



Q3 2021 Company Presentation



AGENDA

1. **Market and company overview**
2. **Operational update**
3. **Financials**



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CEO





MARKET & COMPANY

- **Experience Management**
- **About Questback**



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



EXPERIENCE MANAGEMENT FEEDBACK SOFTWARE FOR CUSTOMER AND EMPLOYEE INSIGHTS

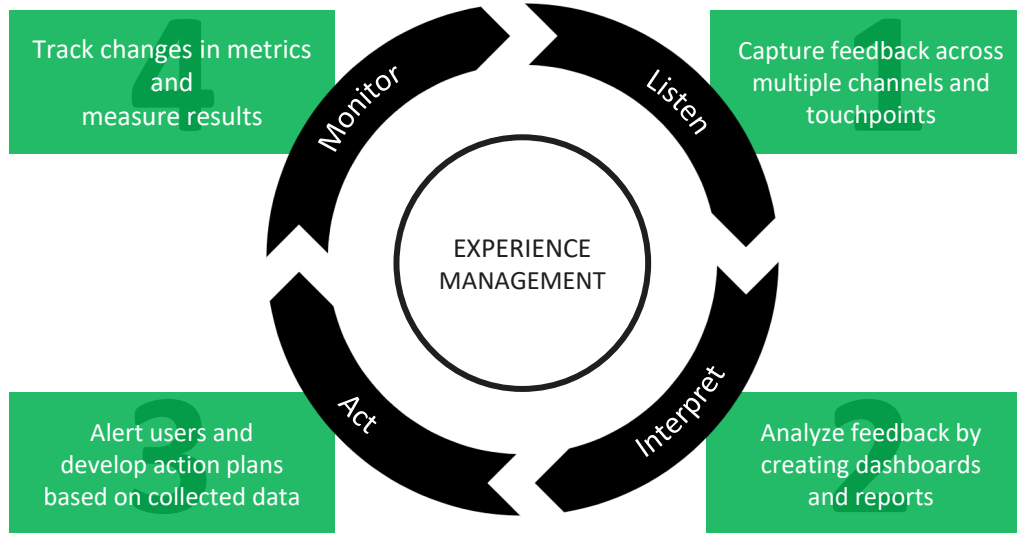
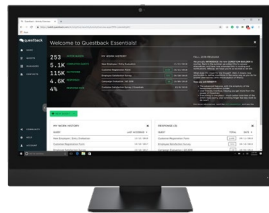
✓ Enhance customer insight & loyalty

✓ Enhance employee engagement

✓ Obtain market insights

✓ Increase cross-selling and up-selling

✓ Boost top line growth



QUESTBACK KEY HIGHLIGHTS

Strong Nordic position with European ambitions	<ul style="list-style-type: none">• 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
Growing market supported by structural trends	<ul style="list-style-type: none">• Large addressable market growing at double-digit percentage rates• Business model supported by structural trends: (i) increased customer & employee expectations; (ii) increased use of digital services (due to COVID-19, remote work and similar); and (iii) increased consumerization of software as a service.• Experience management is increasingly being considered as a mission critical tool for enterprises
Robust and scalable Software as a Service («SaaS») business model	<ul style="list-style-type: none">• 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• The average lifetime for existing customers is +8 years
Multiple growth venues to achieve doubling of revenues within 2025	<ul style="list-style-type: none">• Growth strategy to double revenues within 2025 through distinct approaches: (i) Go-to-market, and (ii) Product• Continuously developing new products, features, and functions to drive cross- and up-selling
Attractive financial metrics	<ul style="list-style-type: none">• Proven EBITDA potential of +40%, with strong cash conversion• Gross margin of ~90%• Recent sales performance proving turnaround





OPERATIONAL UPDATE

- Q3 Operational Highlights
- Outlook



Q3 Operational Highlights

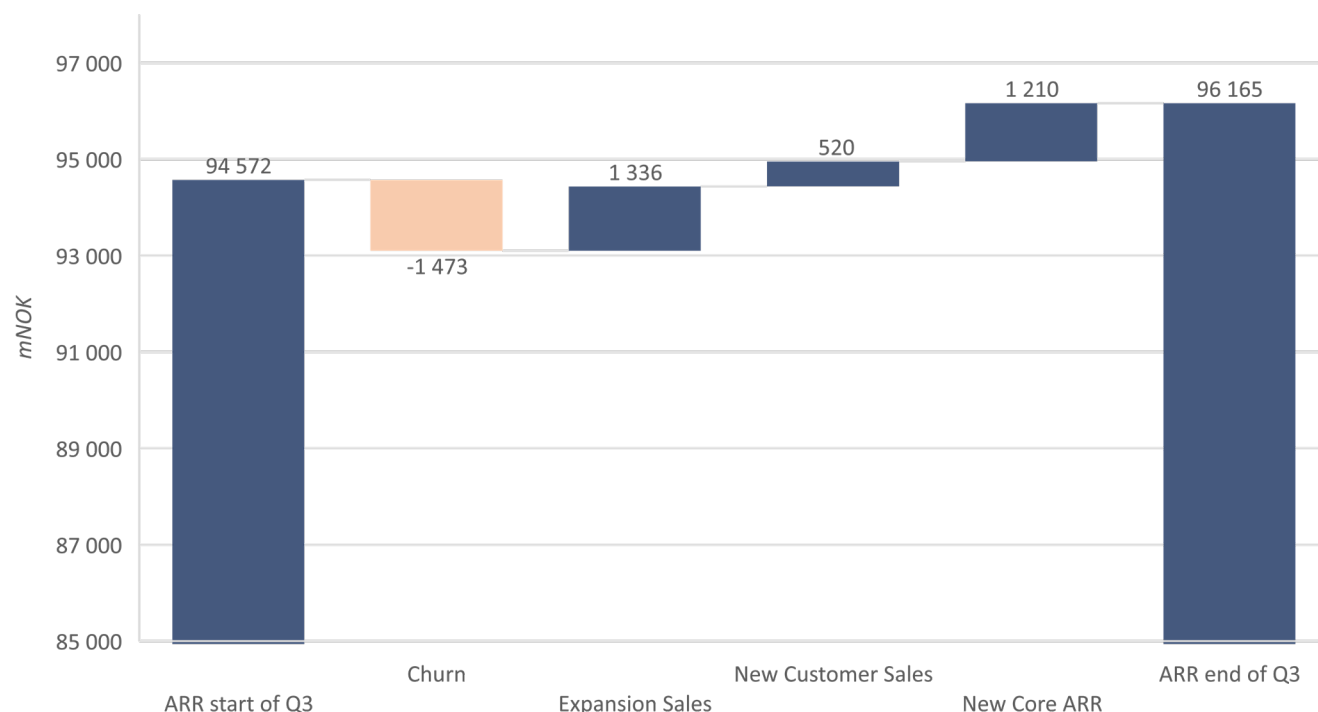
- **New customer sales growth by 26 % vs same period last year**
- **Net Retention Rate, reflecting our ability to both retain and grow existing customer base, increased by 9 % vs same period last year.**
- **Achieved Y/Y positive growth in our total Annual Recurring Revenue (ARR) from our core business, i.e., excluding resellers and brokerage agreements, for the first time since year 2014.**
- **Our organization significantly strengthened by recruitments of 15 new great talents**
- **Expansion outside the Nordics, by local recruitments, and early customer wins, in DACH, UK and the Netherlands**
- **Strong EBITDA, despite investments in growth, of 47 %**

Note: New customer sales, NRR, ARR calculated excluding any effects of currency exchange rate translations, and excluding revenue from reseller and brokerage agreements.



Overall ARR Growth in Q3

Core ARR is growing



- **Growth in Core ARR**
- **Positive results from our increased sales activities in the Nordics**
- **Resulting in growth in New Customer Sales and Expansion sales**
- **Positive contribution from our efforts related to our European expansion**

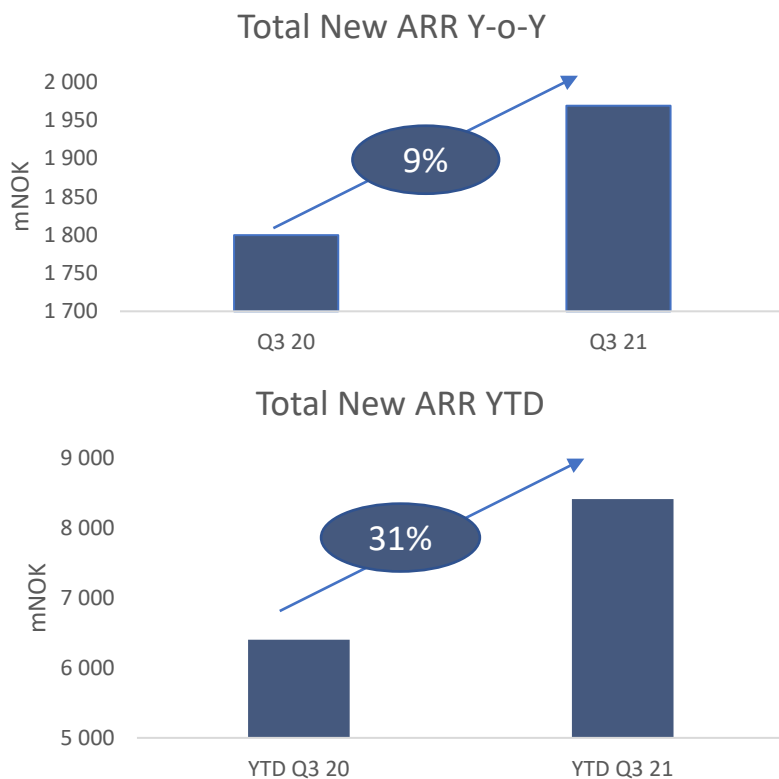
Notes:
Calculated using constant currency to exclude any effects of currency exchange rate translations. Adjustment allocated to ARR start of Q3.
Core ARR excluding revenue from reseller and brokerage agreements.
New Core ARR: revenue from Questback customers previously managed by third party.





New ARR Growing

New Recurring Sales Comparison



Notes:
Calculated excluding any effects of currency exchange rate translations

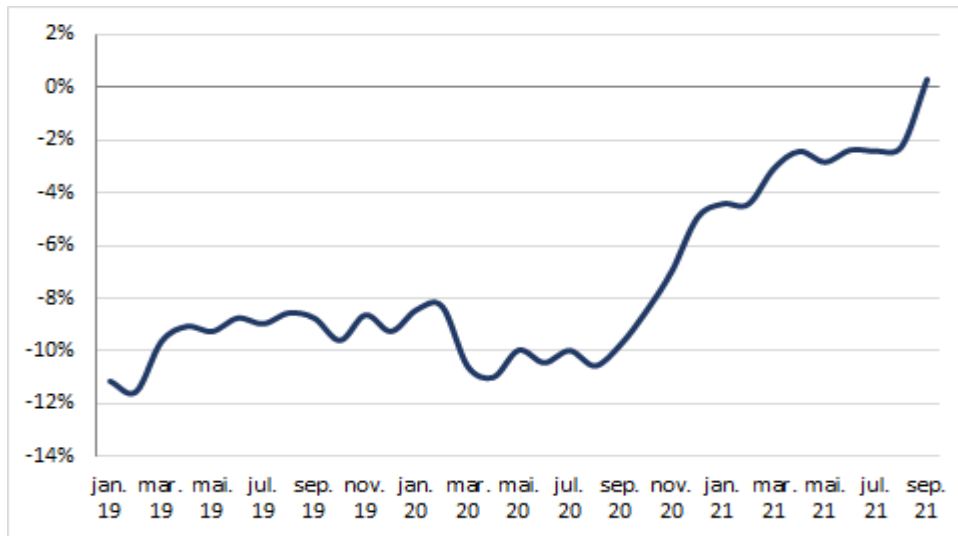
- **Positive results from increased sales to new customer with 26 % growth y-o-y**
- **Expansion sales to existing customers growing with 3 % y-o-y**
- **Total new ARR + 9 % y-o-y**

- **Year to date sales to new customer growth 20 %**
- **Expansion sales to existing customers growing with 36 % YTD**
- **Total new ARR + 31 % YTD**



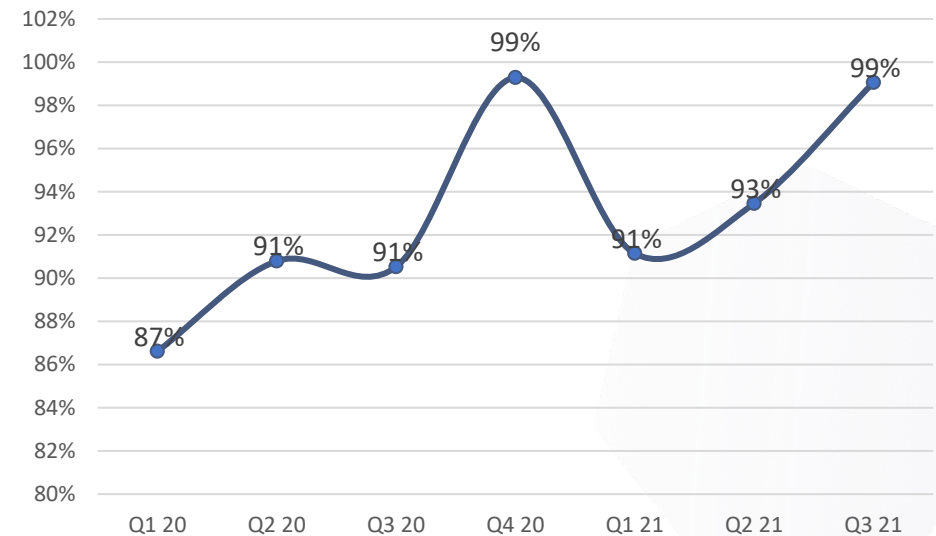
Other Key Metrics Are Growing

ARR Y-o-Y comparison (1)



Achieved Y/Y growth in our total Annual Recurring Revenue (ARR) from our core business, for the first time since year 2014.

Net Retention Rate (1)



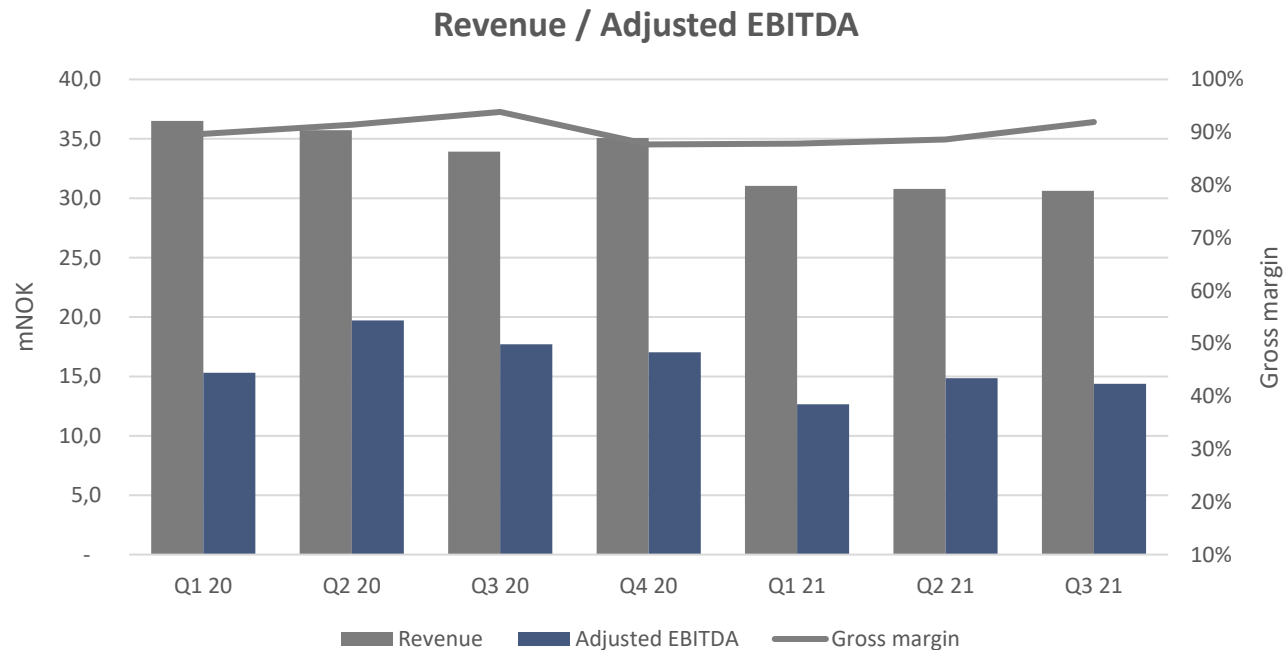
NRR, reflecting our ability to both retain and grow existing customer base, increased by 9 % vs same period last year

Notes: (1) Core revenue – (Essentials) calculated excluding any effects of currency exchange rate translations.



All While Remaining Profitable

Highly Profitable Business



- **Adjusted EBITDA-margin of 47% in Q3 2021**
- **This while we are investing in growth**
- **Gross margin stable at +90%**

Note: EBITDA adjusted for one-offs and special items





APPENDIX - Q3 FINANCIAL INFORMATION



Key Figures: Condensed statement of P&L

	Q3 2021 Unaudited Pro forma	Q3 2020 Unaudited Pro forma	YTD 2021 Unaudited Pro forma	YTD 2020 Unaudited Pro forma	2020 Audited Pro forma
Revenue from sales	30,6	33,1	92,5	103,9	138,9
Other operating income	-	0,8	0,0	2,2	2,3
Total revenues	30,6	33,9	92,5	106,2	141,2
Cost of goods sold	2,5	2,1	9,7	8,9	13,2
Salary and personell costs	10,2	10,1	29,8	32,5	43,5
Other operating costs	23,9	4,0	35,9	12,1	14,8
EBITDA	(5,9)	17,7	17,1	52,7	69,8
Special items	20,2	-	24,8	-	-
Adjusted EBITDA*	14,4	17,7	41,9	52,7	69,8
Depreciations and amortisation	2,2	3,5	6,6	10,5	13,2
Operating profit	(8,0)	14,2	10,5	42,2	56,6
Interest income	-	-	0,9	-	-
Financial income	-	4,4	0,0	-	11,6
Interest costs - cash payment **	5,4	6,8	22,3	21,2	27,8
Interest costs - payment in kind **	6,2	1,2	6,9	3,8	8,1
Financial cost	6,1	11,9	11,1	27,7	25,5
Net financial items	(17,7)	(8,8)	(17,1)	(31,5)	(21,9)
		-	-	-	-
Profit before tax	(25,7)	(1,4)	(21,9)	10,7	6,9
Income tax expense	-	-	-	(0,3)	0,3
Ordinary result	(25,5)	(1,4)	(21,9)	(10,8)	

* Adjustements to EBITDA are one-offs and special items related to the restructuring, refinancing and listing-processes

** Interest costs are divided between interest to be paid in cash and interest to paid in kind, the latter to reflect that cash are kept to invest in growth.

Key Figures: Condensed Balance Sheet

	30.09.2021	31.12.2020
	Unaudited Pro forma	Audited Pro forma
Assets		
Non-current assets		
Total non-current assets	393,2	393,5
Current assets		
Trade receivables	15,2	17,4
Other receivables	11,8	5,4
Cash and cash equivalents	14,2	24,8
Total current assets	41,2	47,6
TOTAL ASSETS	434,4	441,1
Equity and liabilities		
Total Equity	19,6	32,3
Other long-term liabilities		
Interest-bearing loans and borrowings	286,2	-
Long-term lease liabilities	28,0	25,2
Deferred tax liabilities	-	2,6
Total long-term liabilities	314,2	27,8
Short-term liabilities		
Total short-term liabilities	100,6	381,0
TOTAL LIABILITIES	414,8	408,8
TOTAL EQUITY AND LIABILITIES	434,4	441,1

Key Figures: Condensed Cash Flow

CASH FLOWS FROM OPERATING ACTIVITIES		
	YTD 2021	YTD 2020
	Unaudited	Unaudited
Operating profit	10,5	42,2
+Depreciations and Amortisations	6,6	10,5
=EBITDA	17,1	52,7
+ tax received/- paid	-	(0,7)
<u>Changes in working capital</u>		
Change in net working capital(excl. deferred revenue)	(4,9)	14,6
Change in deferred revenue	(11,8)	(14,7)
Net cash generated from operating activities	0,4	51,9
CASH FLOWS FROM INVESTING ACTIVITIES		
Capitalized development costs	(2,2)	(1,9)
Net cash used in investing activities	(2,2)	(1,9)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in interest bearing debt	8,4	-
Principle portion on lease liability	(4,5)	(5,3)
Interest portion of lease	(0,2)	(0,3)
Equity issue	25,3	-
Cash elements from one-offs	(12,6)	-
Cash portion of interests	(22,3)	(21,4)
Transfer to Tivian	(10,1)	(23,3)
Net cash used in financing activities	(16,1)	(50,3)
Exchange differences	7,3	(0,4)
Net change in cash and cash equivalents	(17,8)	(0,3)
Cash and cash equivalent at January 1	24,8	17,3
Cash, cash equivalents at September 30	14,2	16,6

Glossary

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

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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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