



Cxense ASA – Q3 2017

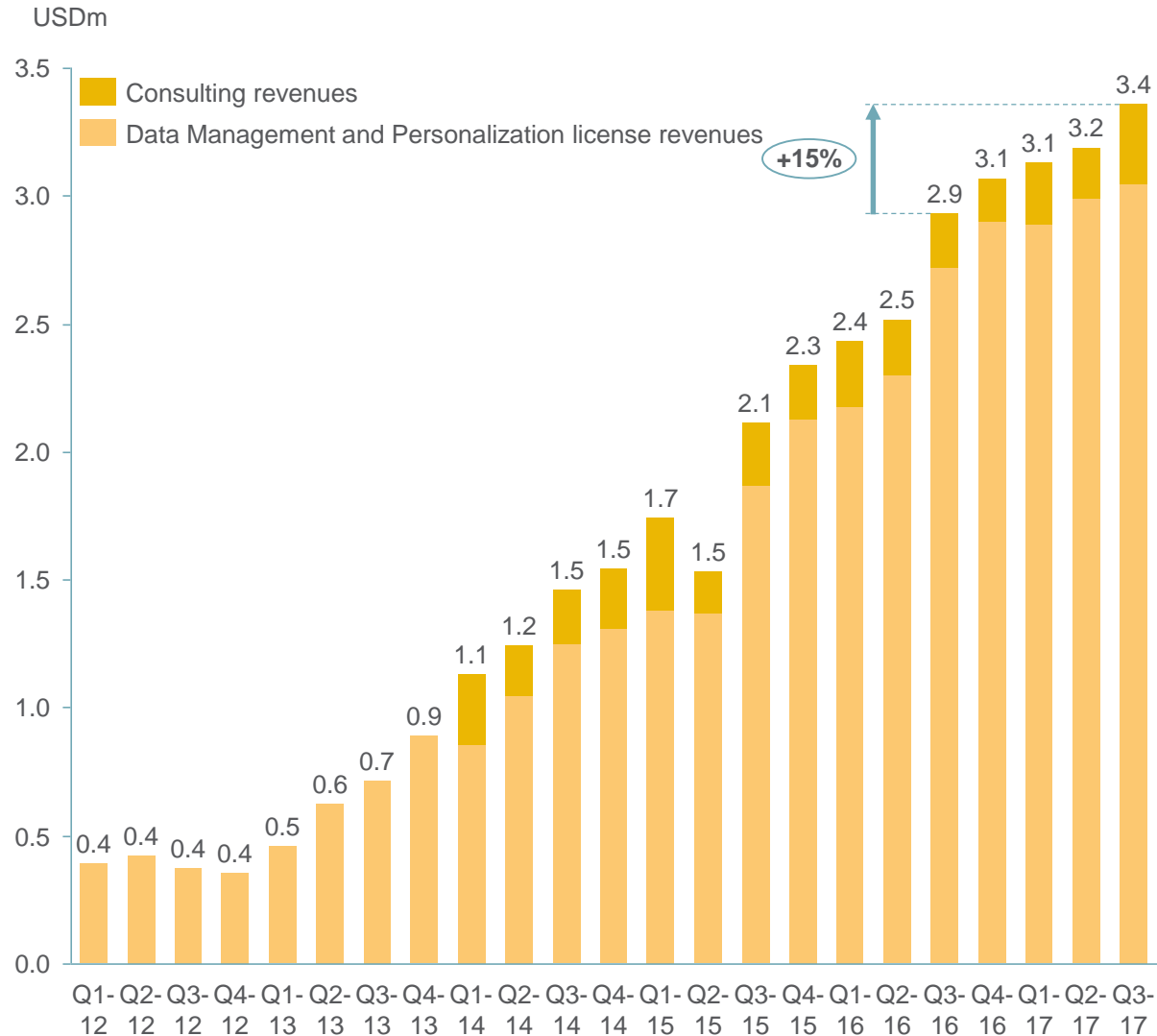
14 November 2017

Cxense at a glance



Sector	Software-as-a-Service
Product	Data Management and Personalization Software
Value proposition	Increasing online engagement and digital revenue
Customers	~170 publishers and ecommerce companies
Data processing	2.0bn devices, 20bn sessions per quarter, 22 thousand events per second
Offices	Oslo (HQ), Samara , NY, Buenos Aires, Tokyo, Singapore
Ticker	OSE: CXENSE

Q3 2017 – highlights



Strategic change to focus on Data Management and Personalization

- New CEO in place to execute strategy
- Sale of non-core assets progressing well

Growth in core segments of Data Management and Personalization

- 15% YoY and 5.3% sequentially
- Sales and churn improvement from Q2, but behind targets
- 26 new contracts

On track to reach post restructuring target EBITDA for Q1 2018 of USD -0.5 million

- 83% of OPEX reduction target of USD 3 million is realized
- Gross margin improvement of 3% from hosting optimisation

Financial runway beyond break-even secured

- Completed USD 5 million share issue
- Sale of mporium for USD 3.8 million vs USD 2.4 million cash investment
- Q3 2017 adjusted cash position of USD 12.2 million

The future of Publishing, eCommerce and marketing

Data is your most valuable resource

Cxense offers a leading data management platform (DMP) with intelligent personalization

1 Unique user tracking



2 Rich user profiles & segmentation

User Profile

Cxense User ID 13582808835611410522184
 External User ID ABC1234

Desktop	139	90.25%
Tablet	8	5.19%
Mobile	7	4.54%

Gender
FEMALE
 Age
31 YEARS

Top Interests



Top Intent

iphone 5s
 hotel berlin
 breaking bad
 playstation 4
 siemens washing machine
 action camera
 zara

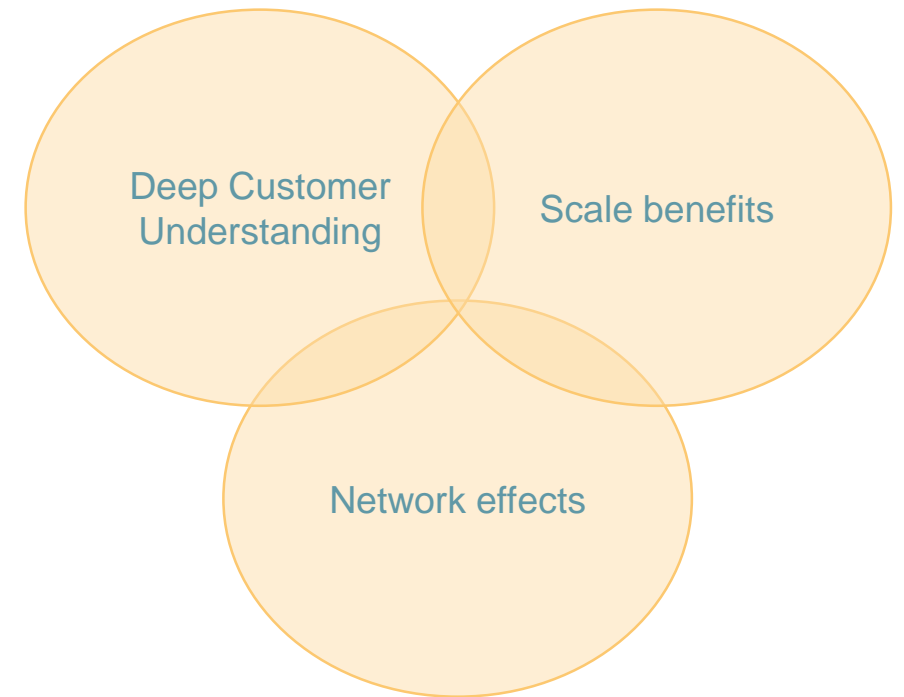
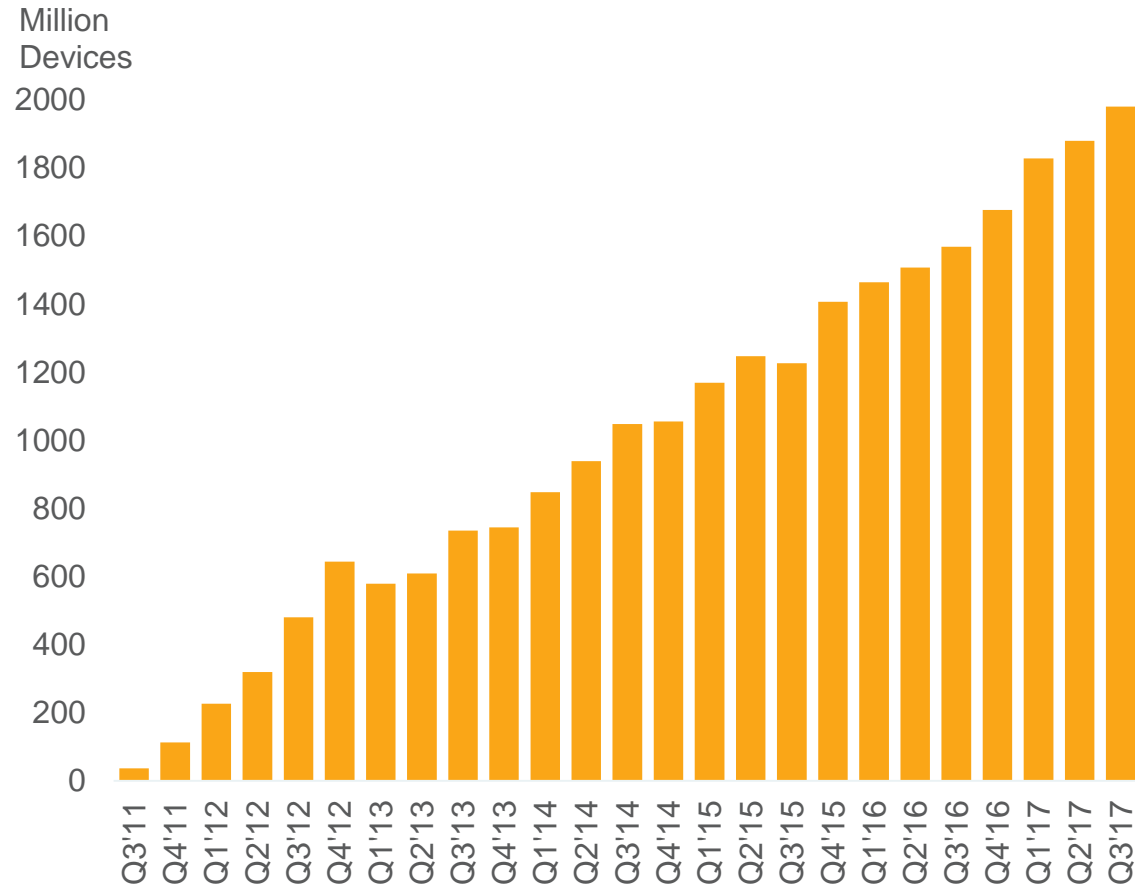
External Customer Data

Segments	CRM Data	Purchase History	Other
Female Hipster	Expiry Date: 01/2014	Segment Score: [Bar]	
Food enthusiasts	05/2015	[Bar]	
Barcelona Fan	06/2014	[Bar]	
Apple Fan	02/2015	[Bar]	

3 Real-time personalization



~2.0bn connected devices – a solid foundation for value creation



Well positioned in strong growth market

Significant and growing market opportunity

Digital Marketing Software Market of USD 33 billion, growing 15% annually

Cxense is well positioned considering the main market development trends

1. Overall digital marketing sector growth remains strong

- Overall market growth is strong, driven by CMO-directed spend and SaaS delivery models. Within the marketing Stack, personalization, is among the fastest growing segments

2. Personalization works, but many hurdles such as organizational hurdles, stands in the way

- Companies are seeing significant ROI from personalization solutions. This is counter-balanced by many inhibitors, such as silos, organizational hurdles and lack of technology understanding

3. Trend towards a centralized, integrated data layer

- A dedicated data management and action layer that facilitates multi-channel personalization is emerging between engagement applications and marketing infrastructure

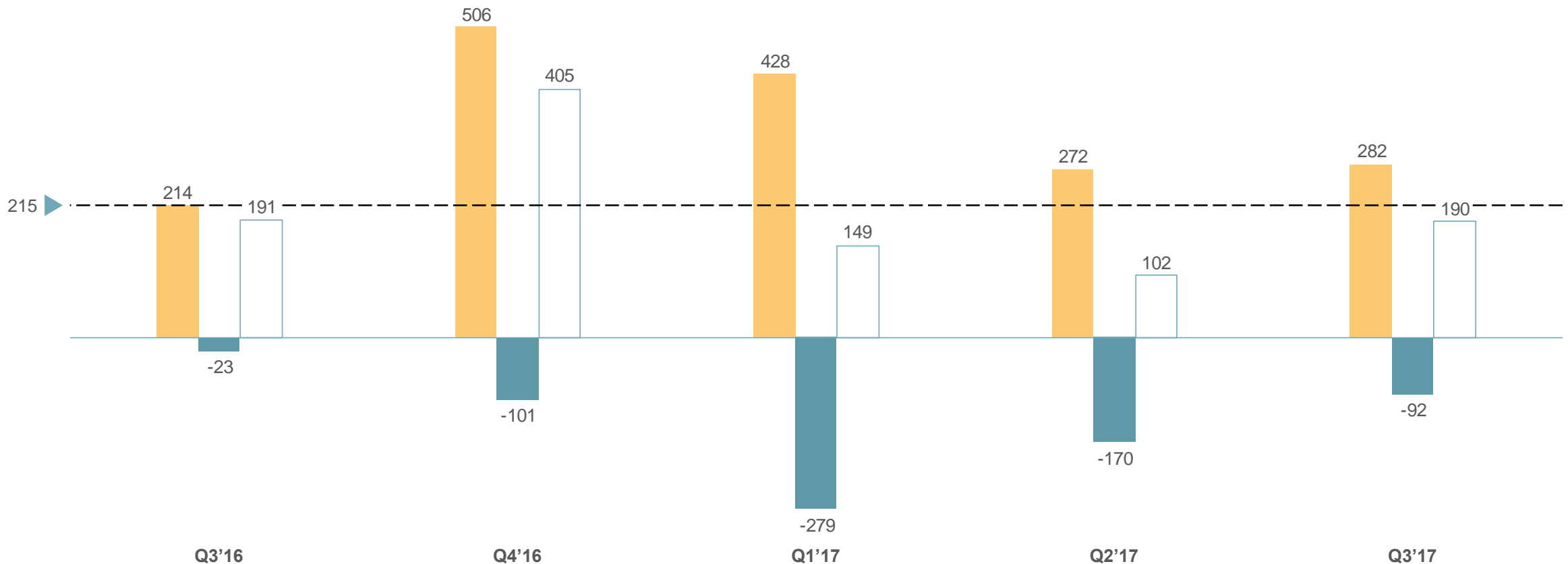
Net new QRR of USD 190k – up from previous quarter

Value of lost QRR lower than in previous quarters

DMP & Personalization – new and lost quarterly recurring revenue (QRR) – value of closed and terminated contracts in the period*

USD thousand

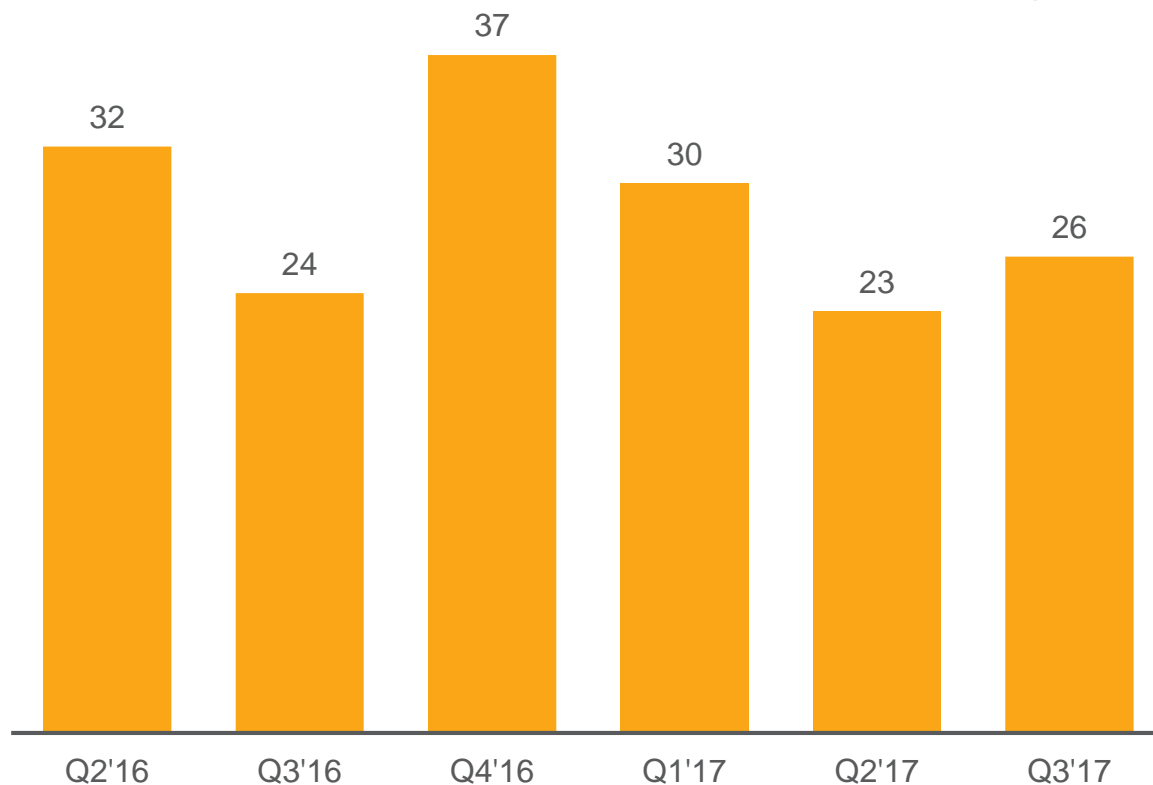
■ New QRR ■ Lost QRR □ Net new QRR - - - - - Net new QRR assumption in growth illustration in Q2 pres.



*Full recurring revenue value of contracts closed and terminated in the period. For comparison to effect in reported figures see appendix.

26 new contracts in Q3 2017

of new SaaS contracts for DMP and Personalization segment



- Closed 26 new contracts on Data Management & Personalization
 - QRR of USD 282 thousand
 - 38% of contracts were upsell on existing customers
- Closed additional 3 contracts on non-core business
 - QRR of USD 24 thousand
- With new strategic direction all focus is shifted towards core business in Q4

New customer in Q3: Mediahuis (Belgium)

Increasing their online revenue through targeted advertising

What we are doing

- Track users across all online assets of Mediahuis incl. classifieds
- Build segments based on all data collected through the Cxense DMP, as well as imported 1st party data
- Deliver segments in real-time to Google DFP
- Sequential targeting across adserver/SSP



MEDIAHUIS

Customer with increased scope in Q3: Norsk Tipping (Norway)

Broad set of commercial use cases based on DMP

Where we started

- Simple personalization of banners on own site



What we are currently doing

- Online tracking of all user traffic on Norsk Tipping.no, covering both mobile and desktop
- Cross-device mapping of users, increasing data precision for analytics and audience segmentation
- Actionable data warehouse with >80% match rate for all online users
- Personalization of banners on own site based on a number of commercial use cases

Company restructuring on track

Q1 2018 target

Status

Divestment of non-core assets

- Clearer positioning
- Removal of churn from non-core segments
- Organizational focus on high-growth areas

- Mporium shares sold in November
- Processes initiated for other assets
- Completion by end H1 2018 at latest

Cost reductions

- USD 3 million quarterly OPEX reduction
- 5% gross margin improvement
- Q1 2018 target EBITDA of USD -0.5 million*

- 83% realized. Remaining is divestment dep.
- 3% in Q3, full effect from Q4
- On track

Organization

- Customer-oriented and right-sized team driving growth for core segments

- New leadership structure in place
- Issued subscription rights to key employees

Funding

- Secure financial runway to profitability

- Funded beyond break-even with adjusted cash position of USD 12 million

Changes in leadership team to bring new capabilities. Solid interim solutions in place

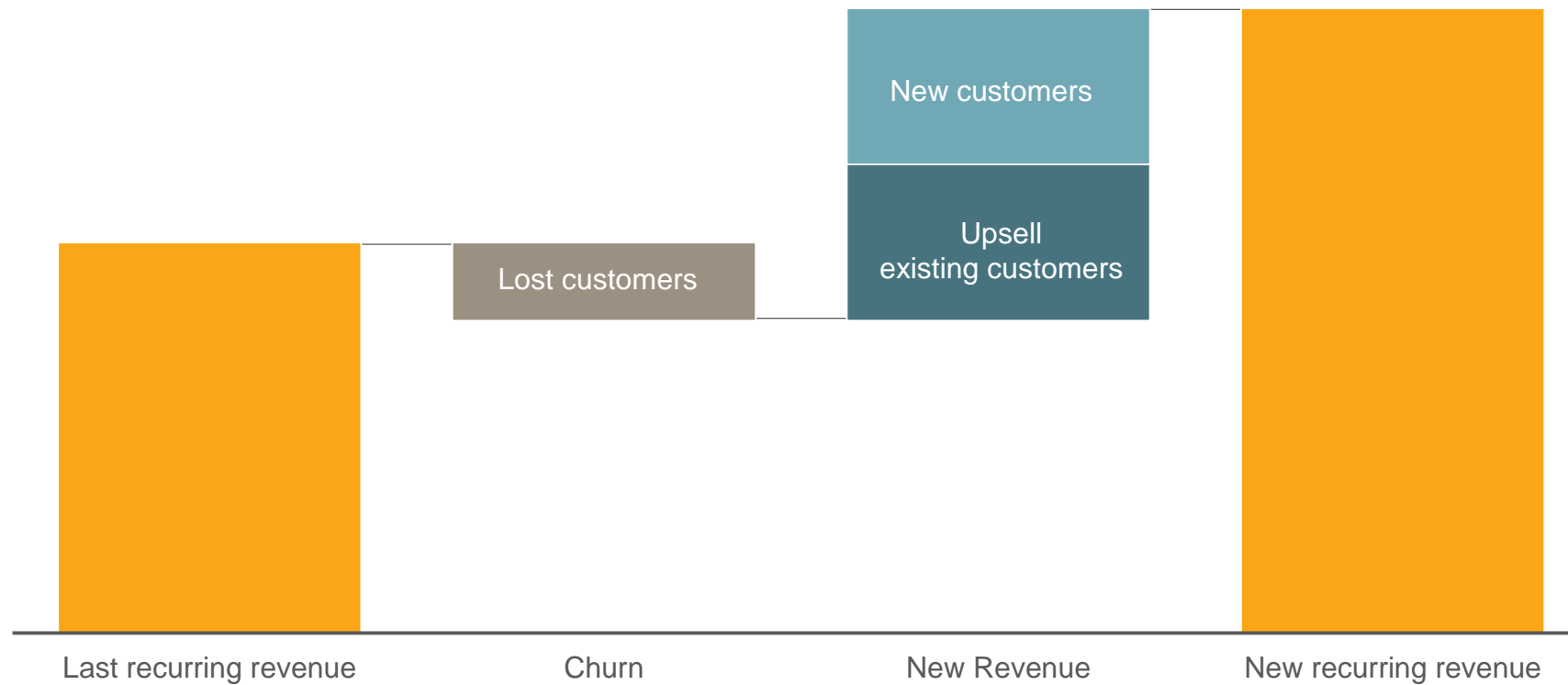
	Key capabilities	Interim solution
Chief Technology Officer	Tech strategy and architecture Machine learning capabilities Iterative, customer-oriented processes	Rolf Michelsen, acting CTO
Chief Product Officer	Understanding customers' needs Clear prioritization Iterative, customer-oriented processes	Vacant
Chief Commercial Officer	Sharpen unique value proposition Experience from high-tech sales Streamline sales and onboarding	GM for Japan (Ryoichi Egawa) and EMEA (Anne Roland) report directly to CEO CBDO (John T Sviland) responsible for US and Latam

Recruitment process expected to take 6 to 9 months

Growing recurring revenues from existing + new customers

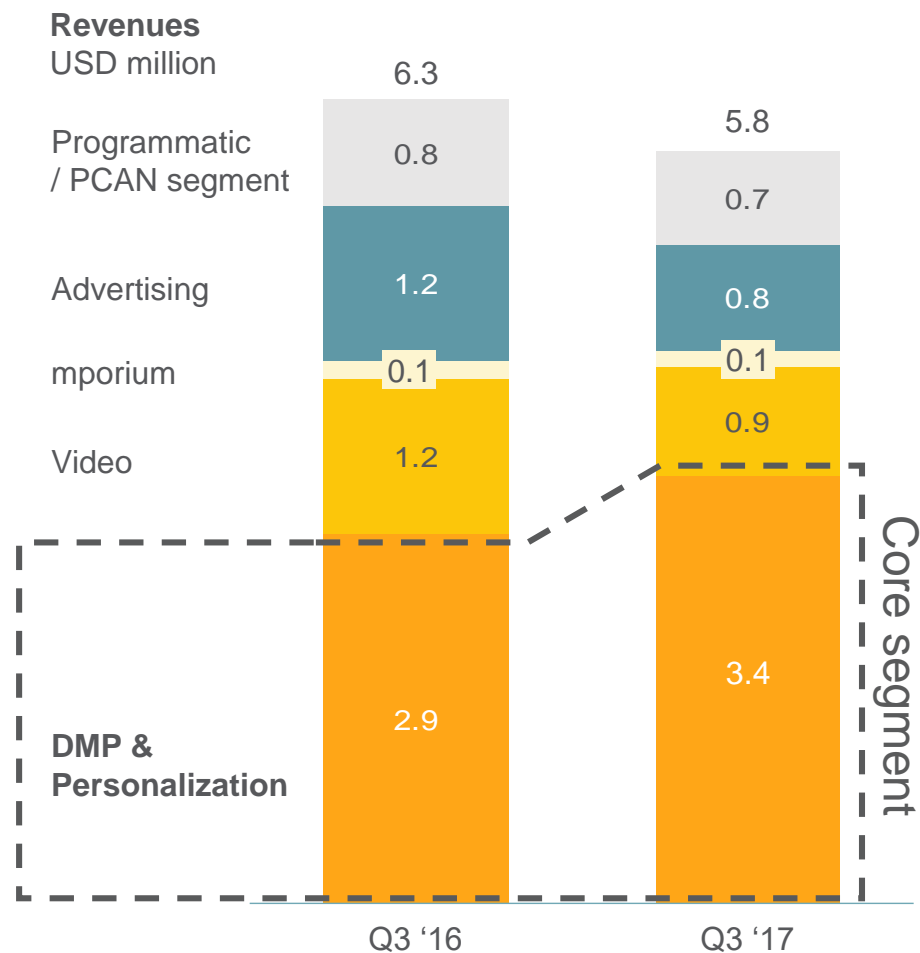
SaaS recurring revenue business model

Illustrative



Growth in core segment Data Management and Personalization

15% YoY and 5.3% sequentially



Non-core segments

- Declining revenue and outside new strategic focus
- Divestment process initiated in Q3 2017
- Advertising segment divestment process ongoing – target Q4 2017
- Video business is defined as non-core but expected to be part of Cxense through Q1 2018

Core segment

- DMP & Personalization – our new strategic focus area
- Revenues grew 15% y/y and 5.3% sequentially from Q2 2017

83% of USD 3 million quarterly OPEX reduction target is captured

Full completion dependent on divestment of advertising business



<i>USD million</i>	Q2 2017	Q3 2017	30 October run-rate	Acceleration plan targets set in Q2 pres	<i>Comment</i>
<u>SaaS segment excl. PCAN</u>					
DMP & Personalization (Core segm.)	3.19	3.36			
Non-core business:					
Advertising	0.86	0.68		Divest in Q4 '17	Ongoing process
mporium	0.13	0.15		Q4 '17 - Q2 '18	Divestm. compl. Nov. 2 (USD 3.8m). Partner agreement revenues remains until Q2 '18
Video	0.90	0.88		Q2 '18	Expected to be part of company through Q1 '18
Revenues SaaS segment	5.08	5.06			
Gross margin %	74%	77%	79%	79%	Target of 5% improvement completed. Full effect in reported figures from Q4
OPEX	8.11	7.48			
Non-IFRS adjustments	-0.88	-1.46			Q3 2017 is predominantly re-organization related
OPEX adjusted	7.23	6.01	4.70	4.20	Reduction target of USD 3m 83% completed. Full compl. is divestment dependent.
EBITDA adjusted	-3.47	-2.10			

Post restructuring Q1 2018 EBITDA target of USD -0.5 million

Non-core assets impairments completed in Q3 for Advertising business and capitalized R&D



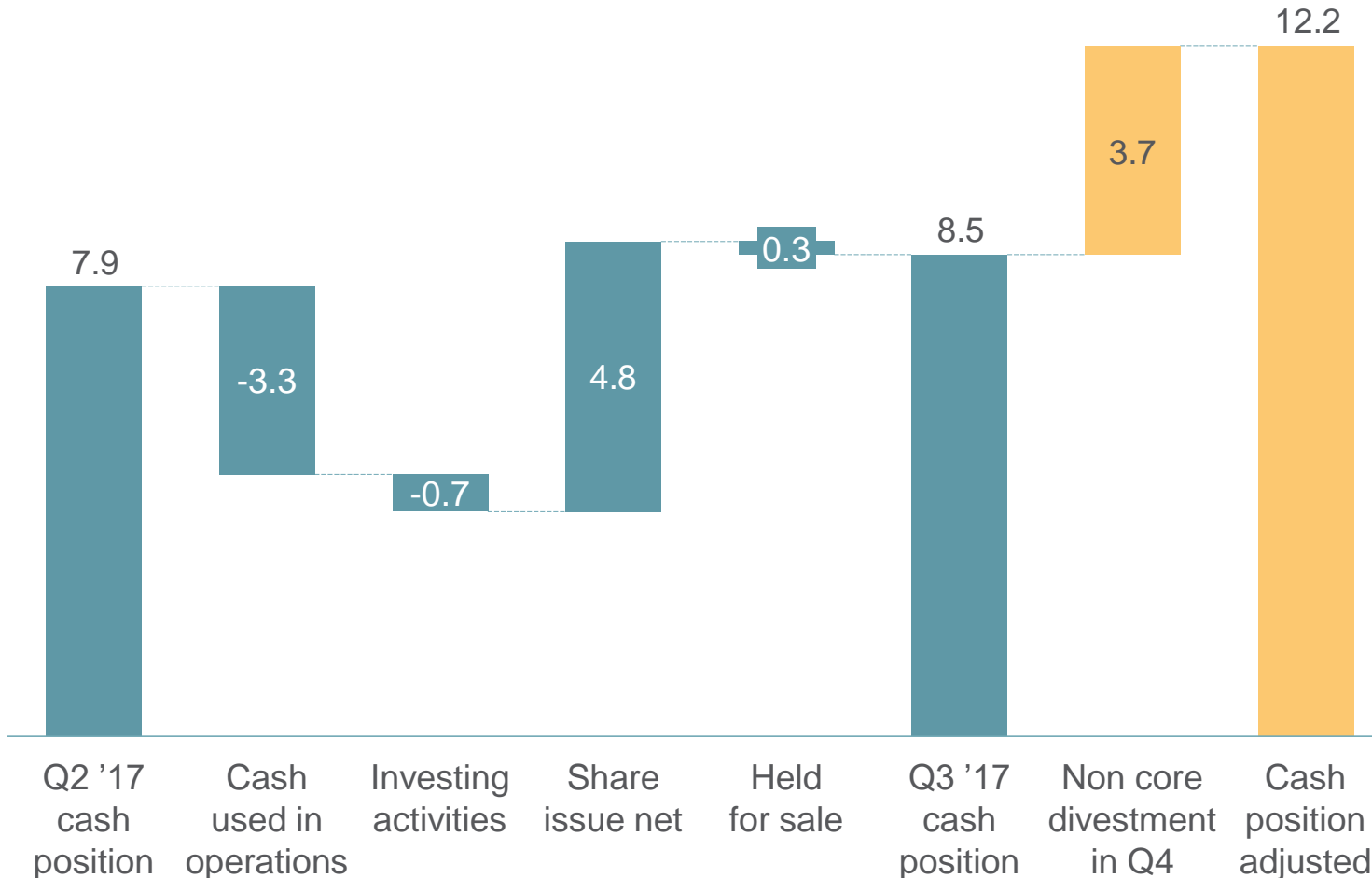
Video and Repknight assets not impaired.

USD thousands	Q2 2017	Change:		Q3 2017	Comments
		Deprecation and impairment etc	Reclassification		
Non-current assets	34,850	-6,546	-7,296	21,008	
Mporium	4,636	-791	-3,845	0	Write down to value of Nov 2 cash proceeds
Video	9,433	-485		8,948	Not actively in a sales process in Q3, hence not held for sale
Maxifier ad optimization	7,212	-444	-1,903	4,865	Maxifier impaired by USD 360 thousand and held for sale
Emediate adsering	5,616	-4,068	-1,548	0	Emediate impaired by USD 4 million to fair value and held for sale
Capitalized R&D non core	3,448	-991		2,457	Non-core R&D projects impaired by USD 1 million
Other	4,504	234		4,738	Includes RepKnight of USD 3.2 million
Classified as held for sales				Assets	Liabilities
Total held for sale			7,296	7,296	-910
Mporium			3,845	3,845	
Maxifier ad optimization			1,903	1,903	-458
Emediate adsering			1,548	1,548	-452
Subtotal	34,850	-6,546	0	28,304	-910

Divested Nov. 2 '17 for USDm 3.8. Total cash investment USDm 2.4.

Share issue and non-core business divestment secures growth capital beyond break-even

Q3 2017 cash flow
USD million



- Q3 2017 adjusted cash position of USD 12.2 million
- Target Q1 2018 cash flow from operations and investing activities of USD -0.8 million (burn-rate)
- Adjusted Q3 cash position is 15x target quarterly burn rate

Summary

- ✓ Solid position in a growing market
- ✓ Restructuring on track towards pure DMP and Personalization focus
- ✓ New leadership structure. Subscription rights granted to key employees
- ✓ Sales and churn improvements from Q2, but behind targets
- ✓ Financial run-way beyond break-even secured

Appendix

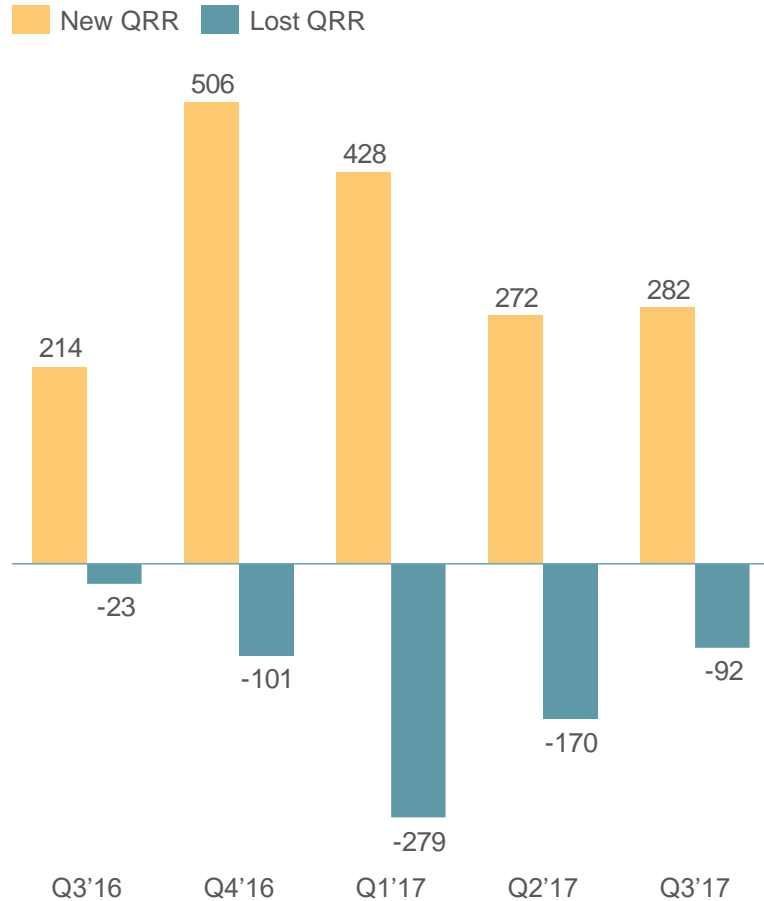
Core business – historical revenue development

USDk (unaudited)	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Total SaaS revenue	389	503	674	736	840	993	1,090	2,650	3,568	3,442	3,530	3,590	3,301	2,954	4,183	5,291	5,467	5,381	5,511	5,654	5,209	5,077	5,055
Where of Advertising		83	301	384	384	369	374	1,762	2,439	2,202	2,074	2,046	1,558	1,347	1,920	1,847	1,900	1,448	1,216	1,159	911	861	678
Total DMP and Personalization revenue (old segm.)	389	420	373	352	456	624	716	888	1,129	1,240	1,456	1,544	1,743	1,607	2,263	3,444	3,566	3,933	4,295	4,495	4,299	4,215	4,378
where of consulting									276	197	210	234	362	161	246	481	293	377	348	278	318	269	367
Whereof license	389	420	373	352	456	624	716	888	853	1,043	1,246	1,310	1,381	1,446	2,017	2,963	3,273	3,556	3,947	4,217	3,981	3,946	4,011
Video revenue																967	1,001	1,230	1,224	1,297	1,033	896	875
Consulting																272	37	115	136	114	73	69	55
License																695	964	1,115	1,088	1,183	960	827	820
Mporium revenue														74	148	142	136	185	141	132	136	131	146
Consulting																		42					
License														76	148	142	136	143	141	132	136	131	146
DMP with Intelligent Personalization (Core)	389	420	373	352	456	624	716	888	1,129	1,240	1,456	1,544	1,743	1,533	2,115	2,335	2,429	2,518	2,930	3,066	3,130	3,188	3,357
Whereof consulting	0	0	0	0	0	0	0	0	276	197	210	234	362	161	246	209	256	220	212	164	245	200	312
Whereof license	389	420	373	352	456	624	716	888	853	1,043	1,246	1,310	1,381	1,370	1,869	2,126	2,173	2,298	2,718	2,902	2,885	2,988	3,045

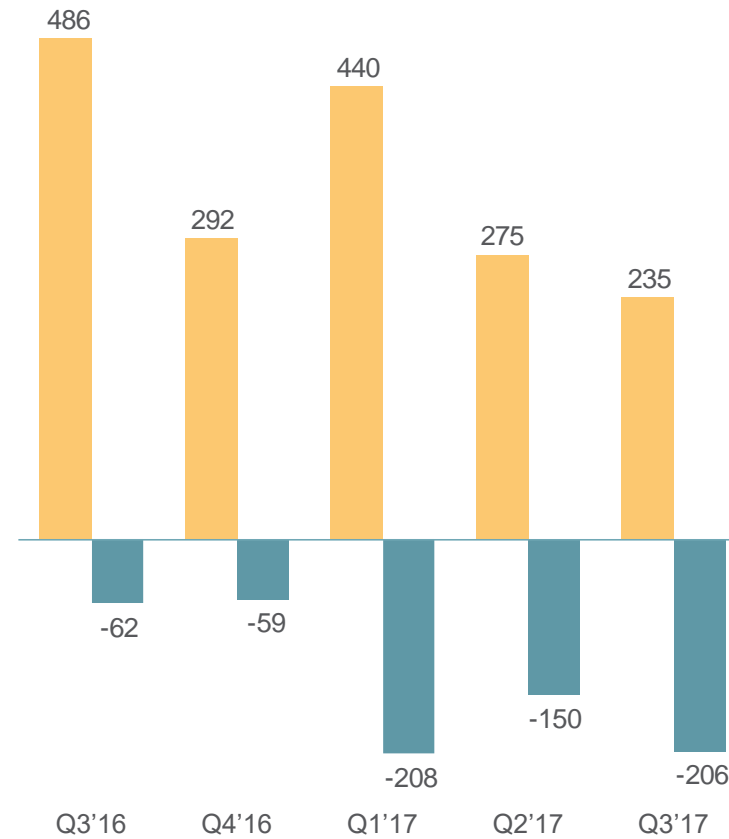
Lost QRR (churn) from contracts terminated in the quarter improving, but the effect in reported figures is lagging

DMP & Personalization – new and lost quarterly recurring revenue (QRR)

Closed and terminated in the period – USD thousand



Effect in reported figures – USD thousand



Comments

Lost QRR from contracts terminated in Q3 is USD -92k – significantly down from Q1 and Q2 which were high churn quarters.

Q3 effect of lost QRR in reported figures is USD -206k – mainly due to lag (overhang) from Q1 and Q2.

SaaS segment – P&L

USD 1,000	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
SaaS segment									
DMP with Intelligent Personalization	2 115	2 335	2 429	2 518	2 930	3 066	3 130	3 188	3 357
Advertising	1 920	1 847	1 900	1 448	1 216	1 159	911	861	678
mporium	148	142	136	185	141	132	136	131	146
Video		967	1 001	1 230	1 224	1 297	1 033	896	875
Revenues total	4 183	5 291	5 467	5 381	5 511	5 654	5 209	5 077	5 055
Cost of sales	700	780	908	967	1 252	1 195	1 361	1 321	1 146
Gross profit	3 483	4 510	4 558	4 414	4 259	4 460	3 848	3 756	3 909
<i>Gross margin %</i>	<i>83 %</i>	<i>85 %</i>	<i>83 %</i>	<i>82 %</i>	<i>77 %</i>	<i>79 %</i>	<i>74 %</i>	<i>74 %</i>	<i>77 %</i>
Personnel	3 834	3 904	4 657	3 675	4 141	4 574	4 402	5 826	5 305
Other OPEX	1 739	1 928	1 735	1 915	1 772	2 258	2 088	2 284	2 170
OPEX	5 573	5 832	6 392	5 590	5 913	6 832	6 490	8 110	7 476
EBITDA	(2 090)	(1 321)	(1 833)	(1 176)	(1 654)	(2 374)	(2 642)	(4 354)	(3 567)
Non-IFRS adjustment of OPEX level									
Share-based payment costs	156	144	171	56	149	191	244	239	(32)
Share-based social costs provision	(130)	9	37	54					
Salary and social restructuring provisions/costs	327		361						1 280
Office moving and restructuring costs	126		45			210	(21)	0	140
Extraordinary/special							32	585	24
One-off provision for doubtful debt		16		55		84			
Transaction costs	195	166	45	81	78	79	103	58	52
R&D refund	(152)	(430)		(42)		(167)			
Total reported OPEX adjustment items	523	(95)	659	204	226	397	358	882	1 464
Estimated full effect of cost-reduction program			525						
OPEX adjusted	5 050	5 927	5 208	5 386	5 686	6 435	6 132	7 228	6 012
EBITDA adjusted	(1 568)	(1 416)	(649)	(972)	(1 428)	(1 977)	(2 284)	(3 472)	(2 103)
Capitalized operating expense	(440)	(496)	(498)	(494)	(496)	(891)	(507)	(507)	(557)
EBITDA adjusted with capitalization add back	(2 007)	(1 912)	(1 147)	(1 466)	(1 924)	(2 868)	(2 791)	(3 980)	(2 660)

Revenue bridge and closed contracts for the SaaS segment and DMP with intelligent personalization (core)



Quarterly figures (unaudited) <i>USD 1,000</i>	SaaS Segment					DMP with intelligent personalization				
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Revenue in previous quarter	5 381	5 511	5 654	5 209	5 077	2 518	2 930	3 066	3 130	3 188
New recurring license revenue effect	514	373	469	275	243	486	292	440	275	235
Acquired recurring license revenue	-	-	-	-	-	-	-	-	-	-
Churn effect	-131	-131	-691	-385	-333	-62	-59	-207	-150	-206
Change in service revenue	-29	-70	40	-49	97	-50	-48	81	-45	111
Change in other variables	-179	74	-214	-25	-121	66	23	-185	-62	-56
Currency effect	-45	-103	-49	52	92	-28	-72	-65	40	85
Revenue this quarter	5 511	5 654	5 209	5 077	5 055	2 930	3 066	3 130	3 188	3 357
Accumulated currency effect, reversed		103	152	100	8		72	137	97	12
Outbound revenue currency adjusted	5 511	5 757	5 361	5 177	5 063	2 930	3 138	3 267	3 285	3 369
Number of closed contracts in the quarter	26	39	30	25	29	24	37	30	23	26
Whereof new customers	13	22	18	17	19	12	20	18	17	18
Whereof upsell	13	17	12	8	10	12	17	12	6	8
Full QRR effect of contracts notified closed in the period	240	535	428	274	306	214	506	428	272	282
Full QRR effect of contracts notified lost in the period	(71)	(183)	(635)	(399)	(215)	(23)	(101)	(279)	(170)	(92)
Net new QRR	169	352	(208)	(126)	91	191	406	149	102	191