

Artificial Solutions® (SSME:ASAI)

Q1 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

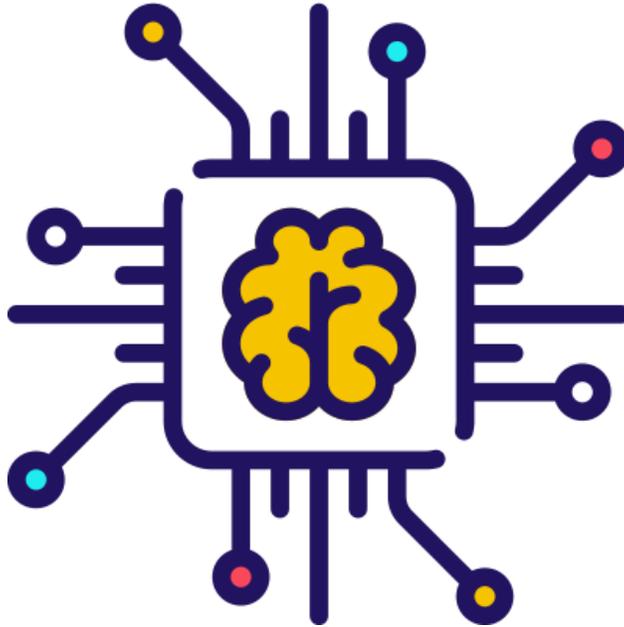
| CFO

*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*

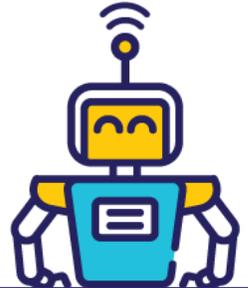
ARTIFICIAL SOLUTIONS MARKET



- 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 March 2022 of **12.9 MSEK**
- Patent and IPR-portfolio, with a third party valuation of **1.6 BSEK**

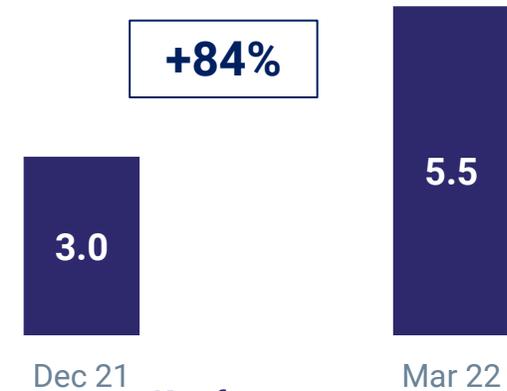
Blue chip customers



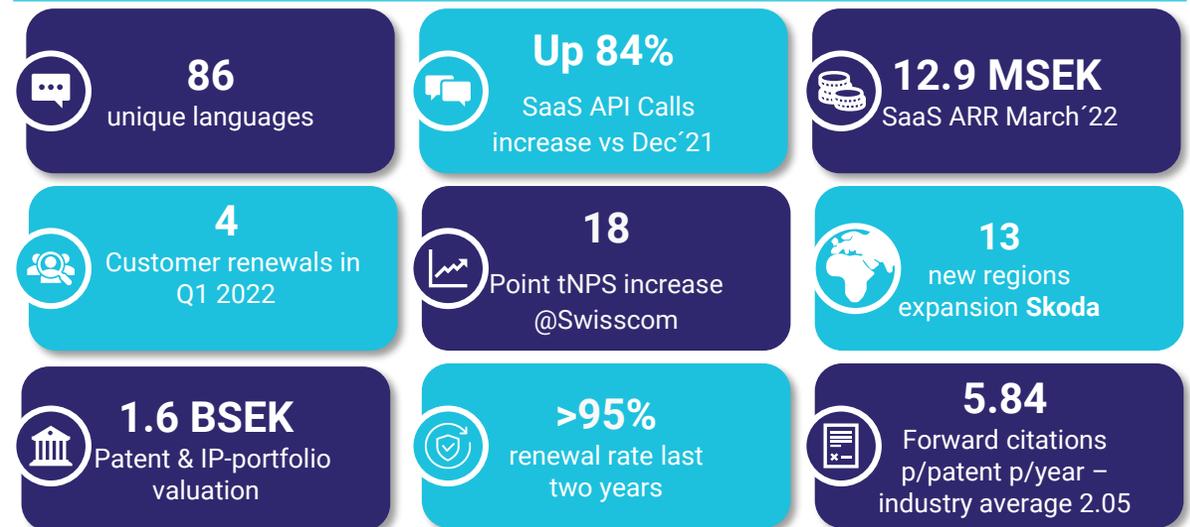
Strategic partners



Monthly SaaS API Call Volumes (million)



Key facts



EXECUTIVE MANAGEMENT



Per Ottosson
| CEO

- Education: Master's in Finance at Stockholm School of Economics
- Experience: Board member of various Artificial Solution subsidiaries. 25 years as senior executive in various positions within the software/SaaS industry
- Share holdings: 138,519



Fredrik Törgren
| CFO

- Education: Master of Science in Business and Administration at Stockholm School of Economics
- Experience: Board member of various Artificial Solution subsidiaries. 20 years experience from senior positions within the technology, M&A, VC and software industry
- Share holdings: 190,000



Andreas Wieweg
| CTO

- Education: University studies in Computer Science and Mathematics at Stockholm University
- Experience: At Artificial Solutions for more than 18 years. Stepped into the role as CTO in 2007
- Share holdings: 49,440



Daniel Eriksson
| Chief Innovation
/ CSO

- Education: Master of Science in Engineering Physics, Royal Institute of Technology. Masters in Business and Economics, Stockholm School of Economics
- Experience: 15 years in Business Development and Technology Leadership experience
- Share holdings: 53,201



Marie Angselius
| Chief of Impact &
CCO

- Education: Bachelor's degree in Communications, Lund University
- Experience: More than 20 years experience from leading communication positions. Most recently as Global Head of Corporate Communication at Amelia an IPSoft company
- Share holdings: 37,090



Paloma Ramirez
| CPO

- Education: Bachelor's degree in Psychology, Universidad Javeriana, Colombia and Master's in Human Resources Management, Universidad de Barcelona, Spain
- Experience: More than 15 years of experience within HR, with the last 12 years in the tech industry
- Share holdings: -



Nicolas Köllerstedt
| CRO

- Education: Södra Latin, Stockholm
- Experience: +20 years within international sales in the software industry. Latest in the SaaS company Snowflake
- Share holdings: -

Q1 OPERATIONAL HIGHLIGHTS

- Monthly SaaS API Calls up 84% from December 2021 to March 2022
- Non-SaaS customers increased volumes with 19% from Q1 2021 to Q1 2022
- SaaS ARR 12.9 MSEK as of March 2022 – growth 37% compared to December 2021
- Recurring Revenues reported 8.8 MSEK – growth 34% compared Q1 2021
- Customers show strong confidence in our SaaS Model
- Happy customers continue to work and grow with us
 - 23 customers in total and 13 in SaaS revenue model
 - 4 renewals and 1 new customers in Q1 2022
- US Sales team now in place to hit the US market
- American Global Tech company renewed its SaaS agreement beginning of Q2 2022
- Skoda expands its Conversational AI offering built on Teneo to 13 additional regions

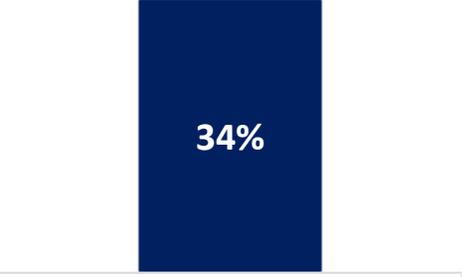
KEY FINANCIAL HIGHLIGHTS IN Q1 2022

| STRONG GROWTH TRAJECTORY ON ALL SALES METRICS

- Net sales* amounted to 10.1 MSEK (9.8), up 3%
- Recurring revenues* amounted to 8.8 MSEK (6.6), up 34%
- SaaS Annual Recurring Revenues 12.9 MSEK Mar 2022, up 37% vs. Dec. 21
- SaaS API Calls volumes 5.5 million, up 84% vs. Dec. 21
- From Q1 22 focus on reported revenues rather than adjusted
- Positive q-o-q sales trajectory
 - Growth in all relevant SaaS metrics Q4'21 vs. Q1'22
- EBITDA adjusted amounted to -17.9 MSEK (-13.1)
- Cash position : 84.2 MSEK in end of March 2022

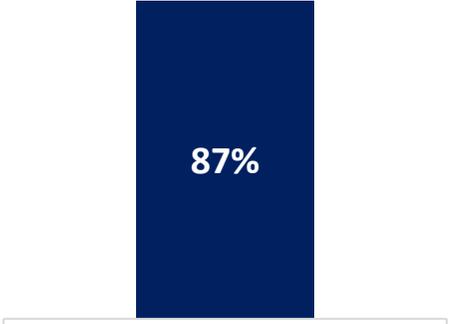
* Refers to reported revenues.

SaaS Recurring Revenue* as % of Total Recurring Revenues Q1 2022



34%

Recurring Revenues* as % of Total Net Sales Q1 2022

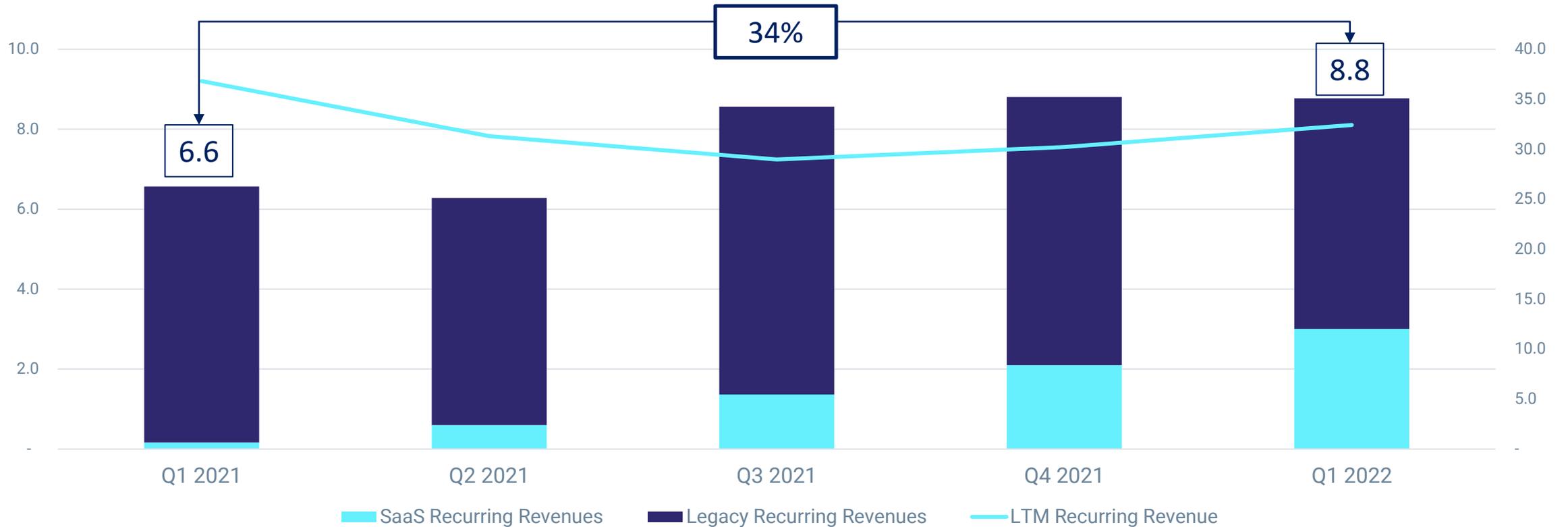


87%

GROWTH IN RECURRING REVENUES

| Y-o-Y GROWTH OF 34% IN Q1 2022

Quarterly Recurring Revenues (SaaS & Legacy) and LTM Recurring Revenues (MSEK)*

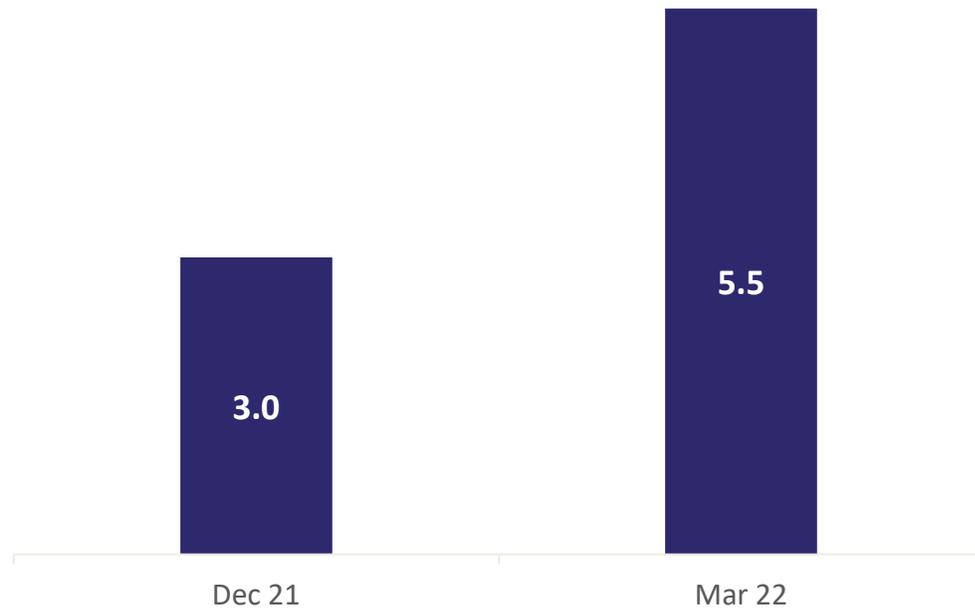


* Refers to reported revenues.

SAAS BUSINESS MODEL RAMPING UP

| API CALL VOLUMES AND SAAS ARR INCREASING

Monthly SaaS API Calls (million) + 84%



SaaS ARR* (MSEK) + 37 %



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

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)

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 |

GRADUAL COST INCREASE AS GUIDED FOR

| INCREASING OPERATIONAL COSTS

Annual OPEX Run Rate* MSEK



- OPEX(*) run rate of 124 MSEK in Q1 2022
- Monthly OPEX(*) in Q1 2022 of 10.3 MSEK
- OPEX increase in Q1 2022 in accordance with previous guidance
- Addition of key commercial positions in Q2 2022 to execute our new strategy will increase OPEX run rate from Q1 level

* excluding non-recurring items.

STRONG CASH POSITION IN Q1 2022

| CASH POSITION IN Q1 IMPACTED BY TRANSACTIONAL COST PAYMENTS

Cash & Bank MSEK



- Cash flow from operations excluding extra ordinary items amounted to -19.1 MSEK in Q1 2022
- Cash flow in Q1 2022 negatively impacted due to extra ordinary items of approx. 11 MSEK
 - Transactional cash costs of 9 MSEK for the PIK loan funding
- Company has a strong liquidity position that enables us to drive and execute on our strategy

SWEDISH HORIZONTAL AI | B2B SAAS | AZURE



1.6 BSEK

Horizontal Technology



34%

Growth in Recurring Revenues



30%

Cost Reduction



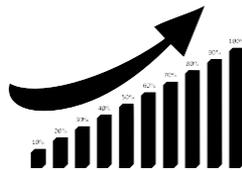
1,700+

LUIS Customers



13 BSEK SaaS

Proven Team



22%

CAGR



130 BSEK

Conversational AI Market

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



82%

Carbon Reduction

Q&A