



STOKK.IO EVENTS
CURATED TRANSCRIPT

Investor Presentation - DecideAct
30 August 2023 10:00

Corporate Participants

Flemming Videriksen - CEO

External Participants

-

Presentation

Moderator

Hello, and welcome to this digital presentation with DecideAct CEO Flemming Videriksen is going to do a brief company presentation and afterwards answer our questions. And with that said, I hand over the word to you Flemming.

Flemming Videriksen - CEO

Thank you very much, Ludwig. And thank you for letting us presenting DecideAct at this occasion. So, yeah, we are right now doing a right issue, and I would like to have the possibility to present what are we really doing. So, basically, DecideAct is an infrastructure for strategy. And what does that then mean? Well, first of all and why do we exist? First of all, most leaders, they have difficulties to make sure that the organization's strategy is implemented. Most will find it hard to make strategies happen. And the fact is actually that 3 out of 4 strategies are not executed, do not reach their goals, are not even implemented. It's not something we have made up. It's something that, as an example, Martin Reeves, a professor from Boston Consulting, have documented, and a lot of other surveys are documenting the same thing. He also documented that it's very difficult to reach these things. But there's another organization, which is nonprofit, which is called Brightline Initiative. They have documented that \$3 million is actually wasted every single minute, and that means about \$2 trillion in a year. As far as I know, that's the same as the BNP of all the Nordic countries together or Canada alone. So if you look in the strategy space and you speak sustainability, there's a big waste here. And I think we as executives need to up our game. And that's why DecideAct exists that is basically to make sure that, that is not a risk. If you invest 10 million, 100 million, that's 75, they just go down the drain. So the classic problems we see is very often that it's difficult to have a systematic approach to strategic alignment if everything is manual. And we kind of say that, or we know that most of these things going on still in organizations, public or private companies or public sector, it's quite old fashioned and manual. If it's modern, it might be in PowerPoint and spreadsheets. But most of the other part of the business is already digitalized. So why are we not modernizing this part of our business, the core of our future? As businesses, employees are not involved and cannot see how they can contribute. Actually, Global Service says that 95% of all employees, they have no clue how they can contribute to their organization's strategy. They might know the three overall priorities, but then from there on, they are lost. And finally, this, of course, leave executives and boards kind of in the dark, because we do not really have a measurable way to monitor what's going on. Okay, some can maybe monitor the KPIs, but the whole execution part, how things are linked and all that, nobody can almost do that. So we have a saying out with old and in with new. So that's basically why we are here. So out with the spreadsheets, out with calling in for meetings to understand where are the strategy. This should be just as simple as when you press a button to know your balance sheet for your finances. So DecideAct in some ways for the strategy, is what your finance system is for your economy. But we are of course much more because we can also be forward looking. So we are an infrastructure for strategy. That means that you can have

overall owner strategy, corporate strategy, unit strategies, everything can be connected or it can be in the same strategy. We can have an ecosystem of strategies where different parties are collaborating and this means that however you're working with this you can have a good top down governance. And by the way, we know that organizations that deploy the same --- governance on the strategy execution as they have on the finances, they will succeed. And of course if you have things in a platform you can be much more agile and you can have educated discussions on where are we heading and where are we not heading and you can of course engage people any level in the organization. So bottom up is very possible and you can solve the problem that people do not know how they can contribute. So they can contribute in the overall strategy if you want them to or substrategies.

We also like to say that DecideAct is like a GPS for your strategy. This is despite that I would say 95% of all leaders in modern businesses they are still driving their strategy with a paper map. Who would drive through Europe with that? No one. We all will use a GPS or Google maps or something else to help us to find a way and that's what DecideAct can do for the strategy. And of course kind of over time when our general AI and machine learning things get better, we will also be able to look around corners for now we can talk about roadblocks, we can see how your culture, execution, cultures and stuff like that and can help to predict where will you end. In other words, we can help to engage the entire organization whether it's on laptop or mobile as you will see here. So why is this important? That is because you need quick decision making to succeed. You'll get early warnings and could have consistent follow up. You can have effective execution and you will be flexible and can adapt to changes along the way without changing everything and need to call people for a meeting and look in spreadsheets and PowerPoints to understand where are we really. So a digital infrastructure for strategy execution really really help organizations to be ahead of their competitors but also to succeed. That means managing execution much faster, create transparency on strategic priorities and initiatives make sure that we can facilitate stakeholder alignment and the communication, keep momentum in strategic projects and of course enable early earnings. So that means we very early can know if something is going off track or if risks are popping up and we can act on it and of course we can ensure consistent follow up and as mentioned earlier adapt to changes. I thought I would quote McKinsey & Company just to say that it's not just something we have made up. So they actually have documented that organizations that make fast decisions they will also outperform their peers in the industry. They will usually be kind of four times or actually five times as innovative as their competitors. They will grow three times faster, the organization health would be up to three times better, employee will be 2.7% more satisfied, their financial performance would be two and a half percent better than their competitors and they will be more resilient when they meet resistance or crisis and stuff like that. So in other words to have an infrastructure of a strategy makes it possible to act much faster, be much more agile in strategy and strategy execution adjust to how is the environment. So why do we then in basic exist? That is of course because our mission is to transform strategy into action. On longer run we probably also will be very good decision support for executives and that's where it comes in that we want to modernize leadership through technology which we're already doing. But on the longer run as I said then we will also be able to support decision making much better than we can do today. Our aim is to become a dominant player in the space, strategy execution management is a new industry and there's still space to be a dominant player there. There's not really anyone there which is totally dominant at this point of time and our value proposition is to engage the entire organization or at least to engage the entire part of the organization you want to engage. So where are we and what is our achievements till now? We have reached now after the IPO that we reached 10 million in ARR and that's our first 10 times growth journey and of course we are ready to the next now we have a quite expanding pipeline and it's driven by data and marketing so our wheels are starting to turn faster with

inbound sales. So I would say we are on par with competition and what is the focus and for the coming years and also the proceed from this funding round that is actually that we have first of all a focus for breakeven in 2024 which we expect we will be able to deliver. We have focused on sales activation of course in public sector in Denmark but also in private in general to grow further but we see public sector as a potential game changer and we are getting more and more deals and more in the pipeline there. Then we also have found a way to successful partnerships and we can see we can grow much faster with good partnerships where we fit in to the value proposition of our partners and we can be part of modernizing consulting through technology. Surveys made a year or year and a half ago tells that consultancies that do not have a good backbone of technology in their services, they will be wiped out over the next five years. And then of course we have a focus on large language models or artificial intelligence or AI so we can be better at notifications, better to help with analyzing stuff and all that. And finally of course, as many may know, we have had our first foot steps in Canada and we see Canada as a sweet spot for future growth. But we are still maturing our position there, getting more brands you can say on the shirt, so we can kind of have good references for later scaling there. So that was in short about DecideAct. So I would say DecideAct invest in that if you are on for a journey on a long time investment, you can maybe compare us with Salesforce that I guess 20 years ago was small and the stock price was probably \$2. Today it's 200. If you look at Tesla and look in 2013, I checked that the other day then was around \$2, Well for a stock, and now it's on about 200. We are in the beginning of an industry that is growing and with a long term eyes this should be possible to be a very good investment. Of course we cannot promise that we succeed all the way, but we will do our utmost to do it.

Questions and Answers

Moderator

Thank you.

Flemming Videriksen - CEO

I think thats it. Over to you.

Moderator

Yeah. Thank you so much for your presentation Flemming. I think we'll jump right to the questions.

And as you mentioned, you are now carrying out a new issue of 12 million Danish kroner, of which 77% is guaranteed. What will this capital contribution be used for?

Flemming Videriksen - CEO

Yeah, well we already, as mentioned before we went out with this, that we have assured a presubscription of 5 million and I had a convertible loan in place. So we already have secured what we need in liquidity to gain towards a break even in 2024. But otherwise the funds will be used for the focus areas I just mentioned. So that will be sales activation in private and public sector. Further sales activation, of course it will be to grow our partnerships, it will be to strengthen the use of generative AI and that's basically our focus currently. And then of course that should bring us to a break even.

Moderator

Yes. The company's annual recurring revenue amounted to 10 million Danish kroner as you mentioned in the presentation. That corresponds to an increase of 4% compared to the first half of 2022. Do you see a further increase in the second half of this year, so to speak.

Flemming Videriksen - CEO

Yeah, the number you're talking about, 4%, is of course after Churn and before Churn it had been, as far as I just remembered, 22%. We had an extraordinary churn based on a couple of large clients which was hit by the international environment and just for cutting down everything and including us. Yes, we of course expect further growth this year. Quite a lot further actually. And as we have mentioned in our material, we expect that over the next 18 months we will grow 45% minimum to achieve a break even. So that also means that we need to grow more than 4% this second half.

Moderator

Yes. You have recently communicated new agreement with, for example, a Danish animal rights organization, but also the Iceland Climate Council. Do we have more deals like this in the pipeline?

Flemming Videriksen - CEO

Yeah, we have plenty of those deals from public sector in our pipeline, a number of municipalities which also want to use it for the climate strategy and other stuff. We also have other public sector clients in the pipeline and also bigger associations. So yes, we have more of that, but we also have things pending on the private side as a number of companies from private equity firms and other similar things. We have a quite good pipeline at this point of time.

Moderator

Thank you. You talked a little bit about the benefits in the presentation, but what benefits can business expect by using DecideAct or any concrete example of success stories, so to speak?

Flemming Videriksen - CEO

Well, I think most of the organization which have implemented DecideAct successfully and are mature to go into this, they will also see that they have an execution rate which is probably 75% plus in what they're doing and they will be much more successful in getting things done. They will have easier to handle, complexity, it will be easier for them to navigate and do changes. But maybe most important, the whole idea of having a strategy is of course to ensure new value creation and we are contributing quite a lot to that.

Moderator

And if we look at the world economy. Sounds big, but the economy is pretty tough right now and many industries are struggling. Do you notice a reduced willingness to invest

or maybe a caution from customers?

Flemming Videriksen - CEO

We have not experienced that in terms of caution in the deal making yet, not much. At least there may be a little bit last year. But what we have experienced, as I mentioned earlier, is that we have had a couple of bigger clients, production companies, which have been hit heavily and they have just cut all cost, including of course, DecideAct. So that have affected us. But when I look at the pipeline and the dialogues we have, then I think that actually is a growing interest for a solution like this. It's a new industry and many executives do not know it exists. But we have started to see the demand for it now. So despite maybe challenges in the economy and other things, then I actually believe we will grow and we will grow quite steady in the coming years.

Moderator

Finally, why should investors take a closer look at DecideAct act as a potential investment?

Flemming Videriksen - CEO

Yeah, well, I would say any organization, private or public, are working with plans and strategies and they do not have tools to serve them on that. They might use other things, but they do not have really an infrastructure of a strategy. So if you're an investor, then we are fulfilling a need that most organizations will have, as I said, private or public. And as also mentioned earlier, I think in this interview was that if you have the long lenses on, then I think this is an industry that will grow quite a lot in the coming years. Just think about where salesforce was ten years ago and where it is today, or it was 20. I think this industry will grow as big or bigger.

Moderator

Thanks so much for presenting to us today and answering our questions and good luck going forward.

Flemming Videriksen - CEO

Thank you very much.

Thank you for letting us presenting.

-

Dear Investor, DecideAct delivers the ultimate digital infrastructure for strategy execution management, a new SaaS business category with a billion dollar potential. Since our listing on Nasdaq in 2020, we have successfully built a unique solution and established a significant position in the first markets. Now we offer you the opportunity to invest in a company with a long term perspective and a proven track record of delivering value creating SaaS solution for both public sector and private businesses. DecideAct is also the perfect tool for companies and organizations that now or in the future want to use AI to improve decision making and strategy execution. Our goal is to become a dominant player in strategy management solutions worldwide. We have tested our wings among competitors and DecideAct's technology is clearly among the

best in the market. In short Decideacts business model and its potential is clearly proven. Our strategy is working, the core team and the technology are in place. Our customer base is increasingly growing and partners and online presence are driving sales. DecideAct is ready to scale what works and we invite you to join us on the journey.