 9% below Redeye's forecast for net sales and EBITDA, respectively. Despite this, AVTECH grew 43% y/y, driven by new sales over the last twelve months, even with an unfavourable USD/SEK exchange rate. We estimate that at least one-third of net sales is invoiced in USD. AVTECH also demonstrated significant operational leverage, achieving an EBITDA margin of 54% while investing in its organisation. The company has begun reporting SaaS metrics. AVTECH reported a Rule of 40 (R40) score of 84% and an Annual Recurring Revenue (ARR) of SEK48.9m.

Slight estimate cut

We have cut our sales estimates by 5% for 2025-2028, reducing EBIT by 8-10% for the same period. AVTECH reports ongoing testing and preparation, and dialogues with companies that have completed trials. In its Q2 report, AVTECH hoped to close some of these during the autumn; so far only the Wizz Air extension has been announced. During the quarter, Christian Sandén was appointed CCO, and the technical organisation was split between CTO Nicklas Kittelmann and COO Bahram Bahar. These changes aim to broaden the sales pipeline, enable more customer agreements, efficient client onboarding, and continued product development. We anticipate these changes, plus a broader product offering (SAS now uses the ClearPath app, per the Q3 report), will allow AVTECH to sustain its trajectory.

EV/EBIT NTM in line with 3-year mean

AVTECH shares have advanced 61% YTD in 2025, driven primarily by estimate revisions. Its NTM EV/EBIT multiple was 17.1x at the start of the year and is now 18.0x, versus a three-year average of 17.9x. We view AVTECH favourably but believe the market has recognised most medium-term upside. The main catalyst will be new agreements that drive estimate revisions. The main risk is the mid-2026 renewal of the Southwest agreement, which we estimate accounts for one-third of sales. Following revised estimates, we adjust our fair value range to SEK6.0-15.0 (from SEK6.2-17.0), with a revised Base Case of SEK12.0 (from SEK13.0).



Source: Company reports

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Carasent

Solid Recurring Growth and Scalability

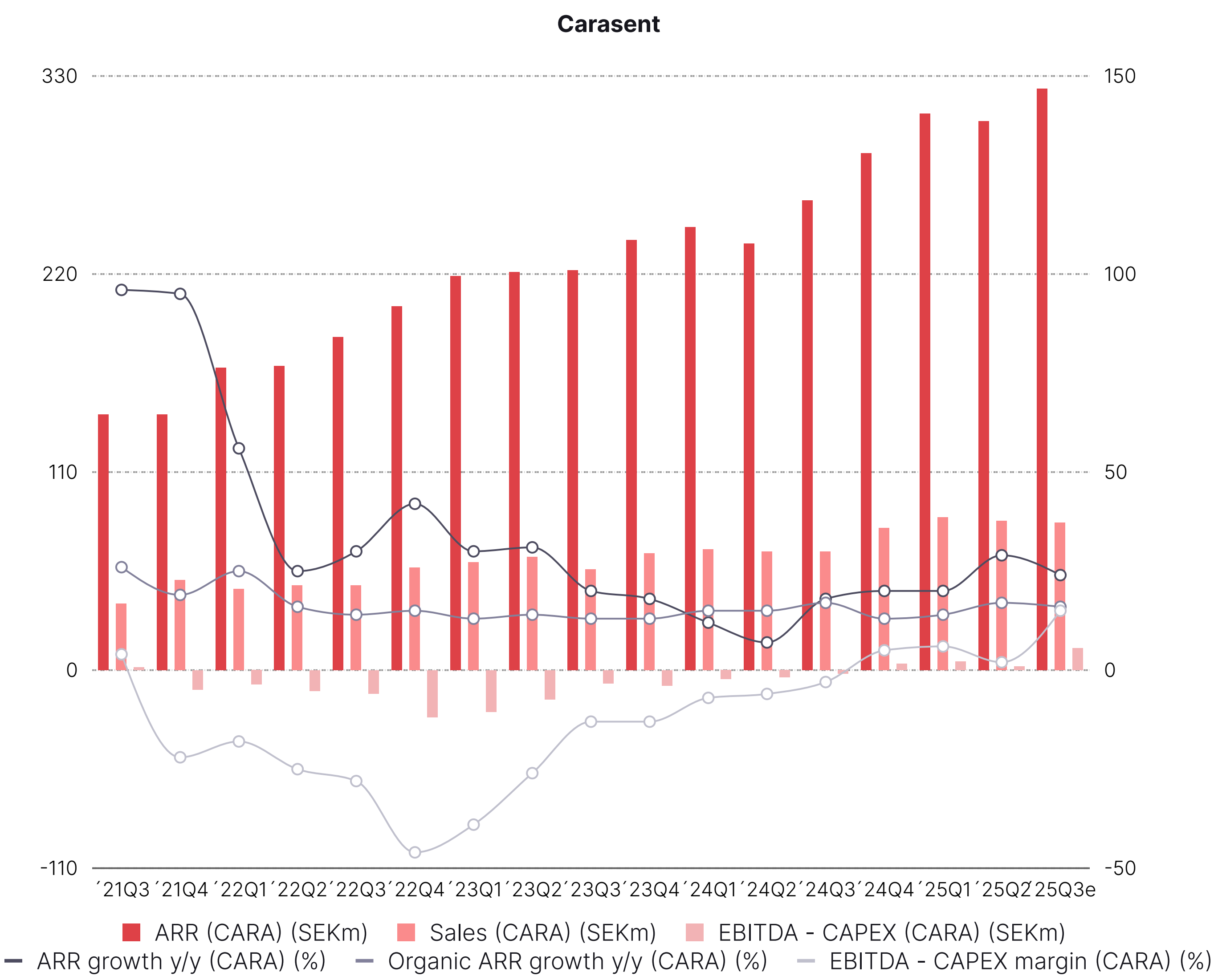
ARR reached SEK 323m, slightly below our SEK325m estimate, though organic ARR growth was a healthy 16%. The miss was fully accounted for by a SEK2m one-off adjustment from identifying overpaying customers. EBITDA-CAPEX came in at SEK12.2m, yielding a 15% margin, an impressive jump from the 6% adjusted figure in Q3 2024, although it was in line with our expectations. Management maintains 2025 financial targets (SEK~345-350m sales, SEK~35m EBITDA-CAPEX), which we expect them to miss slightly. However, we believe investors should focus on the ARR/CARR and scalability in Q4 2025 rather than whether Carasent reaches its 2025 targets (dependent on Other revenue), which is of greater importance to the investment case.

Many shots for growth in 2026 and beyond

Carasent has several major development projects nearing or in pilot phases, including Webdoc for surgery, Webdoc X for the German market, new digital communication solutions, and Medsum, setting the company up for solid growth potential in 2026 and beyond. While the timing and magnitude of these initiatives are challenging to quantify exactly at this point, we are encouraged to see the vast range of potential growth drivers to support Carasent extending its ~15% organic growth pace in line with the mid-term target. Also, if all initiatives succeed, we should see growth rates exceeding 15%.

New Base Case SEK32 (31)

Despite a slower Volvat implementation causing a minor drag on 2025, we have slightly raised our Base Case to SEK32 (31), based on a more optimistic outlook for 2026 and beyond. While trading at a seemingly high 35x EBIT 2026e (at SEK 27.75), we view EV/Sales as a more appropriate metric given the expected below-normalised margins. Trading at 4.6x Sales 2026e, assuming a normalised 25% EBITDA-CAPEX margin, translates to 18x EV/EBITDA-CAPEX 2026e. This is an arguably attractive valuation for a company with attractive SaaS metrics, non-cyclical customers, high scalability, and above-average organic ARR growth, which should rank it among the highest-valued Nordic SaaS peers.



Source: Company reports

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Enea

Lacklustre growth but solid margins

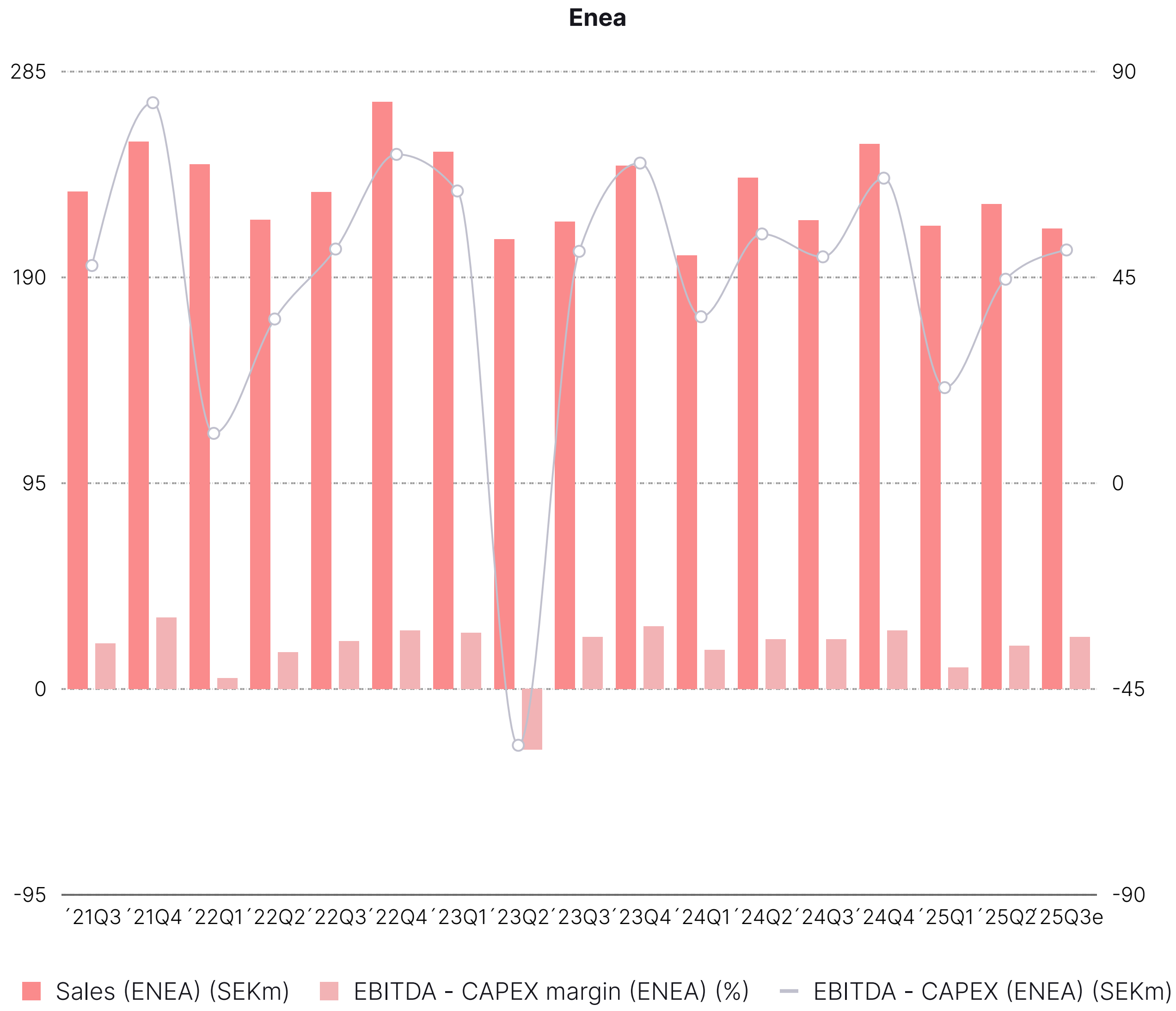
Net sales were 9% below Redeye's expectations on a reported basis and 4% below when adjusted for FX. Organic growth was 3%, driven by 6% in the Network segment and 3% in Security. The Operating Systems segment declined, in line with its long-term pattern. Traffic management remains the primary driver for Network, while firewall and deep-packet inspection lead the Security segment. North America and the Middle East are the primary geographical markets.

Challenging market; strategy update is key

Redeye anticipated a stronger quarter, given the SEK24m recognition from late-quarter deals. While two-thirds of Enea's revenue is recurring, the remaining portion is volatile, and Redeye believes some deals expected in Q3 slipped into Q4. Enea reiterated its guidance (growth for the year, 30-35% EBITDA margin) and its long-term ambition (double-digit growth, >35% adj. EBITDA margin). However, after years below this target, the market appears to have a 'show me, do not tell me' stance. Redeye's forecast points to accelerating sales, but still below target until 2028. The upcoming Q4 strategy update is therefore the primary catalyst. A crediable plan would warrant positive estimate revisions, driving the share higer. Redeye sees opportunities for Enea to improve its sales structure, which appears to be an Achilles' heel, operating in silos and preventing the sales force from cross-selling the full services portfolio.

Undemanding valuation and buyback support

The share sold off ~11% post-report, which Redeye views as reasonable given the 11% EBITDA miss (14% adj. EBITDA). With lacklustre FX-adjusted growth for several years, Redeye believes the share could remain in the doldrums until a credible growth plan is presented or sales growth improve. However, the valuation appears undemanding at 8.7x FCF on 2026 (RRe), supported by an active buyback programme. Redeye revises its fair value range to SEK45-111 (45-130) per share, with an updated Base Case of SEK80 (90).



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Formpipe

Rebound to solid ACV

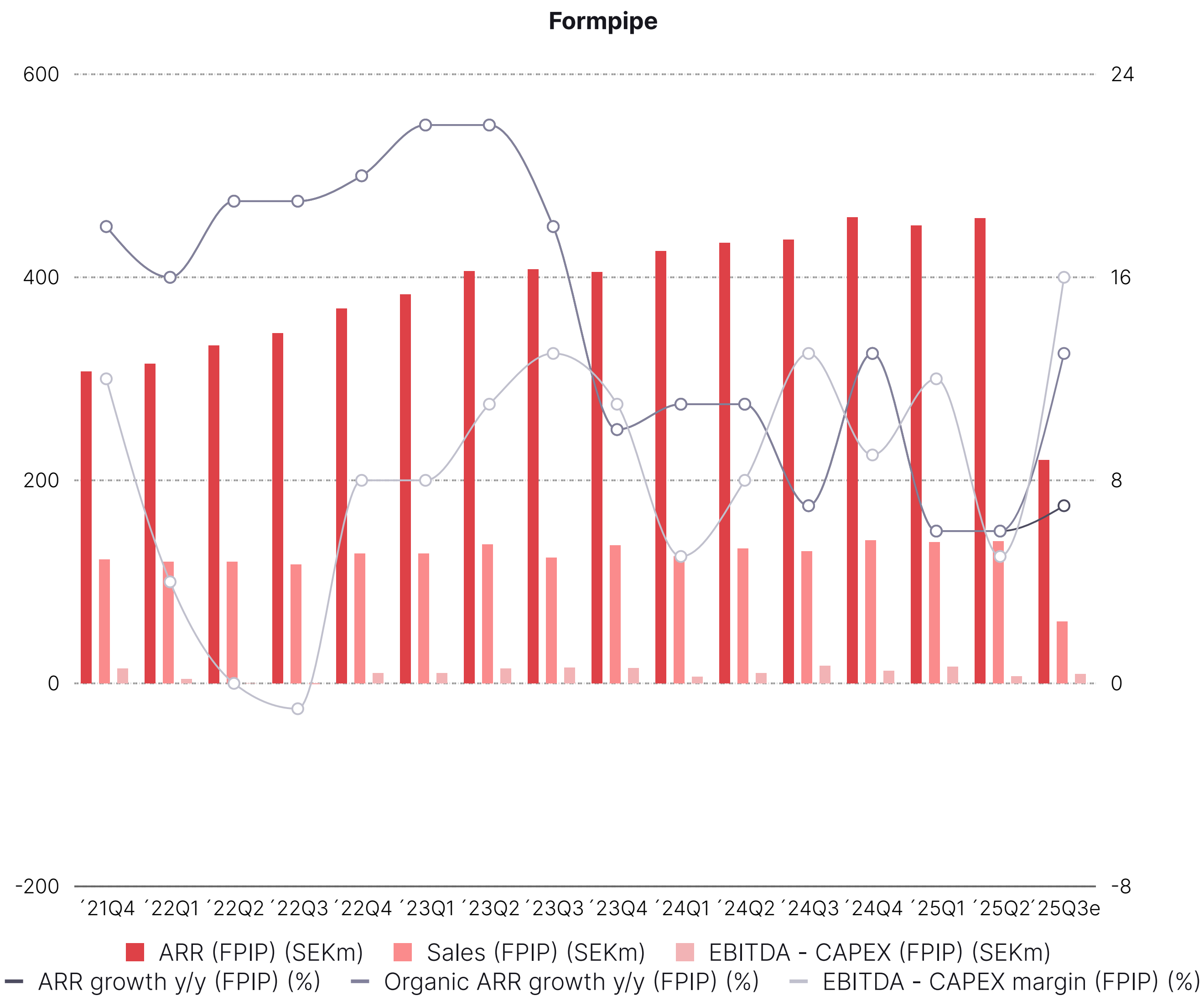
Total ARR grew 7.4% y/y (13% organic) to SEK220m, slightly below our SEK223m forecast due to FX, as the ACV of SEK6.0m matched expectations. SaaS ACV was strong at SEK8.0m (6.5). Management has a cautiously optimistic outlook, where the recovery in Temenos is crucial, providing a more stable base following the previous softness in H1 2025. The strategic focus is on leveraging the addressable market within Dynamics and North/West Europe, as well as the USA. While other ecosystems, such as IFS and SAP, remain interesting opportunities for the mid- and long-term, near-term investment will be concentrated on the proven strength in Dynamics.

Cost control in Lasernet is boosting EBITDA-CAPEX

EBITDA-CAPEX was SEK9.4m (0.6), significantly above our forecast of SEK3.2m and corresponding to a margin of 15.5% (1.1). While Q3 tends to be strong for SaaS companies margin-wise (due to vacations), we are encouraged to see the strong EBITDA-CAPEX even before the expected cost cuts in group common costs. The beat was driven by a higher gross profit combined with lower costs in Lasernet than we assumed.

Base Case unchanged at SEK35

Following the rebound in ACV and the strong cost control demonstrated in Q3, our confidence in the company meeting or exceeding our expecations has increased. We leave our Base Case at SEK35. We leave our ARR forecasts roughly flat but raise our EBITDA-CAPEX by 8% for 2026 and 2027 due to lower-than-expected underlying costs in Lasernet. For 2026, we forecast 13% ARR growth and a 12% EBITDA-CAPEX margin. We largely adhere to our long-term forecast of a 10% total ARR CAGR (to 2032) and margins gradually approaching 30% (around 2035). We believe the current 2026 sales valuation of 2.0x (SEK26) is attractive given our ARR and margin expectations. Lasernet's high share of recurring revenue, global scalability, and established partner network support our positive long-term outlook.



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[Comment on CEO change, completion of Public divestment, and cost cuts]

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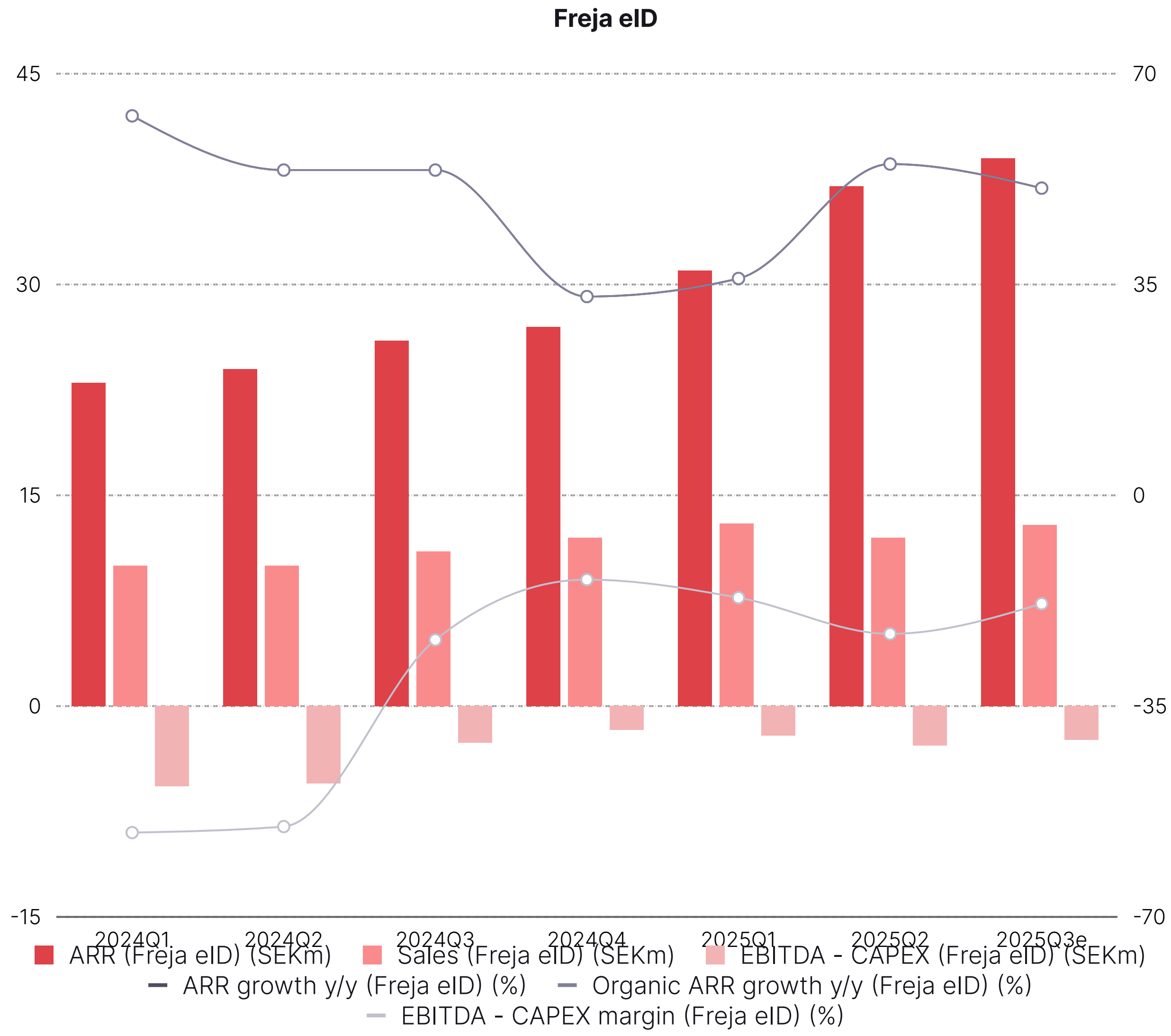
Freja eID

Initiation Coverage



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GiG Software

Q3-results in line with forecasts

GiG's Q3-results were in line with expectations with reported revenue of EUR9.7m (growth of 31%) and adjusted EBITDA of EUR1.2m (EBITDA-margin of 13%), while Redeye's forecasts were EUR9.8m and EUR1.2m, respectively. Topline growth was supported by existing and new customer launches while solid cost control yielded margin expansion. The company ended the quarter with a cash position of EUR4.7m, which was strengthened to EUR12.9m by the end of October, following the earlier announced directed share issue raising EUR11m.

Continued growth and operating leverage expected

GiG reiterated its short-term and long-term guidance which implies continued strong growth and profitability improvement in the coming quarters and years. The company looks set to illustrate further operating leverage in Q4 where we forecast topline growth of 30% and EBITDA-margin of 24%. Looking into 2026E, we forecast topline growth of 47% while we expect EBITDA to increase from around EUR5m (EBITDA-margin of 13%) in 2025E to around EUR16m (EBITDA-margin of 27%) in 2026E.

Trimmed 2025E estimates, limited changes to 2026-27E

While we have trimmed our 2025E EBITDA as we now forecast Q4 to be in the lower end of the guidance owing to currency headwind, we have left our 2026-27E estimates largely unchanged. Our valuation range is also intact at SEK3-17 per share with a base case of SEK9 per share. GiG currently trades at an EV/EBITDA of 4x 2026E while our base case implies 8x and online gambling supplier peers trades at an average of c8x.

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Lime

Steady growth and continued momentum among German utilities

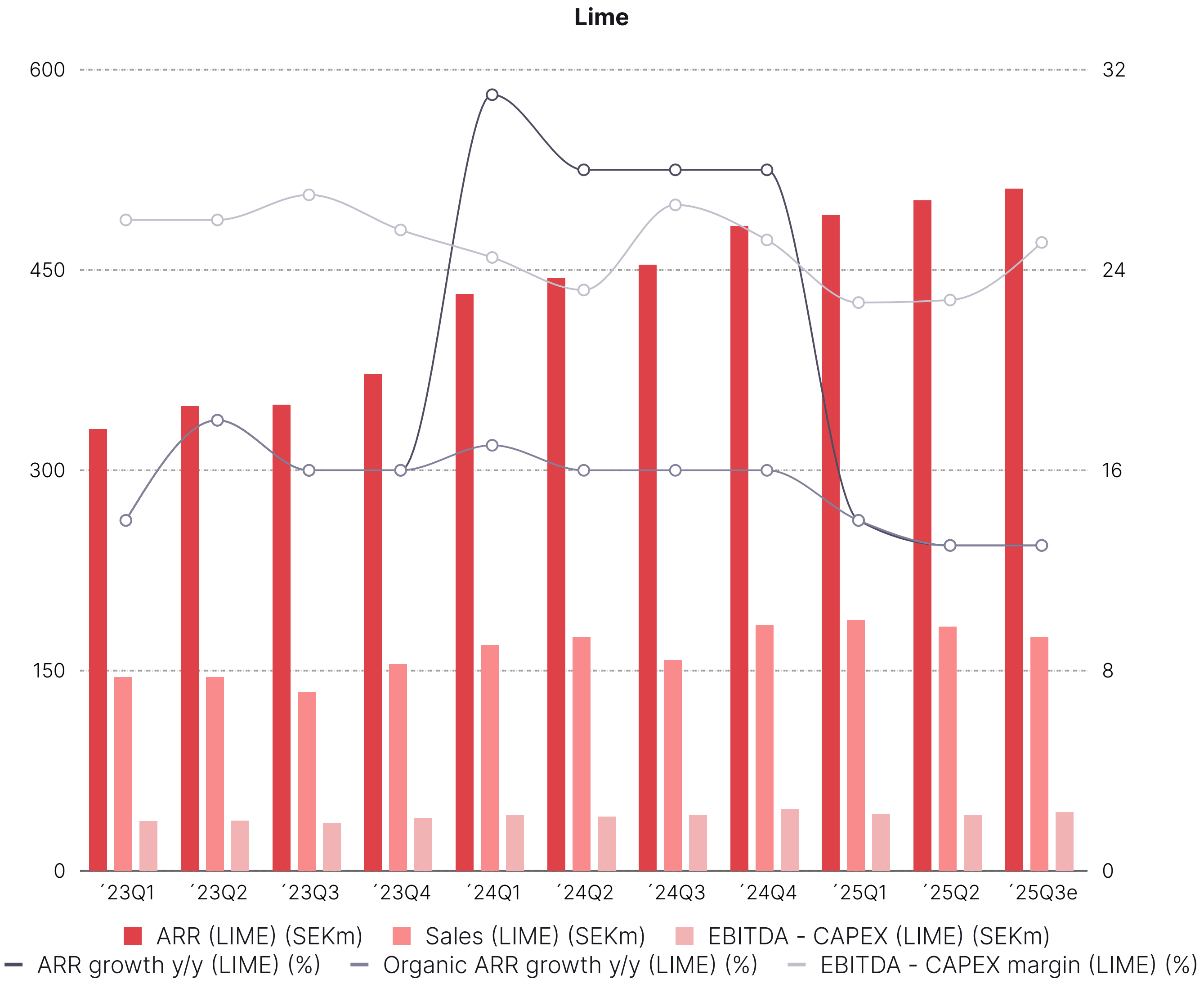
ARR reached SEK511m, a 13% y/y growth (~14% adjusted for FX), roughly meeting our expectations. The company continues to see solid momentum among German utilities, securing a record deal with ÜZ Mainfranken. Management expects further to strengthen its sales and marketing efforts among German utilities, highlighting the importance of satisfied customers to upsell and win additional customers. EBITDA – CAPEX was SEK43.9m (25.1% margin), slightly below our SEK44.6m forecast (26.1% margin), due to somewhat higher OPEX, mitigating slightly better Expert Services sales.

Some optimism regarding both new and current customers

While the optimistic outlook is cautious and based on only one quarter, we are positively surprised after a long period of dull short-term forecasts for Lime and across Nordic SaaS. This could signal an early rebound in the SaaS/IT sector. On the other hand, management credits Lime's strong performance after the vacation season, suggesting the positive outlook might be isolated to the company. We view the market statements as a slight boost to our 2026 ARR growth expectations, increasing our confidence in accelerating ARR growth next year.

Base Case unchanged at SEK394

Our Base Case remains unchanged at SEK394, following roughly stable forecasts. We feel increased confidence in our expectation of accelerating ARR growth in 2026 due to the cautiously positive outlook and continued momentum in German utilities. We forecast gradual margin improvements stemming from general scalability and the strategic shift towards a higher share of high-margin recurring revenue. The stock currently trades at 23x EBIT and 21x EBITDA – CAPEX for 2026e (SEK335), representing an upside of about 20% to our unchanged Base Case.



Source: Company reports

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Litium

Positive EBITDA-CAPEX Marks a Milestone Quarter

Q3 showed strong underlying progress, with ARR up 11% y/y and EBITDA-CAPEX turning positive at SEK0.7m. The combination of solid ARR growth, good cost control, and improving scalability underlines that Litium's business model is now delivering operating leverage.

Geins Acquisition Opens Door to a New Business Area

CEO Martin Billenius highlighted that the integration of Geins will form the foundation of a new business area, combining the best parts of Litium Commerce Cloud and Geins into a modern, fast-to-implement e-commerce solution. While details remain to be disclosed, we see this as a clear strategic step toward accelerating new customer intake.

Attractive Valuation and Maintained Base Case

Litium trades at EV/S 2.9x for 2025e, below the Nordic SaaS peer median of around 4.2x. On our SEK19 Base Case, valuation aligns with peers, which we find reasonable given the return to positive EBITDA-CAPEX and continued ARR traction. We maintain our fair value range of SEK7–30 and reiterate our positive stance on the case.

Source: Company reports

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Modelon

Q3 2025: ARR in line with clear EBIT improvement

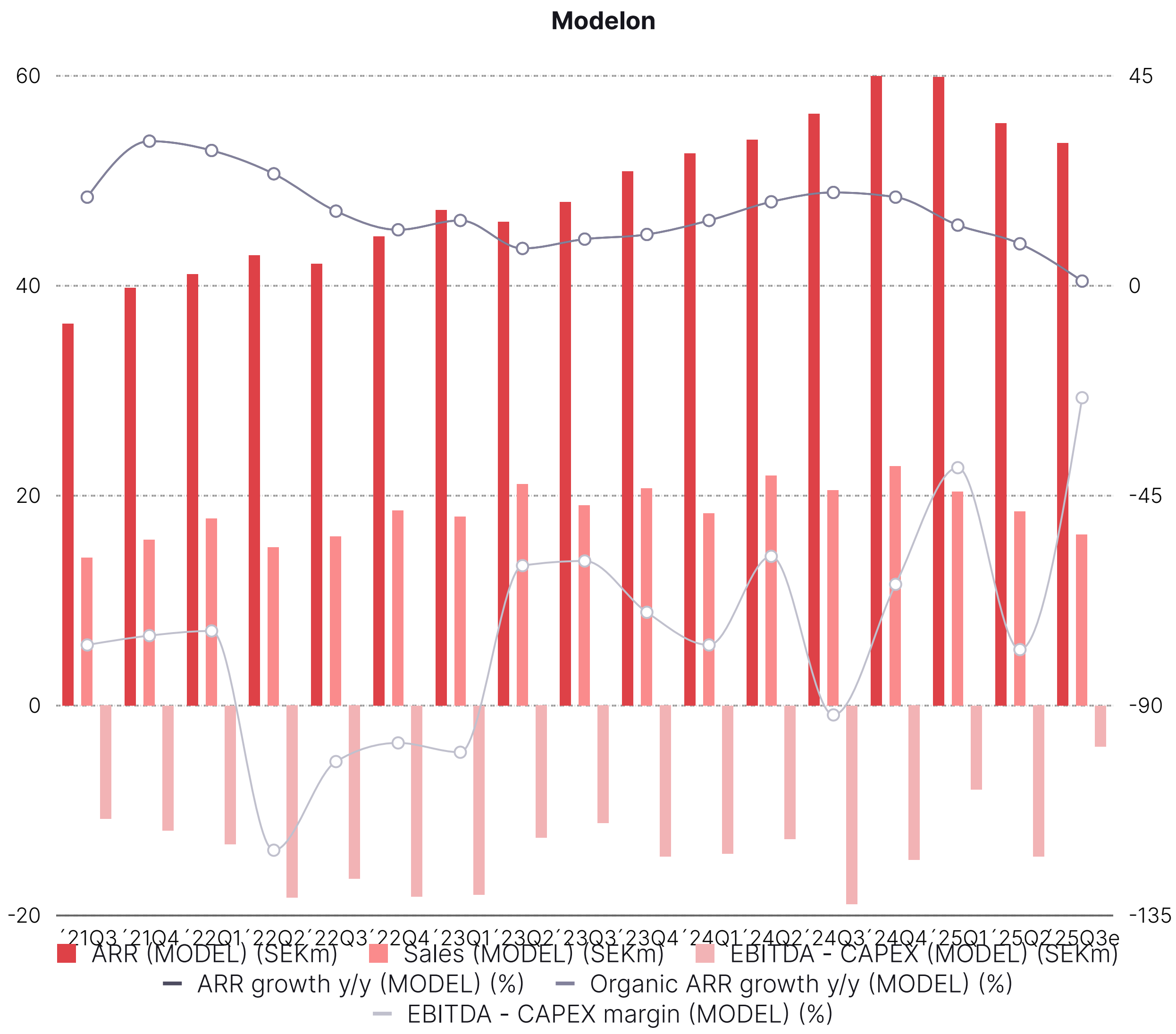
Revenue amounted to SEK16.3m, down 21% year-on-year and 7% below forecast, mainly reflecting lower legacy service revenues and adverse FX effects. ARR was broadly in line with expectations, up 1% year-on-year (FX-adjusted), driven by a 7% increase in Modelon Impact, while the multi-platform segment continued to decline. EBIT was in line with estimates, supported by a leaner cost base, as operating expenses (excl. one-offs) fell 38% to SEK20.4m. The adjusted operating result improved by SEK8m to –SEK4m, marking the company's best quarterly performance in several years. The loss of license renewals from NASA JPL, following reduced U.S. government funding, weighed modestly on ARR.

Upsell and new use cases beyond the engineer's desk

We have long anticipated broader adoption among existing clients, and Modelon is beginning to deliver. Two U.S. customers are expanding recurring license usage, while Danfoss is leveraging Modelon Impact with its sales team, extending use beyond traditional engineering functions. The customer base remains strong, and broader adoption could act as a meaningful catalyst for the investment case. While still early, these developments support our long-term thesis on the opportunity for Modelon to drive ARR growth through upsell and expanded use cases.

Near-term estimate adjustments, new Base case SEK19 (SEK20)

Following Q3, we have slightly lowered our fair value range to SEK6–36 (6-38), with a Base case of SEK19 (20) per share. Changes reflect revised ARR growth assumptions for 2025–2027, lower solution service revenues (~SEK 3m per quarter), and modestly improved OPEX assumptions, while Modelon Impact's adoption remains the key driver for upside.



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Physitrack

Q3 2025: Stable quarter with continued margin expansion and solid cash flow

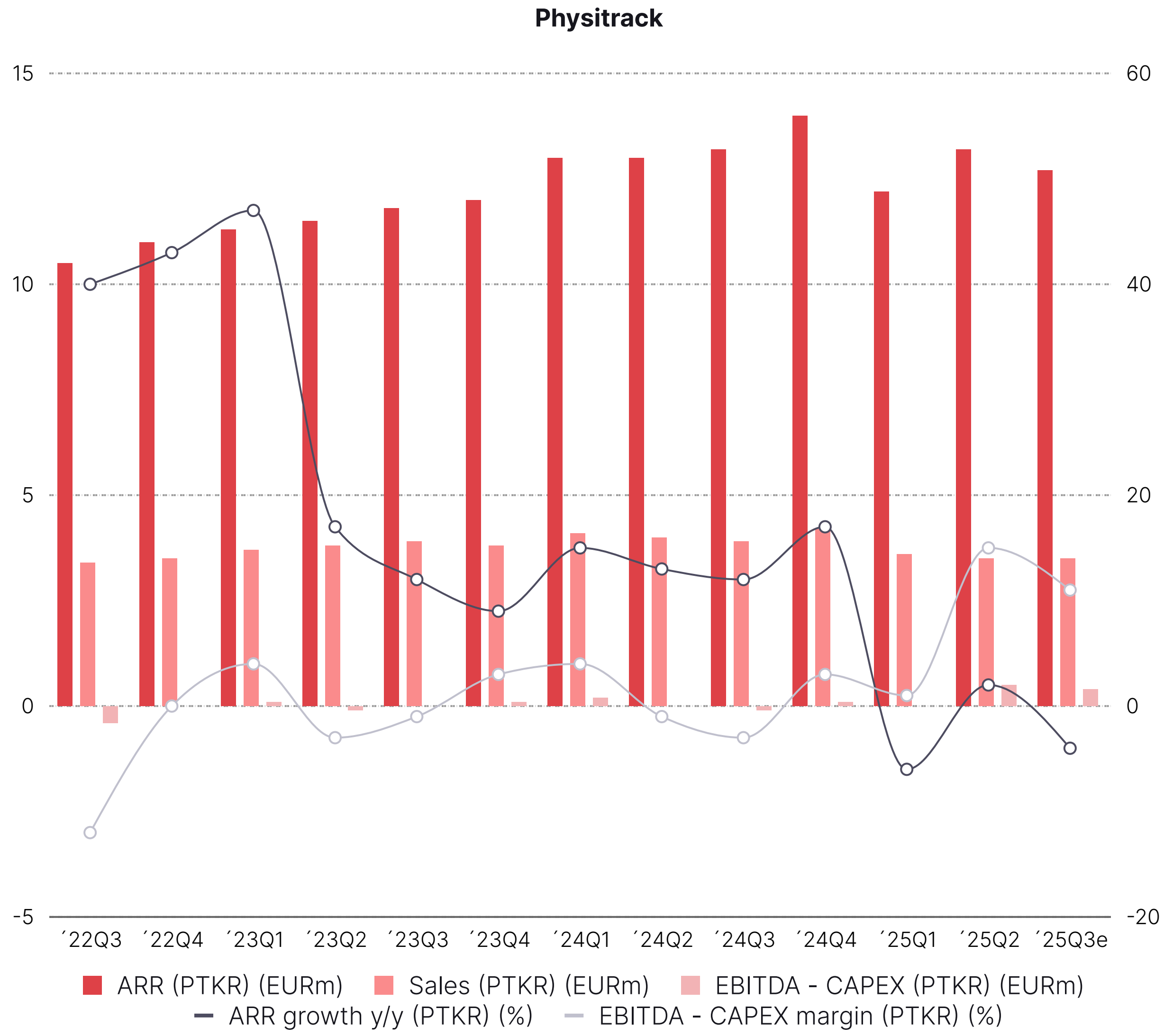
Physitrack reported Q3 2025 revenue of EUR3.5m, up 9% y/y pro forma (following the exit from lower-margin business) and in line with our estimate. The SaaS share increased to 88% of total revenue (vs. 82% in Q3 2024). ARR reached EUR12.7m, 5% below our estimate and down c. EUR0.5m QoQ, mainly due to FX effects and a decline in licences in the Wellness division. Adjusted EBITDA came in at EUR1.2m, corresponding to a 33% margin, in line with our forecast.

Short-term headwinds for the Wellness division

Physitrack remains on the right operational track, maintaining a balance between continued investment in innovation and disciplined cost control. The Wellness division is still operating in negative EBITDAC territory, weighing on both group margins and free cash flow. Short-term challenges persist, with lower licence volumes impacting both ARR and net sales, reflecting the company's deliberate exit from non-profitable contracts. Management expects conditions to stabilise in Q1 2026e, as new sales begin to offset churn, and is targeting a return to positive EBITDA during 2026. We are also keen to follow how the latest New York office contributes to sales momentum across both divisions.

Minor estimate changes and intact valuation

Following Physitrack's Q3 2025 report, we have made minor adjustments to our estimates, trimming 2025e sales by 4% and by 2% 2026-2027e. Our Base Case remains at SEK 23, with an intact fair value range of SEK 8–SEK60. Valuation remains attractive, although the share has rebounded during 2025, with our Base Case fair value and peer group multiples still indicating upside potential. Compared to the median EV/Sales multiples for 2026e–2027e among SaaS peers, Physitrack trades at a 50-52% discount. We believe that a turnaround to steady licence and ARR growth in the Wellness division will be the key catalyst for a revaluation.



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Safeture

Financial review

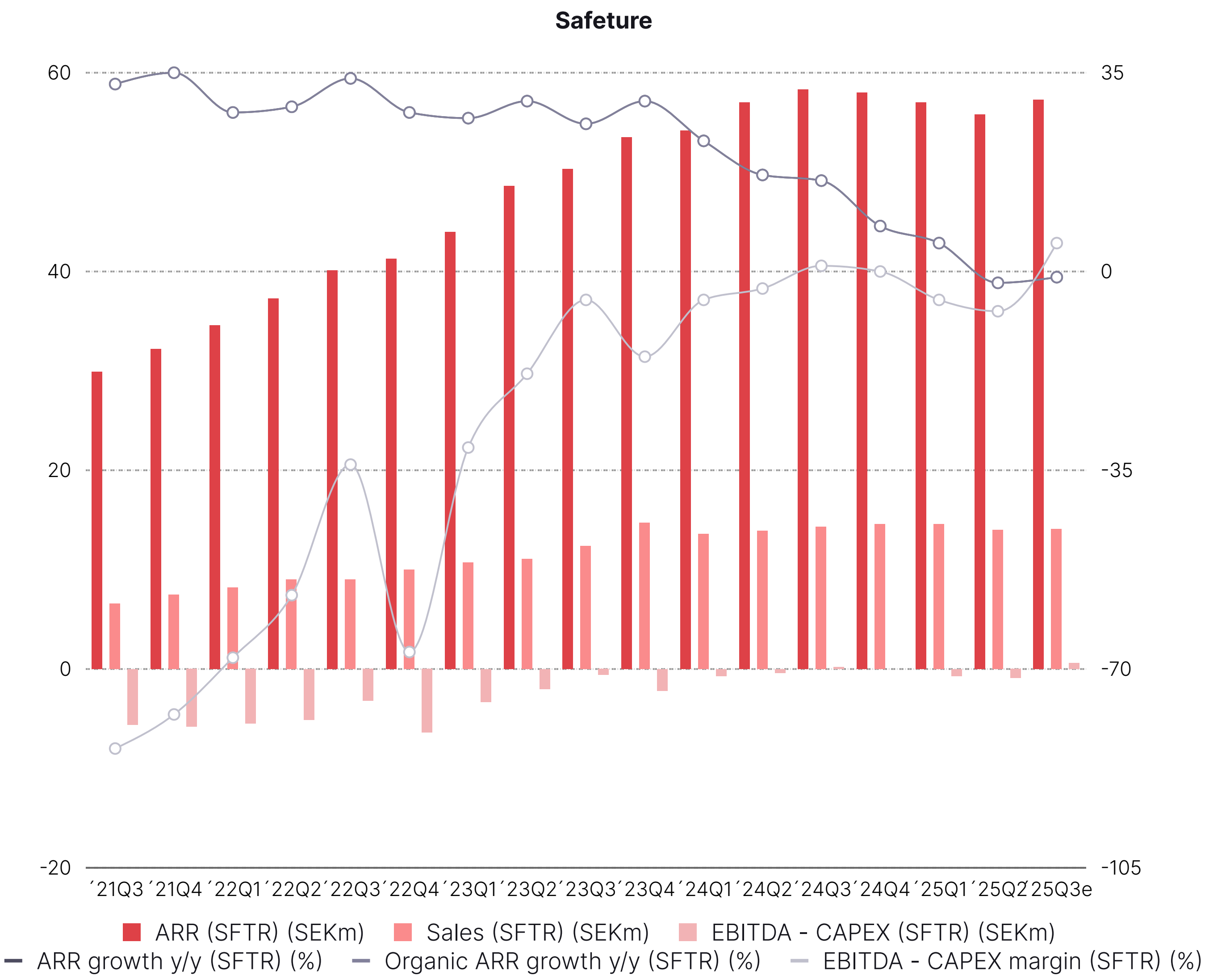
Safeture reported ARR of SEK57.3m in Q3, down slightly y/y but up 3% q/q, surpassing our SEK55.8m estimate. Churn was minimal and entirely driven by revenue churn (downgrades), marking a welcome return to the low levels observed historically. The gross margin came in at 80%, better than the past year and broadly in line with the >80% target. However, the figure was influenced by a temporary favourable mix related to usage-based billing, effectively resulting in some additional charges being billed in arrears. EBIT turned positive again in the quarter, for the fourth time in the past five quarters. Still, the company guides for consistent profitability around SEK65m in ARR, and we think that is where investors should anchor their expectations.

Operational commentary

During the quarter, the company signed two new partnerships, with Sicuro Group and Arrive Agencies. These are both difficult to assess in terms of commercial value as an outsider, but the rationale behind them is sound, and more partnerships are naturally positive. Furthermore, we appreciate the clear focus in the quarterly report, with Mr Hultman stating that "the single most important thing is the growth of our recurring revenue." We agree and argue that a return to growth in line with the company's targets is necessary to close the gap to our Base Case.

Estimate and valuation changes

We make essentially no estimate changes on the back of the quarterly report, although we adjust the top line and cost base slightly. This has a positive effect on our profitability estimates, although the changes in absolute amounts are quite small. Our fair value range is reiterated at SEK3-10, with a Base Case of SEK7 per share. The stock trades at an EV/ARR multiple of 2.6x for 2025e, representing a discount to Nordic SaaS peers. We judge this as warranted, given that growth is forecast to be lower than for comparable companies in the coming two years, and look for a solid rebound in growth for the share to move towards our Base Case.



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SSH

New Analyst, Fresh Take

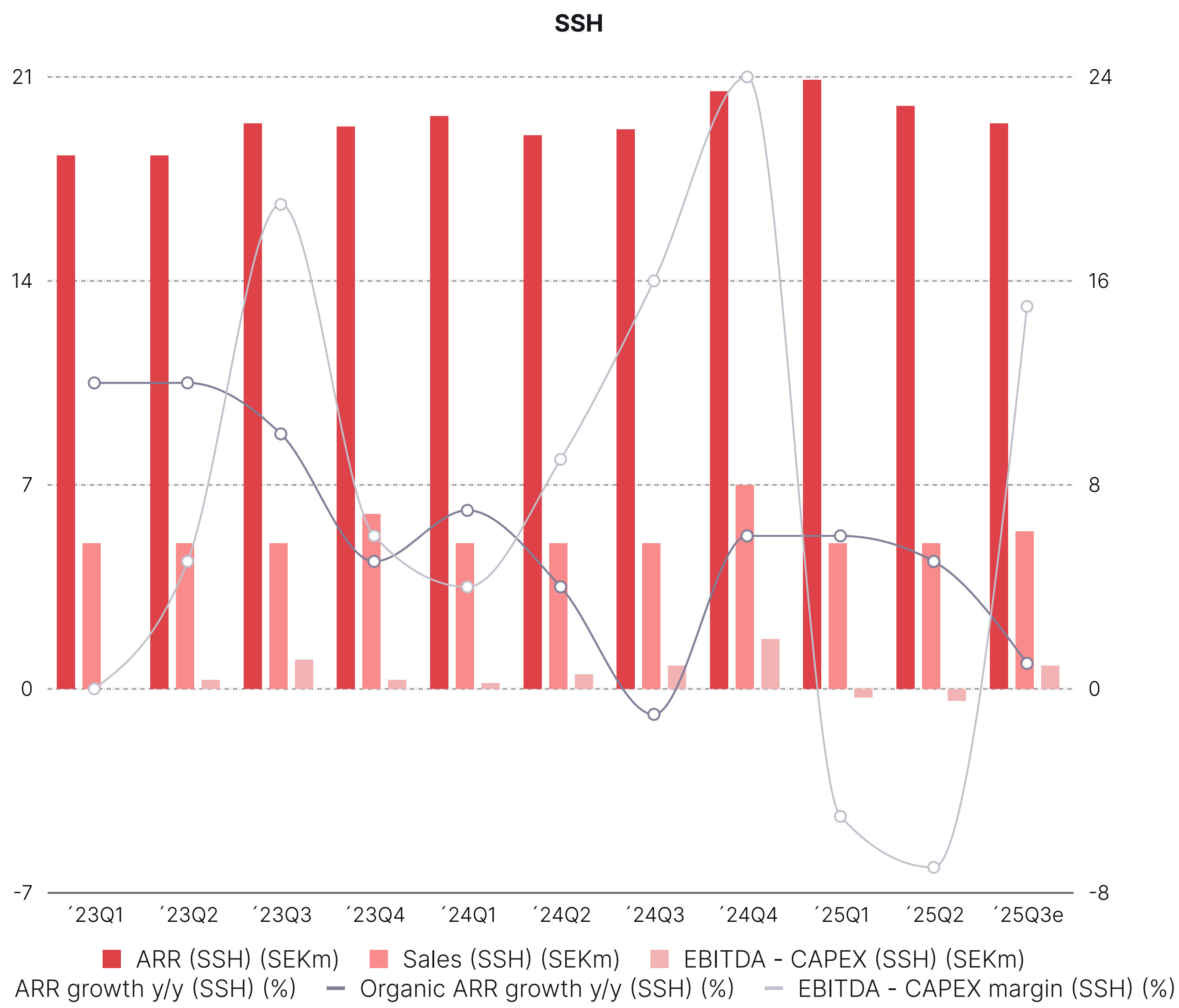
Following a change of analyst, we take a renewed and comprehensive view of SSH's investment case. While near-term growth remains modest, we believe the company is on the right track to build a scalable subscription-based business model.

Insights from the CMD

The Capital Markets Day provided valuable clarity on SSH's long-term strategy, product portfolio, and partner ecosystem. We highlight the Leonardo partnership as a potential catalyst for accelerating ARR growth in the coming years.

Valuation Revisions Reflect Confidence

We raise our Base Case to EUR3.1 (2.0) per share, reflecting higher confidence in SSH's long-term growth prospects, supported by recurring revenues, improving profitability, and a strengthened Redeye Rating.



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Teneo AI

Flat ARR q/q

Total ARR was SEK82.2m (84.3) or SEK87.5m in constant FX, corresponding to an FX-adjusted y/y growth of 4%. Our forecast was SEK95.7m, implying a SEK12m q/q increase in total ARR. SaaS ARR was SEK66.2m (54.3) or SEK70.8m in constant FX, corresponding to an FX-adjusted y/y growth of 30%. Our forecast was SEK77.2m. However, on a q/q basis, where the FX impact should be limited, total ARR and SaaS ARR were both roughly flat, compared to SEK83.7m and SEK65.2m, respectively, in Q2 2025. EBITDA-CAPEX was SEK-12.4m, showing a slight deviation from our estimate of SEK-11.7m. Despite being slightly lower than expected, the EBITDA–CAPEX continues to move in the right direction.

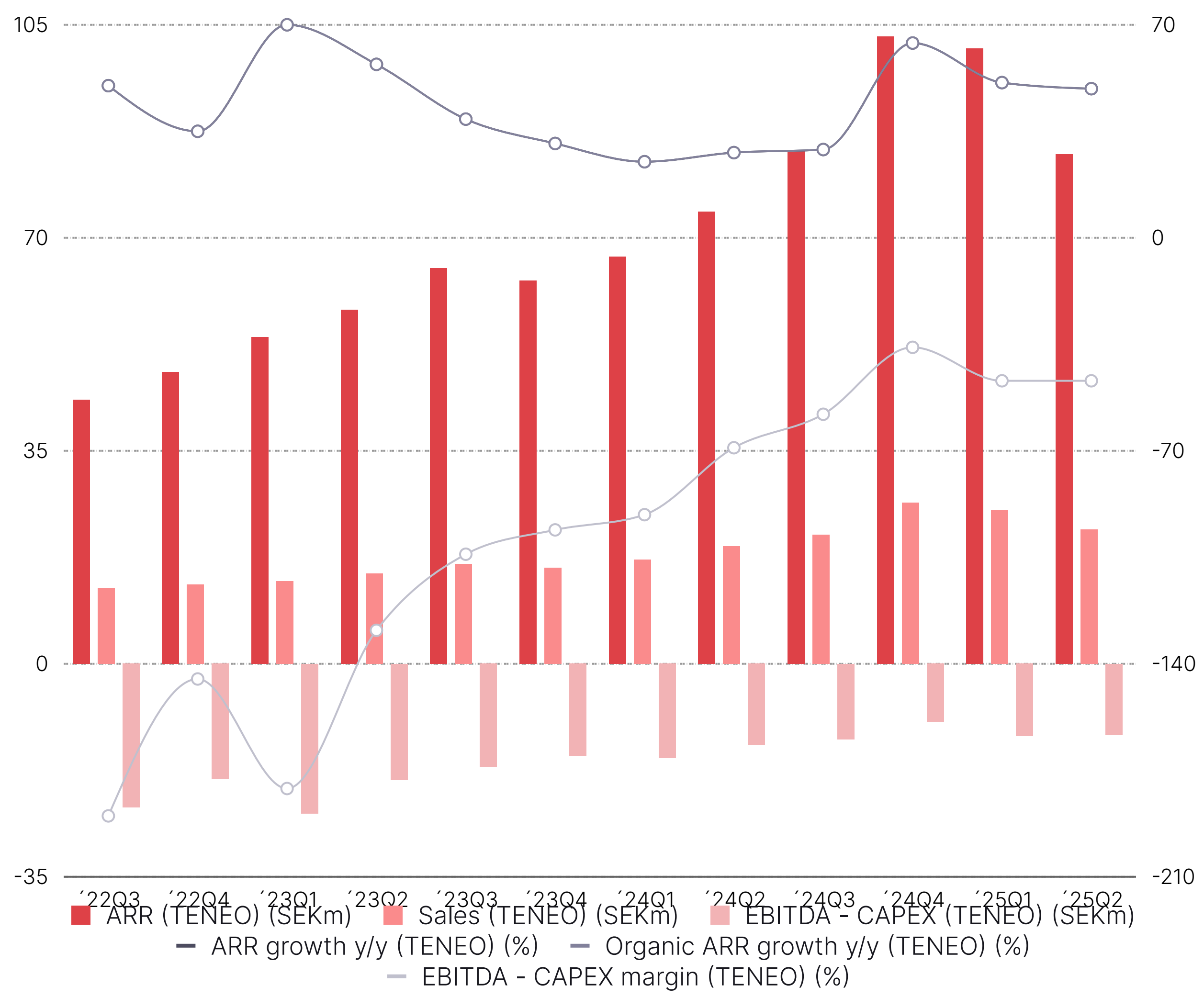
Strong pipeline growth and high expectations for the next few quarters

As during Q2, Teneo AI focused on improving the pipeline, which seems to have been successful once again, as it increased by an impressive 91% q/q. Management sticks to its, in our view, challenging SEK200m in ARR (although moved from Q4 2025 to Q1 2026) target. That would require about SEK60m in quarterly ARR increase in both Q4 2025 and Q1 2026, significantly above the previous record of SEK~21m. While we find the target challenging, management presented a relatively precise path to USD20m in ARR in the Q3 call.

Base Case unchanged at SEK0.9

We leave our Base Case at SEK0.9 on the back of largely unchanged forecasts While we forecast an ARR of SEK117m at the end of Q1 2026, significantly lower than management's target of SEK200m (USD20m), at SEK0.5 a share, equal to a market cap of SEK~250m, and an EV of SEK~500m, the market is not close to discounting SEK200m in ARR in Q1 2026 (nor in Q4 2026 for that matter). While we take a more cautious approach in our Base Case, the upside potential is vast if Teneo AI reaches anything near the SEK200m target in the next year.

Teneo AI



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Vertiseit

Some softness in q/q ARR growth offset by encouraging outlook

ARR was SEK316m (187), corresponding to 15% organic growth y/y and 11% q/q annualised. This was 2% below our estimate of SEK323m. The sequential annualised organic growth of 11% was somewhat softer than the ~15% seen in recent quarters, which was primarily attributed to weaker sales momentum in Q2. Management, however, noted a clear improvement gradually during Q3. Activity among both new and existing customers has picked up significantly compared to Q2, when customers adopted a more cautious stance following geopolitical turmoil. However, it is still not a booming market. Adjusted EBITDA-CAPEX was SEK25.5m (16.8), 14% below our SEK29.6m estimate due to less System sales, with a corresponding margin of 16.9%.

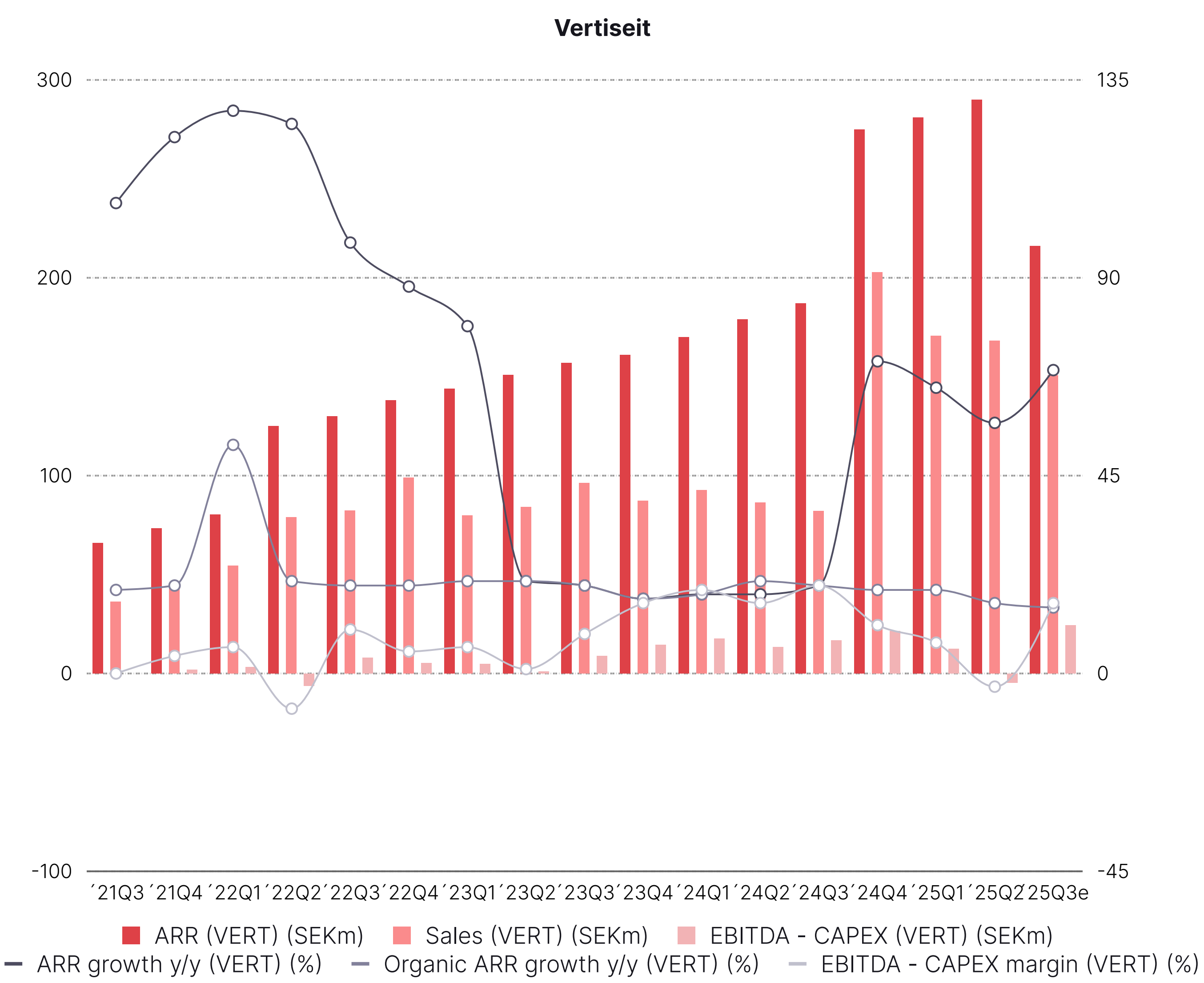
Momentum in retail media

In addition to the already announced Salling Group retail media deal (Invidis estimates a potential of ~7500 licenses), Vertiseit also signed a partner deal with In-Store Media, a Spanish retail media company with global reach. These deals were not won by procurement but from both companies evaluating different platforms, choosing Grassfish as the most suitable option, suggesting Vertiseit has a strong offering within the retail media segment. Both deals are expected to scale gradually over the next few years.

Base Case unchanged at SEK75

We leave our Base Case at SEK75, where the positive outlook mitigates the slightly softer q/q ARR growth. Furthermore, we are encouraged by the momentum of new, larger deals in retail media and the enhanced focus on the US, with Dise CEO moving to Atlanta. Our long-term view remains intact, expecting ~15% organic ARR and further scalability boosted by the group-common IT infrastructure and IXM grid. Trading at 15.7x and 12.4x EBITDA-CAPEX 2026 and 2027 (SEK67), Vertiseit is one of the cheaper SaaS businesses with ~15% organic ARR growth.

After our Q3 Review, Vertiseit acquired Muse. In conjunction with that acquisition, we raise our Base Case to SEK76.



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Vitec

Lower-than-expected sales but solid margins

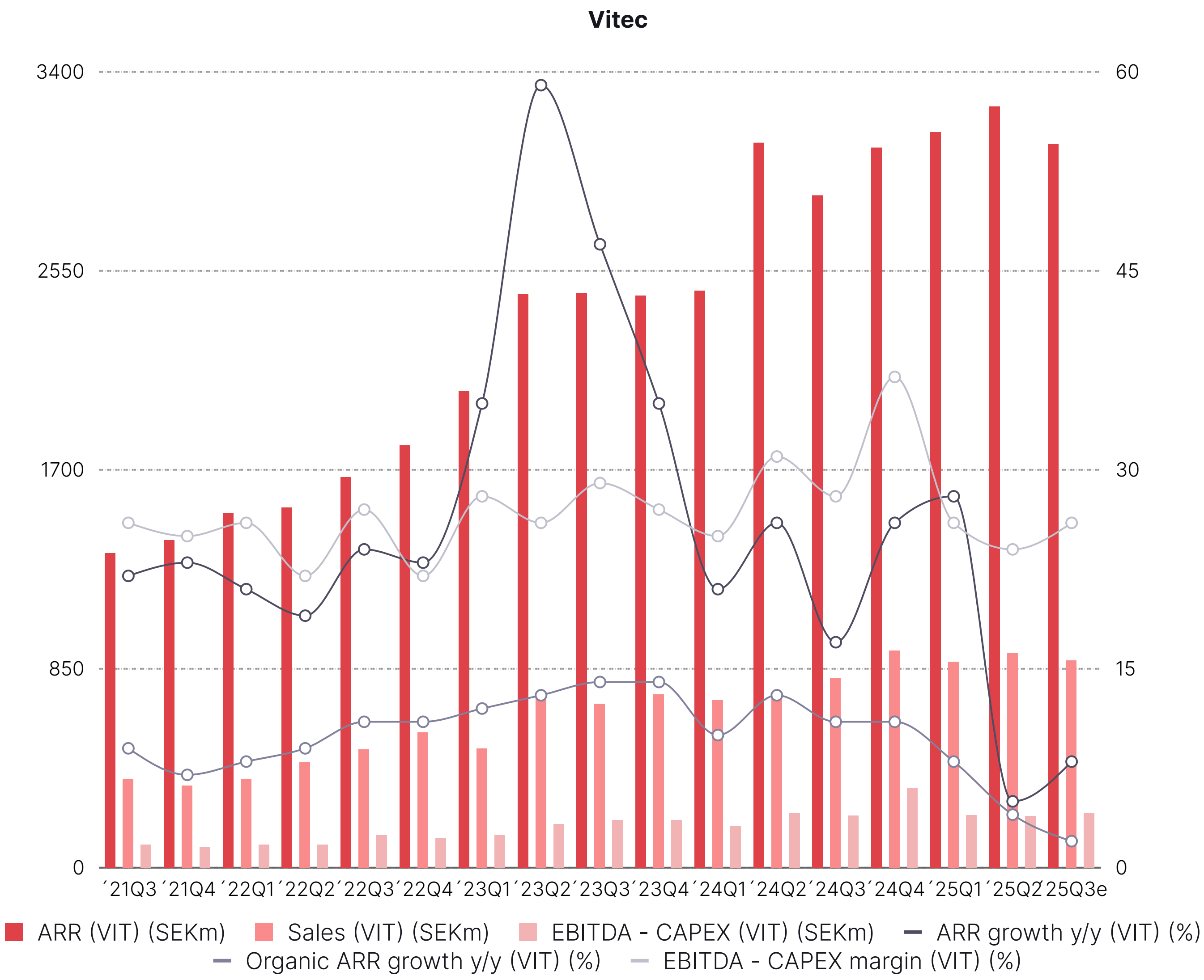
Q3 2025 net sales and recurring revenues of cSEK855m and cSEK773 missed our estimates by c6-9%, with tough comparables for transaction-based recurring revenues continuing to drag on growth. EBITA missed our projection by c6% thanks to a c1%-point margin beat. Vitec's increased transparency regarding organic growth of different revenue streams clearly illustrates how transaction-based recurring revenue normalisation was a major contributor to softer Q2-Q3 figures, and we judge investor sentiment will improve in 2026e. We lower our 2025e net sales and EBITA projections by c4% after Q3 figures to cSEK3.6bn and cSEK953m. We believe improving investor sentiment after prolonged negative pressure should make Vitec's share attractive over coming quarters.

Entering Poland, decent M&A headroom

Vitec made its first acquisition in Poland in early October 2025, adding NMG (annual sales cSEK100m). We positively view the company entering this market, which we judge features plenty of M&A opportunities and less competition than Vitec's other core markets. Net debt/EBITDA of c1.9x at the end of Q3 2025 (including contingent considerations) should leave moderate headroom for acquired growth without dilution.

Valuation: New base case SEK569 (556)

We nudge up our base case from SEK556 to SEK569 on the back of limited estimate changes. Similarly, we adjust our valuation range from SEK227-927 to SEK263-933. The share currently trades at an EV/EBITA of c18-16x and a P/E of c34-25x based on our 2025e-2026e projections. We believe earnings growth will drive Vitec's share price appreciation and view M&A and quarterly reports as primary catalysts.



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Q3 2025 Quarterly Company Notes – Outside of Redeye's Coverage

Admicom

ARR growth was 7.8% y/y (2.4% organic), with 5.4% growth contributed by Bauhub. It secured over 70 new customers and saw sales bookings up 6% y/y, though this was lower than its internal expectations following a soft August. However, there was an upturn in September. EBITDA was EUR3.3m (EUR3.3m), and management is pleased with the absolute increase (although it is very slight), following the end of its strategic investment period, reporting a 36% EBITA-CAPEX margin. Headcount was roughly flat q/q, and the company does not plan any further OPEX increases in 2025.

Market expectations for a clear recovery in Finland have been pushed forward, with the construction market seeing slightly negative y/y growth in June and July. Admicom's customers, however, continue to grow at a faster rate than the overall market. The company noted high volumes of cross- and upselling, driven by customers purchasing smaller, less expensive add-ons, which kept the average order value relatively low. It secured several deals by replacing competing ERP solutions, a result of sharpened sales efforts. It continues to focus on value over price in a tough market where some competitors are competing solely on price.

LTM churn increased to 6.7%, above the internal target, partly due to M&A activity having a negative impact. Additionally, management anticipates a relatively high churn rate in Q4 due to ongoing bankruptcies. Approximately 400 (out of about 1,500) Ultima customers have migrated to the new payment model, which is expected to yield higher sales volumes once the market recovers. Customer feedback on the new model has been indifferent to positive, without the feared "silent" negative feedback via churn. The integration of Bauhub is proceeding well according to management, with a focus on consolidating products under one Admicom-style and fostering a unified company culture. It is looking toward the Estonian and broader Baltic markets for expansion, leveraging the existing Bauhub presence.

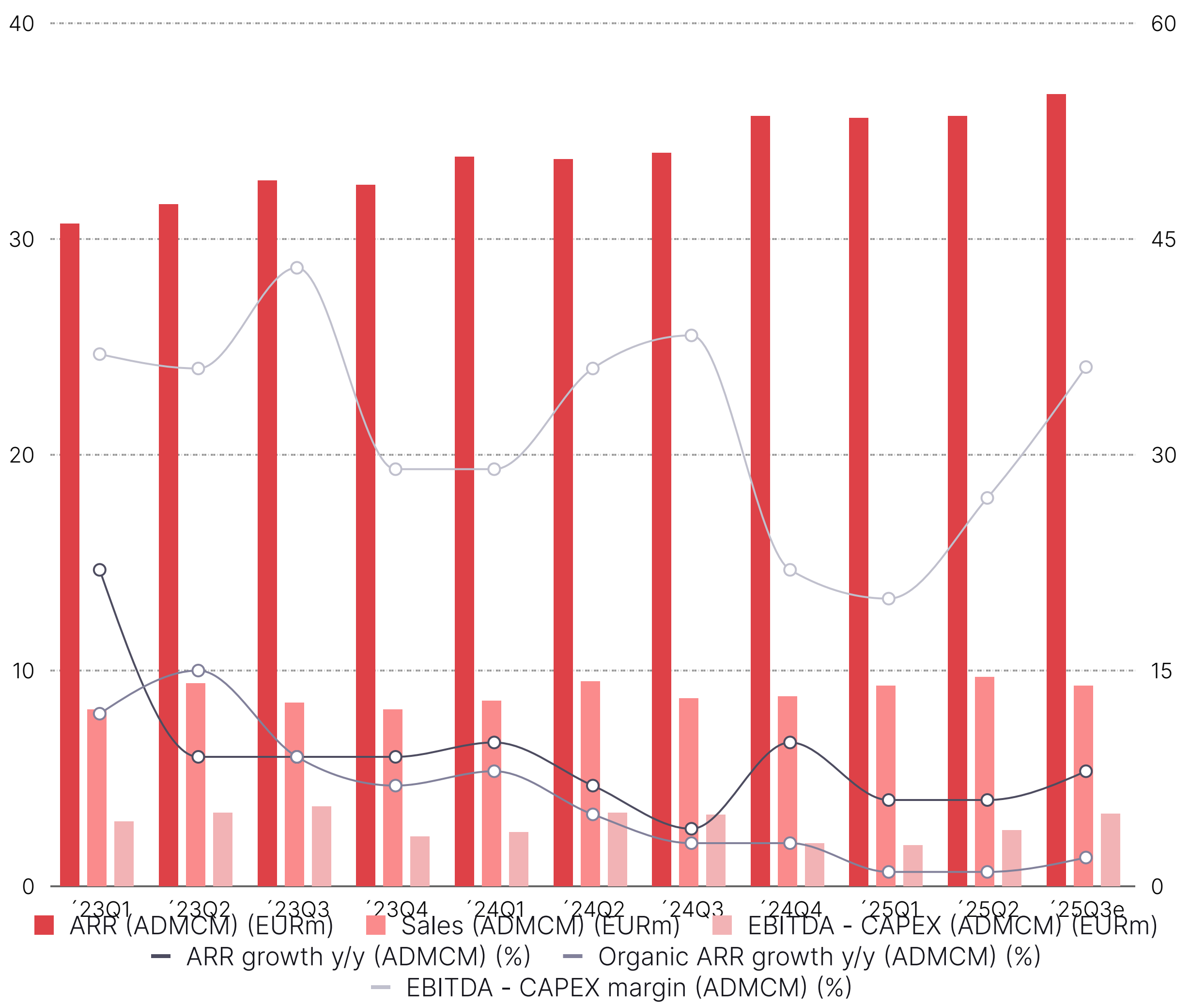
Management lowered its 2025 guidance for ARR growth to 6-10% (previously 8-14%) and adjusted EBITDA margin to 31-33% (previously 31-36%), citing the lack of market recovery and the delayed volume impact of the new payment model. Activity in September was noted as clearly better than in a particularly weak August, with good traction in new sales to small- and mid-sized companies.

Overall, we view this as a decent report in a challenging market. While organic growth is limited, Admicom remains highly profitable, positioning the company well for a rebound in the market.

In late November, Admicom announced new financial targets, including 15% annual organic growth and a 40% EBITDA margin in current operations by the end of 2028. Although the soft market currently hurts both, we believe those are ambitious targets. The new targets also include an NRR of +106% and a churn below 6%, which seems reasonable. Admicom will host a CMD in Helsinki on December 2nd at 10:00 EET to discuss its forward strategy and how to reach the new targets.

Admicom trades at ~18x EBIT 2026e – roughly in line with the median listed Nordic SaaS company. Considering the decent growth in the weak market conditions and relatively strong margins, we believe Admicom is a quality company that deserves a relatively high valuation based on the numbers. If Admicom were to reach its new targets, we believe the upside potential is significant. The market reaction (roughly flat) suggests investors are sceptical at this point, but the upcoming CMD might increase confidence in the new targets.

Admicom



Source: Company reports

CheckIn

CheckIn reported Q3 net sales of SEK17.4m, declining 4% q/q and 6% y/y (-3% FX adjusted). Lower volumes in the travel vertical primarily drove the drop. The NRR was 90% (58), still a relatively low number but a substantial improvement from last year. Despite softer sales, the company delivered an improved EBITDA of SEK6.0m (4.3), corresponding to a margin of 35% (23). This margin expansion confirms that cost control measures are taking effect, with full impact expected in Q4. However, management emphasises that sustained margin expansion depends on renewed top-line growth. The gross margin was flat y/y but remains pressured by fixed and semi-fixed components, given low sales volumes. Sales and marketing costs decreased notably to SEK2.9m (4.3). EBITDA-CAPEX was positive for the first time since Q4 2023 at SEK1.2m (-0.7), although Q3 is always strong margin-wise.

The company is reallocating its focus towards high-momentum areas, such as iGaming and omni-channel solutions for land-based casinos, while the travel vertical becomes less prioritised. Specifically, the Ryanair implementation is not expected to expand beyond Ireland. Conversely, new agreements with Sky City and Casino Barriere are set to go live towards the end of the year, driving expectations that iGaming will be the fastest-growing vertical in the near term. Additionally, a partnership with Visma is scheduled to launch in Q4, enabling efficient software distribution to a broad customer base, although the immediate financial impact is expected to be modest.

CheckIn has suspended its 80% Rule of 40 (EBITDA level) target for the time being, which we find very reasonable. The target was very ambitious, and CheckIn has fallen far short of such numbers. CheckIn has no new targets at this point. The cash position stood at SEK14.3m with a net cash position of approximately SEK9m. While EBITDA-CAPEX was positive in Q3, further cost reductions are expected, and achieving positive organic growth in the near term is crucial to avoid discussions about the financial position. However, management aims for q/q growth in the upcoming quarters, driven by recent launches and partner network expansion. Although it is likely to be a close call, as long as CheckIn avoids any big churn or downgrade, we believe no additional cash will be needed.

The share price is down by ~55% YTD and roughly flat since our last Update. CheckIn is now trading at 1.9x sales for 2026e (vs. 1.5x in our last Update, due to lowered forecasts), substantially below the 3.3x median among listed Nordic SaaS companies. While the net cash position of SEK~9m is far from robust, the current cash burn is also limited, and we believe CheckIn can handle the situation without additional funding. Thus, we believe the risk-reward ratio is better than it has been for quite a while, although it remains one of the riskier picks. The worst seems to be behind CheckIn, and the share is close to an all-time low. On the other hand, management has been relatively upbeat for a while, and numbers have only improved marginally. However, the new deals in iGaming and the partnership with Visma provide support for their relatively positive outlook.

Source: Company reports

Lemonsoft

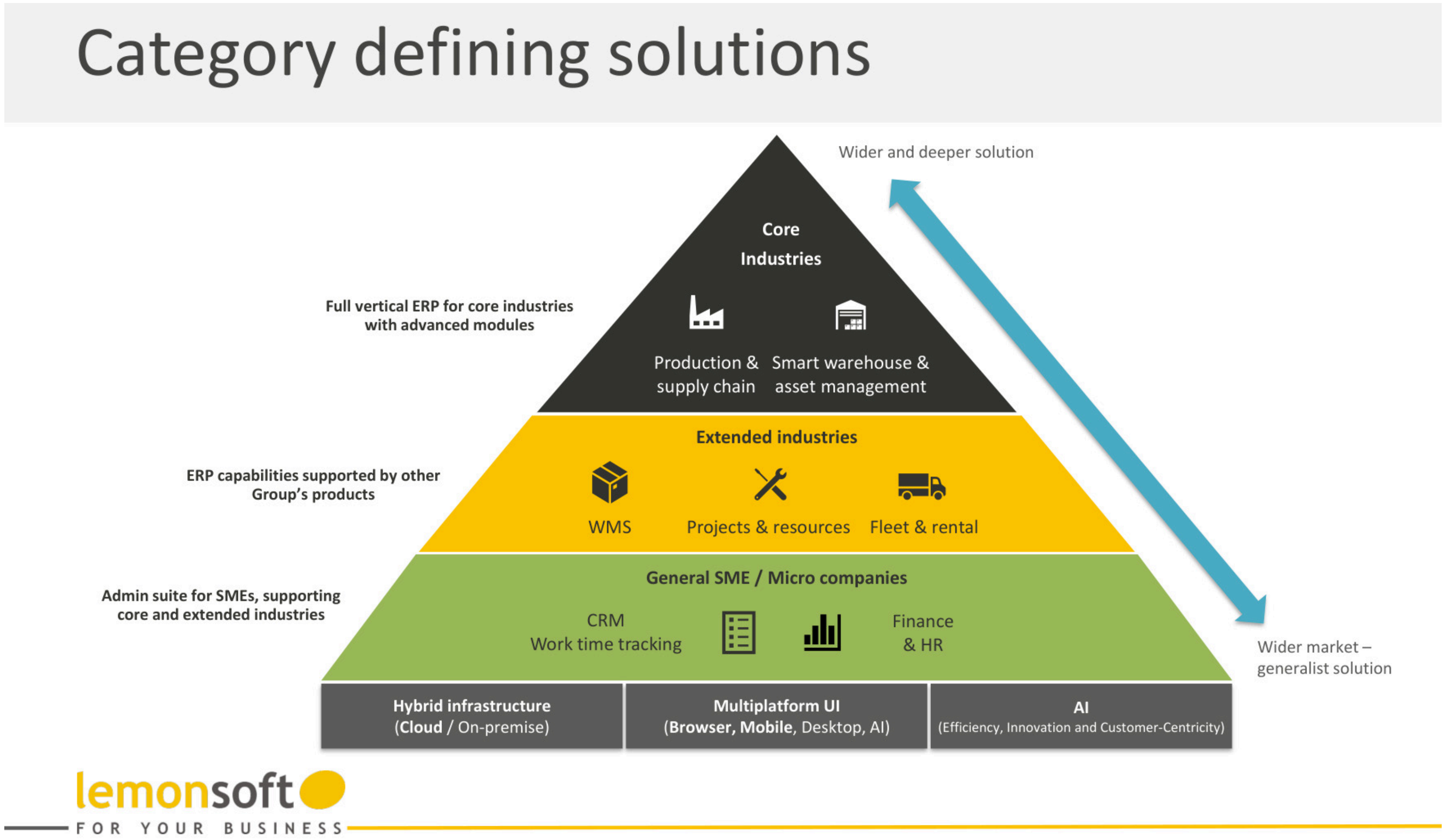
ARR landed at EUR 22.3m (22.2m), remaining roughly flat q/q. Organic growth for recurring revenue was slightly negative at -0.4% y/y, weighed down by a continued decline in transaction-based revenues. However, EBITDA-CAPEX strengthened significantly to EUR 2.8m (2.4), yielding a solid margin of 39.1% (33). This margin expansion was supported by the completion of a cost-saving program, resulting in a reduction in the employee count from 231 in Q2 to 196 (223). The company notes that the reductions are now finalised. Yet, the gross margin contracted to 83.1% (97.4), driven by a lower mix of consulting fees and higher costs related to the ongoing Azure migration.

Strategically, Lemonsoft has implemented a new customer care model aimed at securing a long-term competitive edge through strong support and increasing sales activities late in the quarter. The technical shift to Azure is accelerating software release cycles, enabling the introduction of the first Gen-AI features in its ERP product, with further innovations in the pipeline. Despite isolated positive signs, management states that the broader market has not yet recovered, with customers in the manufacturing and wholesale segments remaining hesitant regarding new investments.

While profitability is looking very solid in Lemonsoft, growth is its weak point. However, the soft market environment, combined with the migration to Azure and an internal efficiency program, has likely all hurt the focus on growth. Thus, we like to see the increased focus on sales and a more customer-centric approach, potentially improving growth even though the soft market conditions might remain.

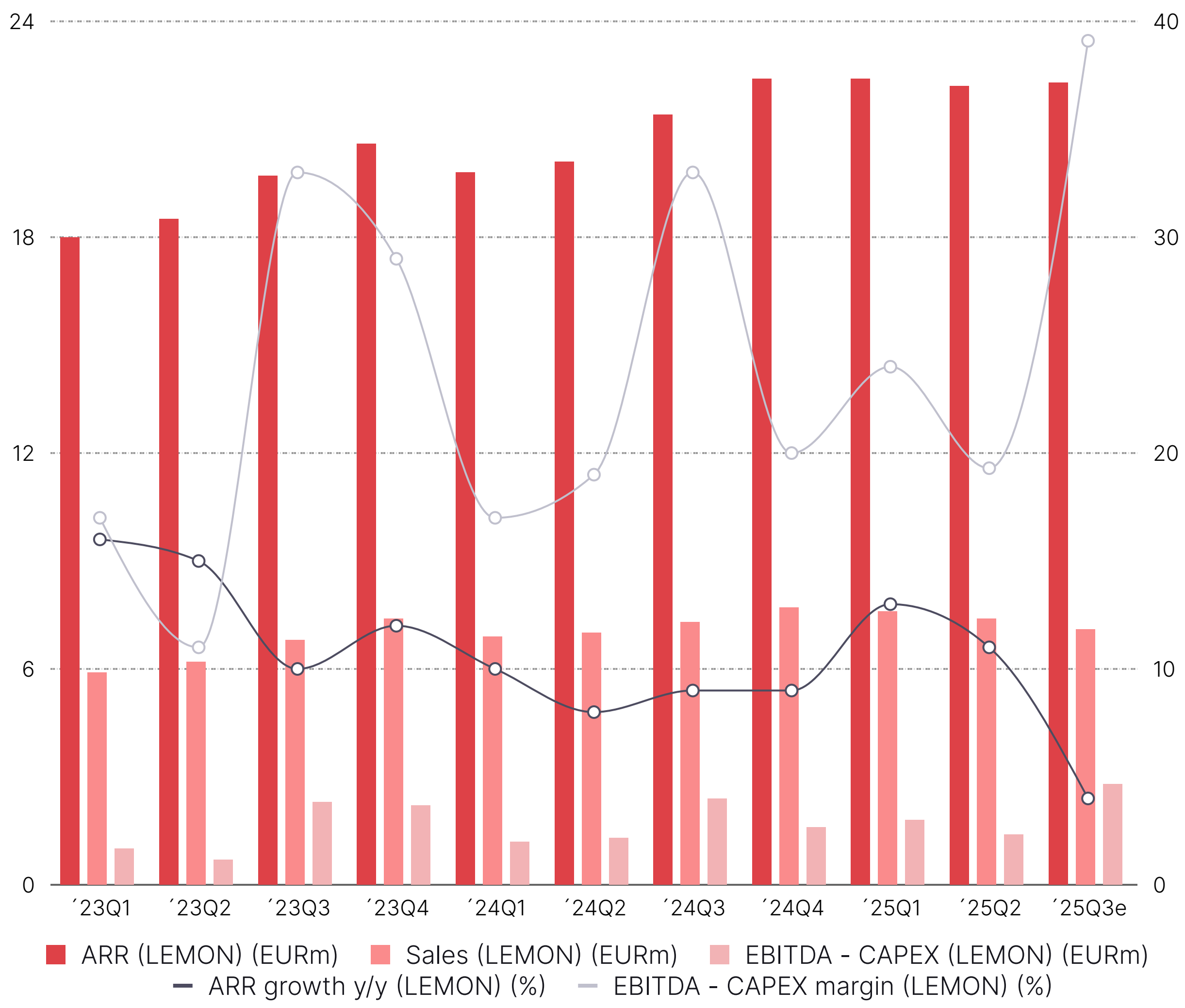
In its Strategy Update 2026-2028, presented on November 28, Lemonsoft announced an average annual adjusted EBIT growth target of 25% for the period 2025–2028. According to management, the target implies a top-line increase of 15-20%, comprising approximately 10% organic sales growth and 5-10% from M&A, along with some margin expansion. Management considers reaching the organic growth target to be the most challenging part of the overall ambition, with M&A execution being the second major challenge. Considering the soft organic growth recently (although the market has been tough), we agree and believe the overall 25% EBIT growth target is relatively ambitious.

Furthermore, the Strategy Update emphasised vertical solutions. Lemonsoft views its deep and wide industry solutions for manufacturing and wholesale (currently accounting for ~60% of sales) as more competitive than its generalist offerings, which primarily serve to support its focus verticals. It will strongly prioritise investments, including M&A, R&D, and sales and marketing, in these key segments. While Lemonsoft's recent growth track record is soft (although the market has been tough), we believe a clear focus on key verticals is a sound move, enhancing initiatives for both product and go-to-market efforts in areas where its offering is strongest. Whether that is enough to achieve 10% organic growth is hard to say, but we like to see some initiatives with the potential to improve momentum.



The share price has fallen by approximately 15% since our last Update, and Lemonsoft is now trading at 14x EBIT 2026e, which is below the listed Nordic SaaS median of 18x. The low growth rate is certainly holding back the valuation, but, as mentioned, we believe it is set to increase rather than decrease, which is not really discounted in the valuation, in our view. With ~10% organic growth (a notable increase from current levels), Lemonsoft would reach around 35% R40, thanks to its already strong margins. Overall, we believe the risk/reward is relatively solid in this somewhat "turnaround-like" case, where the markets' expectations seem defensive.

Lemonsoft



Source: Company reports

Nordhealth

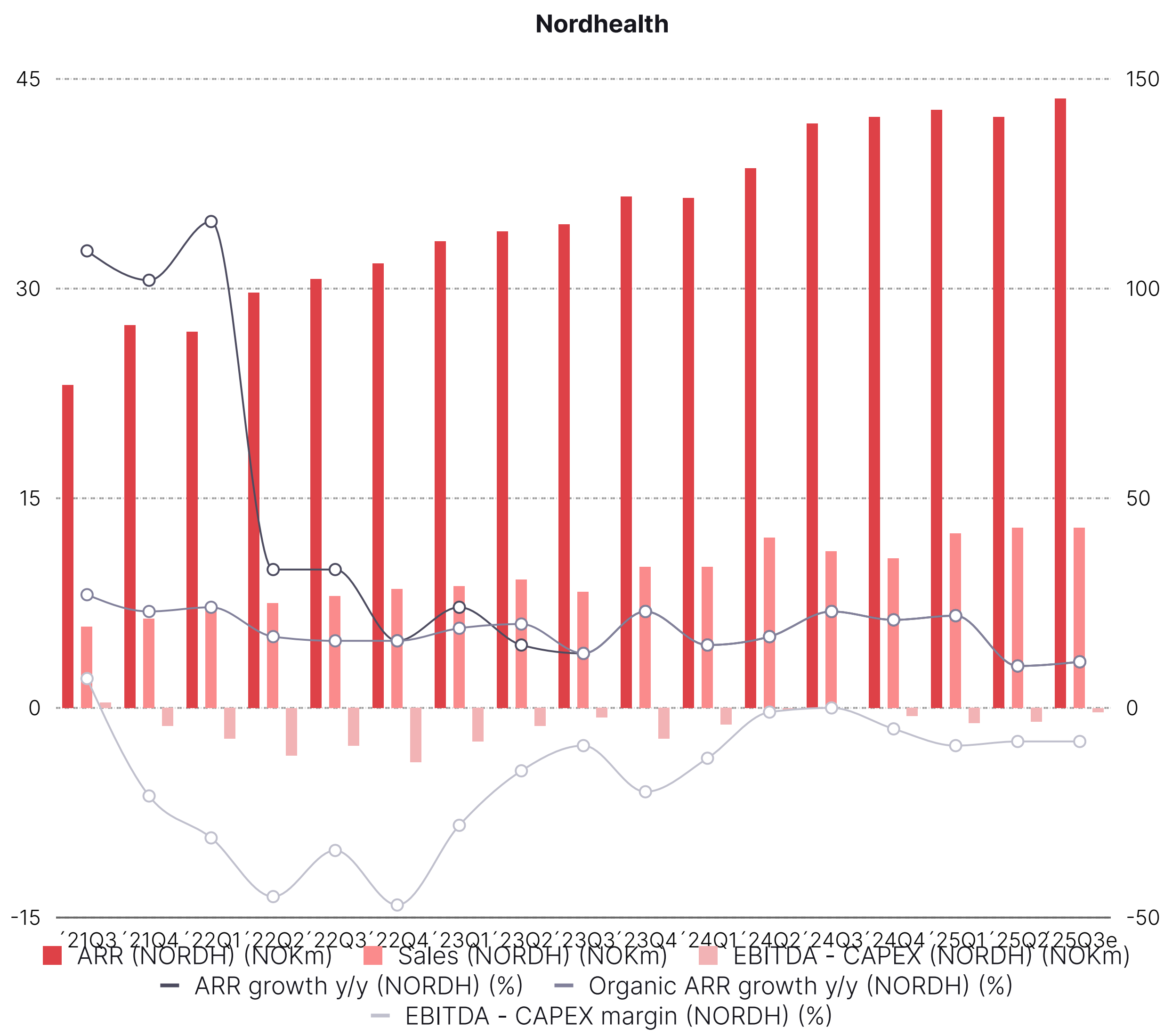
Nordhealth reported Q3 ARR of EUR43.6m, corresponding to 10.6% y/y growth. The growth rate was slightly dampened by a lack of recent large-scale veterinary rollouts, with new customers contributing only 3.4% to ARR growth on an R12m basis. Net upsell remained rather healthy at 10.7%, driven mainly by Provet, while churn was 4.0%. The company has ramped up R&D and sales investments to adapt its offering for the DACH region and introduce AI features across the portfolio.

The Veterinary segment delivered 13.3% y/y ARR growth, supported by a strong NRR of 110% and a low churn of 3.0%. It signed EUR0.5m in new ARR during Q3 and launched an AI add-on in August, which has already attracted 122 paying customers, compared to 44 pilots at the end of August. More than 50% of Veterinary ARR now originates outside the Nordics, with Cloud revenue reaching 84%. While gross profit increased, it was offset by higher R&D and CAC investments, resulting in a negative EBITDA-CAPEX.

In Therapy, ARR grew 6.4% y/y with NRR of 101.7%. It migrated 333 Aspit users to the unified platform by late September and noted a 20% conversion rate on AI product trials. The focus remains on migration over new customer acquisition, which temporarily impacts margins; however, significant savings are expected once the migrations conclude.

Group EBITDA-CAPEX fell to EUR-0.2m (0.1) due to increased R&D costs, leaving the company with a cash position of EUR16.5m. The issued 2025 guidance of 12-17% organic ARR growth and EBITDA-CAPEX between EUR-2m and EUR-4m remains. Management noted that while the AI contribution is currently small, it could potentially increase ARR per user by 50%, considering only the current AI add-on.

The Nordhealth share is down ~20% YTD, likely an effect of lower ARR growth, due to the lack of major rollouts and a focus on migration, as well as new investments delaying profitability further. Trading at 3.7x sales for 2025e, Nordhealth is valued above the median but lower than it was previously. While we believe the international growth and solid SaaS metrics in Veterinary make the case interesting for the long-term – suggesting a strong product offering and a large TAM – the 12-17% growth and negative EBITDA-CAPEX guidance for 2025 is likely not enough to motivate a higher valuation multiple for the short-term. A positive guidance for 2026 (disclosed in conjunction with the Q4 2025 report) could be a trigger. Larger rollouts in Veterinary, a higher share of ARR on core platforms, and presumably investments in R&D and CAC paying off, should set Nordhealth up for stronger numbers in 2026. While we believe that is partly discounted at 3.7x sales for 2026e, accelerating growth along with margin expansion tends to attract investors.



Source: Company reports

Oneflow

Oneflow reported Q3 ARR of SEK180m, corresponding to 19% y/y growth. Net sales also increased 19% to SEK85m. A key highlight was the significant improvement in the EBITDA-CAPEX margin to -12.1% (-49). Operational efficiency improved notably, with ARR per FTE rising to SEK1.10m compared to SEK0.80m a year ago, which, however, remains relatively low compared to most profitability SaaS businesses, often having above SEK1.5m in ARR per employee.

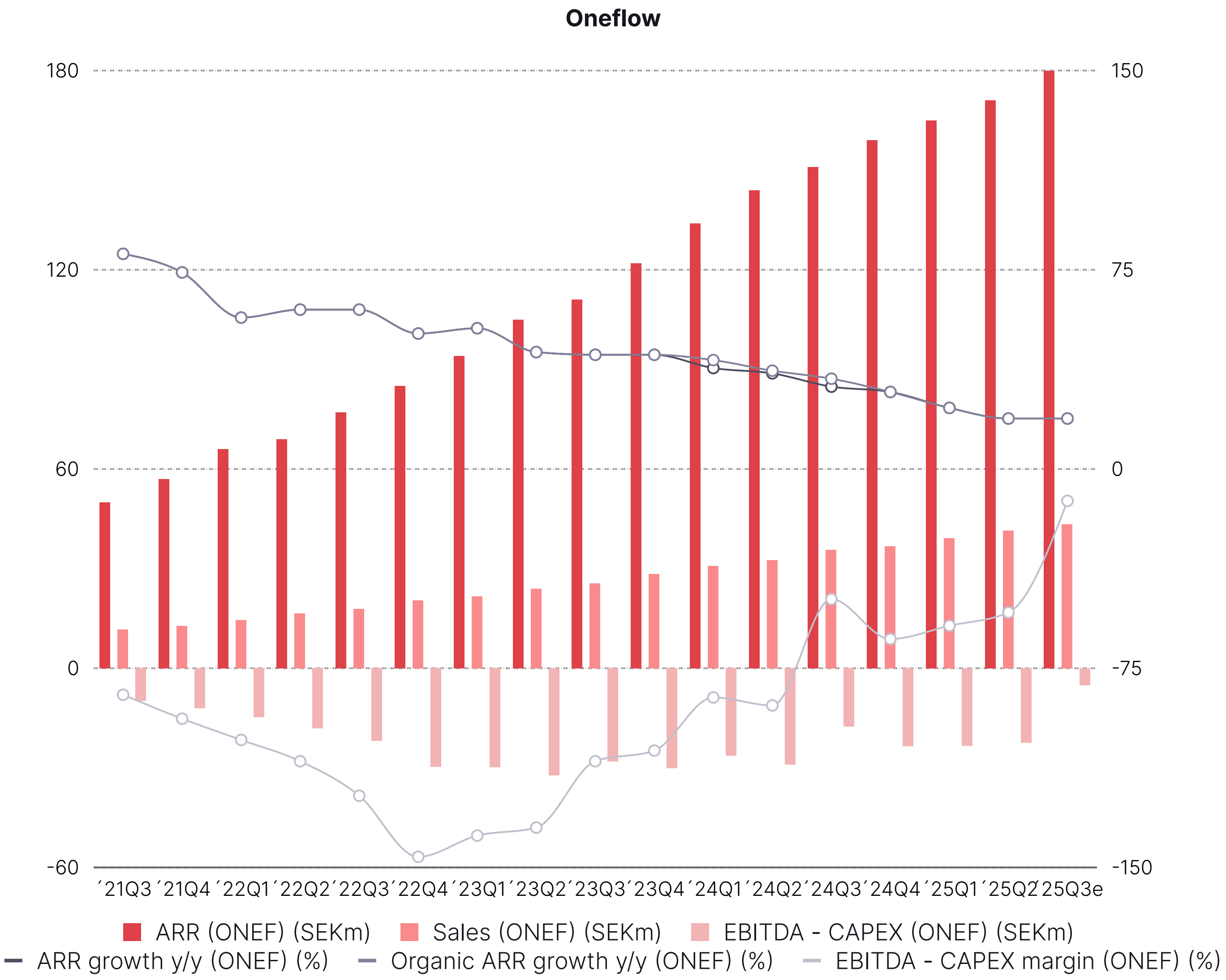
Underlying SaaS metrics presented a mixed picture. While the company achieved all-time highs in new and expansion ARR, it also saw record churn levels, resulting in a GRR of 87% and NRR of 97%. GRR is currently split evenly between cancellations and downgrades. The company has identified specific product pain points and plans to address these throughout 2026 to improve retention. Recent product updates include AI-driven contract summarisation and improved insights.

Geographically, Sweden accounts for 60% of ARR, followed by 17% for the Rest of the World, with the latter expected to increase. It also secured its first US deal through its North American joint venture. Management emphasised that its current priority is to reach profitability with existing cash, which involves continuous adjustments to costs and the workforce. However, the long-term goal remains to exceed 30% organic ARR growth.

19% ARR growth in the current market is not great nor bad (it is still significantly above the average). However, the mix with strong new sales and high churn is generally unfavourable in our view. Are customers not receiving what they expected when they sign? On a positive note, management appears to be aware of some pain points contributing to the excessive churn.

We are impressed with the substantial improvement in EBITDA-CAPEX y/y. While Q3 is always strong regarding margins in a SaaS company, it suggests Oneflow is well on track towards break-even. Additionally, as noted by CEO Anders Hamnes, it is much more challenging to find growth than to achieve profitability. He also points out that Oneflow has the ambition for much higher growth than the current 20% and that he believes R40 puts too much weight on profitability over growth. While we certainly have a point, in the end, growth needs to convert into profitability at some point.

Trading at ~3.7x the current ARR (there are no forecasts on FactSet), Oneflow is among the highest valued non-profitable companies in the listed Nordic SaaS universe. On the other hand, Oneflow has several attractive characteristics, such as being globally scalable, owner-operated, and boasting a stable track record of high growth. Also, the substantial y/y improvement in EBITDA-CAPEX suggests break-even is within reach. Overall, we believe the risk/reward is relatively favourable, especially with the new North American setup (discussed in the Q2 Update), but we have some worries about churn.



Source: Company reports

Opter

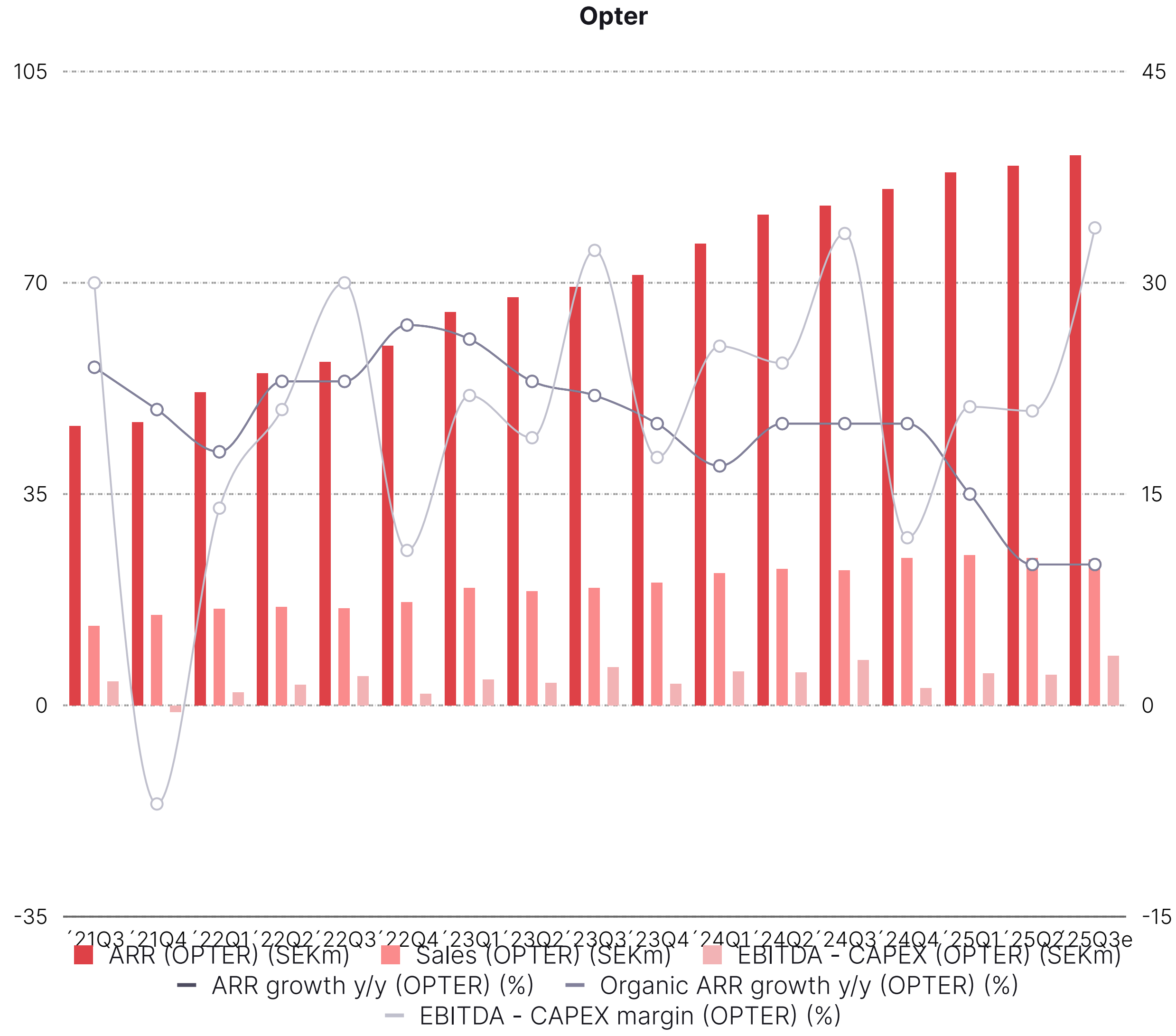
SEK6m, down from SEK7m in Q2 and SEK9m in Q1. EBITDA-CAPEX was SEK8.2m (7.5), corresponding to an EBITDA-CAPEX margin of 34% (34). Thus, after several quarters of one-offs and bankruptcies that hurt margins, Opter returned to solid levels in this report. The share of customers using Opter's cloud service increased from 72% last quarter to 74% this quarter, with a similar increase rate as seen in recent quarters.

While the increase in churn due to customers filing for bankruptcy or terminating contracts because of business closures or acquisitions seen in H1 2025 did not persist in Q3, Opter is still experiencing a financial impact due to the trailing effects from previous periods. Whether that is impacting the actual q/q ARR growth or limiting the y/y ARR growth (which is natural) is unclear.

We have seen some speculation among investors that Opter has been more cautious in raising prices during the recent softer macroeconomic environment, possibly explaining the lower growth in ARPC. While there might be some truth in that, we believe Opter's price increases foremost are linked to CPI and other inflation indexes (this is highlighted very well by Opter in every Q4 report, showing the January ARR). Thus, we believe the lower APRC growth is mainly due to less inflation in 2024 compared to earlier years and, therefore, lower index adjustments in prices. Additionally, as the share of customers using Opter's cloud service now stands at 74% (compared to just 15% in early 2021), this limits the potential for ARPC growth from cloud migration.

In the Q1 2026 report, Opter will announce new financial targets, which we assume will shed some light on its focus going forward. Margin vs growth, existing vs new markets are examples of areas we hope the new targets will elaborate on.

Trading at 17x EBIT 2026e, it remains one of the cheaper high-quality names in the listed Nordic SaaS space, pricing in growth rates of about 10-15% rather than the +15% seen in recent years. The share price is down ~20% YTD, and we believe Opter is one of the most interesting defensive (strong cashflow, somewhat lower growth, yet above the median) picks among Nordic SaaS.



Source: Company reports

Pexip

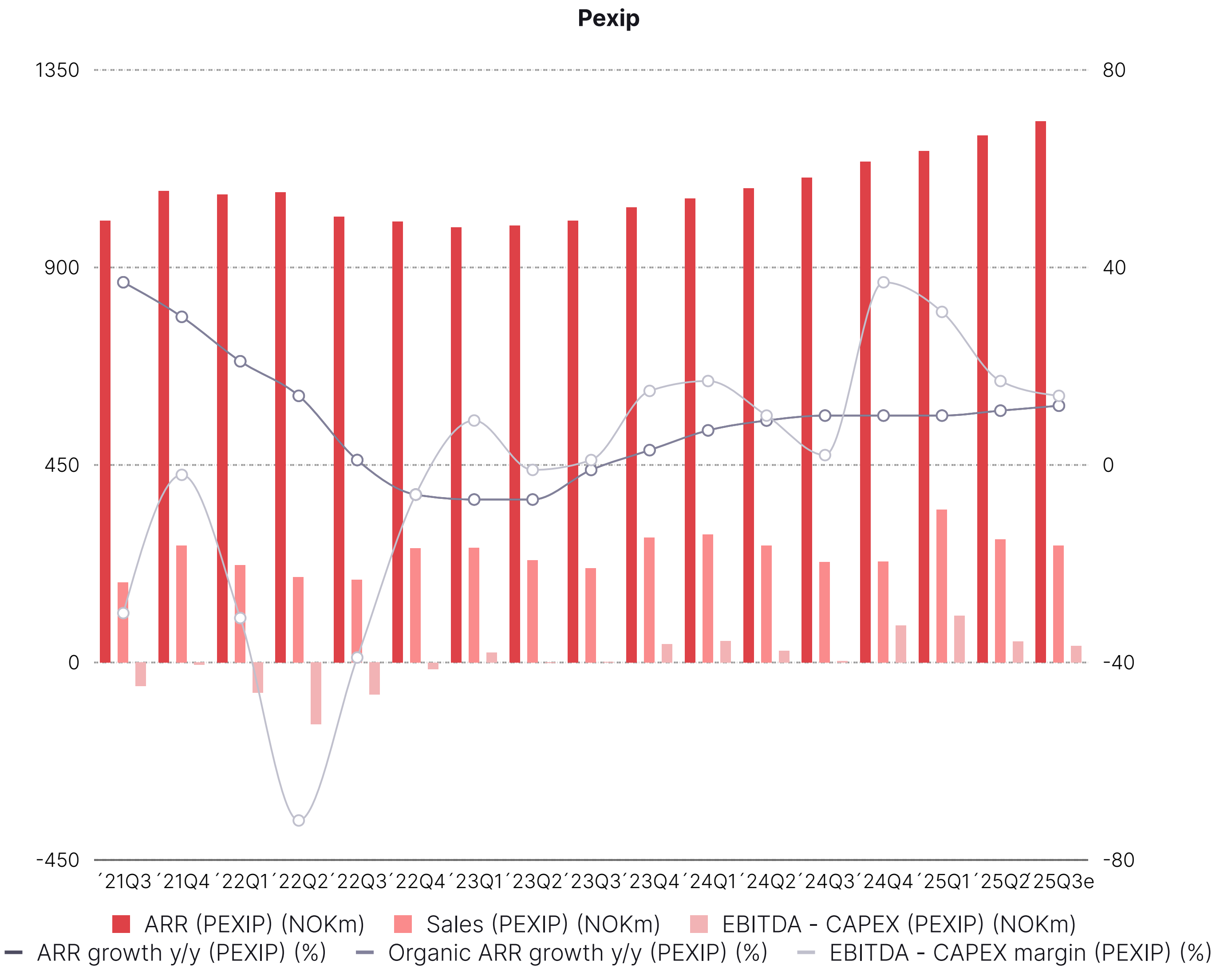
Pexip reported Q3 ARR of USD122.2m, representing 12% y/y growth and a USD 3.2m increase q/q. The performance was primarily driven by the Secure and custom segment, which continues to benefit from heightened global security awareness. The Secure and custom segment increased ARR by USD 2.8m q/q, growing 30% y/y, supported by rising interest in sovereign IT solutions across Europe. Operational metrics for Secure remained robust with a quarterly NRR of 102% and churn at just 0.4% R12m numbers were impressive with a churn of only 2.9% and the NRR was 112.4%.

The Connected spaces segment grew ARR by USD 0.4m q/q but remained flat y/y. A key highlight was the launch of Connect for Google Meet rooms, enabling Google hardware to join Teams meetings. This feature generated USD0.25m in ARR during October alone. Pexip notes it is the only solution connecting video units to Teams meetings within the US government cloud and expects significant project growth in this area during 2026. However, Connected spaces still struggles with soft SaaS metrics, with an R12m NRR of 86.7% and 12.2% churn, starkly contrasting the impressive levels in Secure and custom.

EBITDA-CAPEX was NOK37.6m (4.0), corresponding to a margin of 14% (2). As Pexip, unlike the typical SaaS company, has some irregularity in its sales, the R12m margin of ~25% is a more accurate indicator of its underlying performance. With 13% organic growth and a margin of ~25% EBITDA-CAPEX, Pexip is among the strongest performers in the Nordic space.

Management guides for Q4 2025 ARR of USD 124-127m, suggesting at least decent q/q growth and a mid-range of about USD3m in q/q increase. The company reiterates its near-term targets of 10% ARR growth and a 20% EBITDA margin, with a mid-term ambition to reach Rule of 40 (on the EBITDA level). Momentum in the US public sector remains strong; while a government shutdown poses a risk, Pexip delivers critical infrastructure, suggesting potential delays rather than lost deals, according to management. Price increases of roughly 5% are expected in 2026, similar to last year's. Management believes the Secure and custom segments can sustain 25-30% growth rates, which would outpace most listed Nordic SaaS companies.

Trading at 4.2x sales and 18x EBIT 2026e, we believe Pexip is reasonably priced. While Secure and custom, now accounting for ~45% of ARR, has growth and SaaS metrics that make it worthy of a valuation multiple in line with the highest in the listed Nordic SaaS space, Connected Spaces deserves a more modest valuation. However, the new sales in Connected spaces are strong, assuming that the churn and NRR are better for customers acquired after the COVID hype, SaaS metrics should improve over time.



Source: Company reports

SmartCraft

SmartCraft reported Q3 ARR of NOK 505m, representing 7% organic growth y/y, in line with Q2. EBITDA-CAPEX margin was 28.2% (25.3%), improving y/y but yet below levels seen some years ago. However, acquisitions have had a negative impact. Churn improved to 9.6% from 10.0% in the previous quarter, yet it remains at an elevated level due to soft macroeconomic conditions. While Q3 is historically a slower period for sales, resulting in modest q/q ARR growth, management highlights early signs of optimism in the construction industry. This positive sentiment is supported by a 16% y/y increase in new customer intake. With market penetration for mission-critical solutions currently at just 10-15%, the company sees substantial long-term potential, although soft market conditions currently limit its growth potential.

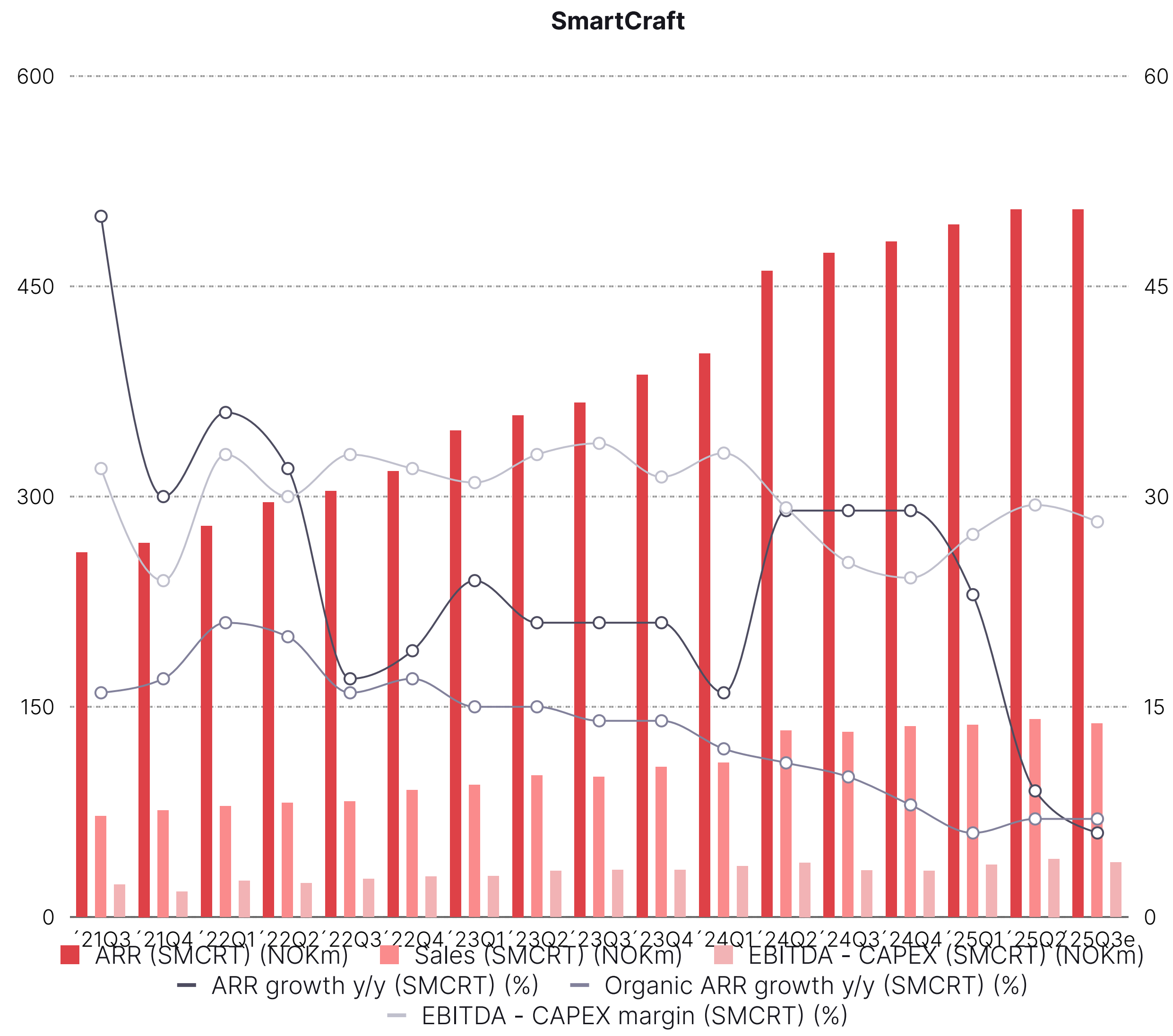
Strategically, SmartCraft is shifting towards a "master brand" approach, organising operations by industry vertical rather than geography. The new reporting segments - Electro, HVAC & Plumbing, SME Construction, and Enterprise - will each manage their own P&L to improve execution and facilitate international expansion. While the Enterprise segment will utilise a portfolio model with specialised products, the other segments are expected to realise synergies through the shared SmartCraft Core.

Regionally, Sweden delivered a relatively strong performance with 11% organic growth, driven by a solid pipeline and lower churn. Norway grew 4% organically but remains the most challenging market. Finland reported a 6% organic decline, primarily due to a single large downgrade; excluding this event, the region would have seen mid-single-digit growth. The UK grew 7% organically and remains a primary focus area for future growth, considering its vast market size.

On the product side, SmartCraft Spark has secured over 300 customers since launch. SmartCraft Flow saw a soft launch in Q3, with a broader rollout and new AI features planned for Q4. Additionally, Locka secured its first customer in Finland.

Yesterday, SmartCraft announced it has decided to proceed with the plan to transfer the company's share listing from Oslo Børs to Nasdaq Stockholm. We believe this is a wise move for several reasons. First, Sweden is SmartCraft's largest market in terms of sales. Second, the Swedish capital market has several advantages, including a larger number of SME SaaS businesses, more micro/small-cap funds, and a stronger retail investor environment.

Trading at 23x EBIT 2026e (roughly 20x on EBITDA-CAPEX), SmartCraft trades at a premium to the 18x median. Considering its relatively solid growth, given its end-market exposure, high margins, and track record of cross-border M&A, we believe a premium is fair. The valuation implies a rebound in growth once the market improves, which we also find reasonable, considering the significant impact on churn and downgrades, while new sales remain healthy.



Source: Company reports

Upsales

ARR was SEK147.7m, up SEK1.0m (0.9) sequentially and 6.8% y/y. While the days of negative ARR growth are gone, and noting that Q3 is typically a soft quarter, considering the rather positive comments from management in recent quarters, we expected stronger q/q growth. EBITDA-CAPEX was SEK8.8m (9.6), resulting in an EBITDA-CAPEX margin of 23% (26.9% y/y), a solid level, although Q3 tends to be seasonally strong for profitability.

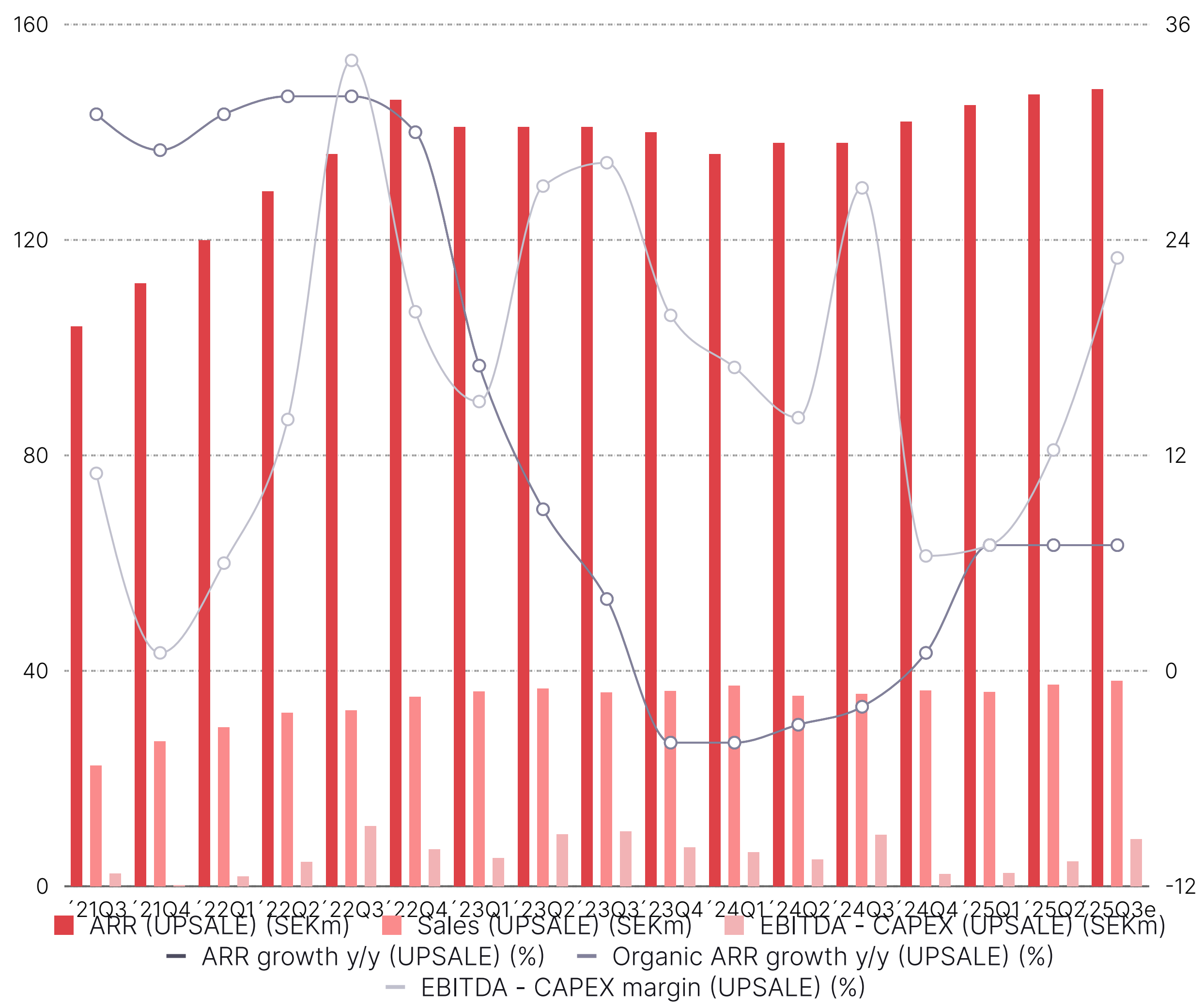
According to management, New sales continue to develop well. In this and recent quarters, we believe management's comments in the reports and calls tend to diverge from the reported numbers. New sales have often been described as solid or improving, and the same can be said for churn. However, ARR growth remains at a low level compared to what we believe management is aiming for. During this Q3 call, CEO Daniel Wikberg clarified that achieving 20-30% ARR growth is primarily dependent on increasing sales to existing customers, as the Upsales platform is capable of solving numerous customer problems. While we appreciate the comments about the importance of upsell, we still believe Upsales would benefit from having comments that are better aligned with the numbers.

Management attributes the low growth in recent quarters to insufficient go-to-market execution, not a product or churn problem, as churn rates are no higher than during previous high-growth periods. The major difference versus prior high-growth periods is lower sales to the existing customer base, which management primarily views as an internal team performance issue rather than a market effect. Besides the Upsales AI initiative, the company expanded its sales and marketing team during Q3 and will continue to do so going forward.

Regarding the product, Upsales AI is now live and securing new customers on a weekly basis. Significant investment has been made in building the AI agent platform, which features both a managed "app store" of agents and a facility for customers to create their own. While a new product might be risky and potentially increase churn in the short term, being fast-moving and adopting its offering to new technology is likely a wise move in the long term. We believe this is especially true in the small-to-midsize CRM market, which we consider to be faster-moving (easier to gain and lose customers) than the typical enterprise or EPR market. Although it is still very early days, judging by the overall ARR growth, relatively few customers appear to have transitioned to the higher-priced new AI offering so far.

Considering the increased sales and marketing efforts along with the new AI offering, Upsales could be set for accelerating ARR growth. Trading at SEK~31, the market is not expecting any explosive growth. On the other hand, since leaving the negative ARR growth territory in Q2 2024, there has been no notable further acceleration of growth, despite the rollout of sales and market initiatives, as well as some AI features, from Q1 2025. Valued at 18x and 14x EBITDA-CAPEX for 2026e and 2027e, respectively, on relatively cautious estimates, we still believe the risk/reward is rather attractive, with substantial upside potential if the new AI offering gains traction.

Upsales



Source: Company reports

Fredrik Nilsson owns shares in: VERT, CARA, OPTER, FPIP, LITI, CDMIL, SMCRT

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