

**ARTIFICIAL
SOLUTIONS**

Artificial Solutions® (SSME:ASAI)

Q1 2021 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*

ABOUT ARTIFICIAL SOLUTIONS

- Multi-award-winning Conversational AI for the Enterprise in 84 languages
- Founded in 2001; Listed on NASDAQ in Q1 2019
- Creators of Teneo, an advanced Enterprise Conversational AI Framework
- Own a unique corpus of natural language intelligence gathered from millions of human/machine conversations
- Patents and IP valued at \$100M

GLOBAL BLUE-CHIP CLIENTS



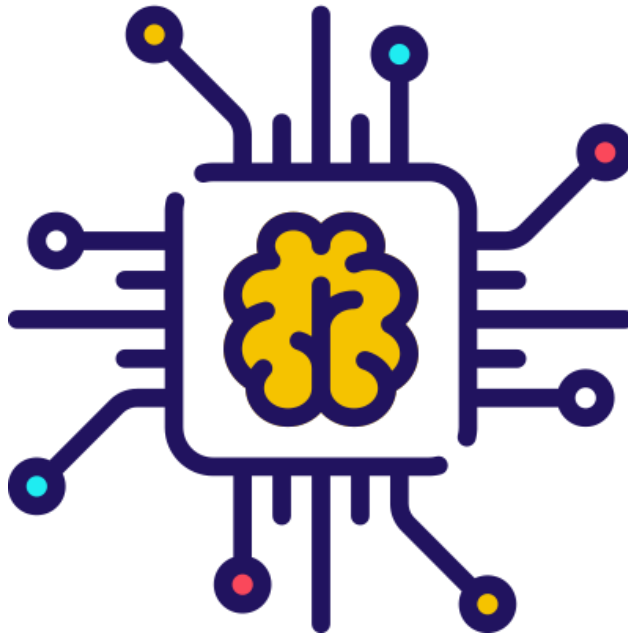
STRATEGIC PARTNERS



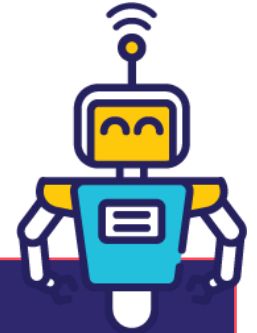
ARTIFICIAL SOLUTIONS MARKET



- 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?

50 BUSD Market
CAGR 20+ %

Q1 OPERATIONAL HIGHLIGHTS

- Strategically important SaaS deal with initial annual revenue value of 0.7 MSEK with large multinational US Tech company (projected Year three ARR of 6.2 MSEK)
- Artificial Solutions recognized and selected as Microsoft Co-Sell Partner
- Increased and extended contracts with existing clients in the financial services industry
- Teneo Platform now supports 84 official languages – most covered languages in the market
- Recognised by industry analyst firms Gartner and ISG
 - ISG nominated Artificial Solutions as a Leader in Intelligent Automation – Solutions and Services for Conversational AI
 - Gartner highlighted Artificial Solutions as a Practical Innovator for Conversational AI
- Appointment of Marie Angselius Schönbeck as Chief Communication and Impact Officer

KEY FINANCIAL HIGHLIGHTS IN Q1 2021

Growth in recurring **(+16%)** and usage **(+80%)** revenues* in the first quarter 2021 combined with reduced cost base key financial metrics for the quarter

- Net sales* amounted to 12.2 MSEK (12.9), down 6%
- Recurring revenues * amounted to 9.0 MSEK (7.7), up 16%
- Usage revenues * amounted to 4.3 MSEK (1.5), up 80%
- Rolling 12 months recurring revenues* amounted to 34.7 MSEK (28.1), up 23%
- Reported net sales amounted to 9.8 MSEK (15.3), down 36%
- Gross margin increased to 72% (60)
- EBITDA adjusted amounted to -13.3 MSEK (-25.1)
- Cash position incl. unutilized credit facilities: 37 MSEK

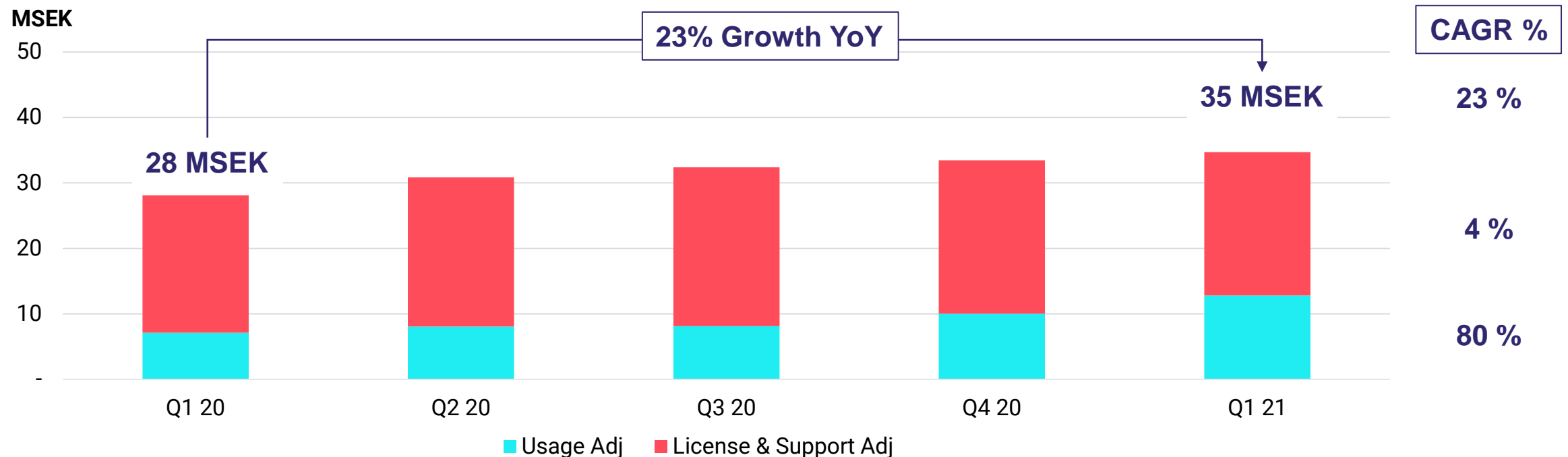
* Usage revenues have been adjusted to be linked to the new SaaS business model revenue recognition principles.

GROWTH IN RECURRING REVENUES

| KEY IN TRANSITIONING TO SAAS MODEL

R12 recurring revenues growing from 28 MSEK to 35 MSEK (23% growth) and usage revenues growing from 7 MSEK to 12 MSEK (80% growth) *

Recurring Revenues MSEK R12 Q1 2020 – Q1 2021*



* Usage revenues have been adjusted to be linked to the new SaaS business model revenue recognition principles.

OPEX SIGNIFICANTLY REDUCED

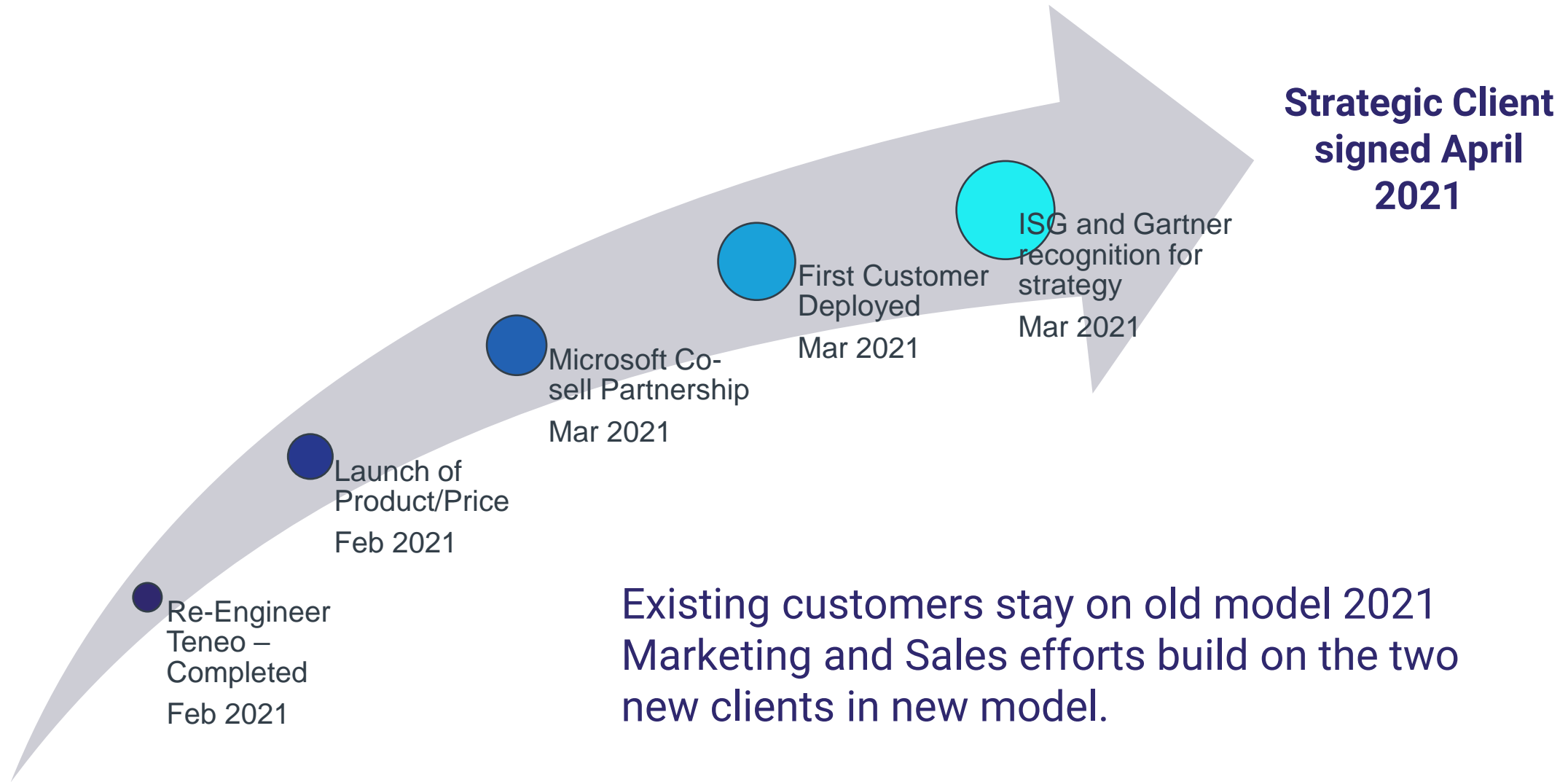
| 41% REDUCTION & GUIDANCE TARGET MET

OPEX Runrate MSEK – Q1 2020 vs. Q1 2021 – Reduction of +70 MSEK



- Headcount reduced from 114 in Q1 2020 to 69 in Q1 2021
- OPEX runrate of 105 MSEK in Q1 2021 following cost reduction measures in Q4

ONGOING TRANSITION TO A SAAS MODEL

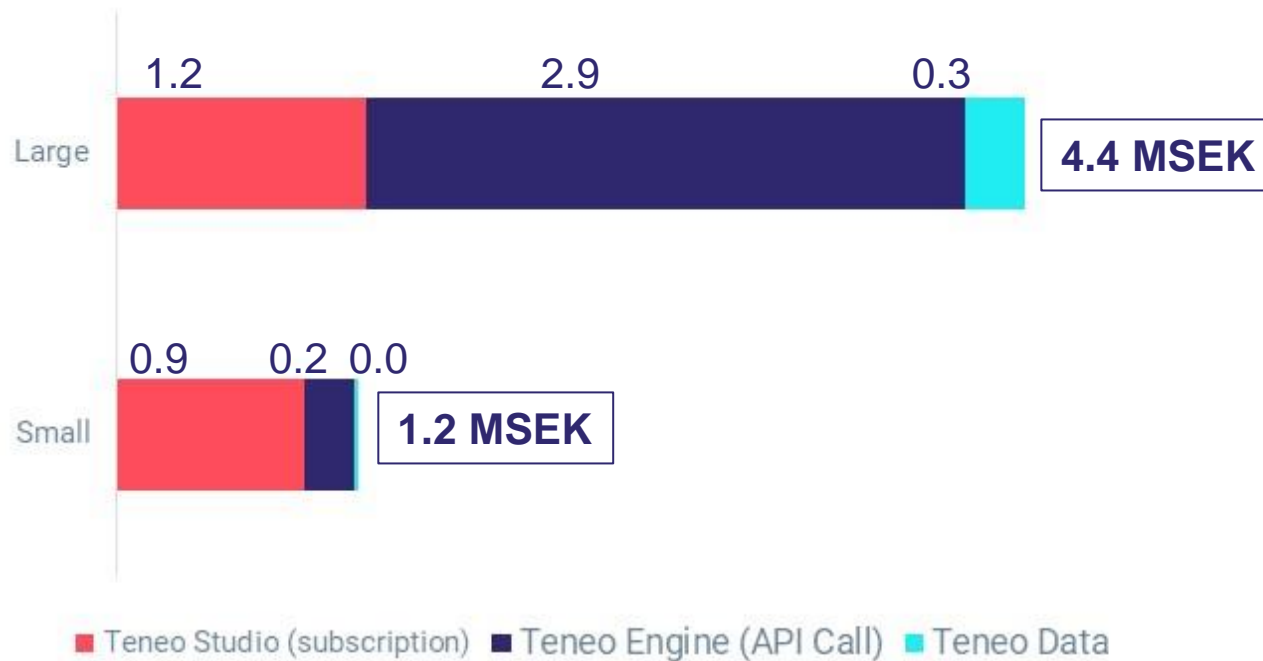


HIGHLY SCALABLE SAAS MODEL

| SMALL & LARGE CUSTOMER CASES

Subscription revenues from accessing Teneo Development Suite provides basis in the new model coupled with 100% volume linked user revenues (#API calls)

Annual Recurring Revenues (ARR) – Small & Large Customer Modelling MSEK



Small customers	Large customers
7,500 EUR p/m for TDS	10,000 EUR p/m for TDS
2,000 EURO for API calls p/m	24,000 EURO for API calls p/m
Data is 10% of API calls revenue	Data is 10% of API calls revenue
2 days training and no expert services	5 days training and 15 expert service days

NEW STRATEGIC SAAS DEAL

| STATEMENT OF ATTRACTIVENESS IN OUR TECHNOLOGY AND STRATEGY

This strategic deal is validating our technology's and our SaaS model's attractiveness – significant API call volume potential

- Customer cannot be disclosed
- Partner deal
- Seat subscription – customer can use DevelopmentSuite
 - 0.7 MSEK in initial annual subscription fees
- API call expectation high – a large customer with significant API call volumes
 - Potential of 6.2 MSEK in ARR year 3

SWEDISH HORIZONTAL AI | B2B SAAS | AZURE



100 MUSD

Horizontal Technology



23%

Customer Growth



41%

Cost Reduction



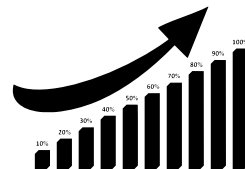
1,700+

LUIS Customers



13 bn SaaS

Proven Team



22,5%

CAGR



\$100 Billion

IDC: Global spending on artificial intelligence (AI) is forecast to double over the next four years, growing from \$50.1 billion in 2020 to more than \$110 billion in 2024



84%

Carbon Reduction

Q&A