

Artificial Solutions® (SSME:ASAI)

Q4 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

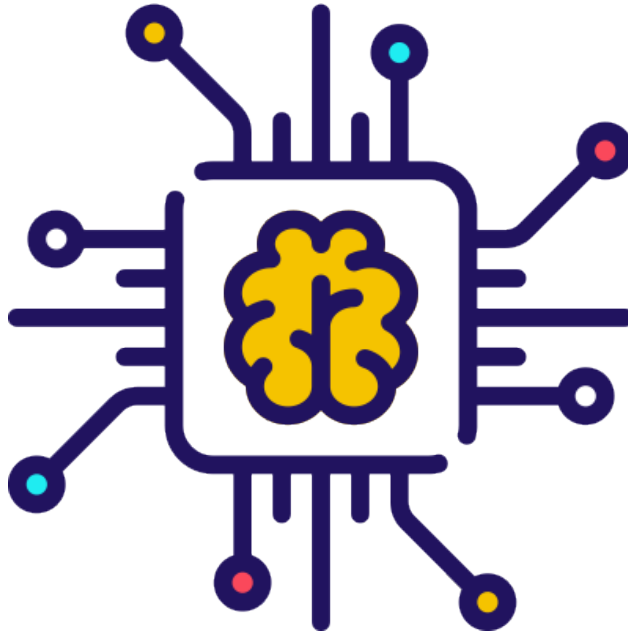
| CFO

*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*

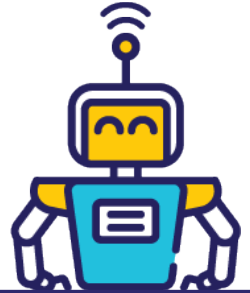
ARTIFICIAL SOLUTIONS MARKET



- 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%

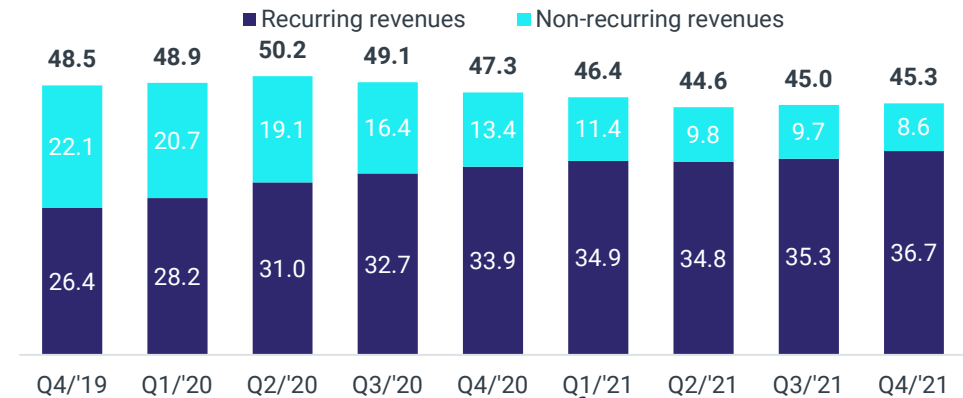
ARTIFICIAL SOLUTIONS AT A GLANCE

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
 - In the LTM ending December 2021, recurring revenues accounted for **36.7 MSEK**
- Patent and IPR-portfolio, with a third party valuation of **1.6 BSEK**

Quarterly LTM adjusted¹ revenue development (MSEK)



18% CAGR
Q4/19-Q4/21

Key facts

- 86** unique languages
- ~10m** monthly sessions
- 36.7 MSEK** recurring revenues LTM Dec'21
- 7** New customers acquired on SaaS-model
- 18** Point tNPS increase @Swisscom
- 120 +250 MSEK** equity + debt funding 2021
- 1.6 BSEK** Patent & IP-portfolio valuation
- >95%** renewal rate last two years
- 5.84** Forward citations p/patent p/year – industry average 2.05

Blue chip customers

Strategic partners

Note: 1) As of 1.1.2021 the Group reports adjusted revenues to more accurately portray actual income over long-term contracts and to have figures that better can be compared with new contracts under the new SaaS-model.

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: 118,519



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: 130,000



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



Fredrik Blomberg
| Sales Operations

- Education: Master of Science in Business & Economics, Stockholm University. Studies in Leadership & Strategy, Swedish Defence University
- Experience: Sales Operations Executive at IPSoft
- Shares holdings: -



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: -

Q4 OPERATIONAL HIGHLIGHTS

- Q4 2021 final step in our transformation with the foundation for a sales motion aligned to our SaaS model
- Happy customers - 10 customers renewals and signed 7 new customers during 2021
- Accelerating growth traction – 17% growth Q4 2020 vs. Q4 2021 on adjusted recurring revenues
- Our SaaS revenues are increasing
- Signed a number of customer contracts in Q4:

 BANCAWIDIBA

 BANCO BPM

 GRAPE TREE
MEDICAL STAFFING

 SCANIA

 ŠKODA

 Hello
FRESH

 SELECTQUOTE

- Recruitments for supporting sales activities
- Successfully closed 250 MSEK in new 5-year credit facility to repay existing debt and support growth
- R&D tax credit for 2020 approved – cash refund of 5 MSEK expected in January 2023

SAAS WHAT'S THE BIG DEAL

LILY HAY NEWMAN SECURITY DEC 10, 2021 2:54 PM

'The Internet Is on Fire'

A vulnerability in the Log4j logging framework has security teams scrambling to put in a fix.



Security responders are scrambling to patch the bug, which can easily be exploited to take control of vulnerable systems remotely. PHOTOGRAPH: MIRAGEC/GETTY IMAGES

KEY FINANCIAL HIGHLIGHTS IN Q4 2021

| SAAS BUSINESS GROWING AND FINANCING SECURED

- Net sales* amounted to 10.4 MSEK (10.2), up 2%
- Recurring revenues* amounted to 9.4 MSEK (8.1), up 17%
- Rolling 12 months recurring revenues* amounted to 36.7 MSEK (33.9), up 8%
- Reported net sales amounted to 9.8 MSEK (9.7), up 1%
- Positive q-o-q sales trajectory – growth in all relevant SaaS metrics Q3 vs. Q4
- EBITDA adjusted amounted to -16.6 MSEK (-15.5)
- Cash position : 112.1 MSEK in December 2021

SaaS sales as % of Recurring Revenues* Dec 2021

25%

Recurring Revenues* as % of Total Sales* Q4 2021

90%

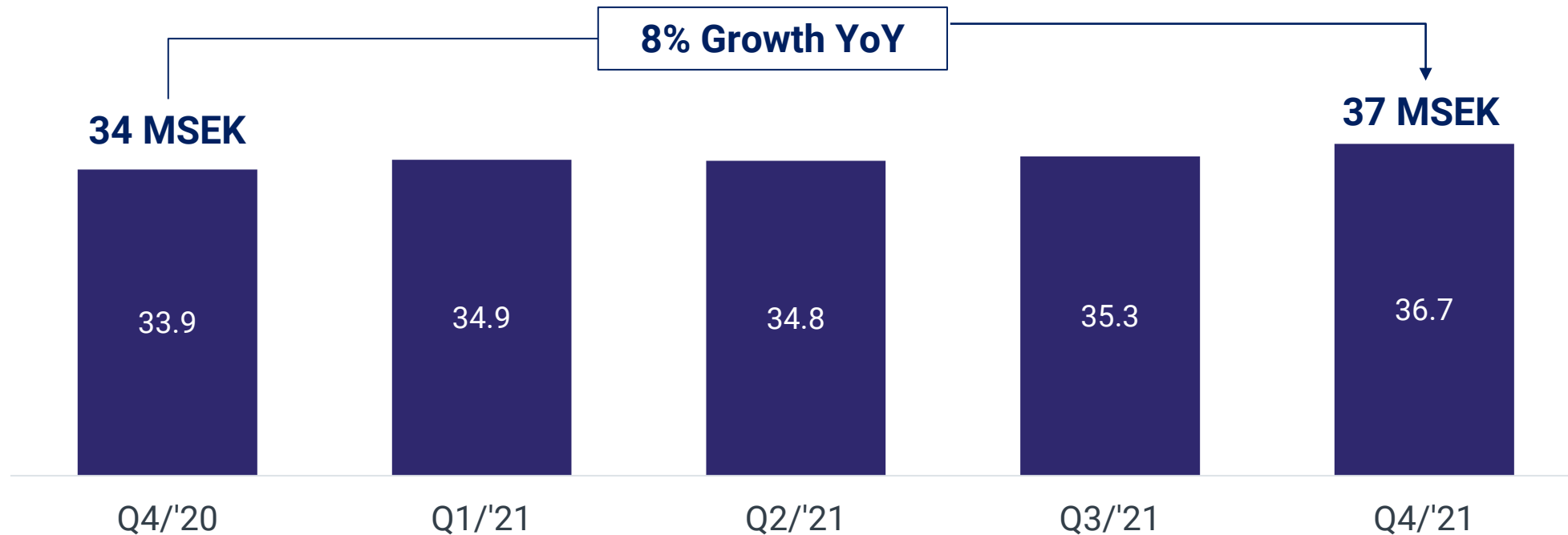
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GROWTH IN RECURRING REVENUES

| KEY IN TRANSITIONING TO SAAS MODEL

R12 recurring revenues growing from 34 MSEK to 37 MSEK (8% CAGR)*

Recurring Revenues MSEK R12 Q4 2020 – Q4 2021*

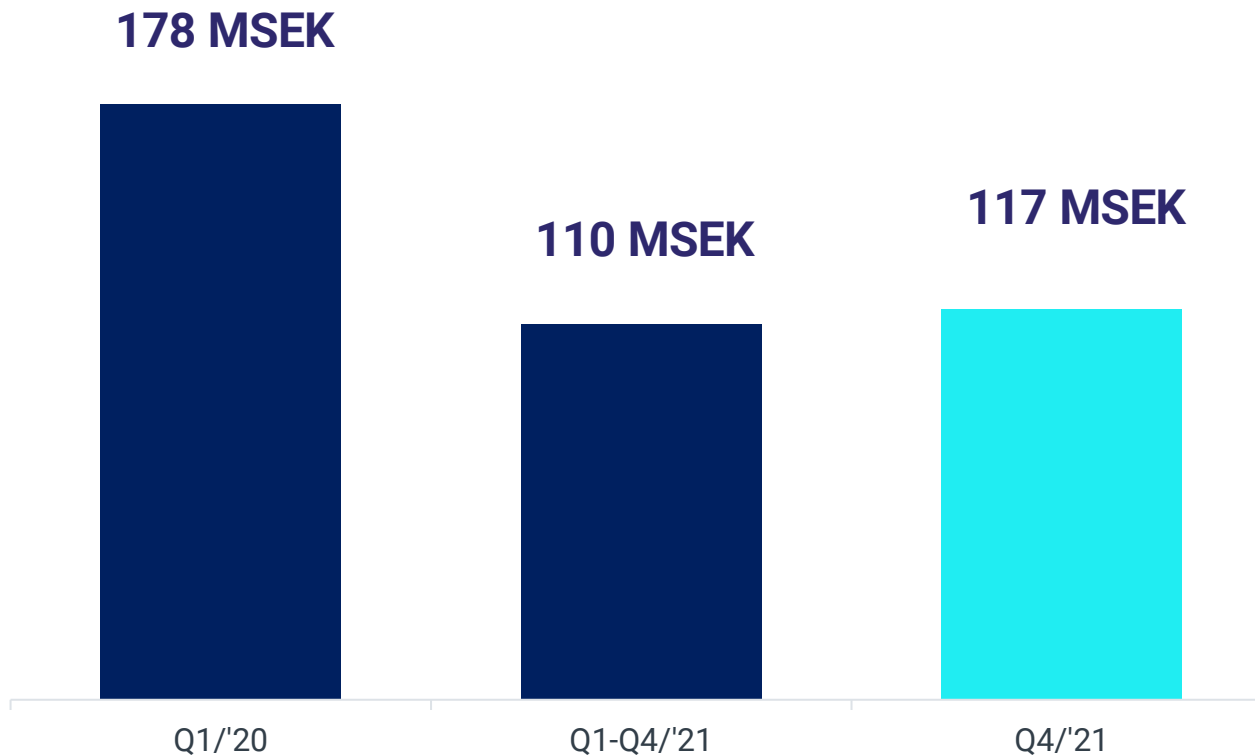


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CONTINUED COST CONTROL

| 34% REDUCTION VS Q1 2020

OPEX Runrate MSEK – Q1 2020 vs. Q4 2021 – Reduction of 61 MSEK



- OPEX runrate of 117 MSEK in Q4 2021
- Monthly OPEX in Q4 2021 at 9.7 MSEK
- Gradual increase of OPEX in Q4 21 is in accordance with our guidance
- Adding key commercial positions to execute our new strategy will increase our OPEX run rate somewhat from Q4 level

5-YEAR PIK LOAN OF 250 MSEK SECURED IN Q4

REFINANCING OF ALL EXISTING DEBT + ADD FUNDS FOR GROWTH TO OUR CASH POSITION

Key Terms

- Private debt facility provided by Capital Four – a reputable credit investor with 15 EUR bn in AUM
- **5-year PIK funding** – i.e. **no cash interest during tenure @ 9.5% interest margin**
- All existing debt incl. convertible bond and capitalized interest costs of a bit more than 200 MSEK was repaid in Q4 2021
- The interest cost is reduced with more than 7% vs. the previous debt financing

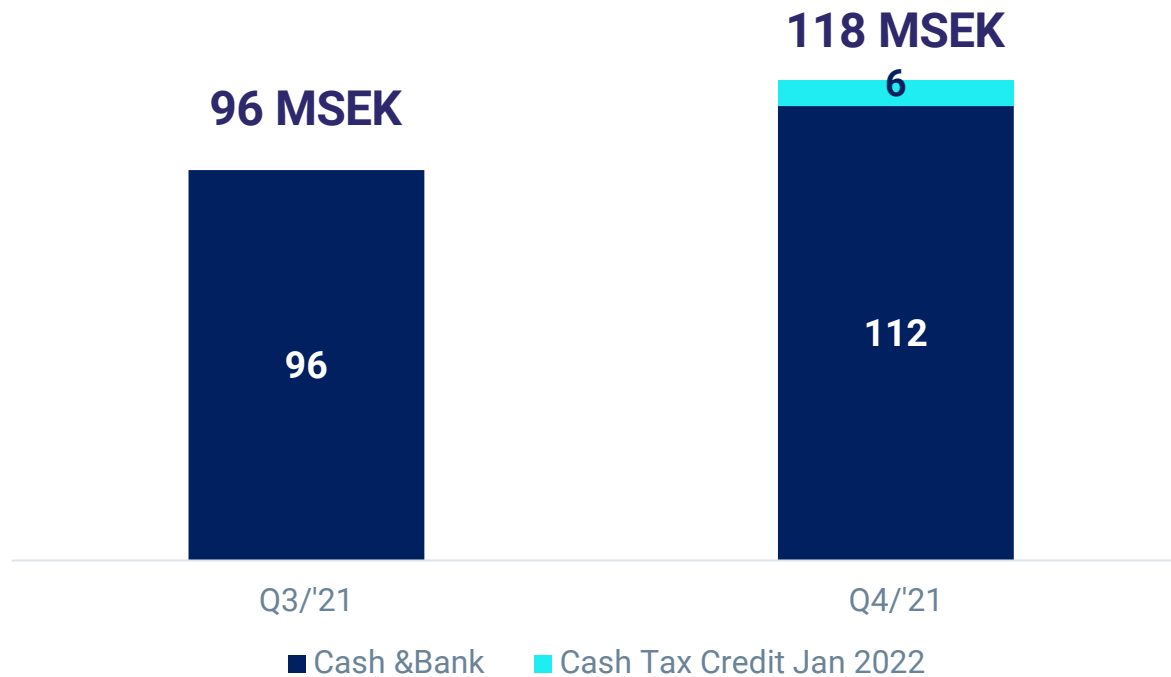
Uses of Funds – New PIK Loan (MSEK)

Uses of Funds MSEK	
Cash Position Q3 2021	96
Gross PIK Loan	250
Debt Repayment Principal	-158
Capitalized Interest Costs Repaid and other items	-53
Cash Flow in Q4	-24
Cash Position Q4 2021	112

STRONG CASH POSITION IN Q4 2021

| STRENGTHENED CASH POSITION Q4 2021 VS Q3 2021

Available Liquidity Q3 2021 vs. Q4 2021



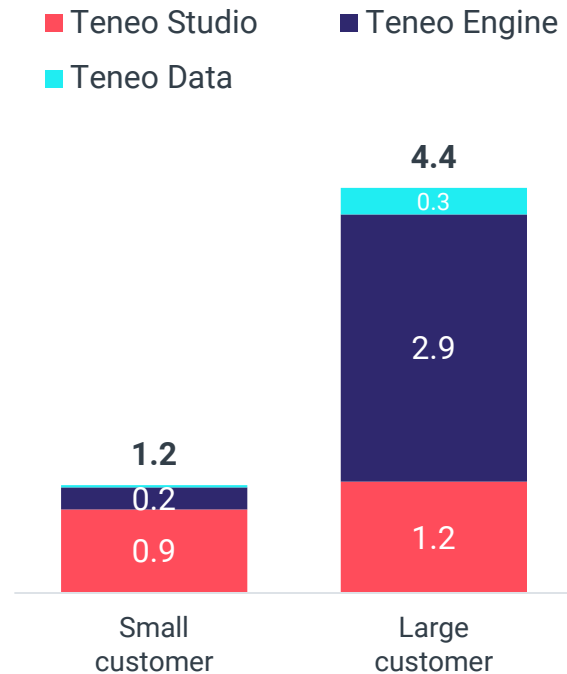
- **Successful and oversubscribed directed issue in Q2 2021 and PIK Loan of 250 MSEK in Q4 2021**
 - Improved cash position
 - Strengthened our shareholder base
- **Company received 6 MSEK in R&D cash credit refund in January 2022**
- **A strong liquidity position that enables us to drive and execute on our strategy**

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

SWEDISH HORIZONTAL AI | B2B SAAS | AZURE



1.6 BSEK

Horizontal Technology



17%

Growth in Recurring Revenues



34%

Cost Reduction



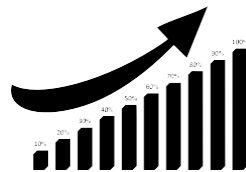
1,700+

LUIS Customers



13 BSEK SaaS

Proven Team



22%

CAGR



130 BSEK

Conversational AI Market

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



84%

Carbon Reduction

Q&A