

**ARTIFICIAL  
SOLUTIONS**

Artificial Solutions® (SSME:ASAI)

Q4 2020 Results | Presentation

# PRESENTERS

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**Per Ottosson**  
**CEO**



**Fredrik Törgren**  
**CFO**

# ABOUT ARTIFICIAL SOLUTIONS

- Multi-award-winning Conversational AI for the Enterprise in 30+ languages across 26 countries
- 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



# Q4 Highlights

# QUARTER 4: OPERATIONAL HIGHLIGHTS

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## 1 Artificial Solutions Product

The logo for LUIS^teneo, featuring the word "LUIS" in blue, a small orange triangle above the "i", and "teneo" in white on a dark blue background.

- Introduction of a new SaaS business and delivery model
- Highly constructive discussions with customers and partners on new business model

## 3 Artificial Solutions Organization

- Recruitment of a new management team in progress
- Artificial Solutions DNA today – start-up mode

## 2 Artificial Solutions Customers



SELECTQUOTE<sup>®</sup>

- **HelloFresh** extends its engagement with our Teneo platform
- **SelectQuote** – an US insurance broker – first customer on the new SaaS offering

## 4 Artificial Solutions Cost Structure

- Measures taken to adopt organisation to new business model and make it fit for profitable growth

# KEY FINANCIAL HIGHLIGHTS IN Q4 2020

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Growth in recurring **(+29%)** and usage **(+546%)** revenues combined with reduced cost base key financial metrics for the quarter

- Order intake 9.4 MSEK (17.0), down 45%
- Revenue 9.7 MSEK (11.0), down 12%
- Recurring revenues 7.6 MSEK (5.9), up 29%
- Usage Revenue 3.0 MSEK (0.5) up 546%
- Gross Margin up to 65% (55%)
- Adjusted EBITDA -15.1 MSEK (-30.6)
- Cash position: 20.1 MSEK (4.4) + 7.3 MSEK in tax payment in January 2021

# RECURRING BUSINESS FROM EXISTING CUSTOMERS

## | KEY IN TRANSITIONING TO SAAS MODEL

Recurring revenues from contracted customers amounted to 40.4 MSEK EoY 2020 (49% growth)

### Recurring Revenues MSEK R12 Q1 2019 - Q4 2020\*



# OPEX SIGNIFICANTLY REDUCED

| 40% REDUCTION

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

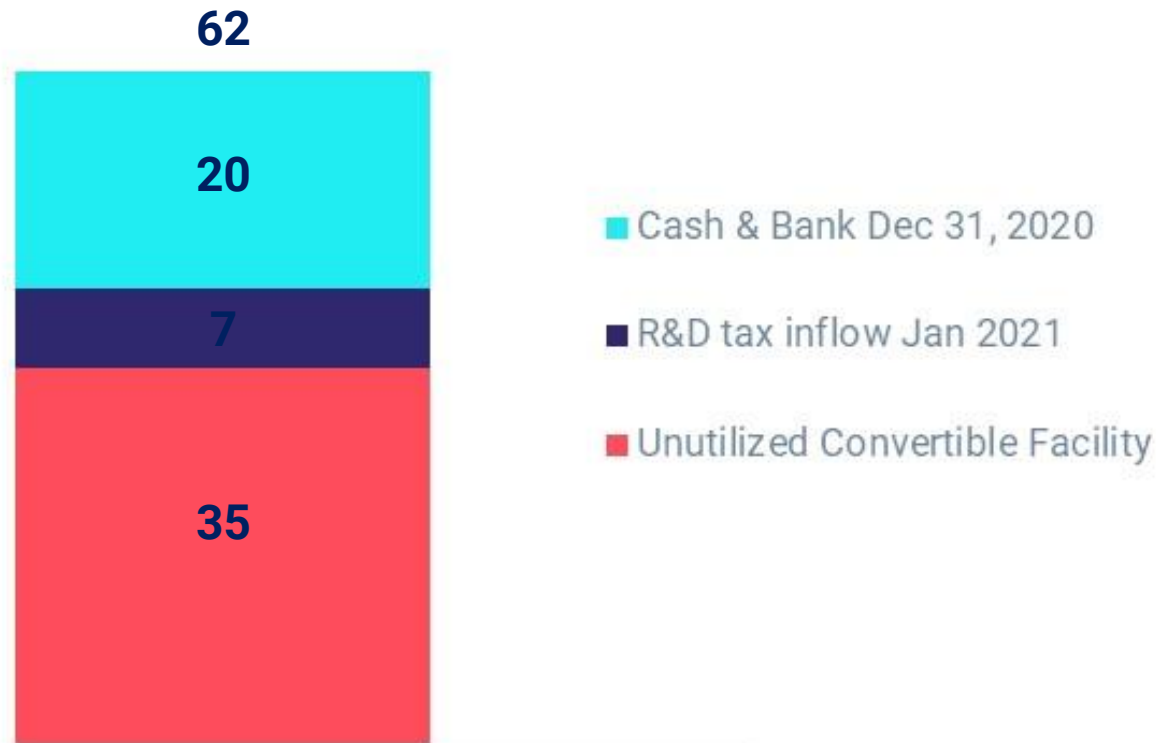


- Headcount reduced from 111 in Q3 2020 to 63 in Q4 2020
- OPEX runrate of 105 MSEK in Q1 2021 following cost reduction measures in Q4



# STRONG CASH POSITION START OF 2021

## Cash and Available Funds Start of 2021 MSEK



# New Model and Team

# CHATBOT LANDSCAPE



# NEW MANAGEMENT TEAM

## Announced



*Per Ottosson*  
| CEO



*Fredrik Törgren*  
| CFO



*Andreas Wieweg*  
| CTO



*Daniel Eriksson*  
| Chief  
Innovation /  
Customer  
Success Officer



*Fredrik Blomberg*  
| Sales Operations

## To Be Announced



# MARKET GROWTH OF +20%

## | MICROSOFT CLEAR WINNER ON INCREASED IT SPENDING

Digital Transformation spending to climb from ~11% to ~15% of overall IT budgets over the next five years. The top companies that are expected to have the largest customer wallet share gains are Microsoft (widest lead) and AWS.\*

### AI Software Market\*\* – CAGR +20 %



Microsoft & Conversational AI: 1000+ companies

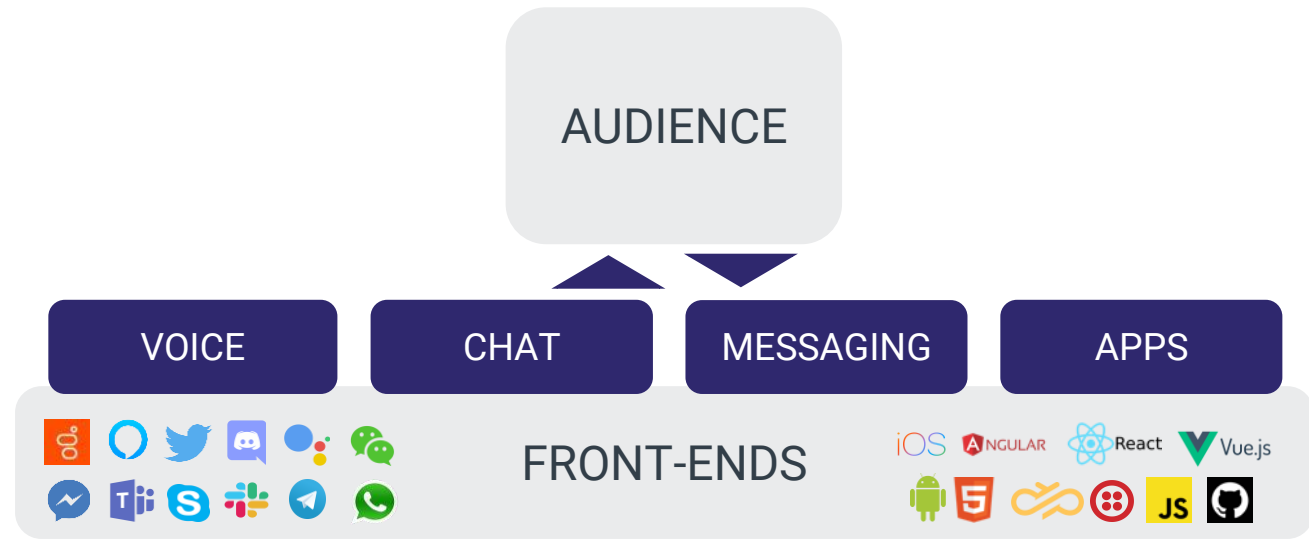
More details: <https://customers.microsoft.com>



\* Goldman Sachs America Technology: Software (Jan 21, 2021)

\*\* IDC: WorldWide Artificial Intelligence Spending Guide | 2020

# LUIS^teneo ARCHITECTURE

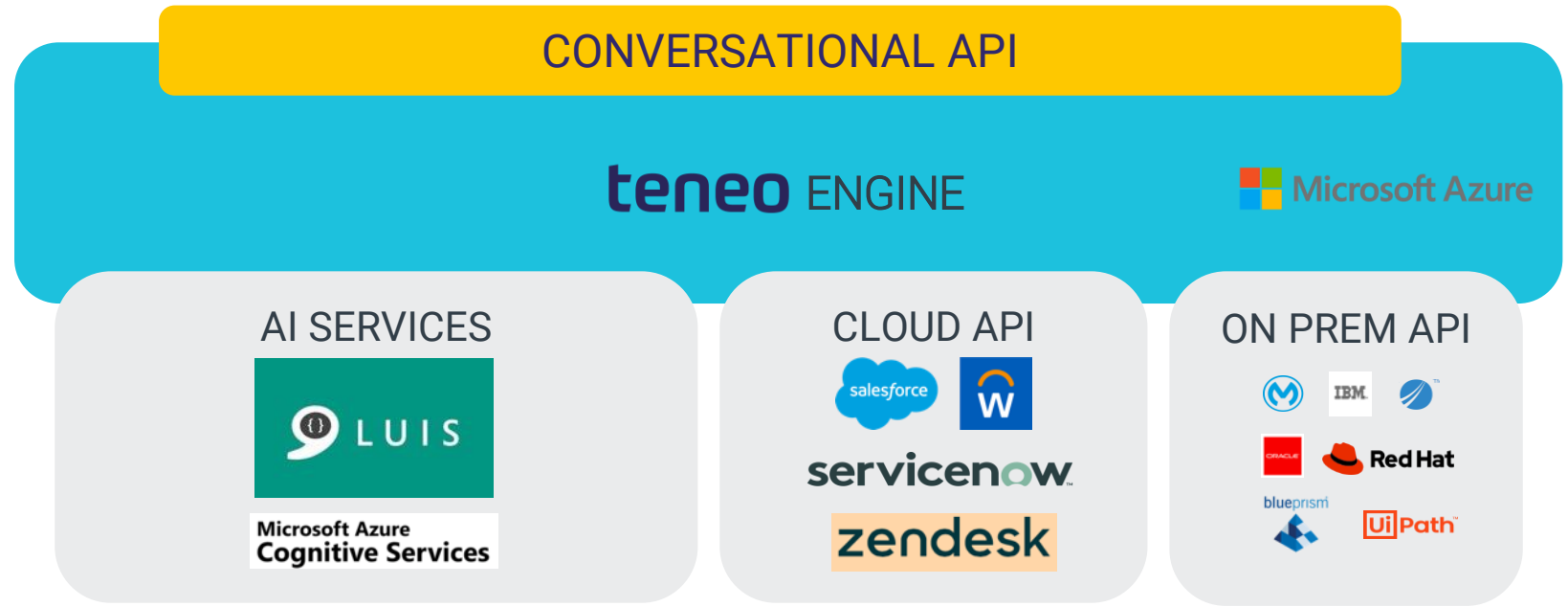


CONVERSATIONAL IDE

teneo DEVELOPERS teneo STUDIO

teneo LANGUAGES teneo DATA

Microsoft Azure

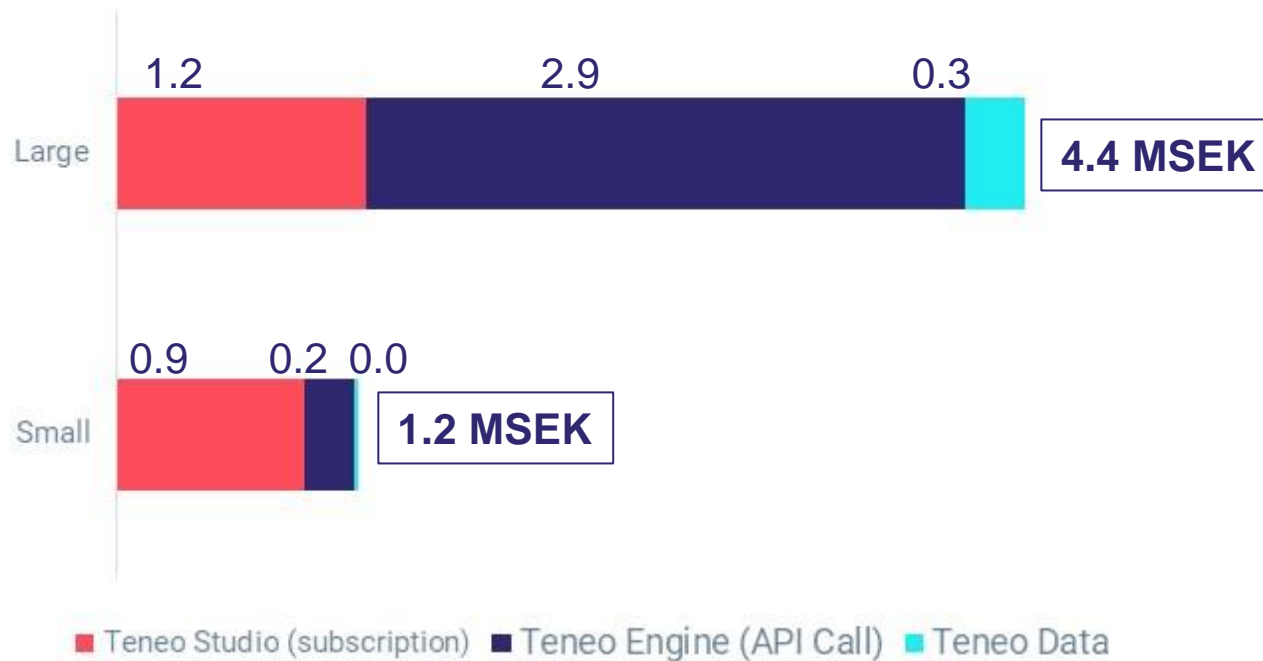


# HIGHLY SCALABLE SAAS MODEL

## | 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

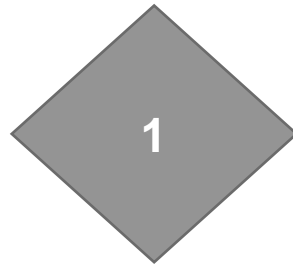


Small customers	Large customers
7,500 EUR p/m for TDS	10,000 EUR p/m for TDS
2,000 EURO for API calls p/m	24,000 EURO for API calls p/m
Data is 10% of API calls revenue	Data is 10% of API calls revenue
2 days training and no expert services	5 days training and 15 expert service days

# FINANCIAL CALENDAR 2021

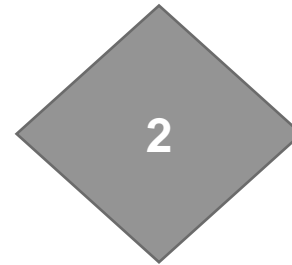
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6th May  
2021



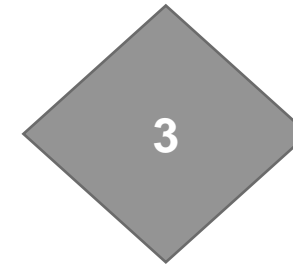
Interim Report  
Q1 2021

10th August  
2021



Interim Report  
Q2 2021

28th October  
2021



Interim Report  
Q3 2021



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# SWEDISH HORIZONTAL AI | B2B SAAS | AZURE



**140 MUSD**

*Horizontal Technology*



**50%**

*Customer Growth*



**40%**

*Cost Reduction*



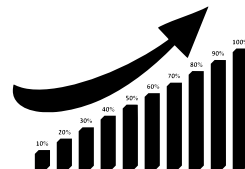
**1,700+**

*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