

Artificial Solutions® (SSME:ASAI)

Q2 2022 Results | Presentation

PRESENTERS



Per Ottosson

| CEO

*Has +25 years of experience from leading positions in the software and SaaS industry
Most recently spent 10 years with IPSoft (Amelia) - US based vendor of enterprise AI solutions - as Chief Revenue Officer
M.Sc. Business & Administration, Stockholm School of Economics*



Fredrik Törgren

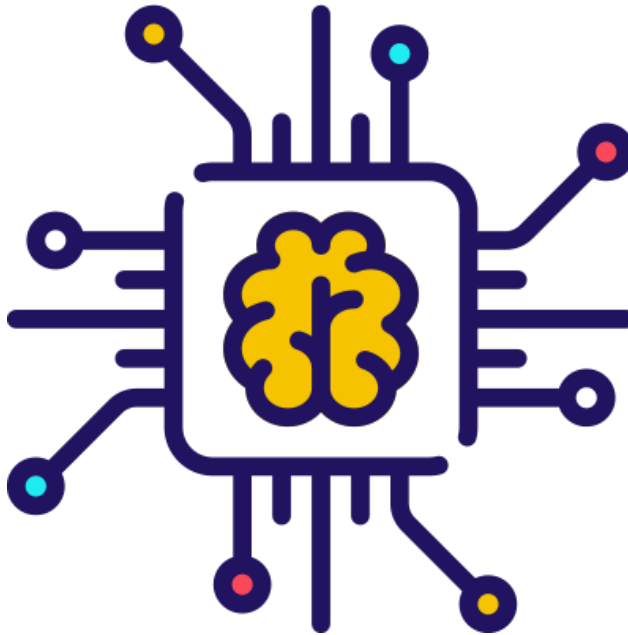
| CFO

*Various CFO & Finance roles in large corporates and in Private Equity-backed Technology and SaaS companies
Former Investment Banking experience with Handelsbanken Capital Markets and Pareto Securities
M.Sc. Business & Administration, Stockholm School of Economics*

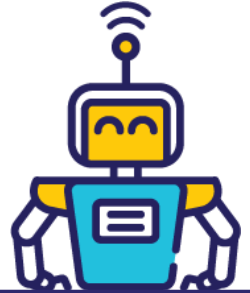
ARTIFICIAL SOLUTIONS MARKET



- 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)



Conversational AI



- 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?

14 BUSD Market
CAGR 22%

ARTIFICIAL SOLUTIONS AT A GLANCE

LEADING SOFTWARE COMPANY ENGAGED IN CONVERSATIONAL AI

Artificial Solutions in brief

- Founded in 2001, the company became a multi-award-winning enterprise within Conversational AI
- Publicly listed on First North Stockholm in 2019
- The company offers a unique Conversational AI platform named Teneo, allowing businesses to create highly sophisticated and intelligent communication applications
 - Allows humans to communicate with applications verbally, by texting and/or touching
 - Teneo supports 86 languages and is easy to implement in various applications such as virtual assistance, conversational bots and more
- Company is currently shifting from a traditional license and usage revenue model to a pure software-as-a-service (SaaS) model
 - SaaS ARR in June and July 2022 of **20 MSEK** and **21.2 MSEK**
- Patent and IPR-portfolio, with a third party valuation of **1.6 BSEK**

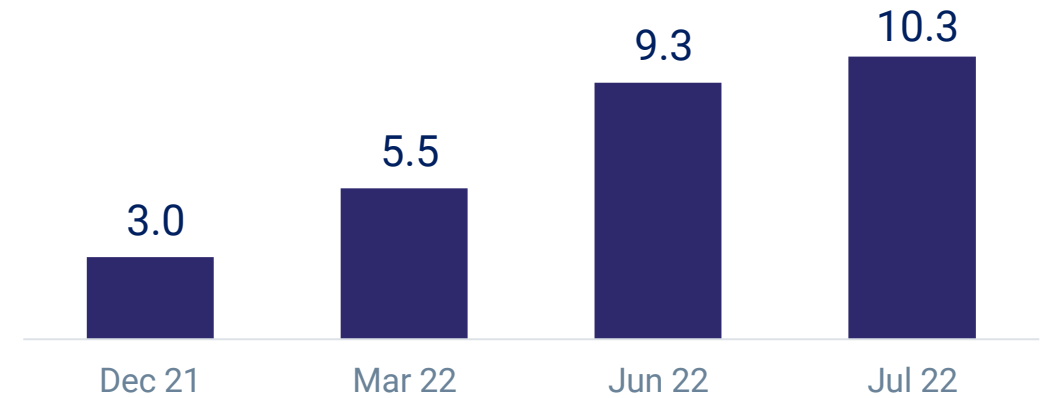
Blue chip customers



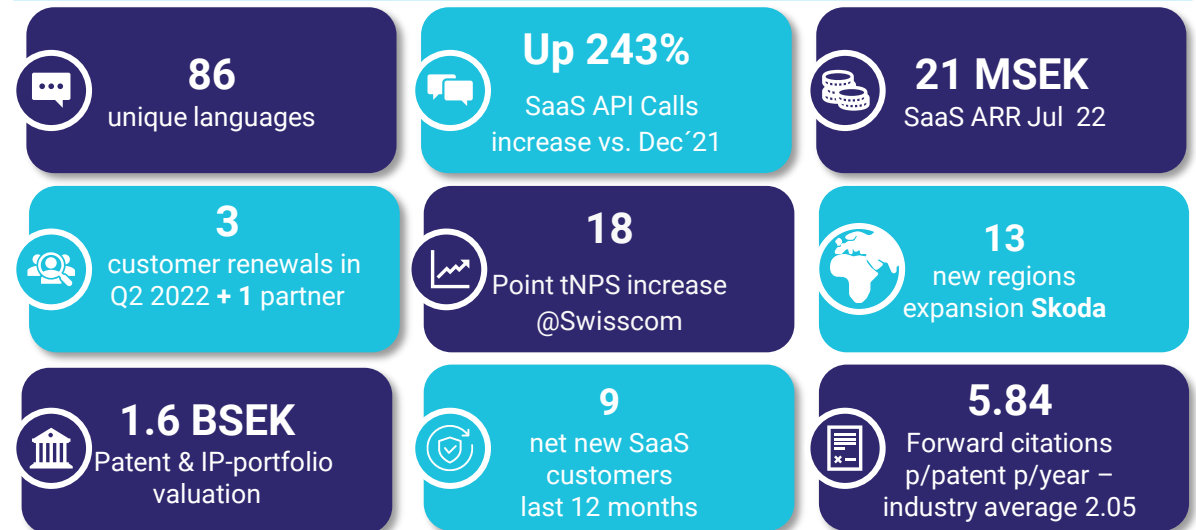
Strategic partners



Monthly SaaS API Call Volumes (million) – July +243% vs. Dec 2021



Key facts



Q2 OPERATIONAL HIGHLIGHTS

- High growth in SaaS API Call volumes
 - +69% March 2022 vs. June 2022 and +11% July 2022 vs. June 2022
- SaaS ARR experiencing high growth
 - +55% March 2022 vs. June 2022 and +6% July 2022 vs. June 2022
- Customers show strong confidence in our SaaS Model
 - 23 customers in total and 13 in SaaS revenue model
 - 9 net new SaaS customers last 12 months
- US Sales team now in place to hit the US market and Patrik Rosenberg hired as EMEA VP Sales
- Teneo Platform major release
- Reverse Share Split 1:10

KEY FINANCIAL HIGHLIGHTS IN Q2 2022

| STRONG GROWTH TRAJECTORY ON ALL SALES METRICS

- Net sales amounted to 10.2 MSEK (8.2), + 24%
- Recurring revenues amounted to 9.1 MSEK (6.3), + 44%
- SaaS Annual Recurring Revenues 20.0 MSEK June 2022, up 55% vs. Mar. 22
- SaaS API Calls volumes 9.3 million, up 69% vs. Mar. 22
- Positive q-o-q sales trajectory
 - Growth in all relevant SaaS metrics Q1 '22 vs. Q2 '22
- EBITDA adjusted amounted to -22.4 MSEK (-17.2)
- Cash position : 63.6 MSEK end of June 2022

SaaS Recurring Revenues as % of Total Recurring Revenues Q2 2022



49%

Recurring Revenues as % of Total Net Sales Q2 2022

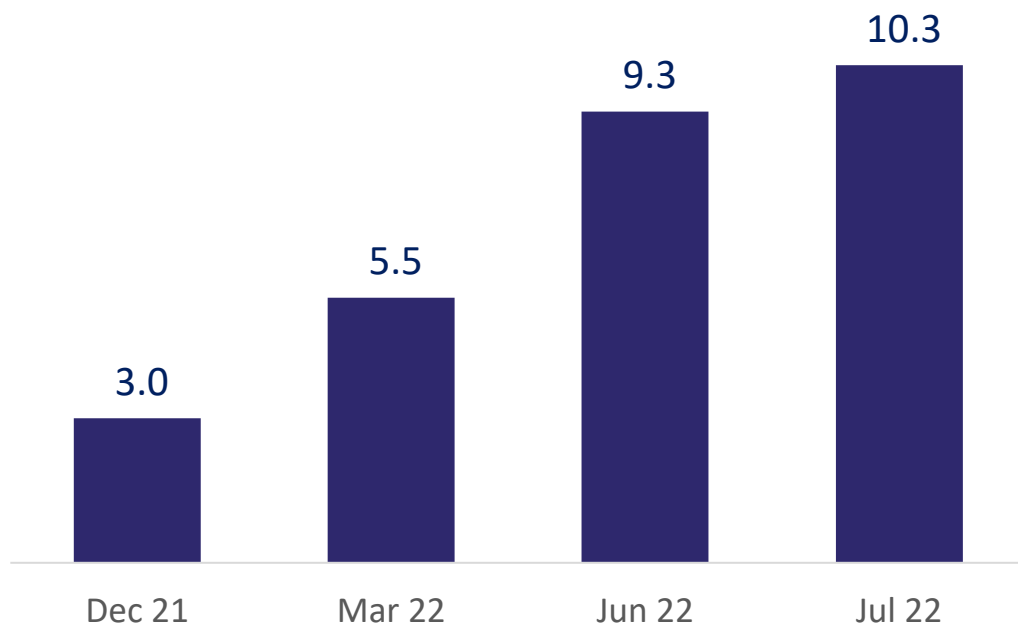


89%

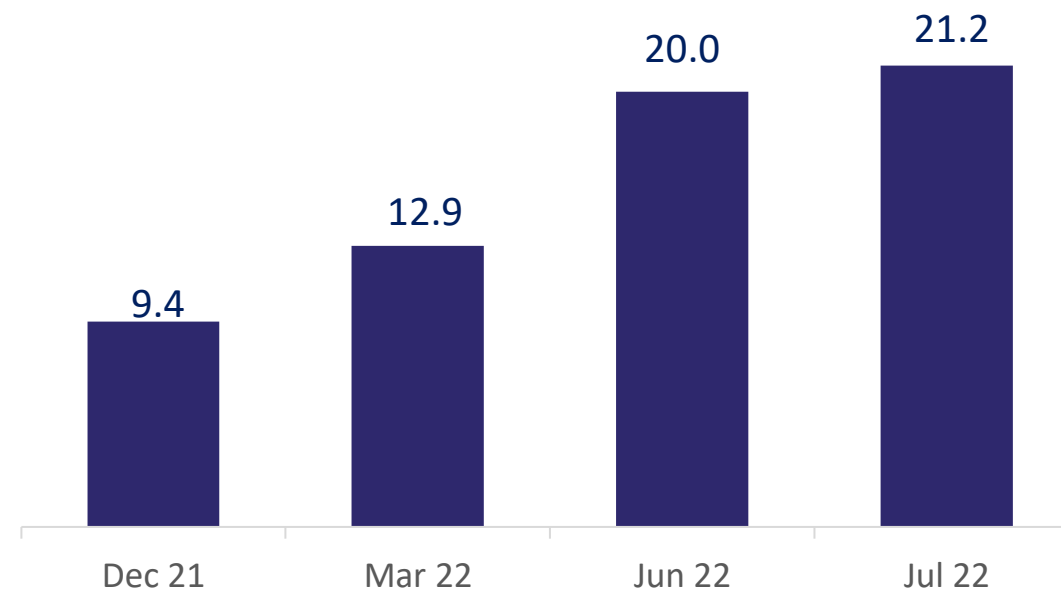
SAAS BUSINESS MODEL RAMPING UP

| API CALL VOLUMES AND SAAS ARR INCREASING

Monthly SaaS API Calls (million) + 243%



SaaS ARR* (MSEK) + 126 %



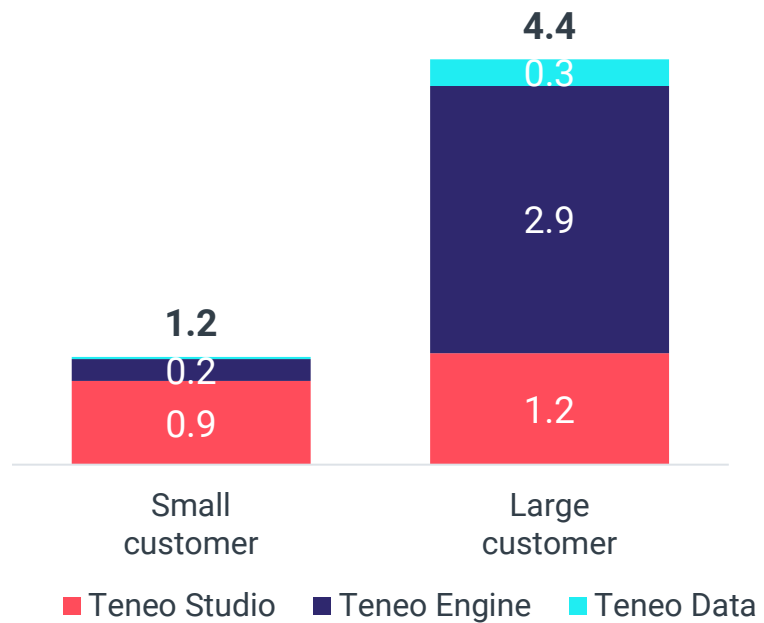
* ARR measured as SaaS recurring revenues generated from the SaaS revenue model last month in quarter multiplied by 12.

SCALABLE SAAS MODEL




| SMALL & LARGE CUSTOMER CASES

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



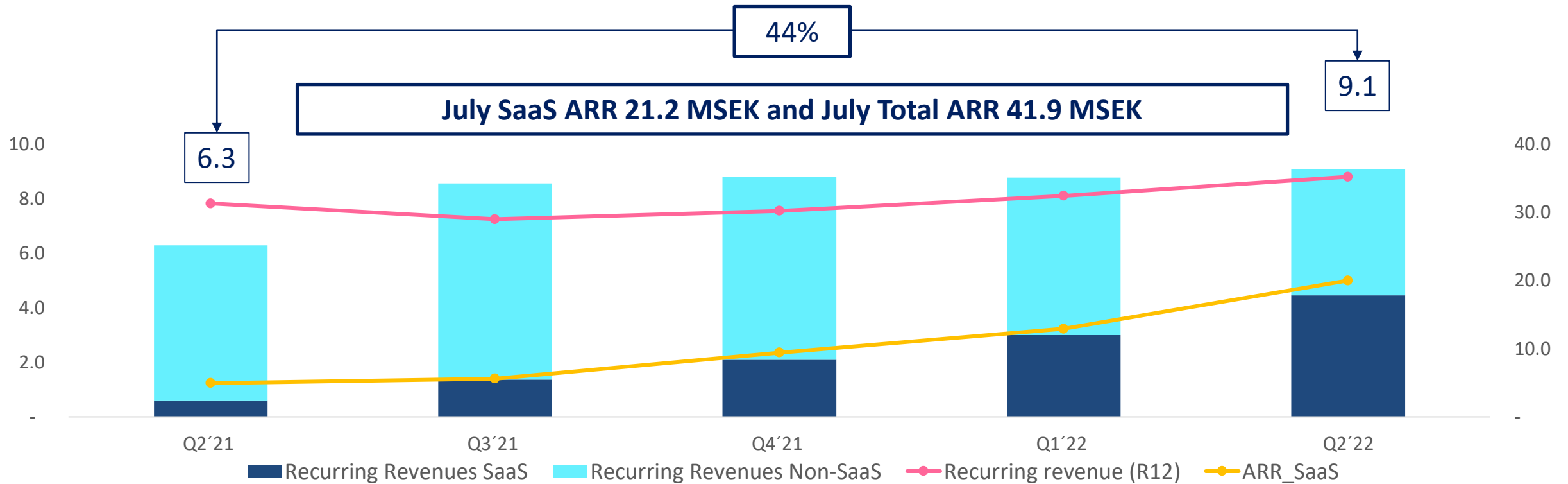
Revenue Model – Primarily Recurring Revenues

Revenue	Source	Small customers	Large customers	Type
Sub-Scripton (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

GROWTH IN RECURRING REVENUES

| Y-o-Y GROWTH OF 44% IN Q2 2022

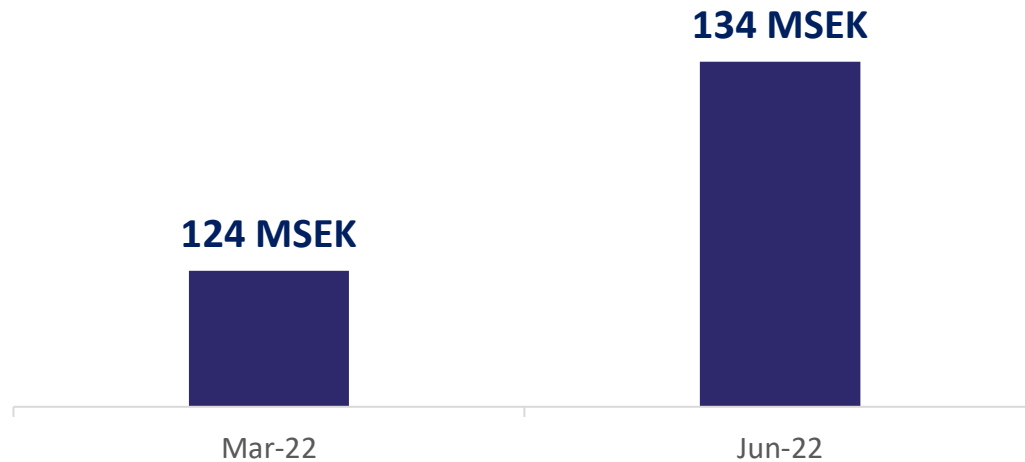
Quarterly Recurring Revenues (SaaS & Legacy), ARR EoM and LTM Recurring Revenues (MSEK)



GRADUAL COST INCREASE AS GUIDED FOR

| INCREASING OPERATIONAL COSTS

Annual OPEX Run Rate* MSEK



- OPEX(*) run rate of 134 MSEK in June 2022
- Monthly OPEX(*) in H1 2022 of 11.1 MSEK(**)
- OPEX increase in Q2 2022 in accordance with previous guidance

* Excluding non-recurring items.

** Of which COGS represents 1 MSEK monthly

SWEDISH HORIZONTAL AI | B2B SAAS | AZURE



1.6 BSEK

Horizontal Technology



126%

SaaS ARR DEC-JUL



25%

Cost Reduction



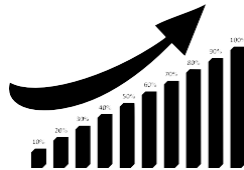
1,700+

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