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SaaS Seminar - DecideAct
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Corporate Participants

Flemming Videriksen - CEO

Presentation

Moderator

So welcome back and welcome to Decideact and the company CEO and co founder Fleming Videriksen We are looking forward to hear more about the strategy execution management and how your software platform helps companies solve problems with the strategy. So please go ahead.

Flemming Videriksen - CEO

Yeah, thank you very much. Thank you for the invitation today.

So I think I will go through briefly three things or maybe four during this short presentation. First, just a few key points of where we are, a little bit our history and then something about what are we really doing and a little bit insight to the platform and then the technology in itself, and then of course where are we heading. So first of all, our key point of navigation when we look ahead is that of course we are aiming to reach 100 million in ARR, not this year but in the future. **We base that of course that we had a very good start in 2021 after our IPO in end of 2020.** But the fact is that like with us and strategy is that nothing happens until something moves. And that was Einstein who I'm quoting for that. And of course part of that is of course that when we address new organizations then the space we are going to is basically saying how can we help you move things and succeed with your execution of strategy? Some key points just after the IPO some might have heard this before, but I thought it was relevant to explain this once again, we had a pretty good IPO oversubscription of 600%. We ended the first year on the market with an ARR of 8.75 million or four and that equals two and a half growth or 145%. **During that year we also had success to implement, blockchain and also get customers in the four market.** We were active in Iceland, Denmark, France and Canada. **We established our customer success part and we were also lucky to get out of 2021 with no churn.** We do not anticipate no churn this year, in our budgets we always calculate also last year by the way, with 10%. And as more we are growing and moving, of course we can expect that we will have churn. We launched a new way of introducing our product which we call the fast track for strategy execution. **As we're in a new space, it kind of helps organizations to get onboarded faster and get success for the execution and strategy.** And then we've done a lot of amendments and updates and developments on the platform. Of course we have launched a new part where we actually can deliver ESG module and that means we can put in full ESG strategies, we can link to UN sustainability goals or UN 17 global goals and stuff like that. And like any other part of the platform we are agnostic to that. And our pipeline is still growing.

And if I should tell a little bit about who are we and what are we. Our vision is to modernize leadership through technology. The whole mission, what are we doing is of course transform strategy into action either corporate strategies or strat plans at a lower level in the organization. Our value proposition is to engage the entire organization achieving the strategic goals whether it's public or private and we are still aiming to become a dominant player in the market. We still have quite a far way to go there but it's good to have a bold ambition. So what is it we are providing? Because many are

asking also investors very often what was it you're doing? And we are delivering a digital infrastructure for executing a strategy so that you can compare that with on finance you have your ERP systems but on strategy, you have nothing. So basically we deliver an infrastructure which can help both documentation, implementation, monitoring of strategic initiatives, bigger plans and priorities and of course support growth objectives and others. And when you work with an infrastructure it kind of requires three different things to succeed on strategy execution. One is of course the infrastructure itself, the software, our cloud solution. The other part would be leadership and culture and the third part would be to set up a pretty rigid strategic governance like you have on your finances, routines and stuff like that. Having infrastructure means that you're no longer depending on sync from persons, you can scrap your spreadsheets or PowerPoints wherever you're doing a strategy which cannot follow up anyway automatically. And as you know, or some of you will know that we also working with machine learning. Turning into AI later is of course we want to become a GPS for executing a strategy. So already now notifications and other stuff can help to get things done and also highlight where there are roadblocks and others you need to avoid or you are falling off track here. So that means a platform like this also enables early adjustments on strategy execution. A little bit more about how the solution works. It is a cloud solution. We have a lot of intuitive dashboards, we have mobile app where it's easy to do updates and follow it. And one of our differentiators also in the market, can of course also sometimes be a complication, is that we are agnostic to strategic frameworks. So we don't force any company to work after a certain methodology. We basically adopt to the way the company likes to work, help them to set up the logic of their strategy and put it into the platform so they get a strategic hierarchy and they will also have predefined together and what can you connect and what can you not connect. And that is especially an issue for big organizations, because when they want to streamline, they want to streamline and they don't want to change the way they do it just because they get in the system. Then we can work - It works on multiple platforms, of course, as I mentioned before, and it's pretty easy to get started. **We have very good customer success and we always help them to get well started.** In addition to that we actually also sell expertise service if they need more knowledge to be successful in this space. I mean it's a SaaS solution so it's easy to work with. Of course it can be deployed on premise or the data can be hosted by the client itself if they want to. But we basically offer the same overview of your strategy as we do over your finances. It can be assessed everywhere, no matter where you're in the world, as long as you have an internet connection. And a very important part, it helps management to follow up on strategic decisions and it also ensures actually that these strategic decisions and actions are carried out according to plan. Because of the nudging or notification, where we will have different reminders, we can actually also implement workflows. So if executives have a meeting a certain day, then three days before everybody will be notified, you have to update and stuff like that. If not, be counted as you haven't done anything. And it's pretty easy to implement. As I mentioned probably many times before that Apple also rated our mobile app as useful from four year plus, so most executives can use it. So basically Decideact is a technical solution to a recurring problem and we serve customers across different geographies and industries. **Anything from the national Church of Iceland or Car industry in Canada or Nanotech in France or Biotech in Denmark and Fintech in Denmark among those also Denmark's fastest growing in that space.** So basically we are adaptable to all industries but there are of course some areas which could be of interest for us to focus more into. And selling a solution like this in an emerging market of course also requires that we teach the market and figure out who has the biggest needs, where are the business issues we can address in our way of selling and stuff like that.

A little more maybe key metrics before we continue. **As mentioned before an ARR last year of 8.74 and growth in average contract amount was 6%, no churn, contribution for new customers of our growth was 57% and from existing customers upsell you**

can say is 43% and a pretty high growth in number of customers. So I think we have, what do you say, two channels to play on as minimum. When we are selling, of course, when we have to grow, we have existing customers, which we can - and it's easier very often to upsell to a customer. **When we become successful, we can get more widespread into the organization or we can solve more things for them. And secondly, of course, it's to gain new customers.** And mentioned before, that is a hassle in a new space. So we have long sales usually takes nine months, and we are, of course, working with different things to create urgency in the sales process, to make the sales happen faster. One of them is to address critical business issues. Another thing is that we set some currency in the first dialogue with a potential client. So as I mentioned key point of navigation is of course to grow bigger. **The reason we have it as a target not for this year, next year of course we have said we expect the growth of this year of 80% to 150% compared to last year.** Then this more long term makes it easier for us to take the right strategic decisions on what to focus on so we don't become too short term in our thinking and our actions but actually aiming for the future. **But this year have had a lot of focus to strengthen our sales process meaning that we have less go away from less field sales and go into more approach of inside sales as many other SaaS companies.** We, of course, are working on online conversion as well, which we launched a new project here around July 1 on beginning of July, where part of our platform, or certain frameworks, potential clients, have the chance to online convert first as trials and later we will go in dialogue with them and hopefully get the sale. Or they basically also can deliver their credit card if there's more accounts and turn in there and get in in that way. Then of course we work a lot with the data to be more predictable and data driven in the way we address sales. But no sales succeeds really without two very important things in our case or three actually we need four things to succeed with a client. We need sales of course, then we need our customer success or project management which is both included in that which also takes care of the whole onboarding of the client. In many cases we will need expertise with what we call expertise service to succeed with a client. That means that when you sit with an executive then they would like to speak to someone who has experience in the field and feel comfortable that we actually can help them on how the platform and infrastructure and their way of leadership could maybe transform. Because what we really can help them is to transform into a much more executable culture in the company. But of course it also sets new demands to themselves and the leadership and that might require knowledge and all that. And the fourth thing that also is required is of course tech. **We just recently - or announced this morning a big agreement in Canada with CAA Canadian Automobile Association which also owns travel agencies and insurance companies and stuff like that. I think that single case have been a major achievement for us especially because we have been scrutinized on security, on our whole tech stack and everything as a part of their business is regulated and we passed through very nicely.** We also done that with another bigger one which we not can tell publicly, but also from Canada, but also in car industry we signed with recently. Then the other part which we are in a world now which things are changing and a certain gentleman or not gentlemen, but Mr. **Putin have made a little bit disturbance in the environment and the running cost is going off for everyone due to inflation. And that means of course we are looking into because we have now figured out how we can make our standard solution be more scalable and sell it faster. Then of course we need to optimize operations around that so we are in good shape to deal with the future. But this actually on a sales point of view, I think also that the inflation and stuff is a major opportunity for us and this more on the sales side. But when let's say equity funds, privacy funds, invest, then the investment cost is just going up by year with five of 7% now.** And that means agility speed in things has to be much more important and that is one of the sectors we're looking into to help more and other companies who really want to be ahead of competition. **Then a solution like Decideact can help and also make sure that you have less cost standing still.** If you can put it like that, then of course we constantly work on developing the product in all sorts of things and right now we have a lot of

focus on new modules for KPIs and also how we can integrate a lot of different systems to be more efficient in that process. We are very easy to integrate with by the way. And finally, due to also our change in our sales approach, we also this year have revamped our whole marketing to become much more data driven than before. Less brand focused, but much more on the different targets we want to get into. So I think that basically should be all from me just mentioning. **In short, the focus for this year is to be growing in depth in known territories.** So where we already have experience and references either industries or geographies, we are focusing. **We think we have identified Canada as a sweet spot for our future growth.** Everything we do since the beginning is in English and it's natural for us to of course branch more into English speaking markets. That's also where the big opportunities is. It's much more convenient for us to start in the Canadian market to get into America and go into US or something like that. And you can of course ask why is Canada so interesting? Because we have started there. Have you got reference there, you got customers there That's one reason not US and the same reason that it's not UK. So that happened over time and now it has become a strategic priority. And another one we are focusing a lot on is actually the public sector in Denmark. We can do a lot for public sector, of course in any country, but we want to have a foothold there. Also in Denmark, we have it in Iceland, both on national level and municipalities. Also ESG agenda is relevant here and as mentioned before, we will target private equity this year. And then we are working on how can we configure our platform. Not code it, configure it so we can address specific business issues in industries to have a more specific dialogue on what we can do. We are still cautious about partner strategy because we have not found the right way to do that yet. So we are still testing on that and then of course in general focus is, still. So I think Kasper, that should be all for me as an introduction.

Questions and Answers

Moderator

Perfect. Thank you. Flemming. I will go to the Q&A; then. And we have got some questions and you're of course welcome to Ask More, but let's start with this one.

So you mentioned this before, Flemming, and there are talks about companies scaling back also on software investment. How do you strategy tools rate on a scale from a nice to have to need to have and do you see, you mentioned also this, but can you elaborate on do you see some companies use it to cost cutting strategies. So this might be a kind of solution to fix some problems that there are right now.

Flemming Videriksen - CEO

Yeah, I think it's very efficient tool to do what I would call recovery management, which we also wrote a guide about, by the way, in the beginning of COVID Actually yesterday I had a meeting with a French lady sitting a lot of different boards and she pointed out where we are right now. You are probably in a very good space for all the companies who will have to go into some kind of restructuring and all that to be a tool to do that very efficient and stuff like that. And we believe that ourselves as well. So yes, use it for cost cutting, I would say, It's not a cost cutting tool. It's a tool to optimize how you can succeed with your plans. You know that three out of four strategies fail or do not fully get implemented. So just imagine if you invest 10 million or 100 million, then you know that 75 of them are under risk. **So if you can manage the execution much better, of course there's a bigger likelihood of you succeeding.** If you're coming out of crisis or have to reorganize or cost cut, then it's of course not because you want to cut cost, it's

because you want to focus on how you can succeed in a more optimal way. And we can support that.

Moderator

Yeah, and you are also one of the highest growing companies listed in Denmark. And there's a question here are you expected to continue with an aggressive growth strategy and how do you evaluate your growth investments?

Flemming Videriksen - CEO

I think we are becoming better and better. I'm not sure what the person means for evaluating our growth investments, but if it's the approach we have to grow, then I think we are becoming better and better ourselves to learn from our mistakes and act faster to do changes than we maybe done in the beginning where you say, okay, we need to see if this works. But I think due to both our experience now and also due to the situation in general or what you could expect from the market, we are faster to adjust on that we want still to grow in the way we have been growing.

I'm not saying we're going to grow two and a half time every year, that's a lot. But I would like to and I think we need continuously to we have figured out how we can grow. So I think we continuously need to invest in growing. So the next question could be so when do you go break even? **We have not told the market that, but you could imagine when we start maybe to earn more money, which maybe can happen within a year or so, then we will plan to of course reinvest the profit in growth.** That's obvious.

Moderator

Cool.

So talking about investing in growth and maybe also capital need, or at least you need a cash position to invest in the growth. And also in terms of speaking about the break even, you said. There's a question out here coming from a small shareholder. So if you raise capital as a small shareholder, I expect to be seriously diluted, as it says. Why should I buy or hold your share is the question. So that's maybe a little hard question, but Flemming here it is.

Flemming Videriksen - CEO

Yeah, but I think it's a very good question. All of them are by the way, I've not been able to scan all of them while I'm babbling. But I think it's a very good question and why should you hold on to Decideact? There is no dominant player in this market space yet it's a emerging market. So you hold on to this because you believe in that leaders will need to take the execution of strategy seriously. And there will be a space for us in that market as a dominant player of being the competition. Of being that it's not a market right now where you meet the competitors at the table when you are trying to sell, your competitors in mainly are spreadsheets and no urgency because they don't have the tool at this time. We are closing up to, I think to the tipping point of this industry, which I will think will come within the next 12 to 24 months for real. We already see a much bigger interest now and there are companies who are searching for tools now. **So I think there's a big potential in this market.** Of course there's also a big risk because we are a startup and a SaaS so I cannot advise the investor whether how he should deploy his funds but at least I think there's a huge opportunity in this. I'm also heavily invested in myself.

Moderator

Yeah and talking about the ownership structure, can you maybe elaborate more on this? As you said, you are one of the main or largest shareholders, but can you talk about anyone else in the company being a larger shareholder?

Flemming Videriksen - CEO

The largest shareholder? We are some of the co founders, which is Icelandic, Guy, --- and then some of our beginning of the core team. We hold our shares in a joint holding where we have I think 33% or 35% can't remember actually right now. **Then we have a private investor who came in through the --- holding which have been very supportive and see a big potential in this.** He's also in other startups. Then we have a couple of other bigger investors like our chairman as an example and also Venting, which is an investment company owned by the Blue Lagoon in Iceland. So that's some of the major investors in the company.

Moderator

Perfect.

So let's dig a bit into the solution and some of the product launches you made. You, for example, launched the ESG solution last year. Do you see any traction and maybe can you elaborate on how this fits into the strategic framework for companies?

Flemming Videriksen - CEO

Very simple. **Yes, we have got some traction. We have traction on it in Iceland, where we have launched it first and now we are working in Denmark to get into both private companies and the public sector.** We are working together in Denmark also with a company helping us into the public sector called Influential which is very connected there and we have different approaches to that. It seems like those who are very interested in this is actually where there is an opportunity. It's probably in France. The government here have decided that a lot of companies need to have plans on this and all that but they have no tools. So we are considering is that an opening for us or is it a hassle? I forgot the rest of the question, please repeat.

Moderator

No, but maybe you can tell us about is it upselling potential for you in the strategic environment or solution, Sorry? Or is it like you buy the whole stuff from the beginning in the solution when the companies are buying?

Flemming Videriksen - CEO

Okay. ESG is a condition you need to fulfill if you want to survive in five years as a company you need to live up to those standards. So the condition to it's with an ESG strategy is like you can say, which was called CSR in the old days and many organizations were maybe more greenwashing at that time they had a department and have something but now it's demand from customers that you actually are sufficient. **You are doing good effort in this and all that.** And like you have a digitalization strategy which should not be on the site, right? It should be part of your corporate

strategy. Then your ESG strategy, of course and your priorities, they are influencing your business priorities and should be part of your core strategy. You might have separated them in a specific strategy, but then we can link to it. So you can see what is connecting to what and how does it contribute. So we give you a full picture. I could add to that. That has nothing to do with ESG, but what Decideact does is that we help to drive the whole organization, a complete organization, the entire organization, the direction it wants to go. It's not like governing single projects where many also consultancies are failing today. That is because they are focusing on when they take a --- strategy. Then focus on transformation projects, only your projects. But it's about moving the whole direction, the whole organization in the right direction. Yeah. So that's why it interconnects and can easily be connected with Nasdaq framework. If you want that for ESG degree framework, the World Economic Forum, any custom one linked to the 17 UN goals and so forth.

Moderator

Great, Flemming, thank you very much. It was very interesting. And thank you for the presentation and answering all the questions.