TODAY’S PRESENTERS

Lawrence Flynn  
CEO

Chris Bushnell  
CFO
A CONVERSATIONAL AI PIONEER

- The world’s most advanced, Enterprise Conversational AI platform – Teneo
- Supports 35 languages, delivering millions of conversations annually
- 110 staff (incl. 52 AI, ML and linguistic experts)
- HQ in Stockholm, offices in 8 countries

Global Blue-Chip Clients

Strategic Partners
Q1 2019 IN BRIEF

- Results in line with expectations
- Several new clients signed - government, postal service, airline
- Increased and extended contractual relationships with long term customers - AT&T, Shell, Vodafone
- Strong increase in Partner revenue and two new significant Partners signed, Deloitte and CapGemini
- Strong order backlog - up 28%
- Successful launch of Teneo Fusion
- New Sales office in Singapore – to support Partners & Customers expansion plans
**Q1 2019 KEY FIGURES**

- Some negotiations in Q1 slightly delayed with neg. impact on order intake
- Strong order backlog - up 28% to 40.8 MSEK
- Net sales in line with expectations amounting to 12.6 MSEK
- Operating expenses impacted by one-off costs of:
  - Write-down of goodwill of 22.1 MSEK
  - RTO transaction costs of 4.1 MSEK
- An anticipated increase in personnel costs due to a change in mix of staff and new hires
- Adjusted operating loss at -30.7 MSEK

<table>
<thead>
<tr>
<th></th>
<th>Jan-Mar</th>
<th>2019</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Intake</td>
<td></td>
<td>16.8</td>
<td>18.4</td>
<td>55.4</td>
</tr>
<tr>
<td>Order Backlog</td>
<td></td>
<td>40.8</td>
<td>31.7</td>
<td>35.2</td>
</tr>
<tr>
<td>Net sales</td>
<td></td>
<td>12.6</td>
<td>12.4</td>
<td>44.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td>-31.8</td>
<td>-20.9</td>
<td>-100.3</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td></td>
<td>-27.7</td>
<td>-20.9</td>
<td>-100.3</td>
</tr>
<tr>
<td>Operating loss</td>
<td></td>
<td>-56.9</td>
<td>-28.1</td>
<td>-118.8</td>
</tr>
<tr>
<td>Adjusted Operating loss</td>
<td></td>
<td>-30.7</td>
<td>-28.1</td>
<td>-118.8</td>
</tr>
<tr>
<td>Operating margin</td>
<td></td>
<td>6.3</td>
<td>6.9</td>
<td>20.2</td>
</tr>
<tr>
<td>Net loss per share</td>
<td></td>
<td>-2.7</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Equity ratio</td>
<td></td>
<td>1.6</td>
<td>1.5</td>
<td>0.8</td>
</tr>
</tbody>
</table>
SHIFT TO PARTNER LED BUSINESS MODEL

Shifting sales model to partners

- Increased gross profit and higher margins
  - Partners focus on lower margin Professional Services
  - Company focus on higher margin license and usage revenues
- The partner share expects to increase in the upcoming years
- Direct sales will still support order intake going forward

Partner share of revenue, (KEUR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct</th>
<th>Partner</th>
<th>Partner % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,294</td>
<td>326</td>
<td>9%</td>
</tr>
<tr>
<td>2017</td>
<td>4,060</td>
<td>891</td>
<td>18%</td>
</tr>
<tr>
<td>2018</td>
<td>2,985</td>
<td>1,404</td>
<td>32%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>339</td>
<td>907</td>
<td>27%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>611</td>
<td>602</td>
<td>50%</td>
</tr>
</tbody>
</table>
SUCCESSFUL LAUNCH OF TENEON FUSION

A “clear blue water” market differentiator in terms of global reach and product and technology scalability.

- Major Platform Release further enhances capabilities and competitiveness
- New Teneo Developers (www.Teneo.ai) resource massively increases ability to scale the Teneo Developer community
- Arms length enablement of partner ecosystem on a global basis facilitates and underpins high growth strategy
POSITIONED FOR RAPID GROWTH

- Highly scalable and profitable business model
- Utilize partner channel for sales and services to drive fast growth
- 35 languages differentiates and provides opportunity to target new geographies
- During 2019-20, revenue will shift to higher gross margin license/usage fees
- Usage fees grow as client usage increases
- License and usage fee grow as each client implements new use cases (additional channels, languages, applications)
FINANCIAL TARGETS

Order intake on medium and long term shall grow in excess of NLP market

Gross margin above 70 per cent as from 2020

Positive cash flows from operations as from 2020
SUMMARY AND OUTLOOK

- Strong order backlog – encouraging for the remainder of 2019
- Revenue and results in line with expectations
- Building on successes with existing customers
- Bringing on board a number of strategic accounts
- Continuing to build on successes with Partners – signing new customers and expanding the number of Partners
- During 2019-20, revenue will shift to higher gross margin license/usage fees
- Increased order intake above 40% growth on 2018 on a full year basis
Q&A