



Q1 2021 Results

Tuesday, 11th May 2021

Company Overview

Tom Buehlmann

Chief Executive Officer

Agenda

Good morning, everybody, and welcome to our first quarterly presentation. If we go straight into it and move to the agenda slide, you can see what we are planning to cover today.

First of all, very briefly, since this is our first foray in public life, very briefly, short recap about our company about Cint; then the core Q1 highlights; the all-important, of course, financial summary, and then a short wrap up, and we will have plenty of time for Q&A as well.

In terms of presenters from the company today, two of us today, both of whom you have met, sadly only virtually I think. So Joakim Andersson, our CFO, and myself.

Cint Is A Global Software Leader in Connected Consumer Insights

So if we get straight into it, and look on the first slide, this really is a recap of what you will have seen in our in our roadshow presentations with updated numbers. So what we are, is we are digitising what is still largely an analogue and people-heavy industry as you have seen, and also demonstrating in Q1, we have a large and growing customer base. You can see on the bottom left-hand side the 2,600 b2b customers, and we have added to them very nicely in Q1, and they do tend to stay with us for a very long time. As you can see, bottom right-hand side, almost 70% of our 2020 net revenue came from customers who'd been with us since 2016 or prior to that.

In terms of underlying market, very large, no concern at all about our ability to grow our directly addressable market, €3.5 billion and, as we said during some of the road shows, and we are seeing again today some of the COVID-related attributes or features are accelerating the path of digitisation in many industries, and also ours, which is a good thing, of course. Cloud-based b2b software platform, which will just refresh our minds on the on the next slide. And we do have a strong track record of profitable organic growth.

If you look on the right-hand side, you can see the blue bubbles showing the year-on-year growth; the left hand three, the ones that you will be very familiar with 2018, 2019, 2020 comfortably in the mid- to high 20s. If we look at our LTM through the end of Q1, we have nudged 30% in terms of in terms of organic growth. If we overlay, then, the M&A, and we get to a CAGR of 26%, which we are pretty pleased with.

Strong commitment to data security and privacy; as you would expect, that is something that we spend considerable time and money on. And of course, the global nature of our business. Something that we think is very important as a competitive differentiator. It is something that our clients ask for, and you can see that as evidenced in the in the pie chart in the bottom there, net sales by region. A little bit under half of our revenue from the Americas, a little bit under half from EMEA. And then a very decent 10% chunk from APAC, which is growing very nicely indeed.

A True Global Insights Platform

If we move to the next slide, this just gives a little bit of a recap of our software platform. And you have Cint in the middle there. And just to refresh, refresh our minds, what we really

do is we connect our b2b customers on the left-hand side with the 149 million now consumers who have opted in to the panels on the right-hand side. So really what we do is we allow brands and companies who want to ask questions, on the left, and we connect them in real time and a programmatic way, mostly, with consumers who want to answer questions on the right-hand side. And as said before, we do that very much on a global scale, in terms of customer base, in terms of our workforce, and of course, also in terms of our supply footprint.

Strategy and Growth Overview

Now finally, in terms of the recap, I just want to touch on the next slide on our strategy, because many of the results that we are going to be presenting to you today relate to this. So we have five growth levers that we have talked about in the past, and moving left to right we have increasing share of wallet we have established in five companies; we have growing with the tech enabled, who really in many ways are the future of the industry and growing very fast. We have new customer acquisition, which in the context of our average customer tenure, 6.6 years and growing, is a very good ROI on the sales investment. And then of course, as you would expect, we do spend considerable time and effort and money on expansion of the platform, features, functionality, products, and so on. And then finally, is M&A as well.

Strong Revenue Momentum And Business Model Scalability

So if we now move to the first slide of the Q1 highlights, I would say we have had a really good Q1. That is the two word summary in my view: really good. Net sales increased by 33% and organic growth adjusted for current currency nudged 40%. So very positive indeed.

And then, due to the nature of our business model, quite a large chunk of that cascaded, flowed, down through to the EBITDA, where we have €5.5 million versus €3.2 million in Q1 last year, and our margin is now nudged almost 20% – 19.7% – which compares to about 15% in Q1 2020.

Now we are very much a revenue-driven or sales-driven business model as you will have understood in our recent discussions, and what I find really encouraging is that our growth is really very broad based. So we will go into these areas in a little bit more detail in a second, but you know, both regionally, we have had very broad based growth, but also in terms of customer type we are growing very nicely across both of our major segments that we think about.

Now, I do not want to gloss over COVID, because it continues to have a significant impact. Now from a financial perspective, it does seem to be manageable, right? We do seem to be managing okay, with all the with all the COVID stuff that is going on, but I do want to call out there are still in a significant consequences and impacts for many of our colleagues, customers and partners, particularly in India, and of course, we are doing what we can to help.

In terms of Q1, I mean, obviously, IPO, big milestone; 19th February, we started trading, and that was also the opportunity to welcome 44,000 new shareholders. I do not know how many of you are on the call today. But if you are, you are very welcome; very welcome indeed.

Net Sales Growth Driven by Tech-Enabled Companies And Americas

So that is in terms of overview; if we move to the next slide, this gives a little bit of colour around the net sales. And as I said, it is very broad-based growth. But I will call out in particular two areas. One is the tech-enabled, and secondly the Americas. So on the left-hand side, you can see net sales by customer segment. Very good growth in both of our major reporting segments. But in particular, with the tech-enabled, and I find that to be particularly encouraging. Both on the tech-enabled and the enterprise solutions, we continue to we continue to win. And what we actually did in Q1 is we globalised our commercial teams, which was focusing on the enterprise side, and that really was to mirror how our customers or potential customers are set up there. And we have really a very, very healthy pipeline for that area.

Geographically, very broad-based growth again, and just to kind of remind ourselves, if we take the tech-enabled companies and the Americas as two sort of separate segments, each of those has doubled in size of between 2018 and 2020, which I think is a really positive development.

Regional Development*Americas*

If we now delve a little bit more into the regions, and move on to the next slide. I would say by way of introduction, we have very good growth in all our regions; I think we have very good momentum in all of our regions; and importantly, looking into the future I think we have a very long run, and lots of opportunities in all of our regions as well.

If we talk about them in a little bit more detail individually, moving left to right, the Americas, it is really, really positive momentum. We have that in new business, we have it in the tech-enabled sector in particular. And really the momentum we have there does not show any signs of slowing down at the moment.

Enterprise offering which we talked about the last time we met: right now we are relatively modestly represented in the Americas in terms of enterprise customers, but we really are starting to gain traction there. And as I said just now, pipeline is looking really good, and we are really going to continue to invest in the US as it is the largest market research insights market in the world by some margin, and we have lots of opportunities left.

EMEA

In terms of EMEA, also good growth. And there we have very good opportunities to maintain and grow our share of wallet in many established customers, particularly the Nordic. DACH region, and the UK, definite, definite growth opportunities. In particular, well both actually, and the UK. And as we spoke last time we have started modest, I would say, investment into nascent markets, Middle East, Africa. And really, I think this goes back to one of the COVID impacts: some of these nascent markets are digitising more rapidly than even they were before. And we obviously want to make sure that we are in a good position to take advantage of that.

And then finally, but not least, APAC, very good percent year on year growth; very good momentum. We are focusing as you will recall, in Australia, and New Zealand and Japan as priority markets. And we continue to see very good traction there.

Strong Track Record of Operational Kpis

Next up, I would like to move on to some KPIs. If we move on to the next slide. And then in the past, we have talked about b2b customers, we have talked about consumers, and completed surveys. If we again move left to right, I think good progress in Q1 in terms of connected in terms of – in terms of b2b customers. I think we are on pace for adding 500 new b2b customers during the course of 2021. I think the combination of how long they stay with us – the tenure of 6.6 years – and our ability to generally grow share of wallet wisdom really makes for, in my opinion, a pretty powerful cocktail to continue the momentum that we have on the demand side.

Which is a good segue into the connected consumers: we do have strong demand, we are seeing strong demand, and we are ready for more connected consumers. We are ready for more; we have added some in Q1, and we are ready for more. And as you know, we have a dedicated in-house team focused on identifying the right sort of panel partners, and other companies who want to partner with us, to provide connected consumers. But equally, this is an important part of our M&A rationale. So we are making good progress on the M&A side as well.

And then finally, in terms of metrics, it is important to talk about the completed surveys. Now optically or mathematically, it does not look like a massive uptick between 2020 average, or total rather, and Q1 LTM. And that is really a function of product mix and pricing. So there will be variances just as there are in GM, quarter on quarter, and those are driven really by product mix and pricing. And so it is not a cause for concern at all, I would say; it is showing trend in the right direction.

So that is really it from me in terms of Q1 highlights with a bit of a deep dive into some of our key customer segments, regional view, and how we are thinking about our KPIs. And with that, I would now like to hand over for to Joakim, for the all-important financial update.

Financial Update

Joakim Andersson

Chief Financial Officer

Q1 Financial Highlights

Perfect; thank you, Tom. I will now take you through a couple of slides with the financial highlights of the first quarter of this year. So first, to your left on this slide and the net sales development. And as you have heard Tom say, we have seen a very good growth in all regions and good revenue contribution from them. And when we add it all up, it goes to a total revenue of €28.1 million in the quarter. And this as said corresponds to an increase of 33% compared to last year. And when we exclude the currency impact, we are showing a 40% growth in the quarter.

Secondly, our gross profit in the middle, and it grew from €11.4 to €14.5 million or 28% as a result of the strong revenue growth year over year. The gross margin declined slightly to 51.5% on the mix effects relating to customers, products, and supply partners. And then thirdly, and to your right on this slide, you have the development of our profitability, the adjusted EBITDA. And as you can see on this slide, we had a substantial uplift in profitability,

year over year. And we reported €5.5 million of adjusted EBITDA, which corresponds to 75% increase and 19.7% margin.

And this improvement is primarily driven by this strong revenue growth and the ability to scale the operating expenses.

Underlying Scalability Underpinned by Well-Invested Organisation

And if we move on to the next slide, we can zoom in a little bit more on the profitability drivers. And what we can see on this slide is an overview of our operating expenses. And I have a couple of comments of clarification to make on this slide. And we have highlighted the items I will speak to with the red dotted boxes to the right.

So in the first quarter, we are recognising €2.4 million as items affecting comparability. This includes two items. So first, the cost for the IPO, which amounted to €2.8 million in the quarter, and then secondly, income in relation to a loan forgiveness in the US amounting to €426,000. So these are both included in the reported OPEX, but excluded when we show the adjusted numbers to better reflect the underlying performance.

The second highlight is on the scalability. And you can see that the adjusted total OPEX to net sales is coming down from almost 39% in Q1 2020 to 32% this quarter. And you should not draw too much conclusion based on a snapshot number like this, but rather look at the longer trend. And we are seeing this moving in the right direction and feel very good about the scalability of the business model.

Then the third and final highlight is on the adjusted EBITDA margin and the Q1 number of 19.7%. The highlights here apart from the number as such is that we, in this number, have €805,000 positive FX effect relating to the revaluation of balance sheet items.

And then finally, as you can see on the bottom graph, we are on a good trajectory on the LTM adjusted EBITDA margin development with solid improvements quarter by quarter.

Strong Balance Sheet With New Capital From The IPO

So let's turn over to the balance sheet highlights on the next slide please. And the key takeaways on this slide are on the capitalisation and the cash position, both obviously as a consequence of the IPO in February. And there we issued 10.6 million new shares at the price of 72 SEK per share. And with that we ended the quarter with a total cash position of €68.7 million and a total equity of €221 million. So with almost no debt, we are very well capitalised, and we are in a good position to execute on our strategic priorities. Next slide please.

Cash Flow Highlights

So if we take a quick look at the cash flow highlights as well. So the total operating cash flow for the last 12 months were €5.3 million, but for the first quarter of this year it was negative €4.4 million. And this was driven by an increase of the net working capital, which in turn was a consequence of the top line momentum, but also due to the repayment and forgiveness of COVID-19 related government loans from last year, in total amounting to €1.8 million. Apart from that, the cash was increased by €69.1 million from the financing activities. So again, relating back to the IPO in February.

Financial Targets

And then finally from me on the next page, please, we have our financial targets. This will be a repetition for the ones that followed us during the IPO, but we have established two financial targets and a dividend policy, as you can see on this slide. So first, on the top, we have the sales growth target. And we are aiming to maintain an annual organic sales growth of at least 20%. For Q1 we are clearly in line with this target, and we see no reason for why we should not be able to deliver in line with this going forward as well.

Secondly, in the middle, we have the profitability target here. And we are saying we are going to achieve at least 20% EBITDA margin in the medium term. And we feel comfortable also with this target, and have seen great momentum during the first quarter of this year, also as highlighted on the previous slide.

And thirdly, our dividend policy. And as you can read on this slide, we are not intending to pay any dividends in the short term. As you can understand, having just raised new money, we are rather focused on investing into our business, both through organic initiatives, but also through acquisition.

And that concludes the financial section. So back to you, Tom for the summary.

Summary

Tom Buehlmann

Chief Executive Officer

Great, thanks. Thank you Joakim. So if we move to the to the summary slide, I mean, this is a recap of our investment rationale, when we last – when we last met, but I think it is a good slide to show because I think our Q1 results, kind of support or reinforce what we said a few months ago.

We definitely continue to operate in a large underlying market with very structural positive shifts in our favour. As I said, I think some of the positive COVID impacts, if that is the right word, are accelerated digitisation in some markets, and the start of digitisation in others, which is obviously a good thing for us, even if COVID overall is horrendous.

We think in terms of our positioning, we are very well positioned at the centre of the value chain, at the choke point of supply and demand, as we said before, which is a very good place to be. We do have a very scalable software platform with a loyal and, as we have shown, a growing customer base. And equally, we said last time, we have a good track record of organic sales growth with margin expansion. And I would say our Q1 results are definitely a big tick on both of those points.

And then I guess perhaps most importantly, we continue to be in our view very well positioned for future with multiple growth levers. We have very good traction with tech enabled; we have good momentum with our established players, our established customers. We are securing new customers, as we have shown in Q1 and M&A as a as an additional strand, or growth lever, as well.

So overall, I would say we are pretty pleased with Q1. And with that, I think that brings us to the end of our formal presentation.

Q&A

Predrag Stefanović (Carnegie): Thank you very much for answering my questions. Wondering a bit on your on your guidance here, or financial targets rather. So you want to grow at least 20% organically versus a much stronger figure posted now for Q1, which is also true for the end of 2020. And I know 20% is in the medium term. But can you help us a bit on how we should think in the near term where momentum seems to be quite strong?

And then Tom, I think you also mentioned, you see no reason for slowdown for example in the US.

Tom Buehlmann: I will start and then Joakim, feel free to chip in as well. I mean, I would say I would like to stick with our guidance that we have for the time being; it is our first quarterly presentation. Let's get a few more quarters under our belt and then talk about maybe re- discussing the guidance or not.

I mean, more fundamentally, I agree with you; as I said, I do think we have very solid momentum, I think it is broad based which is encouraging. On the revenue side what I would say is, I think the quarter-on-quarter comparisons versus 2020 are going to be potentially what is the right word? Odd. Because 2020 was a very unusual year. It did not mirror our traditional, if you like, business phasing that we have at all, for all the kind of obvious, well known reasons. And therefore, I think we are going to see some unusual year on year comparisons in future quarters, would be my hunch right now.

But I really do not know, I guess none of us know, what really is going to pan out and vaccinations and all the rest of it. But I think the upcoming quarter, year on year comparisons are going to be unusual and may or may fluctuate. And so that is on revenue, and EBITDA, I would say, I think, yes, we have clearly had a really good EBITDA and that is good news, because it does show the inherent scalability in our model. Having said that we have a bit of FX tailwind in there.

Having said that, we have also hired people; I think it is 27 people we added in 2021 in Q1 just gone. That is a little bit behind where we originally planned to be; not much, but a little bit. So I think there is going to be some swings and roundabouts on the EBITDA as well going forward. I mean, Joakim, do you have any additional thoughts on that?

Joakim Andersson: No, I think that is summarised quite well. It is on the kind of seasonality and year over year comparisons in the quarters, on the growth. And yeah, on the FX. But still, the scalability point is valid, but nothing more to add.

Predrag Stefanović: Alright, cool, that is very clear. And one question on the gross margin as well. If you could elaborate a bit on it and why it is down in year over year terms. I know you mentioned mix in supply, but can you give some more flavour on these drivers?

And also, what do you think about this process that is[?] ahead? And I think you said also, Tom, that the direction of travel is improving. So summarise the gross margin, if you can.

Tom Buehlmann: I mean, I think we have said, during the roadshow as well, that we fully expect and have seen that in the past, gross margins fluctuate a couple of percent points plus/minus quarter on quarter. But the inherent direction of travel is in flat to slightly positive direction. So I am not concerned by that. But it is product and customer mix, which being a

platform, we are facilitating supply and demand, and therefore it is not totally in our control as to which customers buy and which kind of panels or respondents they choose to pick from.

So it is – I think it is just within the realms of normal fluctuation is my read on that. Joakim?

Joakim Andersson: No, no, I agree with you. For the last three, four quarters or three quarters have been really within in the 50.5 and 52, 53 percentage range. So I think that is, probably what you should expect going forward.

Predrag Stefanović: Right. Thanks very much, guys, for taking the questions.

Tom Buehlmann: Not at all. Pleasure. Thanks for your interest.

Julian Serafini (Jefferies): Thank you. So a couple of questions from me, then. I think number one is, Tom, I think you spoke about expectation of adding around 500 or so b2b customers this calendar year. Can you share a little more insight in terms of what kind of customers you are looking to add? Are you focused primarily market research agencies and online survey companies? Or should we think about it more in terms of traditional enterprise, CPG companies and so on? That is one angle.

And then the second question I had was, you also talked about the M&A potentially for panel losses[?], right? Something that you're looking at doing? Can you discuss a little bit your expectations from what that would be for an uplift in terms of gross margins, and EBITDA margins, if there should be one or not for M&A?

Tom Buehlmann: Sure, I mean, I can start from those. So in terms of the customers, our primary focus continues to be the market research and insights space, as we talked about last time. So we do have about 10% of our revenue coming directly from brands, but that is not something that we are aggressively pursuing, at the moment. A couple of reasons for that.

Number one, we still think we have loads and loads of runway in the market research/insights space. And secondly as you will know, Julian, the tech enabled sector, Caltrex[?], [inaudible] Survey Monkey and others, that is that is their bread and butter, which is to productise, package up if you like, research methodologies into easily usable UI and UX, and make that available to brands.

So you know, we do not want to get into, it is not helpful for us to start competing with them, partly because they are very important and valued customers, and partly because they are very good at what they do. So market research and insights continues to be the primary focus for us in terms of in terms of new biz dev. And then in terms of in terms of M&A you kind of asked where we are at. I mean, we are making good progress. There is nothing that we can share today, in terms of specifics. But we raised some primary, we have some bank debt that Joakim talked about. So we do have some considerable dry powder. And we have had, and continued to have, some very good discussions in that area.

In terms of the financial effect of M&A, Joakim, I think that is a good one for you to pick up.

Joakim Andersson: Yes, sure. So I can add to that from that angle. I mean, it is so dependent on what the target company would look like, right. But, as we said before, we are looking from a number of different lenses, when we look for companies to acquire. From the finance or the P&L respect, there is a revenue component potentially there because we are

looking for panel companies to supply partners, where we have unmet demand; that would have a revenue impact.

If the target company would be a partner of ours already and then we would have the gross margin effect, which would mean that we do not share revenues with them. So we can keep that for ourselves; that would have a positive gross margin effect. And then thirdly, on a P&L perspective on the EBITDA, and more to the synergy level, perhaps, it is also depending on whether they have team overlaps, or there are tech overlaps and kind of [inaudible], really, through hard synergies that we can take out from the cost base probably primarily.

But it all depends on what the target company looks like, what financial results or P&L effects we will get out of an acquisition.

Julian Serafini: Okay, thank you, that makes total sense. Yes. One last question, if I can just put one in quickly. You guys have showed Kantar as a customer a couple of slides ago: we have seen Kantar grow and acquire – I think it was Numerator last month; I believe it was. I mean, could that potentially change the relationship with Kantar? Or anything you can comment on that?

Tom Buehlmann: It is early days for their acquisition. I mean, Kantar, as you will know, is organised into different divisions. It was the Insight division that made the acquisition, at least that is our understanding. Whereas our primary commercial relationship is with the Profiles division. So no, we do not expect any dramatic change. Because what Numerators do is they are very, very good at what they do. But it is different to what we do, and we work for a different part of Kantar.

Joakim Andersson: Got it. Thank you.

Tom Buehlmann: Thank you.

Daniel Ovin (Nordea): Thank you very much. Congratulations, Tom and Joakim for a strong set of numbers here on your first reported quarter. So I was just one thing on the very strong sales growth. So you mentioned a couple of times here that we have the pandemic and then you also seen a very strong digital commerce developing during this time. But I just wonder, do you have any idea of how much this actually have supported your sales? I mean, would you have been close to these kinds of levels without the pandemic you think or is it a major support to your to your sales development? That is the first question.

Tom Buehlmann: Daniel, it is a really good question. But one I find impossible to answer; maybe Joakim is smarter than me. Maybe he has a good idea, because I mean, what you are kind of asking is, what would have happened without COVID? And I would be BSing you if I tried to answer. Honestly do not know because most of Q1 last year was not COVID impacted; we started to see a little bit of an inkling at the last weeks. This year definitely was. And it is pluses and minuses, right. So, pluses are, at the macro level, a lot of a lot of need on the demand side for digitisation. It is consumers connected consumers around the world, kind of reaching to be more digital if they can, because they cannot meet up and transact and interact face to face anymore.

On the other hand, on the negative side, is some brands and some sectors majorly impacted by COVID, and having to reduce their spending dramatically in all sorts of marketing and market research related areas. And then you have the whole kind of geographical. It is

really very hard to predict or to even give you a sensible answer. So, I am not going to try. Joakim, do you have a...?

Joakim Andersson: Thank you for putting me on the spot, saying that I am smarter than you. But what I think – and Daniel you know all of this I am going to say now. But what has happened, to repeat, and maybe in other words, the same words, I do not know. But what is happening is that this is driving the digitalisation of the sector, it is driving the need for cost efficiencies, it is driving a need for more consumer insight because the consumers' behaviours have changed.

And as you know, when you are in a sector and digitalisation is happening, and then if there is some kind of normalisation, if you think about the normalisation or COVID, at least hopefully, the digitalisation is not turning back to kind of offline there online shift, not turning back to offline. Face to face meeting, low efficiencies; digital meetings, more efficient. So that is obviously beneficial for us, but then to isolate and draw out or present a number and that effect on our P&L? No, I agree. It is impossible, probably.

Daniel Ovin Okay. Alright. Fair enough. One more question was on this IPO side, and I understand that you cannot say more details, but just so we understand the process around this. Because during our discussion, previously, you talked about the nine targets that you were reviewing. And I just wonder, is this still the case that that is the number of companies that you are looking at? And how, what is the availability of panels for you to acquire? I mean, are there a significant amount of that, that you think could be a potential targets for you? Or is it more of a handful that that you would like to acquire? That is my last question. Thank you.

Tom Buehlmann: Sure. No, thanks, Daniel. So there are two questions within that, I guess, if I heard you correctly. First of all is kind of how are we getting on with our list? And the second question is, how many targets are we planning to acquire? So in terms of the list, it is still in the sort of eight, nine, ten range in terms of numbers.

What I will say, though, is that we have had intensive discussions, we have a substantial team of people working on this. So some have fallen off the list for different reasons, but others have joined. So I would say we are still working on a substantial list with different companies at different stages of the funnel, if you like. But we are getting more refined and more specific.

So that is in terms of the list, and then in terms of how many, I would reiterate what I said last time. We are absolutely not – and I emphasise 'not' – wanting to become a panel company. That is not our intent. But a small handful of, for us, strategic acquisitions in either strategic geographies or to fill out gaps in our kind of profiling point. That absolutely makes sense. So I think about a small handful, not dozens and dozens.

Daniel Ovin: Perfect. Okay, that is all; thank you very much.

Tom Buehlmann: Thanks, Daniel.

Viktor Högberg (Danske Bank): Hi, good morning. So a follow up question on that point, which you already touched upon. But the EBITDA margin here. You are almost at the 20% target during Q1 rolling 12 months, a bit below that. But this is with Q1 being seasonably a

very small quarter. I know you had some positive effects from FX. But what to expect going forward in terms of the timing of the EBITDA targets?

Tom Buehlmann: Joakim, do you want to start on that one?

Joakim Andersson: Yes, sure. I mean, we stick to the guidance for the targets that we set out a quarter ago; we obviously had good momentum here. You know the FX effects, but take that out as well. But we are definitely on a good trajectory and we see no reasons for why we should not continue on that path. Then it is also difficult to just extrapolate the effects from our first quarter and use that to say that we will hit this in the next quarter. So we will stick to the medium term guidance on the 20%. But we were off to a good start in this year.

Tom Buehlmann: The other thing Viktor I would say is, you mentioned phasing and that Q1 typically is not our best quarter by some margin. And you are absolutely right. In our 20-plus years of history, Q1 has never been our best quarter. But this goes back to what I tried to say a little while ago: I think we are going to see some unusual phasing and seasonality in this new world, if you like, because last year was so weird. And because the impacts, both positive and negative, of the pandemic are going to kind of play themselves out this year.

So I think some of the year-on-year comparisons are going to be a little bit unusual. And I do not think any of us know exactly how it is going to look in the coming quarters, despite 20-plus years of relatively steady seasonality, I think it is going to be unusual, for this year at least.

Viktor Högberg: I understand. I understand that the year over year growth rates will look kind of funny, maybe, but in terms of sequential development, do you think we could have some kind of guidance from the previous seasonality with Q1 being a small quarter, Q2 above that in terms of absolute numbers in sales, Q3 below that and Q4 the highest one? Would that be expected this year as well. Or in terms of sequential development?

Tom Buehlmann: I think Joakim has this big red button on his desk, which if I talk about the future too much, he presses it, and then I go silent. So trying to navigate around the red button, I think I am going to restate what I said, which is I think the seasonality and the phasing of this year is going to be different than it has been in the past. Just because of all the circumstances that we have talked about. So we do a positive momentum, we are confident of meeting the guidance will be given to the year. But Joakim, is your finger hovering above the red button?

Joakim Andersson: Yes, no, exactly. I mean, fundamentally, Viktor, I think you are right. If you look at what was driving the seasonality in the past, it is definitely around, take Q4, which is the strongest one, I mean, where there you have all of the budget dumping, and you have the shopping and seasonality of Christmas and all of that. That is probably going to remain. And I mean, a little bit of the same on Q2. So I would say that is underlying, yes. But then we have this filter of whatever COVID brings to us and lasting effects from that.

But I would say that it is probably fair to assume the basic underlying seasonality continue. I do not know if that helps at all.

Viktor Högberg: Yeah, sure, absolutely. It helps. And so in terms of costs this year, in the report, you write about the loan forgiveness, €2.4 million in Q1 and positive effects on EBIT,

and then the remaining €1.1 million. Is that going to be taken now in Q2 and reduce costs in Q2 with €1.1 million?

Joakim Andersson: Yes, correct. And it is likely going to be treated the same way as in Q1, so we will adjust for it when we talk about the adjusted numbers.

Viktor Högberg: Of course, and in terms of other costs to adjust for, do you have any outstanding or remaining non-recurring costs from the IPO, or activities?

Joakim Andersson: No.

Viktor Högberg: And which you will take during the rest of the year?

Joakim Andersson: No. That book is closed.

Viktor Högberg: Okay. And also on the working capital, is there a slight step up here or in terms of the share revenues step up from the Q4 level as you grow. Is this a level to expect going forward? Or what do you expect in terms of the net working capital in relation to sales?

Joakim Andersson: Yes, I think we are all very happy with the report and everything in the report, except for probably the working capital and how that turned out in the quarter. There are a couple of kind of quality runoff effects in there. Which is, as I said, on the government subsidies that we have now paid back and been forgiven, on the table side or liability side. On the asset side, we are building, we are tying more capital as we grow. So that is something underlying in the trends, we should probably expect going forward as well.

I think there are some other effects in there. I am not happy with the number in Q1. Let's put it that way; I am excited enough.

Viktor Högberg: So given your fast growth over the past couple years, doubled your revenues over the past couple of years, do you have some negotiations to do with your suppliers and your customers in terms of the payment flows, that can be any low hanging fruits?

Joakim Andersson: There might be fruit; I do not know if they are low hanging, but it will be fruits that we are chasing and trying to pick.

Viktor Högberg: Okay, so last question for me. It is a bit hard to separate out the quarterly number of completes in Q1 versus Q4. And to be confident that I have the executive leader write numbers to in order to get the revenue per complete. Could you elaborate a bit on that metric and where you think that is trending?

Tom Buehlmann: Joakim, do you want to kick that one off?

Joakim Andersson: I do not have the exact number in front of me. And I know that you want to do that calculation as well, which is a little bit difficult. And probably no one remember that we spoke about the complete[?] the private marketplace and within the enterprise solutions that it is this distorting or disturbing that calculation a bit. But we might be able to get back to you on a little bit more detail. I do not know, Tom, if you have anything more on high level trending?

Tom Buehlmann: Well, high level printing is that pricing at the moment is going a little bit of upward pricing pressure. Because this is anecdotal evidence from our colleagues and partners in the industry. There is good demand across fairly large sections of certainly the

tech enabled sub segment, but also on the more established, and, because we operate a marketplace, supply and demand is never perfectly balanced. I would say right now there's, we have very strong demand and supply is being ramped up.

So directionally I would say there is upward pressure on pricing at the moment, but –

Joakim Andersson: That is from the open exchange complete, by the way.

Tom Buehlmann: That is from the open exchange complete. Exactly. And what we would expect is over time that that evens out because as the industry realises there is upward pressure then there is new supply that comes on stream and so on. So over time, it will even itself out, but right now, there is a little bit of upward pricing pressure on the open exchange. Does that help, Victor?

Viktor Högborg: Absolutely.

Fredrik Lithell (Danske Bank): Thank you very much. Hello, Tom and Joakim. Nice to be on the call. Many questions have been answered. But I thought that maybe you could elaborate a little bit on the traction you have on the business customer side, connected consumers in relation to your OPEX. I mean, how do they correlate? How much do you need to sort of add on at least in France, for example, from the one you had that last fall in order to build that base in France specifically, and how do you wash that? How is the plan for that going forward? Thank you.

Tom Buehlmann: So, if I may start and then Joakim, you can step in as well. So the way we think about I mean, it is really a question around scalability of commercial teams, right. So, the way we think about that is we get it in three phases, right?

So initially, when we when we identify a new geography and that is typically done with data from our platform, because we get requests for respondents in, I do not know, let's pick the example of South Africa. We say, okay, we are now at a point where it makes sense to have some, folks on the ground. Typically, what we do is we start with one or two people, so very modest, just to just to kind of effectively to confirm that there is proper serious demand on both the demand and supply side in that country. We then we then keep that at a relatively modest level of investment for a number of quarters, just to make sure that the data following. We are not taking decisions on blips[?]. And then we start to invest, and adding more folk, and it is at that point, generally, that the kind of scalability of our model kicks in, and we start getting very profitable returns from those folks. Because at the end of the day, a single sales individual sells a couple of 100,000 versus a couple of million, it obviously makes a big difference.

And I would say we are definitely investing, as you say, in France, and South Africa, in the Middle East. And testing. And conversely, if we throw our mind back to the Americas history, when Nordic bought the business in 2016, doubling down of commercial resources was an objective. And, and we did, and we are now reaping the benefits of that in the Americas. So as we think about that, in terms of those three phases: testing, investing, and then reaping the results. If that helps.

Fredrik Lithell: Absolutely. And just a follow up on the connected consumers then, how big total sort of panel and data do you need? Or is there a situation where you know, the extra

benefit from adding another 10 million is so low that you won't go there? I am not saying that 149 is the endpoint but how do you think about that?

Tom Buehlmann: So I do not think about an absolute number, I think about having a supply number that is sufficient for the demand that we have, so we are operating an exchange, and aggregating supply and demand to the benefits of the other side. And so you know, as our demand grows, so our supply needs to grow.

And so the trick in our business model, and it is a bit more art than science, is to grow both supply and demand, more or less, in tandem. Now, we can never get that right. And as I said earlier, right now we have very good demand-side activities. And so we do want to and need to and will add more on the on the supply side, as a focus now. But there is no magic number to say 10 million is good and the additional five after that is bad. It all depends on what is happening on the demand side, at a macro level, and then we actually look at it much more granularly than that, because global demand is irrelevant, right? What we need to look at is by region, by sub segment, etc., etc. So that is how we think about it. You know, if we continue to grow very well, on the demand side, then we need to continue to grow very well on the supply side as well.

Fredrik Lithell: Perfect. Happy with that. Thank you. Thanks.

Tom Buehlmann: Great, thank you, everybody. That is just inside the hour. So really, thank you from all of us at Cint Group for your interest in our company. And we look forward to continuing the dialogue. We are going to be meeting some of you over the next couple of days, and in any case in another quarter's time. So thank you for your time this morning.

[END OF TRANSCRIPT]