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Q4 2023 Results | Presentation



Per Ottosson | CEO
Fredrik Törgren | CFO

Tuesday, March 12, 2024

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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

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Business Update

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ASAI in a Nutshell

FOUNDED IN 2001. HQ: STOCKHOLM

Our vision is a world without queues, without keypad navigation, with instant service.

We transform customer experience for consumers around the world, powering millions of interactions every day across our enterprise client base. Teneo, our Conversational AI platform, runs across 86 languages and their dialects and is fully integrated with contact center systems.



99%
NLU Accuracy

Teneo can help you get over 99% accuracy in understanding and addressing customer needs with our TLML.

98%
OP-EX Cost Saving

Cut your AI operational expenses in AI by up to 98% by integrating Teneo's Generative AI into your ecosystem.

+90%
Reduced Misrouting

Teneo does intelligent routing to direct queries to the right agent, decreasing wait times.

-2 min
Reduction in AHT

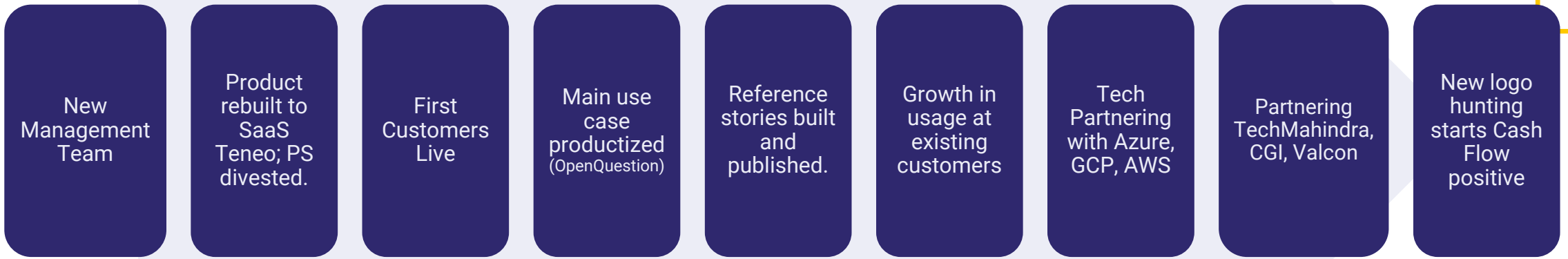
Teneo improves live agent metrics: decreasing Average Handle Time and improving First Call Resolution (FCR).

-8%
Reduced Call Volume

Teneo manages and resolves queries through OpenQuestion, significantly reducing the overall call volume.

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The SaaS Journey



2021 | **2022** | **2023** | **2024**

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Positioned to Cater to Large-scale Enterprises

Partnerships with Hyperscalers

Three leading tech stacks dominate the global software market, creating significant network benefits connected services

Azure | Google Cloud | aws

Microsoft leads in AI services, AWS in Contact Center, Google runner up in Contact Center and AI services,

teneo.ai

Integrates latest AI technology in your organization.



Azure

Enterprises are scrambling to integrate GPT into Contact Center and Internal Services

Source: Company information

… provides access to blue chip enterprise customers

AT&T

"Conversational AI has improved Customer Recovery rates by 15% vs the previous base line, using the same tools that were already available to human care agents. It avoids shipping field technicians to houses."
Raj Raheja | AT&T Digital, product owner virtual assistant

swisscom

"Our Customer enquiry hotline will be considerably more productive thanks to human spoken interaction with our systems. Our voice-controlled hotline system improves the customer experience by assigning enquiries quickly and accurately, maximizing the valuable resources of our hotline agents." **Christoph Aeschlimann** | CEO

- Access to huge pool of new potential customers
- Credibility by being on the Hyperscaler Marketplaces
- Unique relationship with Microsoft in the AI space



Artificial Solutions is the only player within the CAI space that answers millions of phone calls per month in several customers.

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Welcome to Customer Care

LISTEN & CHOOSE CAREFULLY

62%

Traditional IVRS' used by 62% of all Enterprises in the U.S.



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Customer Delight

1-800-MICROSOFT

Teneo OpenQuestion is a cutting-edge AI IVR tat enables contact center transformation with one simple SaaS module integration.

Teneo will initially route to the correct human and, overtime, be taught to automatically answer complex questions like this live support case.



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Accuracy Is The Reason

BANKING77

Platform	F1
Teneo	0.95
Amazon Lex	0.89
Cognigy	0.80
Microsoft CLU	0.70
IBM Watson	0.81
Google DialogFlow	0.74



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Key Investment Highlights



I. A prominent player, with strong industrial backing, in a market growing at 38% CAGR

II. Largest references in this high growth AI market

III. Highly scalable business model with SaaS Revenues growing approx. 50% YoY and gross margins on fully onboarded customers approaching 95%

IV. Quality of offering paired with material switching costs support revenue retention

V. Lets customer leverage the latest AI technologies like GPT

Source: Company information

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Strategic Review by Board of Directors

REVIEW ONGOING

Status Update

- The board of directors of Artificial Solutions announced on October 26, 2023, that it initiates a review of strategic alternatives to maximize shareholder value, because of the rapidly evolving market landscape in the field where Artificial Solutions is present.
- The review is still ongoing with interested parties and the board of directors has not set a timetable for completion of its review and has not committed to any obligation to make any further announcements until final decisions are made by the company's board of directors.
- The board of directors emphasizes based on the ongoing strategic review discussions that our company is a leading player in the AI and Contact Center Software verticals and that we are recognized by many larger players in the industry as a leader.

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Financials

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Q4 2023

Operations & Numbers

+145%
NRR in Q4 2023

63M
SEKm ARR in Q4 2023

+47%
Growth in Recurring Revenues 2023

1.6BSEK
Valuation Patents & IP Rights

100%
Recurring Software Revenues



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Q4 2023 Operational Highlights

- A **number of renewal agreements** on SaaS and on License signed
- Telefónica presented an integrated Teneo powered LLM pilot
- HRSA launched a live Generative AI use case in Teneo
- Successfully launched and close a **rights issue of 26 MSEK** on Q1 2024
- Teneo.ai Unveils Adaptive Answers: The Next Frontier in Personalized Customer Service for Contact Centers
- Teneo.ai Announces Generative AI Orchestration to its Teneo Platform, Offering Up to 98% Cost Reduction in Generative AI Operations
- Teneo.ai Unveils Advanced RAG Solutions for Enterprise AI: Mastering Complex Customer Service Operations
- Strong growth in **recurring revenues full year 2023 + 47% YoY** and positive growth trajectory beginning of 2024 vs. Q4 2023

A1

BANCAWIDIBA

BANCO BPM

TIAA

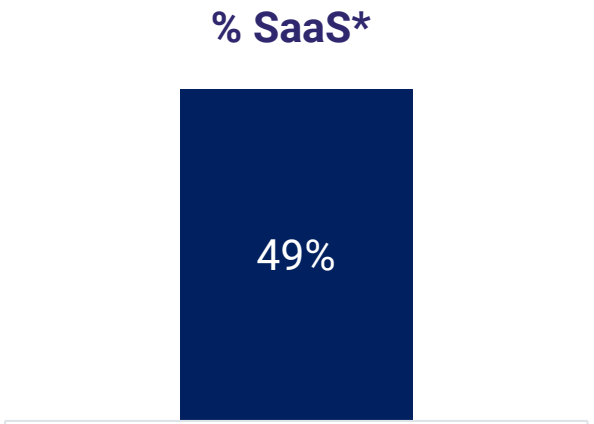
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Key Financial Highlights In Q4 2023

GROWTH IN RECURRING REVENUES AND IMPROVED EBITDA

Key Metrics

- Recurring revenues amounted to 15.7 MSEK (12.0), + 31%
- SaaS ARR amounted to 31.0 (24.9) MSEK, + 24%
- Total ARR amounted to 63.0 MSEK (47.9), +31%
- Net Revenue Retention 145% in Q4 2023
- Net sales amounted to 15.8 MSEK (13.0), + 22%
- Gross margin amounted to 77% (55)
- EBITDA adjusted amounted to -5.8 MSEK (-18.3)
- Monthly adj. OPEX -9.0 MSEK (-9.9 MSEK)
- Cash position : 15.2 MSEK (55.5 MSEK Adj.)





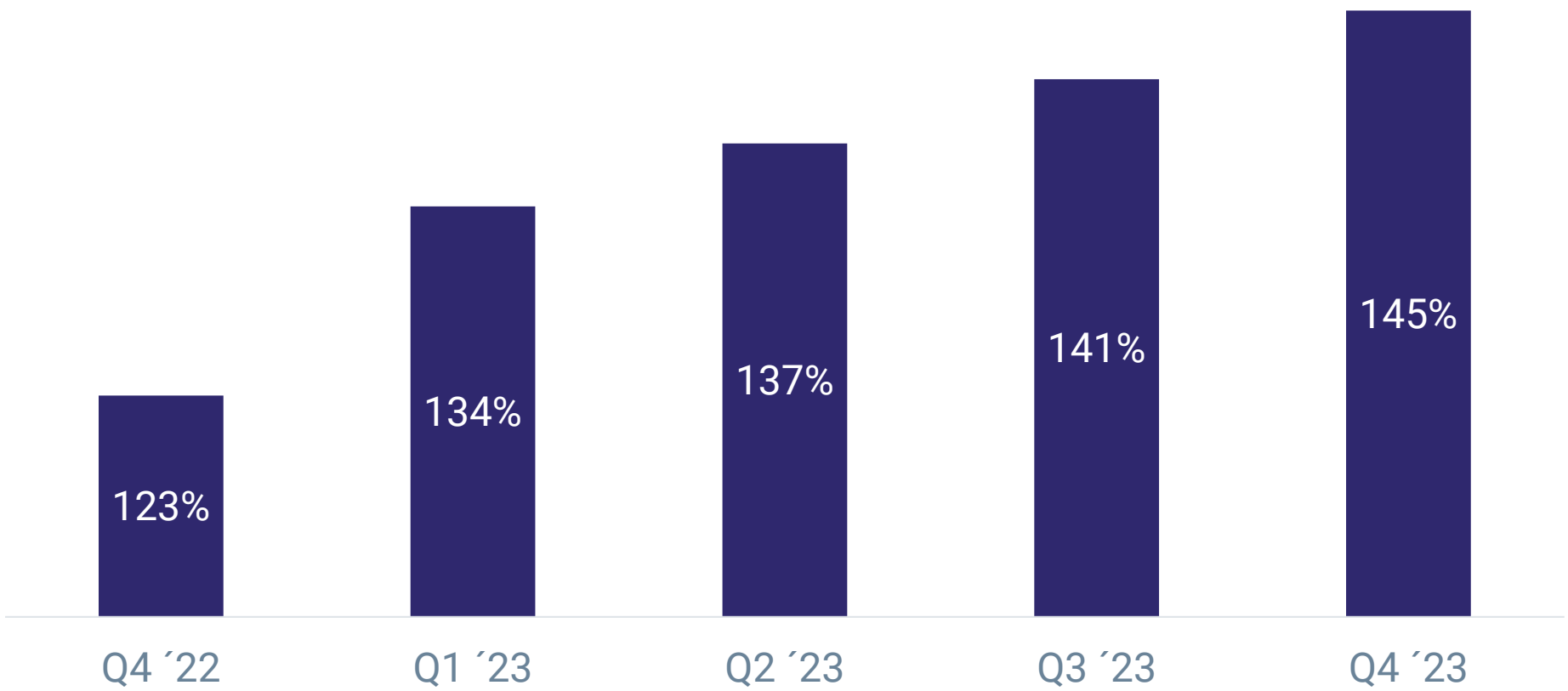
* SaaS Recurring Revenues as % of Total Recurring Revenues.
** % Recurring Revenues as % of Total Net Sales.

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Net Revenue Retention

STRONG DEVELOPMENT 2023 +145%

NRR (%) – Driven by Existing Accounts 2023

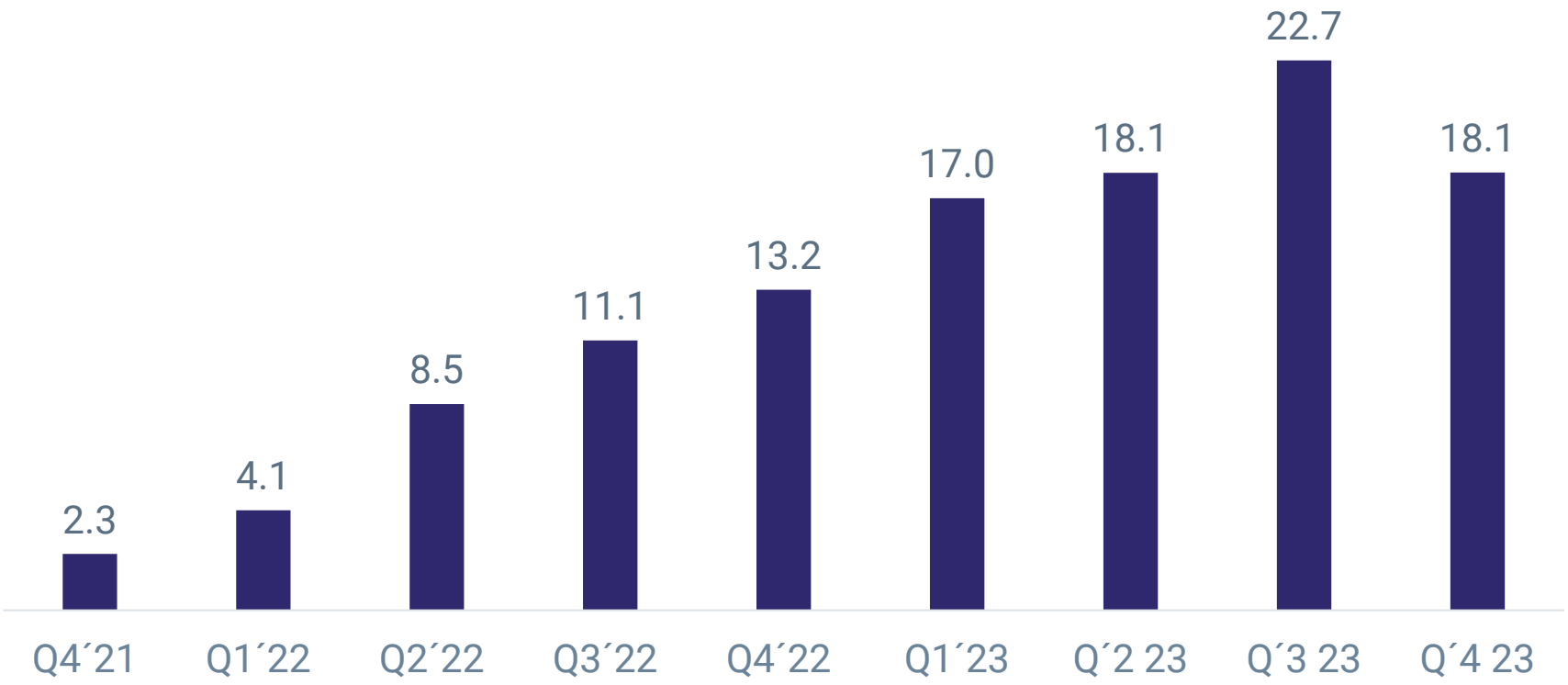


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SAAS Business Model Growth

SAAS API CALL VOLUMES - A NEW WAY TO MEASURE - UP YoY

SaaS API Calls Quarterly Average (million) + 37% YoY



Positive growth trajectory in SaaS API call volumes beginning of 2024

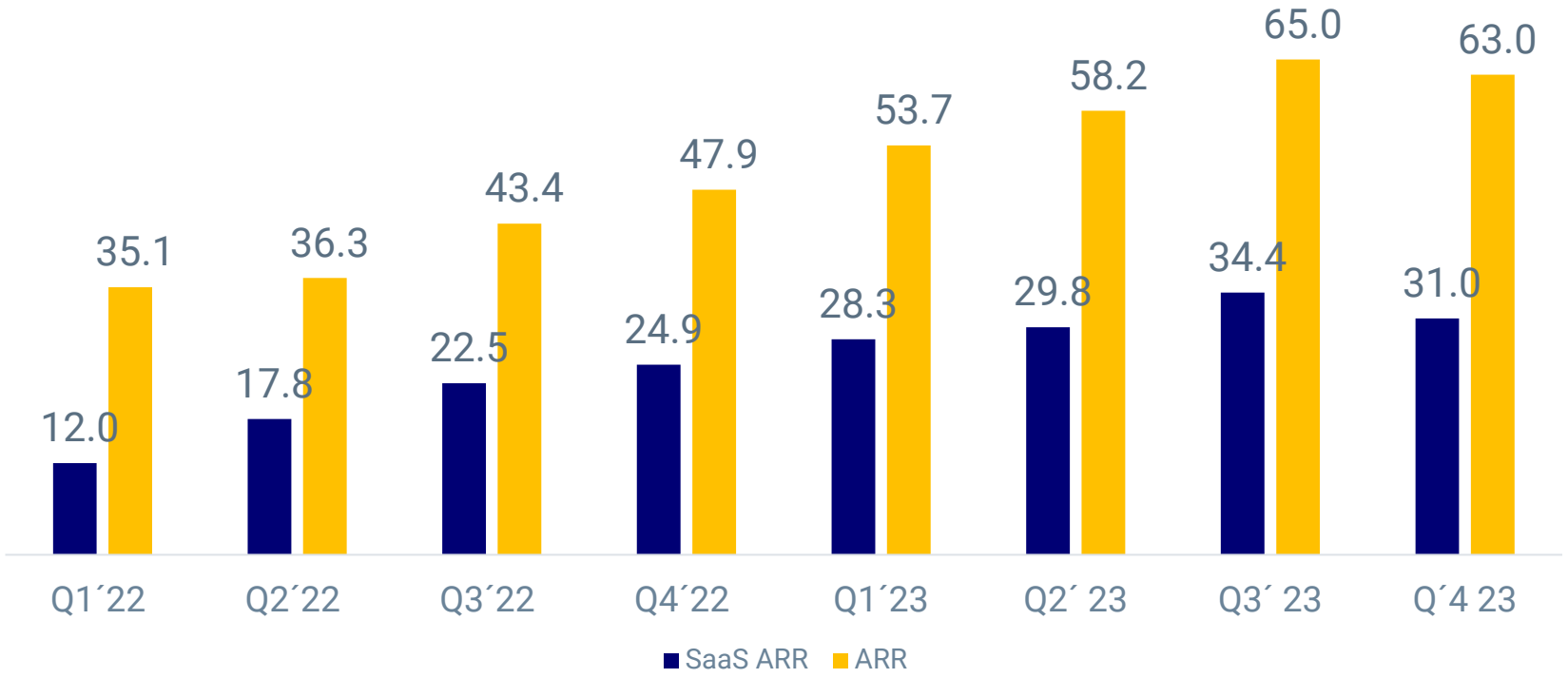
*API Calls Active Customers

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ARR Growth

AVERAGE ARR – A NEW WAY TO MEASURE

SaaS and Total ARR Quarterly Average (MSEK) + 31% YoY



SaaS ARR +24% YoY

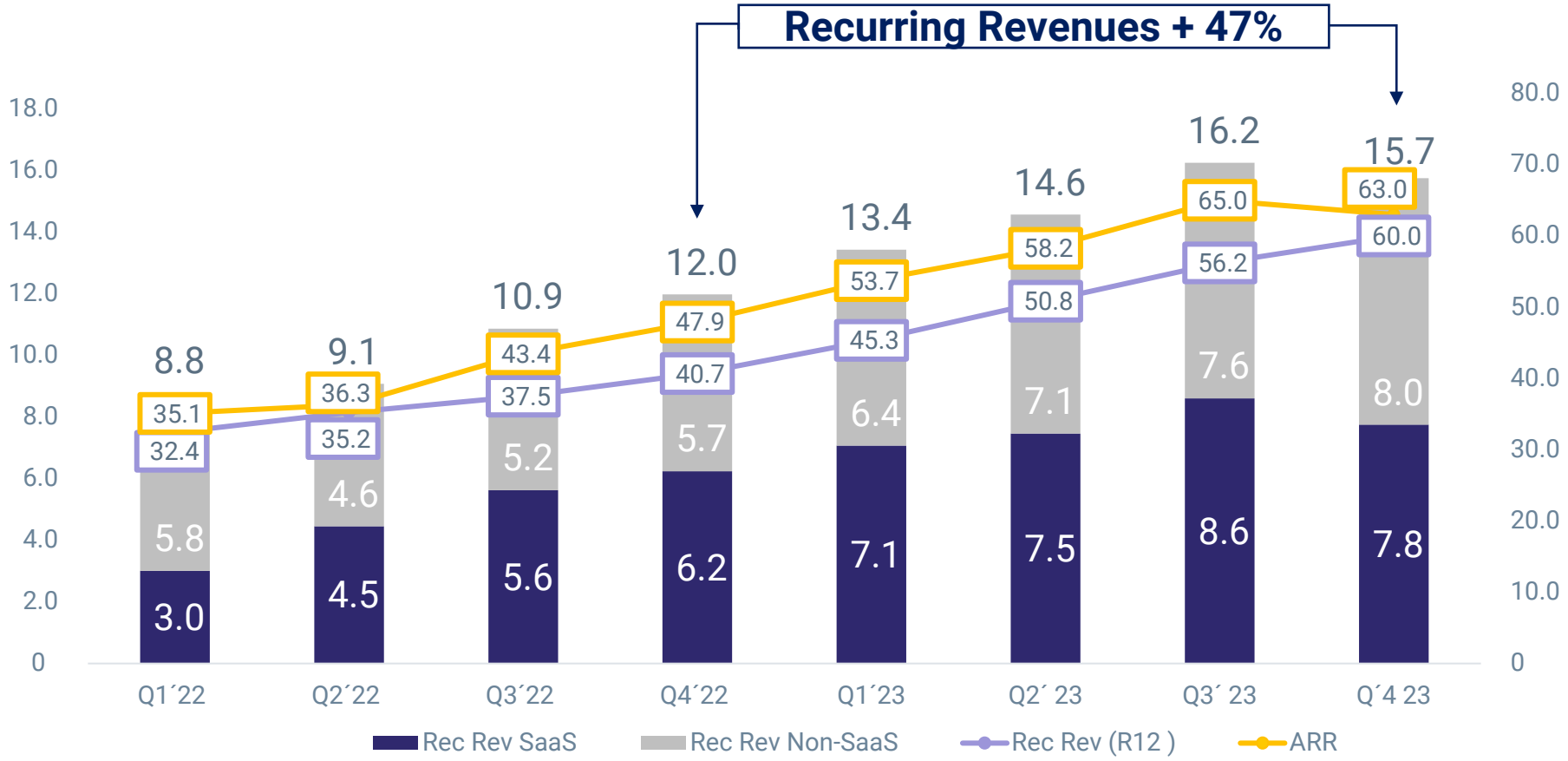
Total ARR +31% YoY

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Growth In Recurring Revenues & ARR YoY

GROWTH YoY

Quarterly Recurring Revenues, SaaS and Total ARR (MSEK)

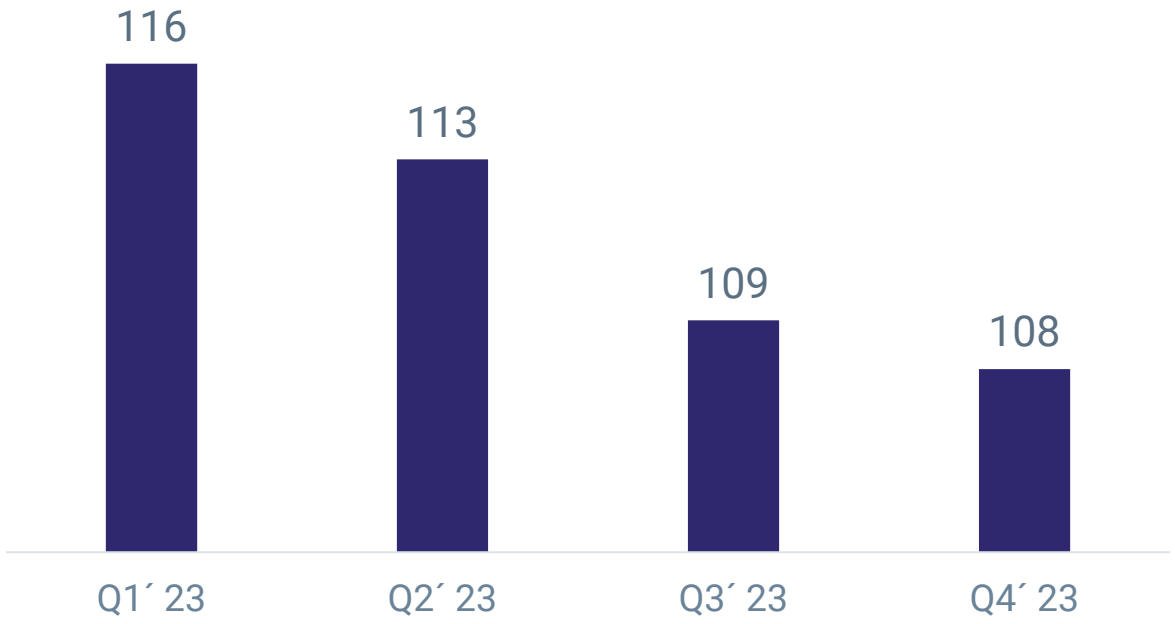


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OPEX Runrate Q4 2023

REEDUCTION IN COSTS IN 2023

Annual OPEX Run Rate* MSEK



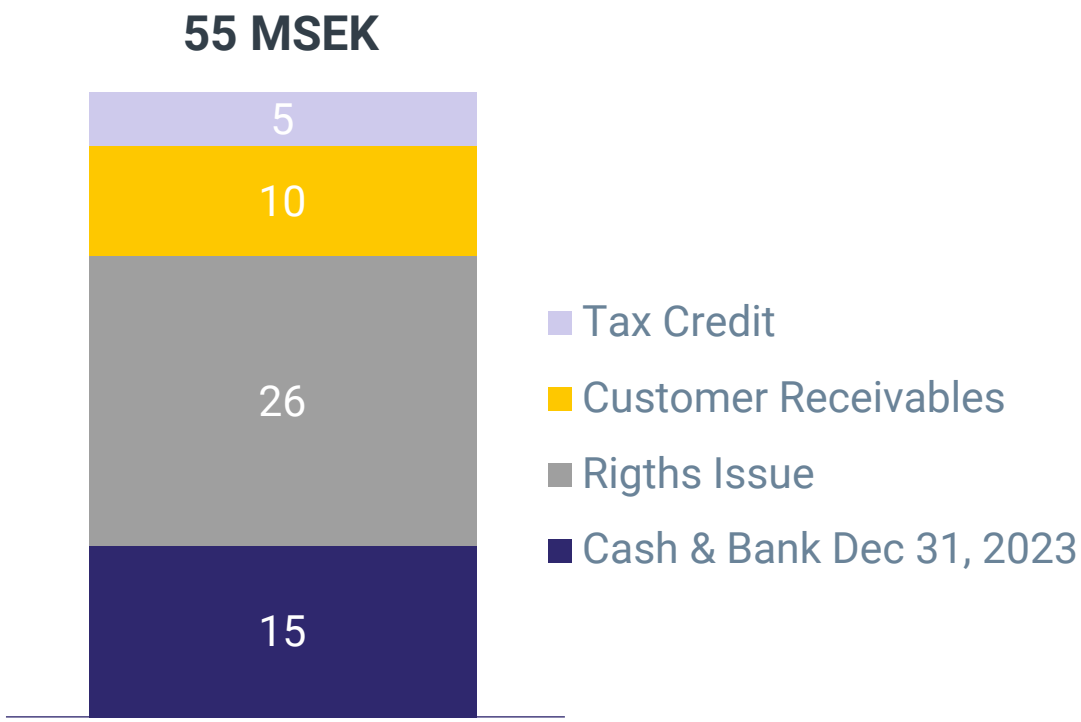
* OPEX adjusted for non-recurring items and cost of sales

- OPEX(*) run rate of 108 MSEK in Q4 2023 vs. 109 MSEK Q3 2023
- Monthly OPEX(*) in Q4 2023 of 9.0 MSEK (9.1 MSEK Q3 2023)
- Reported OPEX decrease visible in Q4 2023 following simplification actions and headcount reductions during the year.

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CASH POSITION
CASH EOY ADJUSTED

Cash Position Dec 31, 2023 – Adjusted



- December 31, 2023, cash and bank position amounted to 15.2 MSEK
- Adjustments following the quarter end:
  - Cash received from Spanish Tax Authorities for R&D work, 4.7 MSEK
  - Gross rights issue proceeds in February 2024 of 25.6 MSEK
  - Cash received from Accounts Receivables in balance sheet EoY – total of 9.8 MSEK
- Adjusted cash & bank position on December 31, 2023, would have amounted to **approximately 55 MSEK**

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Q&A

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Thank You!

Per Ottosson | CEO

Fredrik Törgren | CFO