



Interim Q4 and FY 2021 Presentation

# Q4 2021 OPERATIONAL HIGHLIGHTS

Q4  
2021

EXPANSION SALES

4.6 MNOK

+24% YoY

GROSS MARGIN

88 %

88% Q4 2020

ARR INFLECTION POINT

+1.2% QoQ

Up from -4%

FY  
2021

EXPANSION SALES

10.8 MNOK

+31% YoY

GROSS MARGIN

91 %

91% FY 2020

ARR INFLECTION POINT

+0.5% YoY

Up from -10%

Note:

ARR calculated using constant currency exchange rates to exclude any effects of currency exchange rate fluctuations, and excluding revenue from reseller and brokerage agreements. Core business, , i.e., excluding revenue from resellers and brokerage agreements.



# THE IMPACT OF CUSTOMER AND EMPLOYEE EXPERIENCE MANAGEMENT

With closed ears, there are **consequences**



**89%**

of customers say they change supplier following poor experiences

Source: Oracle



**81%**

of customers share bad experiences with others

Source: Gartner



**88%**

of customers have been influenced by an online review when making a buying decision

Source: Zendesk



**91%**

of customers who are unsatisfied with the service leave without warning

Source: ThinkJar

Companies that **invest** in EX



**x4**

as profitable



**x2**

average revenue



**25%**

smaller, suggesting higher productivity and innovation

Source: HBR

Disengagement **costs** money

**18%**



of all employees are actively disengaged

Source: Gallup



# GÄVLE KOMMUN

## CUSTOMER CASE

GÄVLE MUNICIPALITY DECREASES BULLYING BY 40% WITH THE HELP OF QUESTBACK

Every semester, once in the fall and once in the spring, a survey is sent out to the students at the schools through Questback. The anonymous student survey helps the schools produce a safety index that contains information like “Your school/class has X students that most likely are being bullied”. The results helps the schools identify areas and times that have a higher risk of bullying, information that can be used in future prevention efforts.

*“The Gävle Model increased the engagement among our employees by making systematic measuring of our activities possible and, we’ve seen a strong improvement in results as a result. We used to go on gut feel – now we get reliable data from Questback that shows the true impact of our activities,”* says Mårten Sohlberg, vice-principal at Prolympiaskolan in Gävle.

### OUTCOME:

The number of victims of bullying in Gävle was down to 5.2%, 41% better than the national average.



# EXPERIENCE MANAGEMENT FEEDBACK SOFTWARE FOR CUSTOMER AND EMPLOYEE INSIGHTS



Enhance customer insight & loyalty



Enhance employee engagement



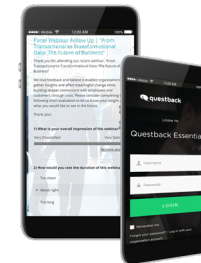
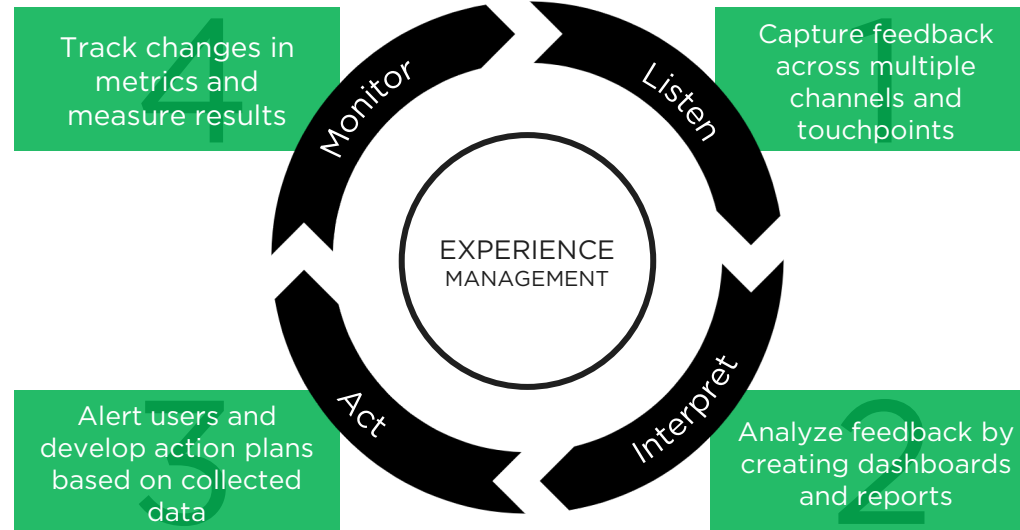
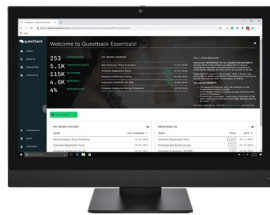
Obtain market insights



Increase cross-selling and up-selling



Boost top line growth



# QUESTBACK KEY HIGHLIGHTS

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## STRONG NORDIC POSITION WITH EUROPEAN AMBITIONS

- Leading position in the Nordics
- The strategic platform of choice for employee and customer experience data for a highly diversified customer base of c. 1,600
- Sector agnostic and scalable software supporting growth both across industries and geographies

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## GROWING MARKET SUPPORTED BY STRUCTURAL TRENDS

- Large addressable market growing at double-digit percentage rates
- Business model supported by structural trends: (i) increased customer & employee expectations; (ii) remote work; and (iii) increased consumerization of software as a service.

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## ROBUST AND SCALABLE SAAS BUSINESS MODEL

- Questback's platform is offered as a SaaS solution yielding high revenue visibility as well as cross- and up-sell opportunities
- Long contracts per customers as each contract is typically a minimum 12 months, with the vast majority extending beyond this period

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## ATTRACTIVE FINANCIAL METRICS

- Customers pay upfront for their subscription, positive effect on our working capital
- 96 % of revenue is recurring revenue, creating strong predictability
- The average lifetime for existing customers is +8 years

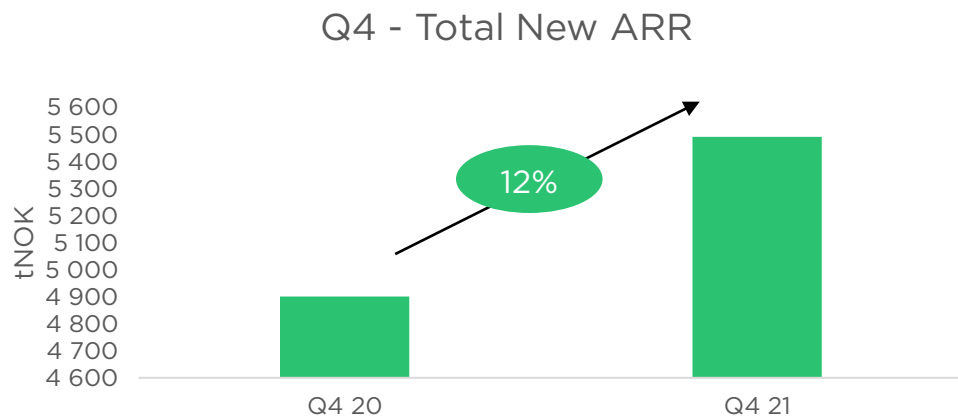




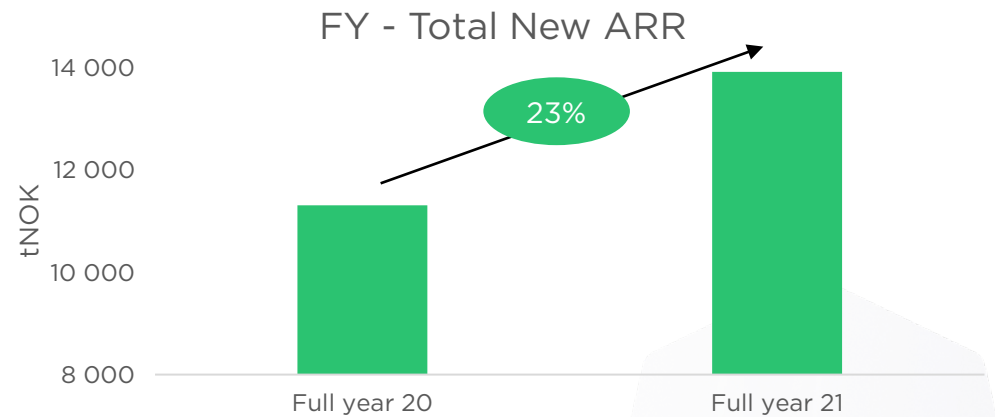
# GO-TO-MARKET HIGHLIGHTS



# NEW ARR GROWTH



➤ Total new ARR + 12 % Y-o-Y Q4



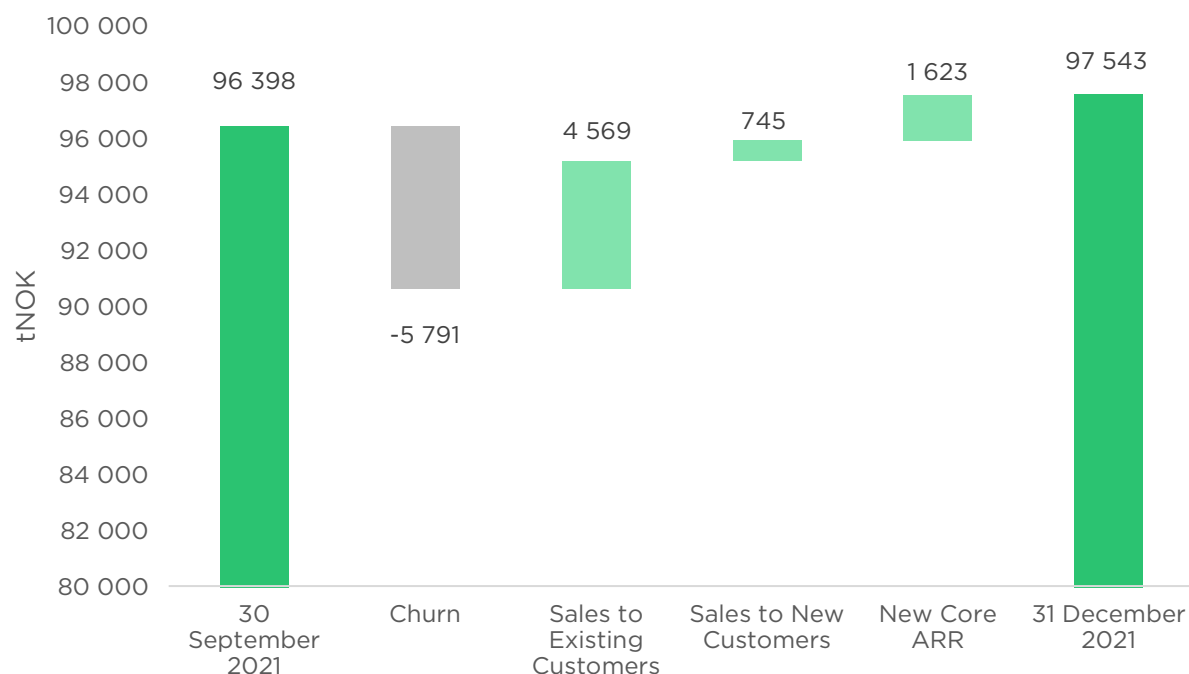
➤ Total new ARR + 23 % Y-o-Y full year





# OVERALL ARR GROWTH IN Q4

## CORE ARR IS GROWING



- Continued growth in Core ARR
- Effect of focus on expansion of existing customer base pays off
- New customer sales contribute to overall growth
- Positive contribution from our efforts related to our European expansion

Notes:

Calculated using constant currency exchange rates to exclude any effects of currency exchange rate fluctuations

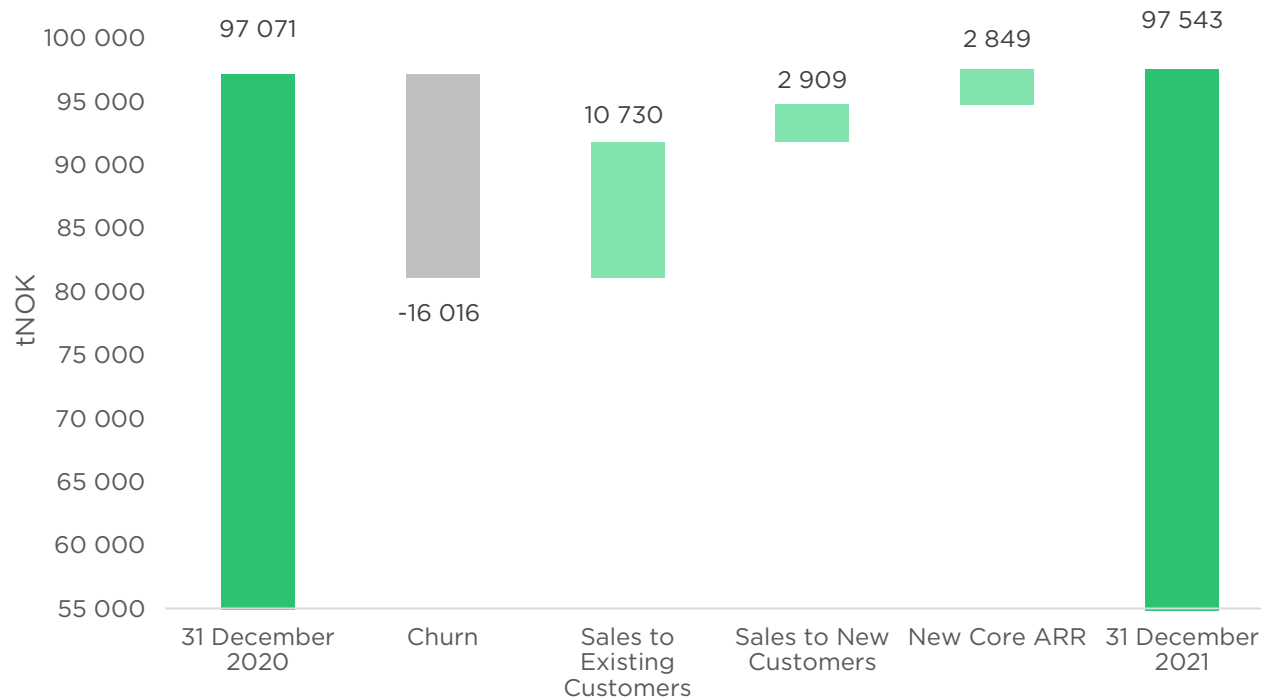
Core ARR excluding revenue from reseller and brokerage agreements.

New Core ARR: revenue from Questback customers previously managed by third party.



# OVERALL ARR GROWTH IN 2021 (FULL YEAR)

## CORE ARR IS GROWING



- Year over year show positive growth in ARR
- Expansion sales shows that we can both retain our customers and monetize on existing base

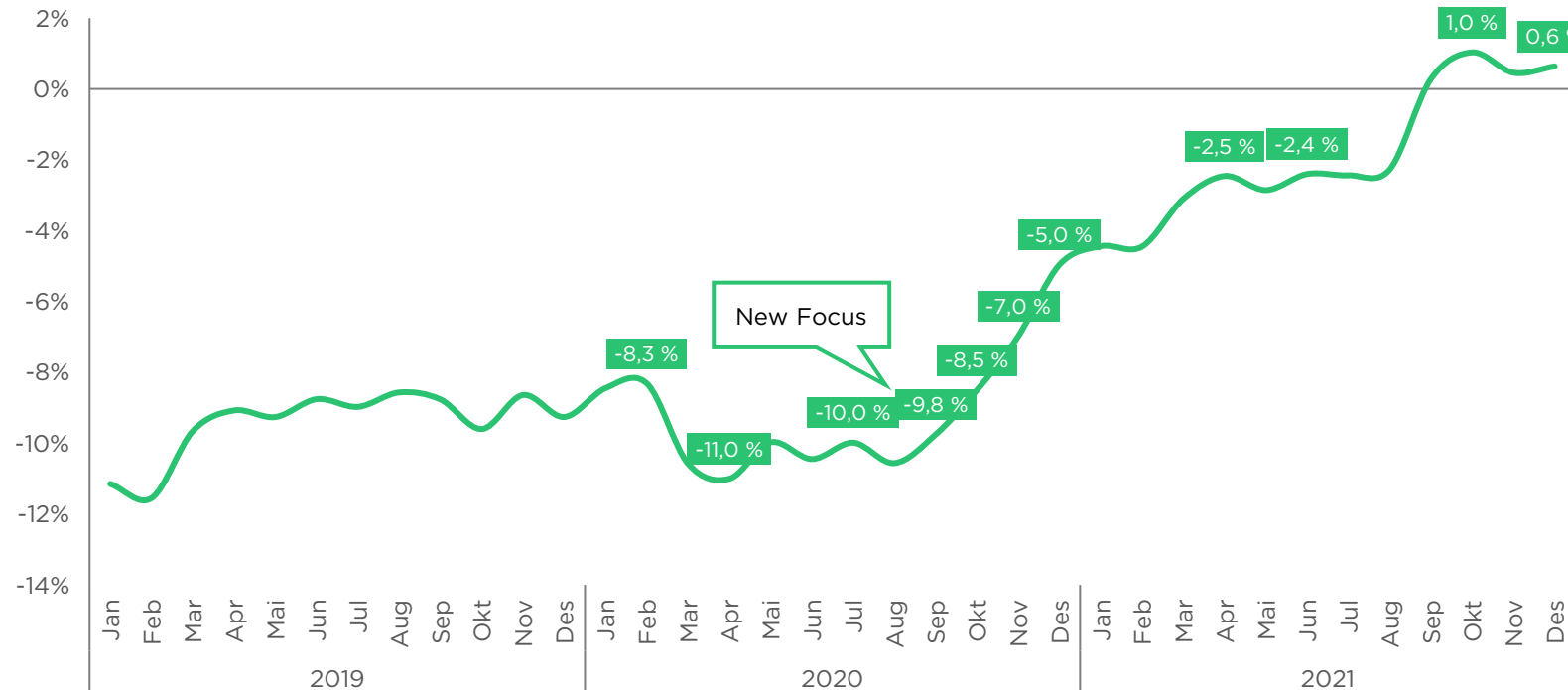
Notes:  
Calculated using constant currency exchange rates to exclude any effects of currency exchange rate fluctuations.  
Core ARR excluding revenue from reseller and brokerage agreements.  
New Core ARR: revenue from Questback customers previously managed by third party.





# OUR #1 KEY METRIC IS GROWING

## ARR Y-O-Y COMPARISON



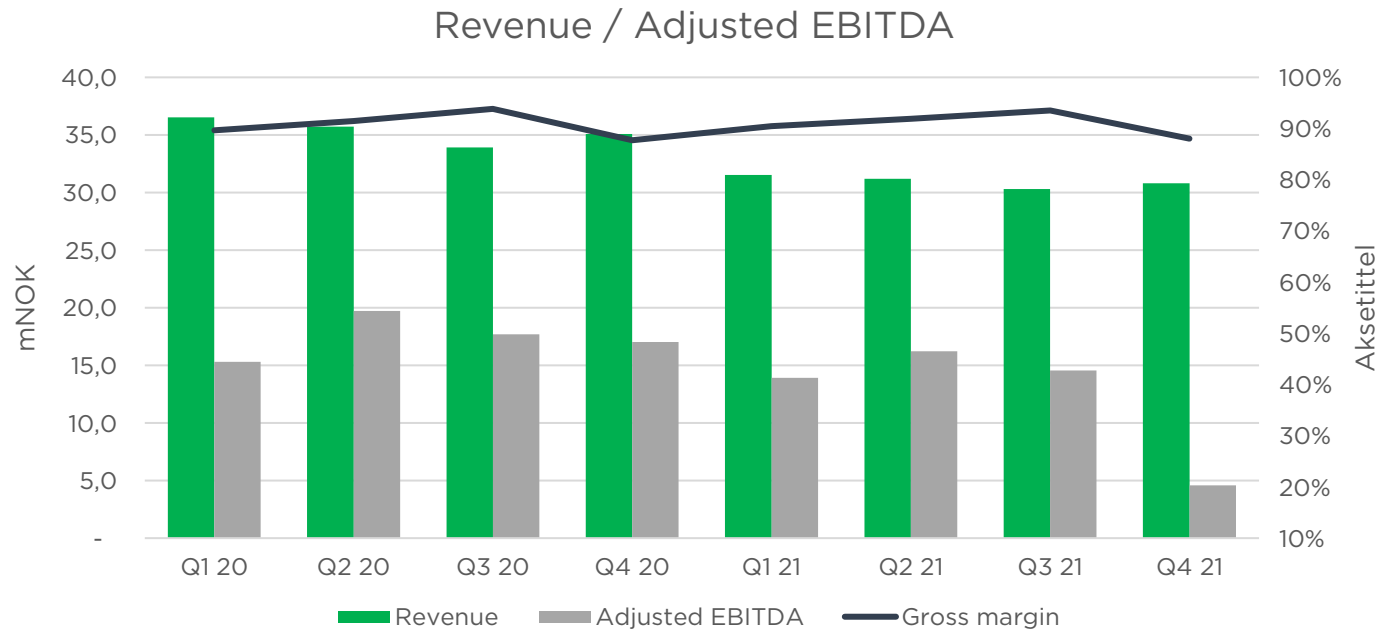
Achieved Y/Y growth in our total Annual Recurring Revenue (ARR) from our core business

Notes:  
Calculated using constant currency exchange rates to exclude any effects of currency exchange rate fluctuations  
Core ARR excluding revenue from reseller and brokerage agreements.



# ALL WHILE REMAINING PROFITABLE

## HIGHLY PROFITABLE BUSINESS



- Investment in growth having expected impact on EBITDA margin
- Gross margin stable at ~90%

Note: EBITDA adjusted for one-offs and special items





# Q4 FINANCIAL INFORMATION



# KEY FIGURES: CONDENSED STATEMENT OF P&L

All amounts in million NOK	Q4 2021 Unaudited	Q4 2020 Unaudited Pro forma	YTD 2021 Unaudited	YTD 2020 Audited Pro forma
Revenues:				
Core Business				
New Recurring Sales	5,5	5,0	13,9	11,6
Renewals	28,3	28,6	83,5	87,5
<b>Total Subscription Sales, Core Business</b>	<b>33,8</b>	<b>33,7</b>	<b>97,4</b>	<b>99,0</b>
Non-Core Sales	8,2	10,7	28,1	36,5
<b>Total Sales</b>	<b>42,0</b>	<b>44,4</b>	<b>125,5</b>	<b>135,5</b>
Revenue deferrals	(11,3)	(9,6)	(0,4)	5,5
<b>Total revenues</b>	<b>30,8</b>	<b>34,7</b>	<b>124,1</b>	<b>141,2</b>
Cost of goods sold	3,8	4,3	10,7	13,2
Salary and personell costs	16,8	11,7	45,4	43,5
Other operating costs	13,2	2,0	32,0	14,8
EBITDA	(3,0)	17,0	36,0	69,8
Special items	7,6	-	15,2	-
<b>Adjusted EBITDA*</b>	<b>4,6</b>	<b>17,0</b>	<b>51,2</b>	<b>69,8</b>
Depreciations and amortisation	2,3	2,6	9,1	13,2
Operating profit	(4,6)	14,4	26,9	56,6
Net financial items	(9,9)	2,9	(56,3)	(49,7)
<b>Profit before tax</b>	<b>(15,2)</b>	<b>17,3</b>	<b>(29,3)</b>	<b>6,9</b>

Note: Adjustments to EBITDA are one-offs and special items related to the restructuring, refinancing and listing-processes

- Slowing, stopping and turning the leakage of revenue
- Core revenue growing in Q4 and Q3, showing “turn of the tide”. Will have full impact on top-line in 2022
- COGS correlate with sales, maintaining a gross margin of ~90 %. Strong profitability on the product
- A year with major changes in number of FTEs and mix reflects the investments in future growth we are undertaking
- Solid EBITDA (adjusted) even through major turn-around year



# KEY FIGURES: CONDENSED BALANCE SHEET

Assets	31.12.2021	31.12.2020
All amounts in million NOK	Unaudited	Audited Pro forma
Non-current assets		
Total non-current assets	379,0	393,5
Current assets		
Trade receivables	23,8	17,4
Other receivables	8,7	5,4
Cash and cash equivalents	27,4	24,8
Total current assets	59,9	47,6
<b>TOTAL ASSETS</b>	<b>439,0</b>	<b>441,1</b>
Equity and liabilities		
Total Equity	16,9	32,3
Other long-term liabilities		
Interest-bearing loans and borrowings	272,8	-
Long-term lease liabilities	22,6	25,2
Deferred tax liabilities	2,0	2,6
Total long-term liabilities	297,1	27,8
Total short-term liabilities	125,1	381,0
<b>TOTAL LIABILITIES</b>	<b>422,3</b>	<b>408,8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>439,0</b>	<b>441,1</b>

- Asset light balance sheet – low cap-ex needs
- Non-current assets represents mostly Goodwill
- Current assets reflects high level of activity towards year-end (increase of trade receivables) and strong cash collection
- Solid debt financing with strong lender in AnaCap.
- Short term liabilities mostly deferred revenue – does not represent cash payments





# SUMMARY & OUTLOOK







We will leverage our strong position in the Nordics as springboard in our path to become a European leader

Our growth journey is evident in our performance for the quarter, as well as in our ambitions for the future:

*Summary Q4:*

- 24 % growth in new recurring revenue from existing customer base, demonstrating the potential in our existing customer base
- Positive Y/Y growth of our key metric, Total Annual Recurring Revenue (ARR), for the second subsequent quarter, ever
- Q4 LTM Net Retention Rate NRR 95% (92%)
- Strengthened offering by release of several new analytical functionalities

*We will continue our focus on growth by:*

- Further penetration in existing markets
- Continue to expand our go-to-market capabilities in new markets; Germany, Netherlands and UK
- Continue our transition from a one-product to a multi-product company
- Based on current momentum, we expect a positive year-over-year growth in total revenue, in the second half of 2022

*Long term target:*

- Double our Core ARR, from ~100 mNOK to +200 mNOK, organically, within 4 years
- Adjusted EBITDA margin of +20 %





# APPENDIX





## Alternative performance measures (APM)

This section includes information about Alternative Performance Measures (APM) applied by the Group. These Alternative Performance Measures are shown to improve the ability of stakeholders to evaluate the Group's financial performance. These should not be viewed as a substitute for any IFRS financial measures. The Group applies the following APMs;

### **Annual recurring revenue (ARR)**

The sum of contracted revenue at each period end using end of period currency rate. Main principles for recognition of ARR changes are as follows:

- New sales ARR - when recognised as ARR
- Net upsell ARR includes expansion and price increases. Price increases is recognised when the price changes takes effect. Expansion follows the same principle as new sales ARR.
- Churn ARR is recognised when the licence period ends.
- Currency effect is the difference between ARR end of period less ARR changes (based on average exchange rates in the month they are recognised) and ARR in previous period.

### **Gross Retention Rate (GRR)**

Retained revenue from existing customers not including expansion and/or price increases.

### **Net Retention Rate (NRR)**

Overall impact on the revenue generation from existing customers

### **EBITDA and Adjusted EBITDA**

Earnings before interest, taxes, depreciation and amortization.

Adjusted EBITDA - EBITDA excluding non-recurring /special items .

Non-recurring / special items are revenues/cost that are non-recurring in nature and/or not relating to normal operations



## YOUR FEEDBACK IS WELCOME!

Thank you for being curious about Questback. If you made it this far, you could probably guess what's next.

We want to hear the opinions and feedback of our readers, so we can continue to improve.

Please open your iPhone camera (or a QR code reader on other phones), move it over the QR code and answer the short survey that pops up in your browser.





# THANK YOU!

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