

ARTIFICIAL SOLUTIONS

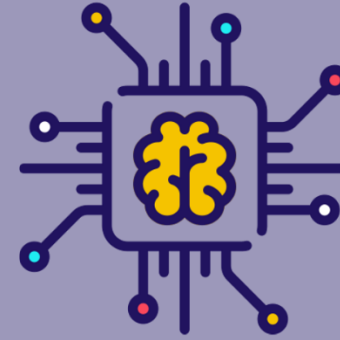


Artificial Solutions Sep 8, 2022

Per Ottosson
CEO



- Can you help me (service request)
- I have a question (information request)
- I need to get this done (action request)
- What should I do (decision request)
- Let me know when X occurs (notification request)



- What does the person want?
- What language are they using?
- Are people, places and details mentioned?
- What is the kind of request?
- Does the user seem happy or upset?
- Have we interacted before?

Conversational AI
done right=
Better NPS + Cost
Savings

ABOUT ARTIFICIAL SOLUTIONS

- We invented the Chatbot, We have the foundational patents
- Now we have reinvented how customers interact with their suppliers
- A new Company as of mid 2021:
 - SaaS based platform
 - Right in the middle of the MS Ecosystem
 - Chat and Voice and Messaging
 - Customers growing their usage at high rates
 - Current customer base alone will when built out take company to cash neutral

2021 GLOBAL BLUE-CHIP CLIENTS



STRATEGIC PARTNERS

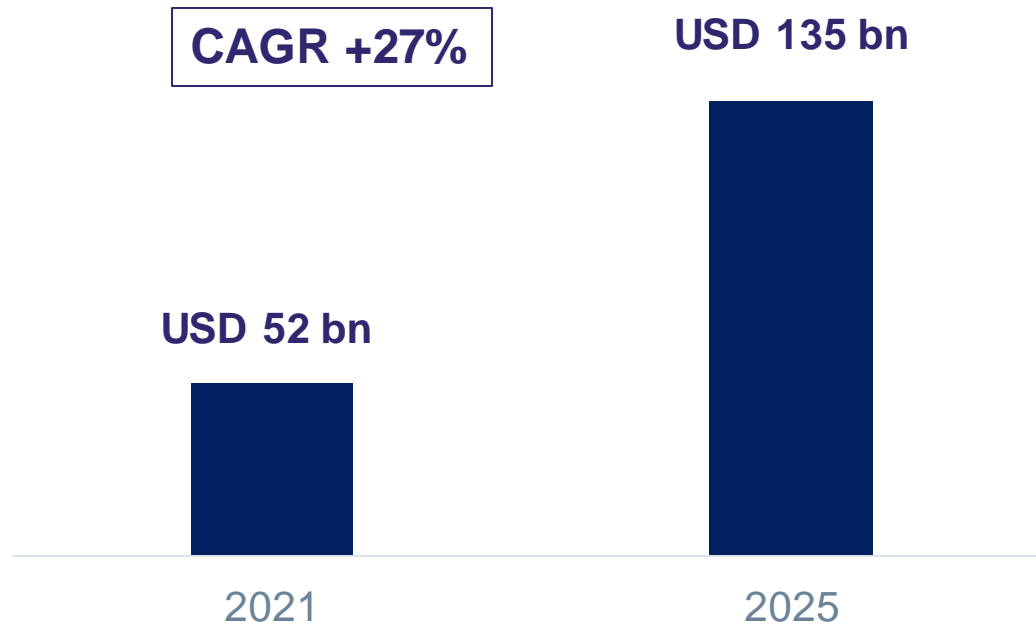


AI SOFTWARE INDUSTRY SET FOR GROWTH

| VIRTUAL ASSISTANTS A KEY USE CASE

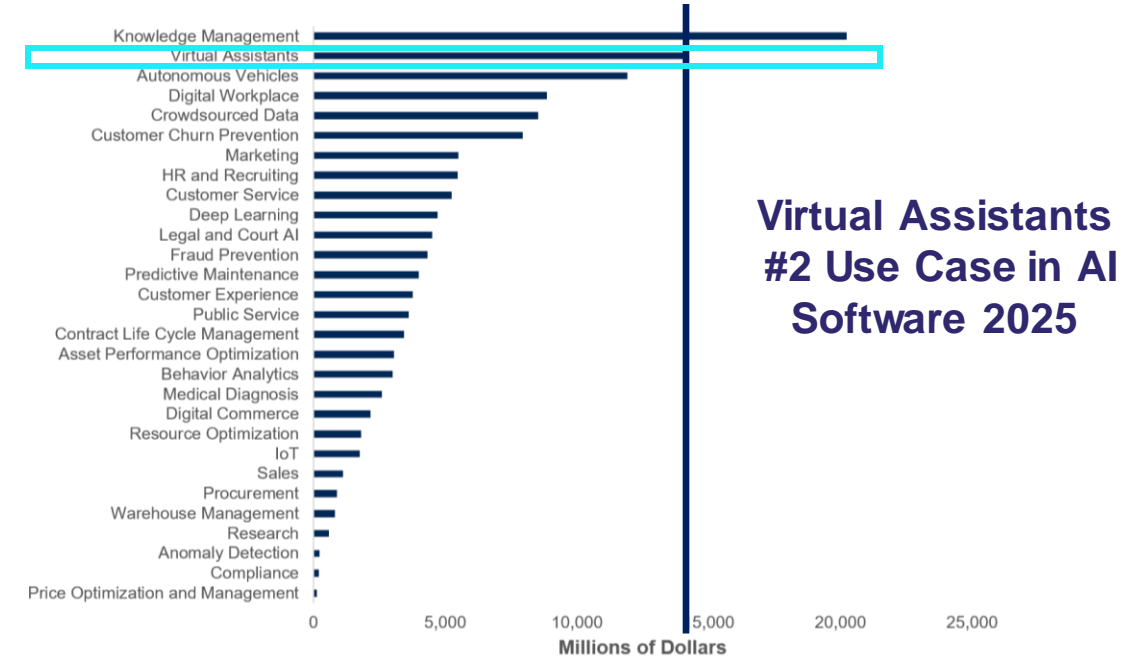
Digital Transformation (CX), Automation and Customer Experience and Support demands are key drivers for growth in the AI Software industry. Gartner predicts Virtual Assistants to be the #2 Use Case in monetary terms by 2025

AI Software Market 2021-2025*



* Gartner **Forecast Analysis: Artificial Intelligence Software, Worldwide** (Oct, 2021)

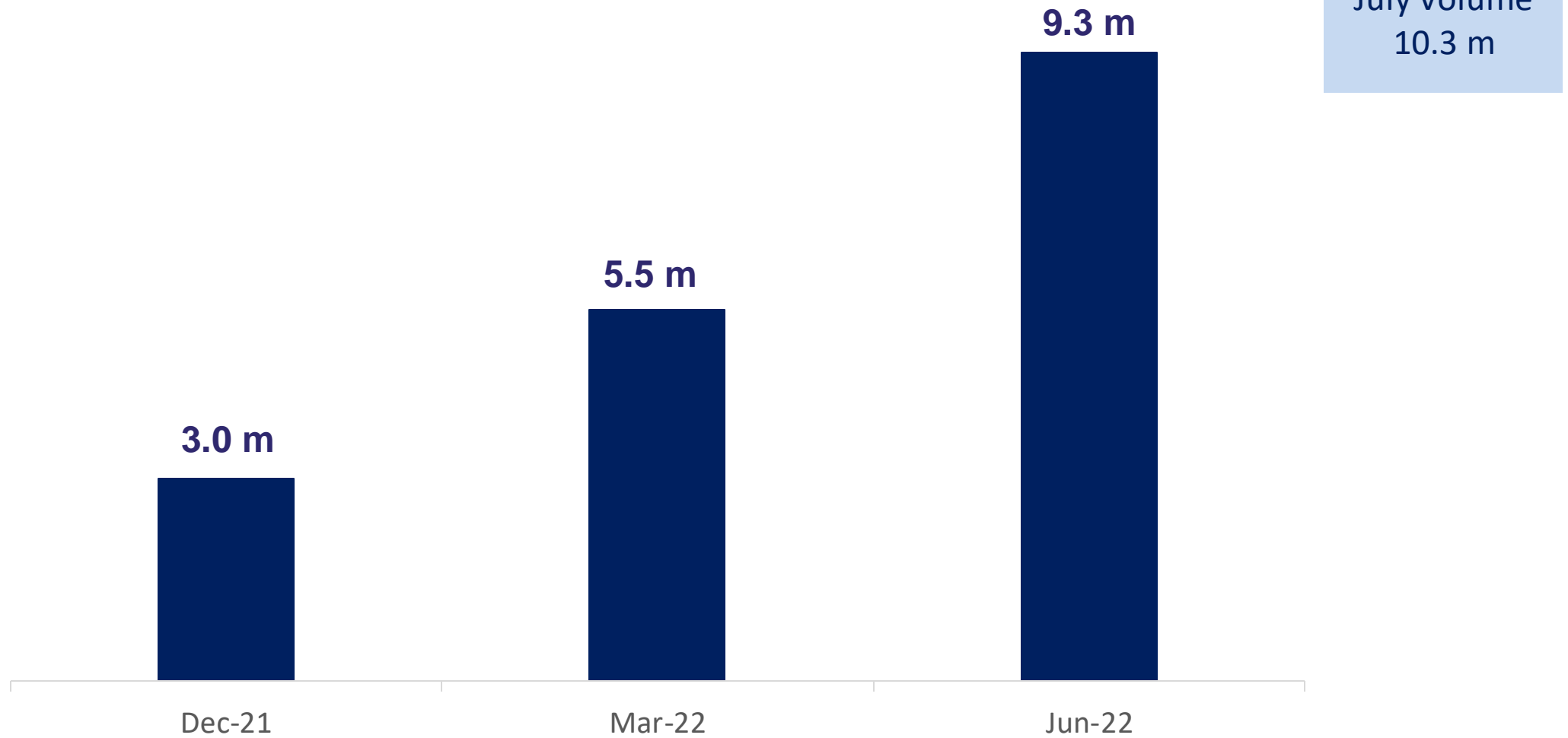
2025 AI Software Spend by Use-Case MUSD*



**Virtual Assistants
#2 Use Case in AI
Software 2025**

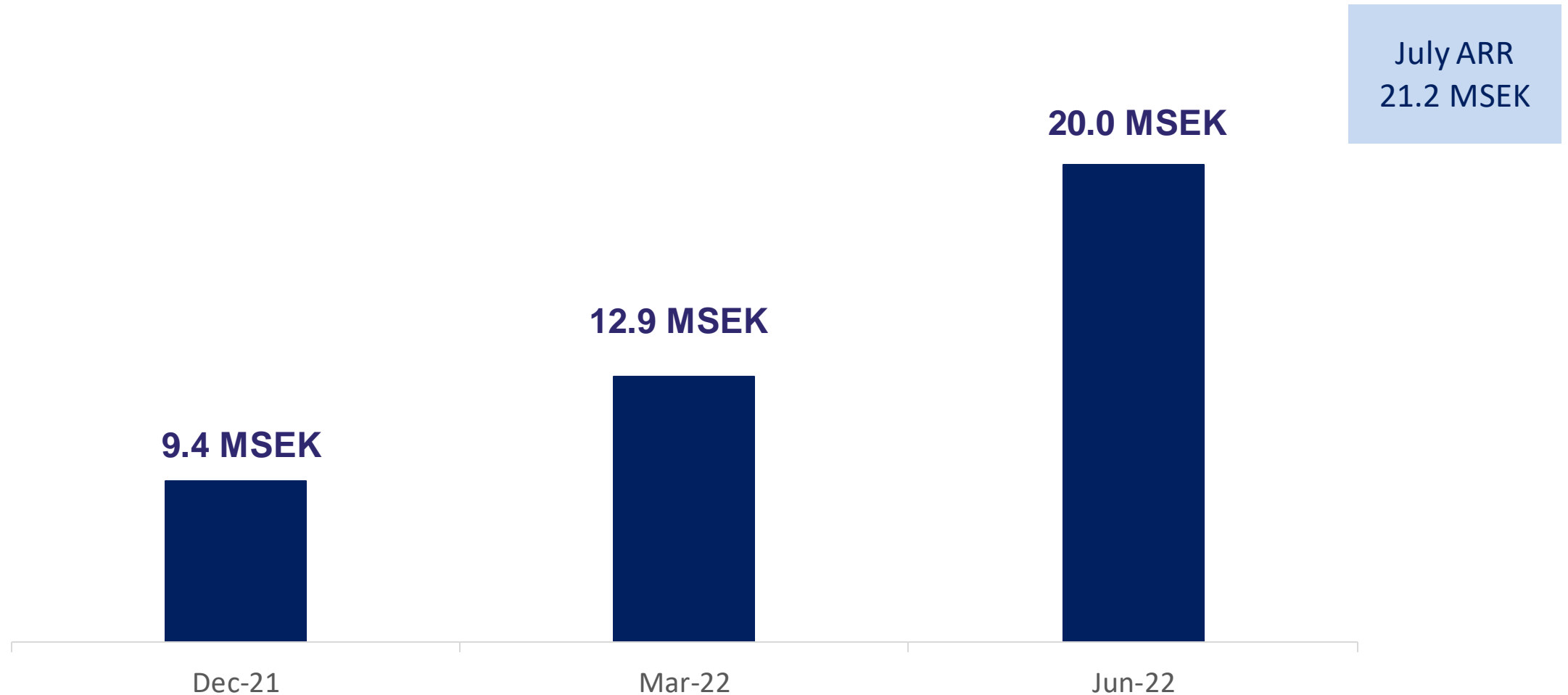
SAAS BUSINESS MODEL RAMPING UP

| MONTHLY API (MILLION) + 3X IN 6 MONTHS TIME



SAAS REVENUES RAMPING UP

| SAAS ARR +113% OVER 6 MONTHS



* ARR measured as SaaS recurring revenues generated from the SaaS revenue model last month in quarter multiplied by 12.

TENEO's IMPACT

| FEW EXAMPLES

Impact on Typical Call Center KPIs

80%

of 1st call resolution for the digital assistant

25%-40%

of call deflection

40%

cost reduction per average call

2min

Average handling time reduced by 2 minutes

20%-50%

decrease of misrouted calls

20%

improvement of agents' efficiency

25%

of reduced time duration in live chat handed over to live agents

Impact on Customer Satisfaction KPIs

+30 tNPS

increase over chat channels and +18 tNPS over voice.

68% to 94%

From 68% to 94% of NPS rate increase

6% to 12%

of qualified sales leads generation

30% to 60%

Usability increase from 30% to 60%

7 days to 1hr

From 7 days to 1 hour of documentation turnaround

ECOSYSTEMS FOR ENTERPRISES



Microsoft Power Platform on Azure

Accelerate your development with low-code—analyze data, build apps, automate processes, and create virtual agents more quickly than ever.

[Get started with Power Platform](#)

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Every developer's low-code

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Azure Bot Service

Design and build enterprise-grade conversational AI bots

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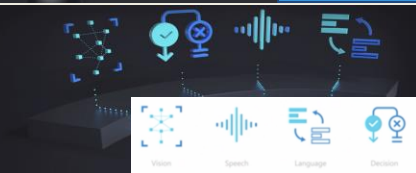


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Azure Cognitive Services

Add cognitive capabilities to apps with APIs and AI services

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Microsoft Digital Contact Center Platform

Exceptional engagement as the rule. Ensure your service and operations always exceed customer expectations—no matter how they connect with you.

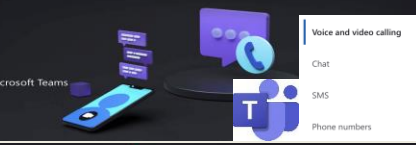
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Use an enterprise-grade service for the end-to-end machine learning lifecycle

[Try Machine Learning for free](#)



AI and Machine Learning



AutoML

Custom machine learning model development, with minimal effort.



Text-to-Speech

Speech synthesis in 220+ voices and 40+ languages.



Natural Language AI

Sentiment analysis and classification of unstructured text.



Translation AI

Language detection, translation, and glossary support.



Speech-to-Text

Speech recognition and transcription across 125 languages.



Video AI

Video classification and recognition using machine learning.

AI SOLUTIONS



Contact Center AI

Transform your contact center with AI technology. Increase operational efficiency and personalized customer care from the first "Hello."

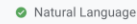
RELATED PRODUCTS AND SERVICES



Speech-to-Text



Text-to-Speech



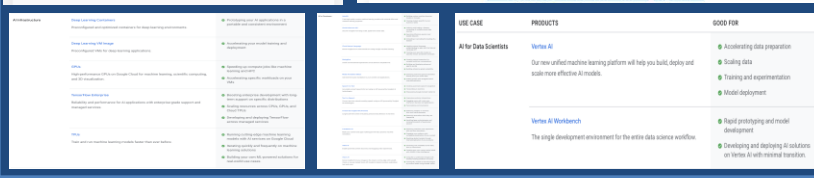
Natural Language



Dialogflow

Cloud AI

Google Cloud's AI provides modern machine learning services, with pre-trained models and a service to generate your own tailored models.



Amazon Lex

Build chatbots with conversational AI

[Get Started with Amazon Lex](#)

10,000 text and 5,000 speech requests free for 12 months with the [AWS Free Tier](#)

Amazon Polly

Turn text into lifelike speech using deep learning

Easily add AI that understands intent, maintains context, and automates simple tasks across many languages.

Design and deploy omnichannel conversational AI in one click, without worrying about hardware or infrastructure.

Amazon Transcribe

Automatically convert speech to text

Pay only for speech and text requests with no upfront costs or minimum fees.

AWS Contact Center Intelligence (CCI) Solutions

Improve customer experience. Derive customer insights and reduce operational costs by adding artificial intelligence and machine learning to the contact center provider of your choice.

Amazon Connect

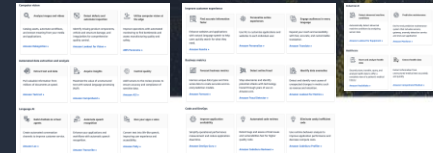
Provide superior customer service at a lower cost with an easy-to-use omnichannel cloud contact center

[Get started with Amazon Connect](#)

[Request a demo](#)

Machine Learning on AWS

Innovate faster with the most comprehensive set of AI and ML services



TENEO'S CONTRIBUTION TO MS ECOSYSTEM



The Multilingual & Omnichannel Bot

Swisscom boosts User Experience in a new product with a multilingual Voice Assistant, built by combining MS Azure Cognitive Services and Teneo. The project was completed in under 9 months, and it is available through their TV box, Conversational IVR and chat channels.

Key Points



Swisscom is the leading provider of communication, IT and entertainment in Switzerland. Outside of Switzerland, Swisscom operates Fastweb in Italy. With more than 19,000 employees it is one of the most innovative and sustainable companies in Switzerland.



Swisscom wanted to create more engaging customer experiences by building a voice assistant that uniquely represented their brand. They chose to integrate the Speech service from Microsoft Azure Cognitive Services with Teneo's complex Dialogue Management capabilities in order to create a multilingual solution.



Swisscom build its own multilingual (English, Italian, French and German) voice assistant in under 9 months; it was originally released through their Swisscom TV Box. The new digital brand ambassador handles over 2,000,000 dialogues per month and has achieved 40% higher resolution rates for automated flows. Completed dialogue flows have improved by 25% and there's a +30 tNPS increase over chat channels and +18 tNPS over voice.

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Conversational lead gen at a global scale

"Every website visitor is a potential customer. Therefore, we need to ensure that both our cars and our brand values shine through by delivering an exciting and engaging user experience."

Michal Reichl, Product Owner of Chatbot Laura

Key Points



For decades, the car showroom represented the central point of sale for the automotive industry, however, converting digital users to test drive bookings has represented a challenge for the sector. The added impact of COVID-19 in 2020 and 2021 added to the pressure on manufactures to convert digital traffic to test drive bookings.



In a collaborative effort between Artificial Solutions and ŠKODA AUTO the Conversational AI solution 'Laura' has been developed and deployed across Europe in 13 languages in order to supercharge customer experiences and support the rapid growth and upscaling of ŠKODA AUTO's digital engagement strategy



300% increase in customer engagement and leads
Customers feel confident to share their contact details with the VA to arrange a test drive. This lowers Skoda's operational costs and provides dealerships with highly qualified leads.



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Conversational IVR German Market

Leverage resources from the existing bots and Microsoft investments and increase speed to market in a highly integrated project.

Key Points



Telefónica Germany / O2 envisions to automate the Customer Service with the latest in Conversational AI technology. After running a 2-year RFP to select the best and most robust CAI provider for the German market project took less than 6 months to go live.



The Cognitive Digital Assistant (CDA) will be able to chat and use voice to interact with the Telefónica customers and handle high volumes of Contact Center conversations. Project replaces legacy Rasa bots, a tone based IVR, and leverages existing Microsoft Bot Framework investments.



As of July 2022, Telefónica had a fully operational Conversational AI solution that could operate across all channels to realize a consistent omnichannel experience, increase customer satisfaction and create the potential of personalized sales opportunities. It took less than 6 months to integrate Teneo in the complex architecture of Telefonica, leveraging the already existing investments in Azure, Nuance, and Genesys.



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Telefonica | O₂

Smart Home Assistant

AT&T had the objective of creating An intelligent interface to drive CX of Internet troubleshooting. Using Teneo AT&T created a speech-enabled app & intelligent assistant for customer service.

Key Points



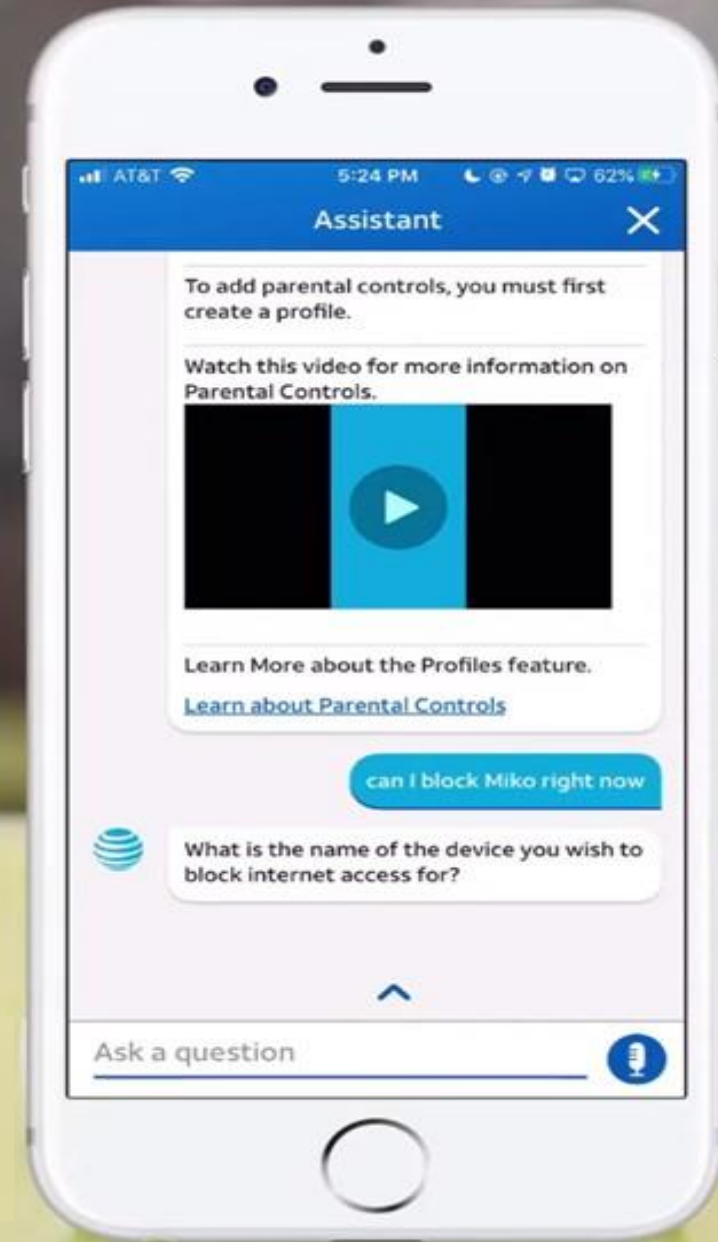
AT&T's virtual assistant for Smart Home Manager users, available through the Smart Home Manager website and mobile app.



Assist AT&T SHM users with their Internet connection at home, through a Humanlike and personalized interaction. The assistant integrates with **AT&T's backend systems**, having access to the user's account details, home networks, devices and troubleshooting history. It also retrieves troubleshooting steps from AT&T's **ISAAC workflows** in order to identify the next best action.



AT&T's SHM assistant reacts to sentiment detection, performs real time updates to the user's networks and devices, is able to hand the conversation off to an agent in case of issues, etc. It currently handles more than **400K conversations per month** and 98 % of the tasks completed successfully. **Only 3 people needed** to build and maintain.



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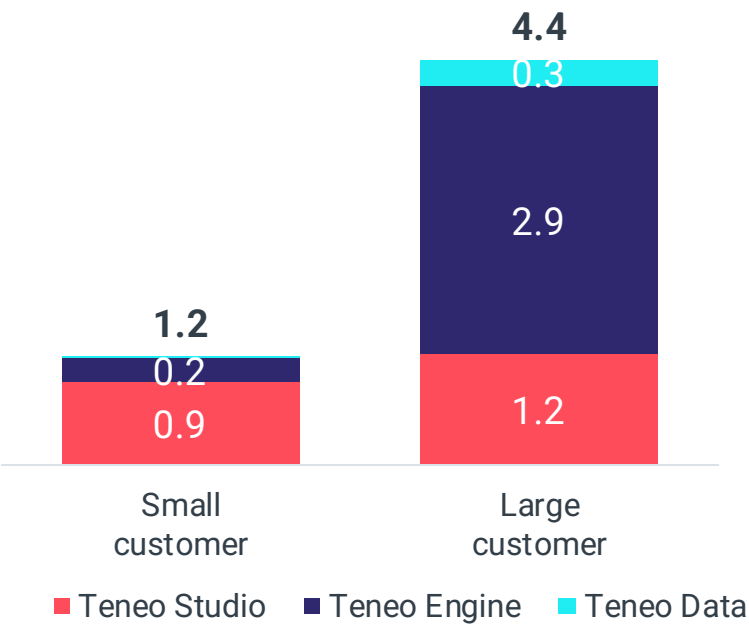


SCALABLE SAAS REVENUE MODEL




| SMALL & LARGE CUSTOMER CASES –TYPICAL CUSTOMERS

Subscription revenues from accessing Teneo Development Suite provides basis in the new model coupled with volume linked user revenues (#API calls)

ARR – Small & Large Customer MSEK

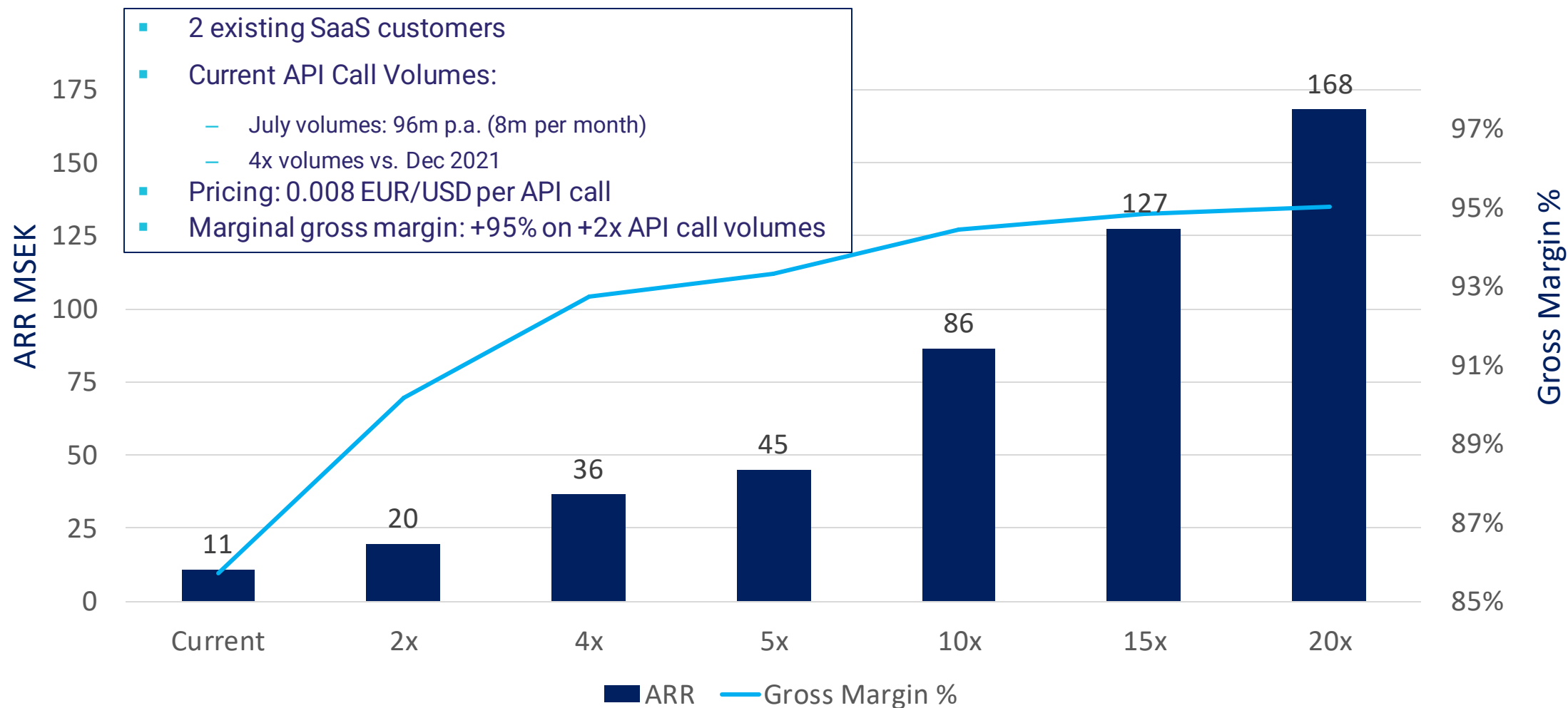


Revenue Model – Primarily Recurring Revenues

Revenue	Source	Small customers	Large customers	Type
Sub- Scription (Studio)		EUR 7,500 per month	EUR 10,000 per month	Recurring
API calls (Engine)		EUR 2,000 per month	EUR 24,000 per month	Recurring
Data		10% of API calls	10% of API calls	Recurring
Training & expert services		2 + 0 days	5 + 15 days	Non-recurring

IMPACT OF INCREASED API CALLS IN SAAS MODEL

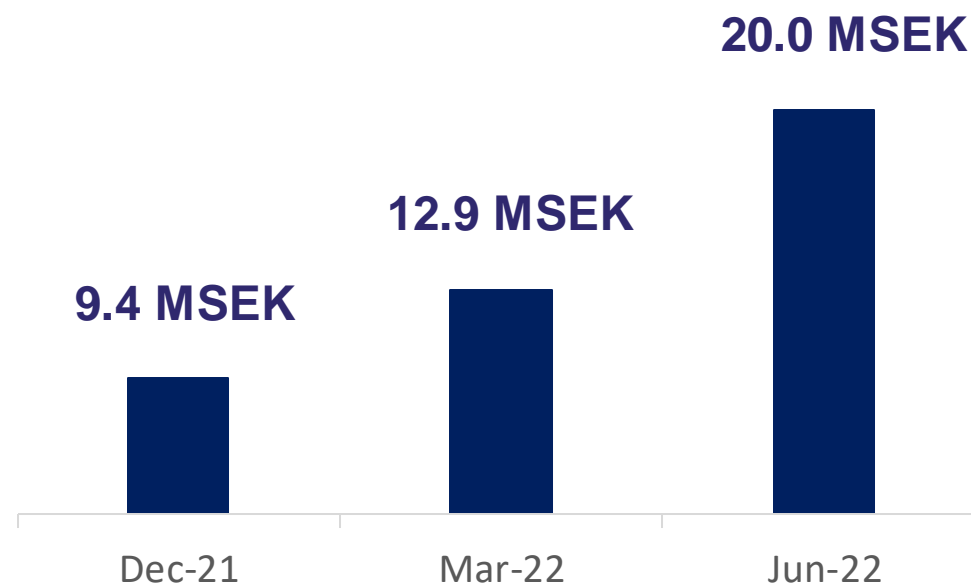
| CASE STUDY ON 2 SAAS CUSTOMERS – IMPACT ON ARR & GROSS MARGIN



WHY INVEST IN ARTIFICIAL SOLUTIONS

- If you believe that using natural language is better than
 - “there is an app for that”
 - “Press 1 for..., 2 for...”
 - Waiting for hours to speak to a human
- The CAI market is taking off now!
- The leader in Natural Language on Phone, Chat, Messaging when it comes to large customer references
- Existing customers that can multiply API call volumes
- Business and revenue model with high operational leverage
- We fit perfectly in Microsoft’s push to the cloud

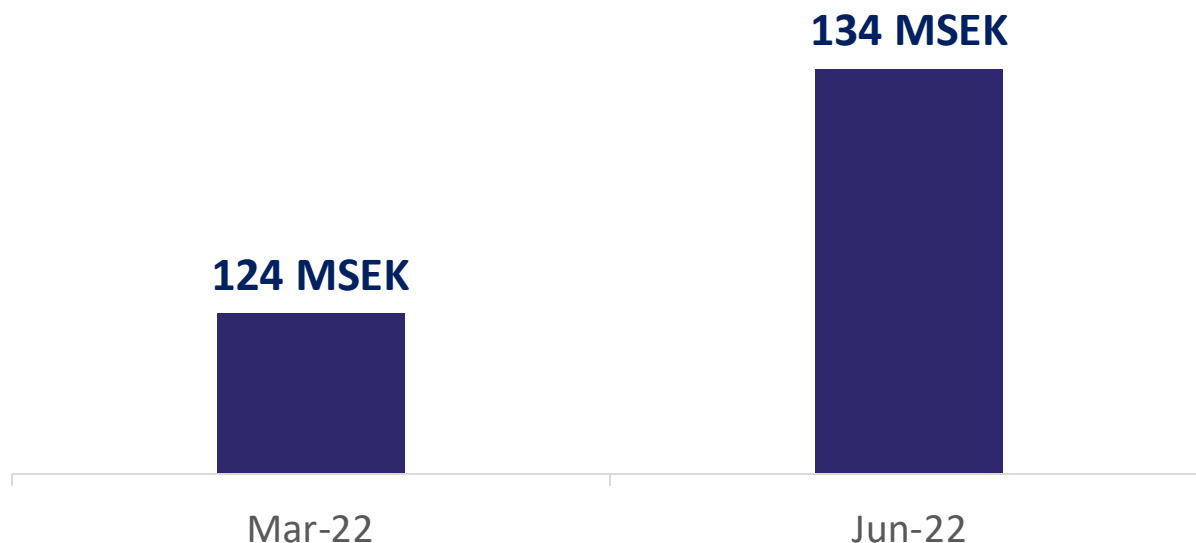
SaaS ARR + 113%



OPEX RUNRATE

| GUIDANCE FROM Q2 REPORT

Annual OPEX Run Rate* MSEK



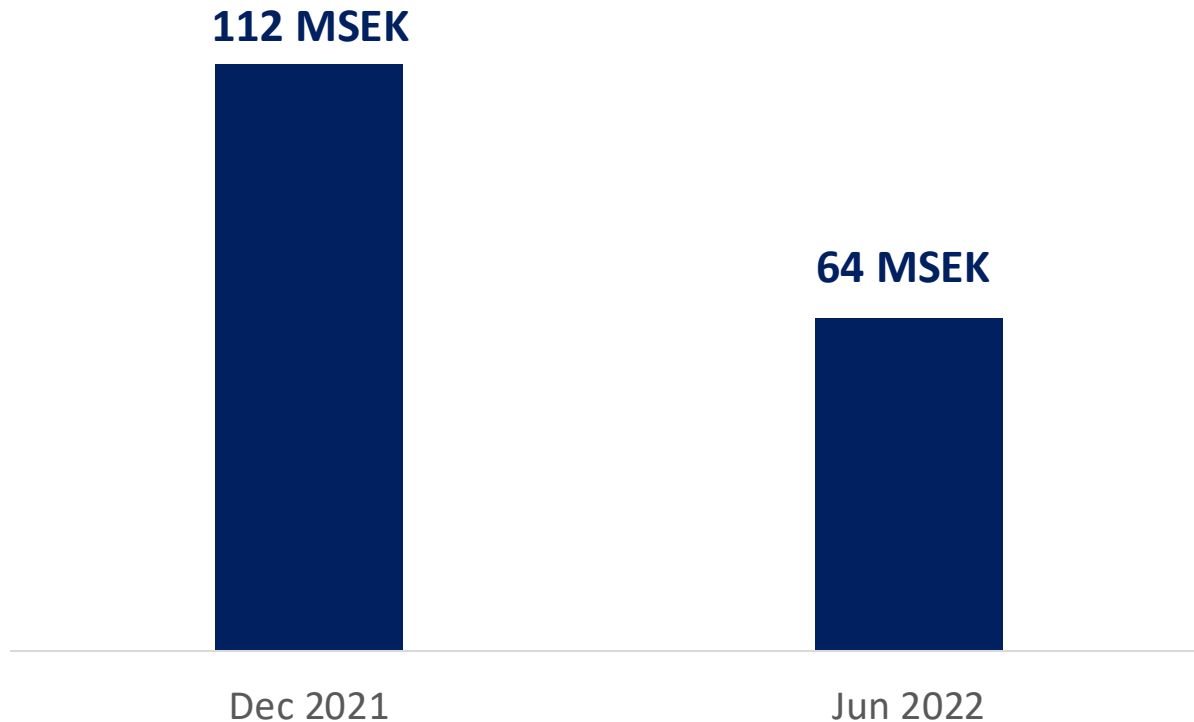
- July total ARR of **41.9 MSEK** – SaaS was 21.2 MSEK
- OPEX(*) run rate of **134 MSEK** in June 2022
- Monthly OPEX(*) in H1 2022 of 11.1 MSEK
- OPEX in H2 2022 will increase somewhat due to increased focus on sales and marketing activities

* Excluding non-recurring items.

CASH POSITION

| CASH POSITION IN Q2 2022

Cash & Bank MSEK



- Cash & Bank end of Q2 2022 amounte dto 64 MSEK
- Adjusted Cash & Bank position end of Q2 2022 amounted **69 MSEK**
 - Company received payments of accounts receivables first week of July 2022 of 5.5 MSEK

SWEDISH HORIZONTAL AI | B2B SAAS | AZURE



1.6 BSEK

Horizontal Technology



126%

SaaS ARR DEC-JUL



25%

Cost Reduction



Microsoft
Azure

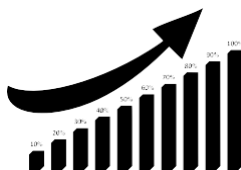
1,700+

LUIS Customers



41.9 MSEK

Total ARR



10 M

SaaS API Calls



130 BSEK

Conversational AI Market

Source: Markets and Markets (2020, Conversational AI Market).



82%

Carbon Reduction

Q&A