TODAY’S PRESENTERS

Lawrence Flynn
CEO

Chris Bushnell
CFO
A CONVERSATIONAL AI PIONEER

- The world’s most advanced, Enterprise Conversational AI platform – Teneo
- 106 staff (incl. 52 AI, ML and linguistic experts)
- HQ in Stockholm, offices in 8 countries
- Teneo available in 36 languages, Teneo Developers in 7
- Founded in 2001 and listed on First North Growth Market in Q1 2019

Global Blue-Chip Clients

Strategic Partners
MARKET OPPORTUNITY

“The global Conversational AI market is set to grow USD 4.2 billion in 2019 to USD 15.7 billion by 2024, a CAGR of 30.2%¹”

“Individual Virtual Assistant market will grow at a CAGR of 38.82% between 2017 and 2023².”

“by 2021, 15% of all customer service interactions will be handled by AI, an increase of 400% from 2017³”

References:
2. Research and Markets
3. Gartner
QUARTER 3: FUNDAMENTALS

Q3 KEY FIGURES

- Order Intake growth from 3.7 MSEK to 6.1 MSEK, an increase by 65%
- Order Backlog growth from 23.3 MSEK to 46.9 MSEK, an increase by 101%
- Revenue up 33% to 12.8 MSEK
- Gross Margin up from 52% to 62%
- Adjusted EBITDA was -26.9 MSEK (-20.5)
- Sharp increase in usage revenue, up by 75%
- Increasing percentage of revenues delivered through Partners, from 38% to 43%
QUARTER 3: HIGHLIGHTS

▪ Three new clients signed; an additional US Government department, a global search and recruitment firm and Scania

▪ Increased and extended contracts with several existing clients

▪ Working to secure a capital structure to fuel growth

▪ Accelerated speed to market after launch of Teneo Developers, with new customers and 7 languages

▪ Recognised by industry analyst firm Gartner, in their latest Market Guide for Conversational Platforms

▪ Increased patent valuation by 58% to 1 470 MSEK (Oxfirst Ltd) and substantial increase in number of forward citations

CONTINUED POSITIVE DEVELOPMENT IN ORDER INTAKE AND ORDER BACKLOG - WHILST WORKING TO SECURE A CAPITAL STRUCTURE TO FUEL GROWTH
## YTD 2019 KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>Jul-Sep 2019</th>
<th>Jul-Sep 2018</th>
<th>Jan-Sep 2019</th>
<th>Jan-Sep 2018</th>
<th>Full Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MSEK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order Intake</td>
<td>6.1</td>
<td>3.7</td>
<td>45.7</td>
<td>31.5</td>
<td>55.4</td>
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<tr>
<td>Order Backlog</td>
<td>46.9</td>
<td>23.3</td>
<td>46.9</td>
<td>23.3</td>
<td>35.2</td>
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<tr>
<td>Net Sales</td>
<td>12.8</td>
<td>9.6</td>
<td>38.1</td>
<td>33.4</td>
<td>44.9</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>62%</td>
<td>52%</td>
<td>58%</td>
<td>51%</td>
<td>45%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-26.9</td>
<td>-20.5</td>
<td>-88.6</td>
<td>-64.9</td>
<td>-100.3</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>-26.9</td>
<td>-20.5</td>
<td>-82.2</td>
<td>-64.9</td>
<td>-100.3</td>
</tr>
<tr>
<td>Operating loss</td>
<td>-29.6</td>
<td>-25.7</td>
<td>-119.8</td>
<td>-84.8</td>
<td>-118.8</td>
</tr>
<tr>
<td>Adjusted Operating loss</td>
<td>-29.6</td>
<td>-25.7</td>
<td>-91.3</td>
<td>-84.8</td>
<td>-118.8</td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>-1.7</td>
<td>n/a</td>
<td>-5.8</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>1.8</td>
<td>0.2</td>
<td>1.8</td>
<td>0.2</td>
<td>0.8</td>
</tr>
</tbody>
</table>

### The Quarter:-

- Net Sales totaling 12.8 MSEK (9.6)
- Gross Margin up to 62% from 52%, due to change in revenue mix
- Adjusted EBITDA at -26.9 MSEK (-20.5)
- Increase in personnel costs due to a change in mix of staff and impact of salary reviews
ORDER INTAKE AND ORDER BACKLOG

- Order Intake increased by 65% to 45.7 MSEK (31.5)
- Order Backlog 101% to 46.9 MSEK (23.3)
- More long-term commitments signed
  - 31% of total Order Backlog expected to be delivered in 2021 and beyond
- Mix in revenue elements improves profitability and the overall profitability increases over the life of an agreement
STRONGER PARTNER LED BUSINESS MODEL

- Increased gross profit and higher margins
  - Partners focus on lower margin Professional Services
  - Company focus on higher margin license and usage revenues
- Revenues through our Partners, up by 45% September YTD
- The partner share expects to increase in the upcoming years
- Direct sales will still support order intake going forward

![Sep YTD Revenue Direct vs. Partner](chart.png)
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
FINANCIAL CALENDAR

Year-end Report 2019
27 February 2020

Interim Report Q1 2020
18 May 2020

AGM 2020
18 May 2020

Interim Report Q2 2020
30 July 2020

Interim Report Q3 2020
29 October 2020

Year-end Report 2020
4 February 2021
Q&A