








MammaFitness

25,000 women cannot be wrong

Information material regarding capital procurement
Novatron Sweden Aktiebolag

March 2019

INVESTMENT CASE

	One-stop-shop	<ul style="list-style-type: none">• The core of Novatron's business is its proprietary web application for online based personal training and nutrition planning.• The digital solution provide tailor-made coaching from professionals, both licensed personal trainers and certified nutritionists.• Approximately 80 percent of Novatron's sales are generated through the mobile application and the rest through other services such as sales of own-brand training tools and supplements, books, on-demand videos with recorded work-out sessions.
	Clear customer benefits	<ul style="list-style-type: none">• The digitalisation of the personal trainer space provide both flexibility and efficiency to the end user.• Novatron's solution is priced within a bracket that is affordable for most, especially compared to live personal training.• The personal trainer/customer relation is often characterised by a high degree of loyalty. Novatron's concept was built from this starting-point and has granted the parties accessibility despite geographic and time related factors.
	Proven customer success	<ul style="list-style-type: none">• More than 25,000 women have used Novatron's concept under the trade name MammaFitness.• The Company sold a total of 716,509 training days during the fiscal year 2017/2018, an increase of 24 percent compared to 2016/2017.• The number of new subscriptions during the fiscal year 2017/2018 amounted to 6,182 and increase of 7 percent compared to 2016/2017.• Renewed subscriptions increased with 10 percent between the fiscal years 2016/2017 and 2017/2018 and amounted to 6,881 in 2017/2018.• Average acquisition cost for a new customer amounted to SEK 140 compared to average initial fee of SEK 1,528.
	Highly scalable business model	<ul style="list-style-type: none">• MammaFitness has provided the company proof of concept and proof of profitability and next step is scaling the concept through a geographical expansion, primarily in English speaking markets. All back-office functions are already in English to provide easy adoption for foreign staff.• On longer term Novatron is looking to establish new verticals for the versatile software platform, both proprietary and as a software service for external providers of coaching and physical training.
	Olga Rönnbergs®	<ul style="list-style-type: none">• The company was co-founded by Olga Rönnberg, mother of five, personal trainer, author and entrepreneur.• Olga has a large follower base on social media (over 96,000 followers on Facebook and 76.500 on Instagram) and has published several books in the Nordics and one title is also published in USA. These are factors that have helped and will continue to help the company to grow in terms of user acquisition.

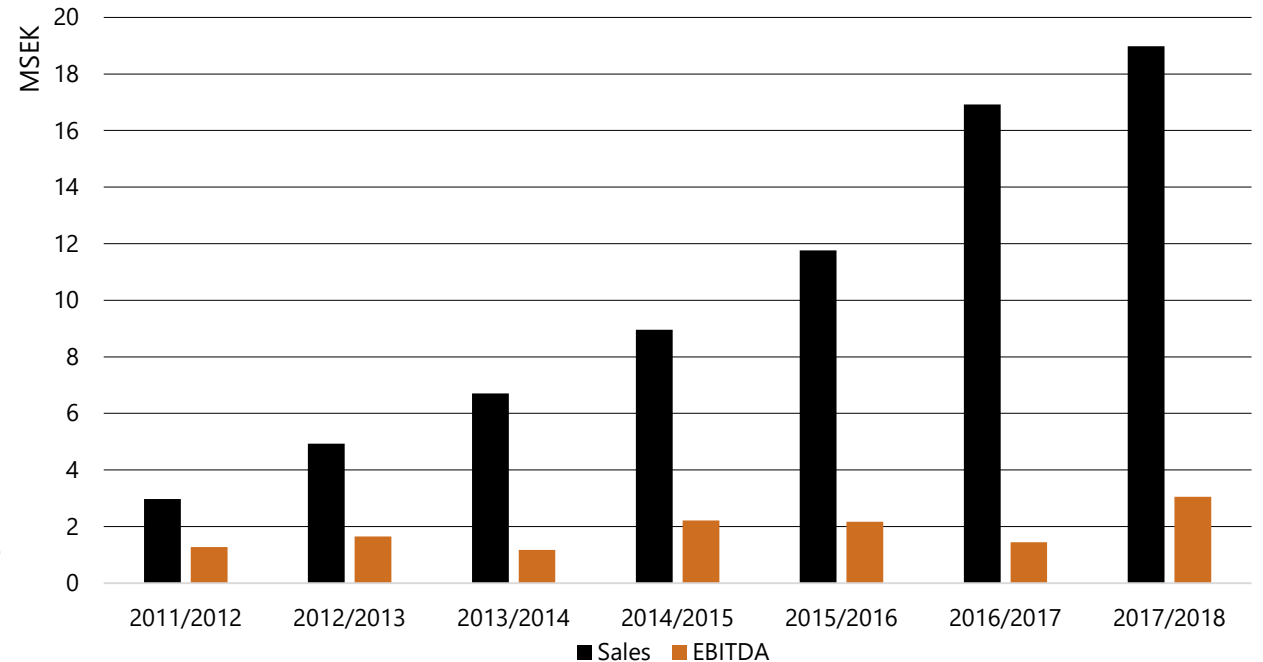
NOVATRON AT A GLANCE

Profitable SaaS-company with 30 percent YoY growth rate initiating a geographic expansion

The business in short

- Novatron Sweden Aktiebolag ("Novatron" or the "Company"), was founded by Håkan Rönnerberg in 1979. In 2010, Olga Rönnerberg joined the Company and the MammaFitness concept was launched.
- The Company's mission is to create opportunities and provide global accessibility for tailor-made coaching through digital services.
- Today, the Company offers a digital 360 degree fitness portal for women under the trade name MammaFitness (fully owned by Novatron).
- The portal has been used by more than 25,000 women, and a growing number of men, as of date. The portal has more than 95,000 unique visitors each month.
- The core of the portal is Novatron's proprietary web application for online based personal training ("PT-online"). All development is done in-house.
- PT-online is a subscription based service with different subscription models that the user can choose from. Newly added successful subscriptions are dietary-only coaching and packages for special syndromes like diabetes and hypothyroidism.
- Approximately 80 percent of Company's sales are generated by PT-online and the rest by other services such as sales of own-brand training tools, books, supplements and on-demand video.
- MammaFitness has provided the Company with proof of concept and proof of profitability and the Company is looking to scale its business through geographical expansion.
- On longer term Novatron is looking to establish new verticals for the versatile technological platform, both proprietary and as a software service.
- Novatron's sales for the year 2017/2018 amounted to 19 MSEK, corresponding to a year-on-year growth of 30 percent since 2011. EBITA amounted to 3 MSEK.

Historical financial development*



* The Company's fiscal year is between May-April. All numbers presented in the chart are audited.

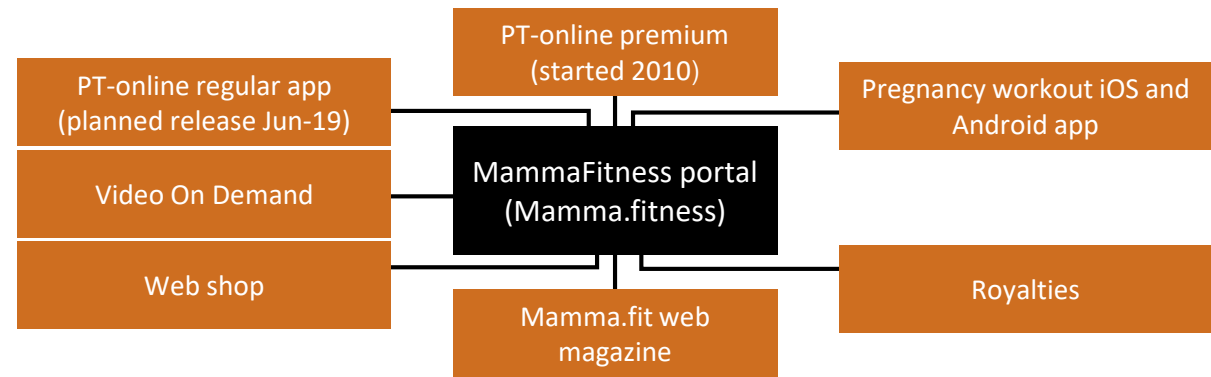
PROOF OF CONCEPT AND PROFITABILITY

Mamma.Fitness

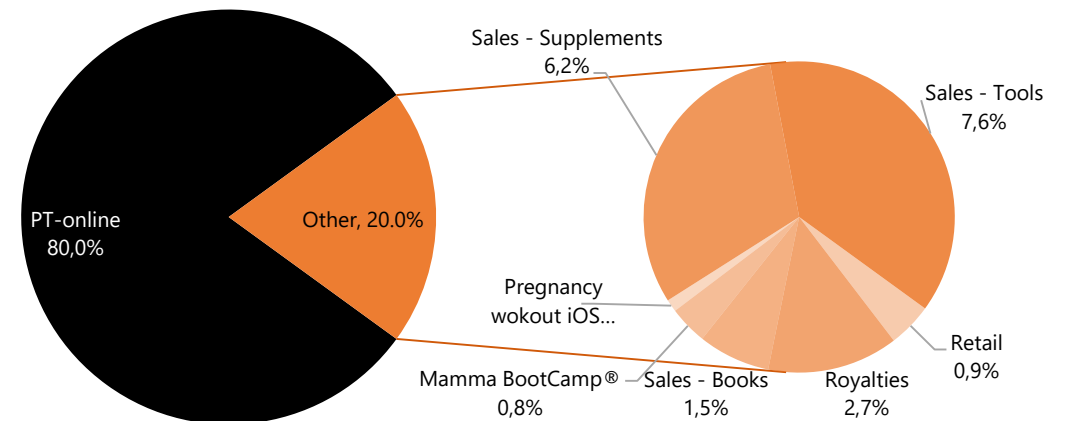
Scalability through multiple revenue streams

- While the core of the Company's portal being PT-online, other services are provided to create an ecosystem for active women and hence, additional revenue streams for the Company.
- Mamma.fit web magazine** was launched in March 2016 and provides relevant and trustworthy content and therefore in extension, valuable marketing for MammaFitness (94 000 active users/month, whereof 20 percent are new visitors).
- Own-branded products, such as training tools and supplements, and Olga Rönnberg's published books are also sold by the Company through its **web shop**. Supplements are from Jan -19 also sold wholesale, which increases the sold volume by 150 %.
- MammaFitness' **iOS application (Android version launched March -19) for pregnancy workout** provide nutrition and exercise advice for those who are pregnant. The application customises the workout after the users current trimester.
- The Video On Demand service** offers video workout sessions personally designed by Olga Rönnberg.

Business structure



Sales distribution (fiscal year 2017/2018)



360 DEGREE FITNESS PORTAL

Creates awareness and growth

Selection of digital solutions



Selection of own-branded products

MiniBands
Yearly sales rate >
10,000 bands



Olga Rönnbergs®
protein products
Yearly sales rate >
13 metric tons

PT-ONLINE BUSINESS MODEL

Growing SaaS business powered by social media

PT-online in short

- PT-online is a subscription based service that connects the user to a personal trainer and a nutritionist. The training programs and meal plans are generated with system assistance under supervision by the dedicated coaches. Both training programs and meal plans are continuously adjusted to reflect customer progress and changed energy consumption.
- The operational team behind PT-online consist of 16 licensed personal trainers, 10 nutritionists (all with relevant academic degrees), a CAO/CFO, a CTO and two developers and one support agent. All personal trainers and nutritionists are hired on a free lance basis.
- During the fiscal year 2017/2018 716,509 training days were sold, an increase of 21 percent compared to the year before.
- Gross margin within PT Online amounted to 57 percent for FY2017/2018.
- 208 of 6,182 new customers, 3.3 percent, left prematurely in FY2017/2018.

Revenue model

- The customer has a multitude of subscriptions to choose from. The basic combined subscription, "PT Online Original" has a minimum start fee of SEK 999 premium model and minimum extension fee of 795 SEK/mont. Nutritional coaching starts at SEK 795 and extends at a minimum SEK 700.
- All subscriptions can be bought on longer terms, 3 months or 6 months.
- Special subscriptions aimed at customers with diabetes or hypothyroidism are always 3 months and paid in advance.

The average customer

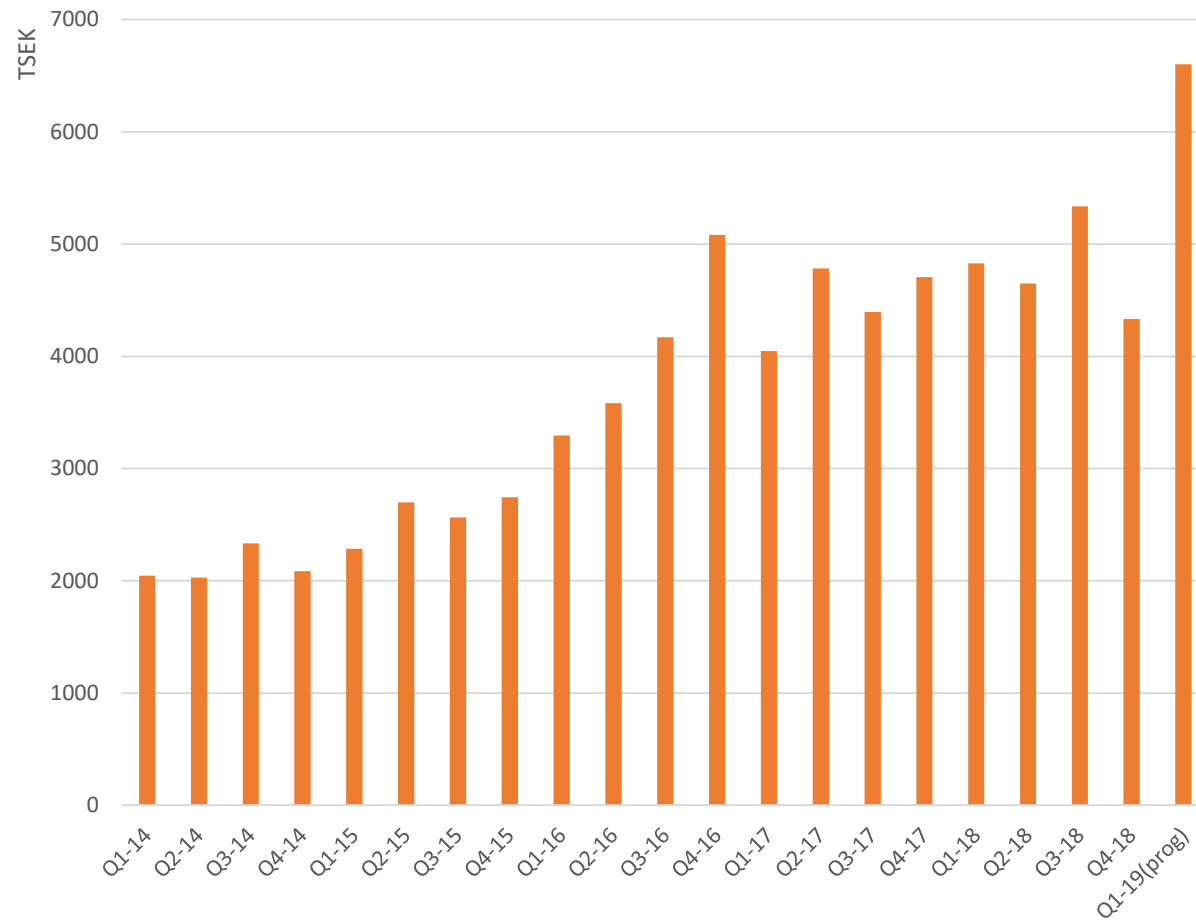
- Woman, 36 years old.
- Interested in wellness and health.
- Often a new mother.
- Relatively good personal economy.
- Active on social media.
- Stays as a customer for 80 days.
- Average acquisition cost calculated as marketing cost per new user is SEK 140

Activities for marketing and driving awareness

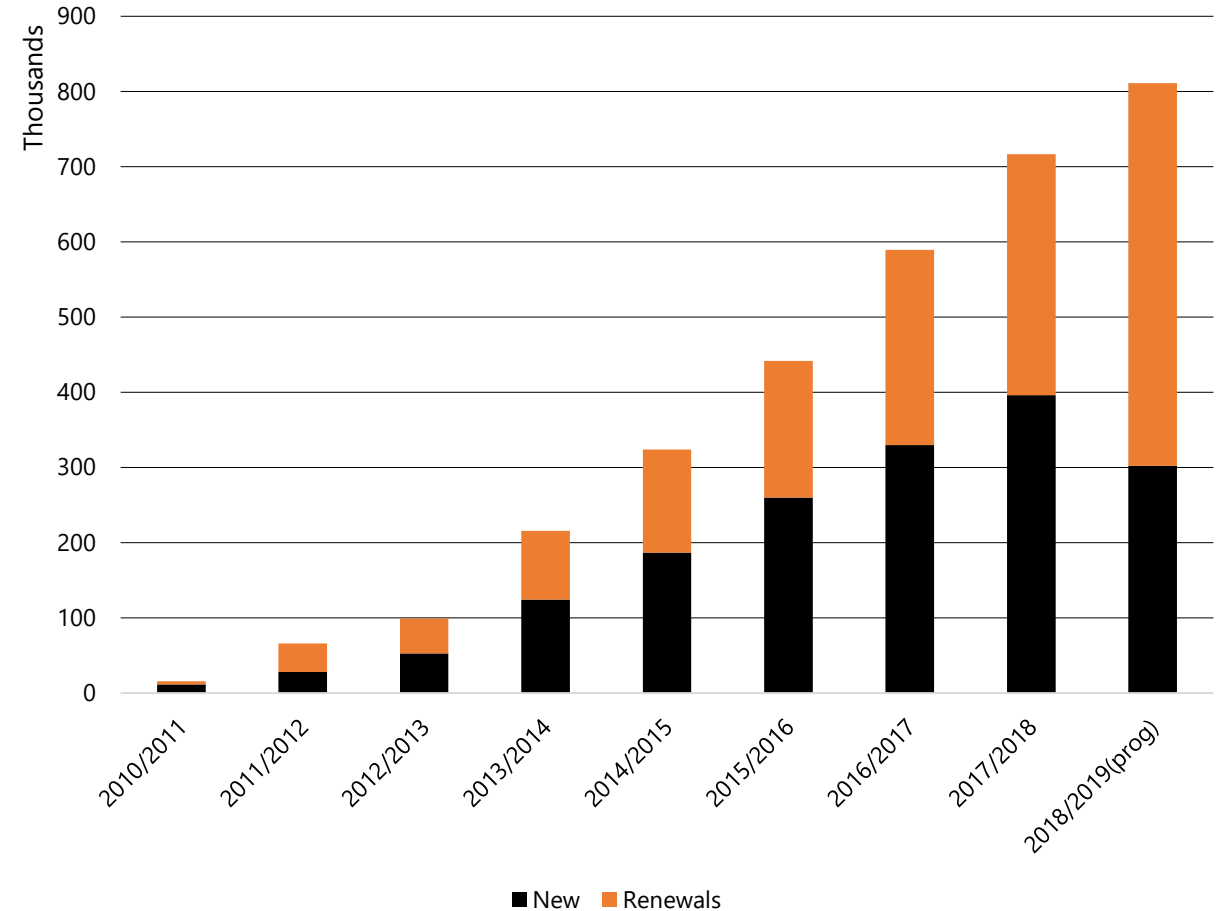
- **Promotion** – Facebook and Instagram communities (over 96,000 followers on Facebook and 76,500 on Instagram). Building trust and comfort through trustworthy and valuable content in the Mamma.fit web magazine.
- **Product** – Driving wellness, higher self esteem and a healthier lifestyle.
- **Price bracket** – Affordable for most.
- **Distribution** – Scalable and localisable via Google Cloud service.

HISTORICAL SALES METRICS

Quarterly sales Q1 2014-Q1 2019



Number of sold training days 2010/2011-2017/2018



HISTORY AND NEAR FUTURE

The beginning

- The Company's co-founder Olga Rönnberg is a personal trainer. In 2009 she gave birth to twin daughters, thus becoming mother of five.
- Despite her being on maternal leave, her clients kept asking for her help, which led Olga to e-mail out a workout program to one of her clients, a method that proved to be all too successful.
- One year later the rumours had spread and the client list had become longer.
- In order to meet the high demand, Olga launched the first version of the Company's website in 2012.
- Today, 3000 mostly Swedish customers in 49 countries are training with MammaFitness every month.

Activities in the near future

- Geographic expansion, primarily in the Nordics and in English speaking countries.
- Finalize development of the new app-based service PT Online Light (for iOS and Android) to be able to scale the business faster by:
 - Utilize customer training and physical progress data for machine learned program optimization to be able to radically increase the customer base.
 - Substantially improved customer experience and at the same time vastly reduced manual work
 - Lower price to increase affordability despite lowering operating costs.
- Introduce the platform as a cloud based software as a service for training and wellness business operators.



MARKET POTENTIAL FOR MAMMAFITNESS

Substantial main target group to be offered a disruptive and efficient solution

Main target group: Women 25-54 y/o (Source: CIA World Factbook)

In the Nordics:

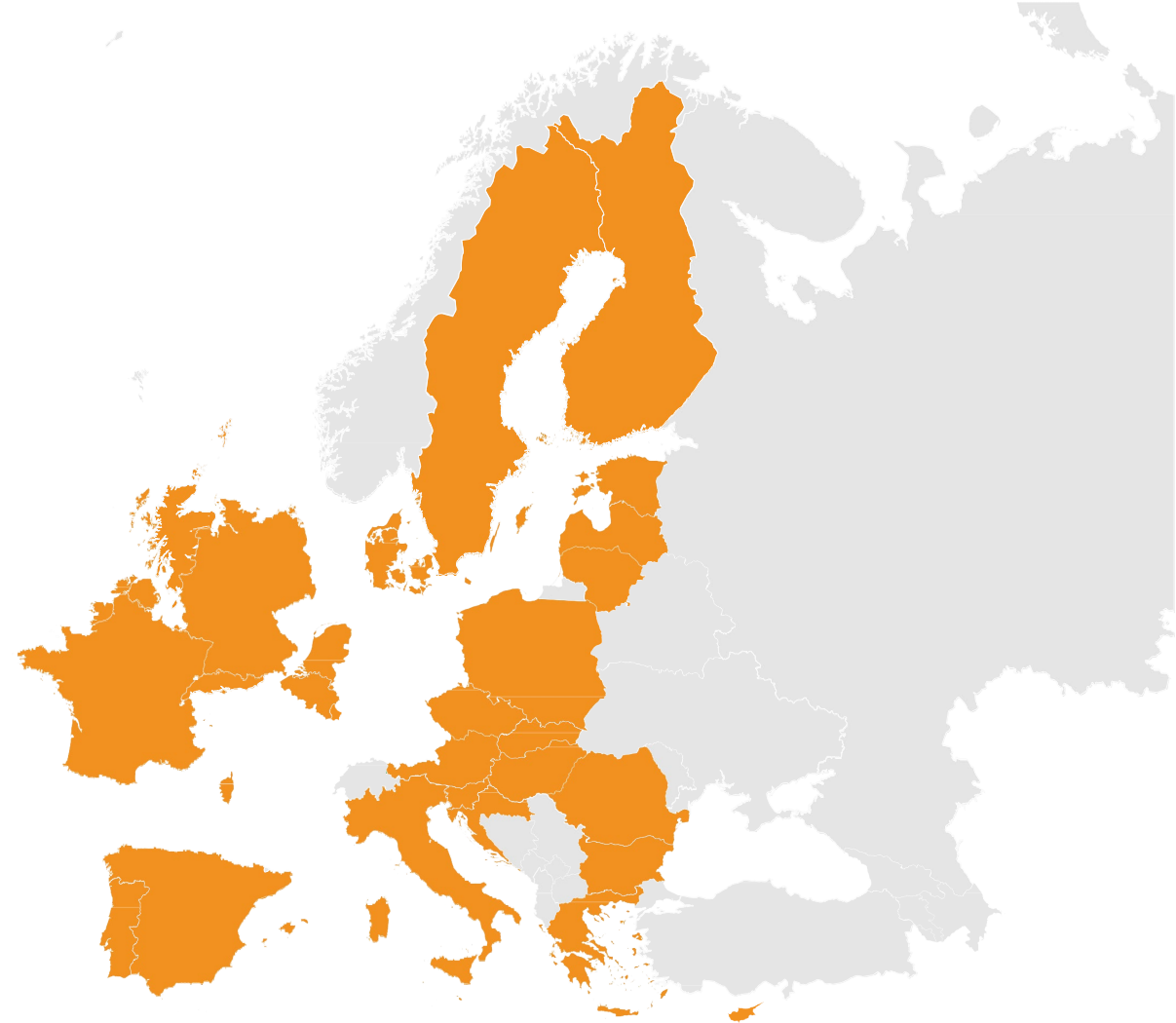
- Sweden: 1,947,245
- Denmark: 1,119,967
- Finland: 1,019,748
- Iceland: 67,401
- Norway: 1,065,138

In Europe:

- EU (ex UK): 92,637,260
- UK: 12,843,549

The Company in the market

- More than 25,000 women have used MammaFitness, as of today.
- Customers are primarily Swedish speaking and spread over 49 different countries, connecting with locals, becoming ambassadors for our services.
- Olgas bestselling books are published in the Nordic countries and one title also in the USA.
- MammaFitness provides a physical training solution for women that are restricted by health issues, religious beliefs or otherwise feel uncomfortable using public training facilities.



FINANCIALS (1/2)

Income statement

(SEK)	2016/2017	2017/2018	2018/feb
			<i>(Not audited)</i>
Net sales	16 919 182	18 863 799	17 777 632
Other operating income	13 131	110 838	217
	16 932 313	18 974 637	17 777 849
Raw materials and consumables	-8 178 369	-8 544 875	-8 066 204
Other external expenses	-2 876 184	-2 311 060	-2 246 574
Personnel costs	-4 431 830	-5 184 979	-4 875 682
Depreciation/Amortisation	-1 082 206	-1 354 438	-1 162 427
	-16 568 589	-17 395 352	-16 350 887
Operating profit	363 724	1 579 285	1 426 962
Interest income and similar income	185	599	63
Interest expense and similar charges	-68 254	-87 574	-67 118
Profit after financial items	295 655	1 492 310	1 359 907
Transfers to/from untaxed reserves	-64 954	-127 543	
Profit before tax	230 701	1 364 767	1 359 970
Tax	-94 726	-361 783	-400 000
Profit after tax	135 975	1 002 984	959 970

Comments

- Raw materials and consumables includes the cost for personal trainers and nutritionists.
- The Company's EBITDA for 2017/2018 amounted to 2,8 MSEK, an increase of 103 percent compared with the previous fiscal year.
- The far right column shows figures for the first 10 months FY2018/2019. The figures are not audited.
- Depreciation costs is expected to decrease to about 600 TSEK for the coming FY2019/2020.

FINANCIALS (2/2)

Balance sheet

(SEK)		2018-04-30	
ASSETS		EQUITY AND LIABILITIES	
Non-current assets		Shareholders' equity	
<i>Intangible assets</i>		<i>Restricted equity</i>	
Capital expenditures	1 291 933	Share capital	600 000
		Contingency fund	30 000
<i>Tangible assets</i>			
Land and buildings	5 326 627	<i>Unrestricted equity</i>	
Tools and plants	454 147	Balanced profit	1 223 421
		Profit brought forward	135 975
<i>Financial assets</i>		Profit for the year	1 002 984
Fixed investments	22 721		
Sum non-current assets	7 095 428	Sum shareholders' equity	2 992 380
Current assets		Liabilities	
<i>Inventories</i>		<i>Untaxed reserves</i>	
Raw materials and consumables	239 303	Tax allocation reserves	1 992 656
<i>Short-term receivables</i>		<i>Long-term liabilities</i>	
Accounts receivable	131 941	Liabilities owed to credit institutions	3 153 615
Other receivables	1 052 679		
		<i>Short-term liabilities</i>	
		Liabilities owed to credit institutions	341 600
<i>Cash at hand</i>	1 918 374	Accounts payable	1 130 497
		Deferred income taxes	14 455
		Other short-term liabilities	812 523
Sum current assets	3 342 297	Sum liabilities	7 445 346
SUM ASSETS	10 437 726	SUM EQUITY AND LIABILITIES	10 437 726

Comments

- Land and buildings: The company owns an apartment and an ongoing building project in Nueva Andalucía, Spain. Both assets will be sold during 2019 with an estimated profit of EUR 100,000 according to local expert valuation.
- All internal software development are posted as direct cost.

THE ORGANISATION

Management and Board of Directors

Olga Rönnberg, CEO

Licenced Personal Trainer

Author of several bestselling books

Hosted Sweden's Biggest Loser 2012 in nationwide TV4

Founder of MammaFitness and Mamma Boot Camp®

Owns 697,500 shares indirectly.

Håkan Rönnberg, Chairman of the Board

Telecom and electronics engineer, Uppsala

Courses in Physics, Electronics and Computer Science, Uppsala University.

Founder of Novatron Sweden AB

Logistics Manager, Business Controller and Property Manager, GEAB The Phonehouse

IT director, GEAB The Phonehouse

Senior Business Consultant and VP, Bedege AB

CAO, Odd Molly AB

Owns 697,500 shares indirectly.

Fredrik Hansson, CTO, Member of the Board

Master of Engineering Physics, KTH Stockholm

Partner and CTO, Albert Ken

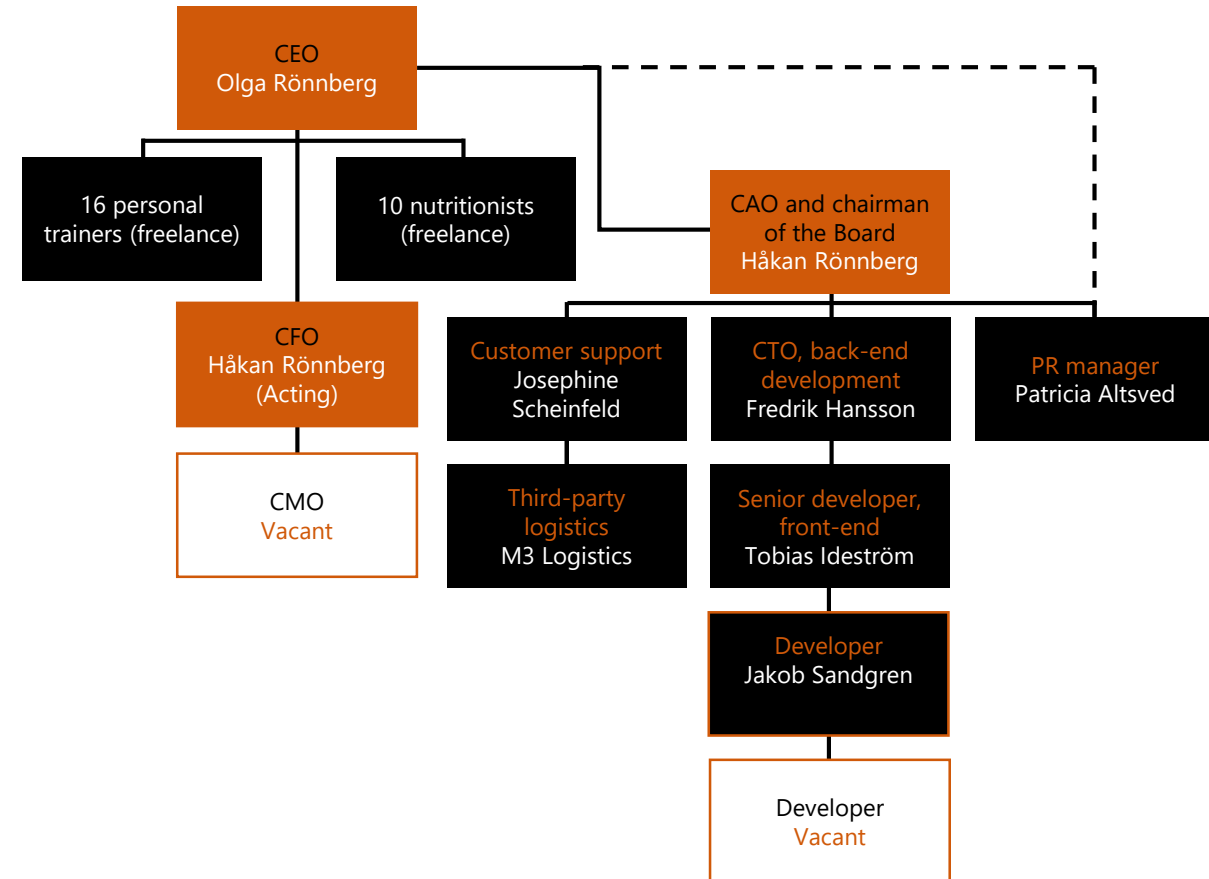
Founder and CTO, D2O Stockholm

Systems Architect, Telegram Digital Studios

Partner and CTO, Lovable Rogues

Owns 75,000 shares directly.

Organisation Chart



THE OFFERING IN BRIEF

Issue proceeds to accelerate growth through geographical expansion

Background and rationale

- The Company is carrying out a pre-IPO of approximately 4-6 MSEK, at a pre-money valuation of 33 MSEK ("the Offering").
- Novatron plans to do an IPO on a Swedish multilateral trading facility (MTF), indicatively within 9 – 12 months from the Offering.
- The Offering together with the proceeds from the IPO will be issued for:
 - Marketing and localisation expenses for the geographical expansion.
 - Further development of the PT-online application.
 - Strengthening the organisation in terms of management.

Valuation

- The pre-money valuation for the Offering has been set to 33 MSEK, corresponding to an EV/EBITDA of [11.3x] to rolling 12-month values.
- The EV/EBITDA multiple has been derived from companies similar to Novatron in terms of business model and size.
 - The valuation has been adjusted for liquidity risks in comparison to the peers evaluated with a discount adjusted to conditions on the market.

Transaction structure

Pre-money valuation, SEK	33,000,000
Transaction volume, SEK	4,000,018 - 6,000,016
Post-money valuation, SEK	37,000,018 - 39,000,016
Numbers of shares in the Offering	181,819 - 272,728
Number of shares after the offering	1,681,819 - 1,772,728
Dilution, %	10.8 - 15.4