Background

Focus on AI natural language understanding (NLU)

- Unique combination of proprietary symbolic and open source ML approaches

- 200 NLU engineers, computational linguists, knowledge engineers

- 150 customers across Fortune 2000 and government

- Market recognition from Forrester Wave and Gartner MQ

Public Company – Poised for Growth

- AIM listed (EXSY) with branches in US, UK, France, Germany, Spain, Switzerland and Italy

- $39MM in revenue 2019 and cash flow break-even (2019) – 80% revenue in Europe

- Raised $30MM growth capital in August 2020

- 2024 target of $100MM in ARR – scalable SaaS platform and US growth focus

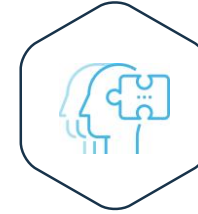- ~40% founder/core investor control, 60% free float

Technology Platform
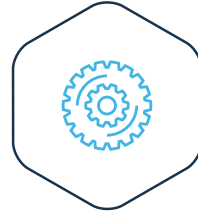
UNDERSTANDING   **REASONING**   **LEARNING**   **DECISION MAKING**

Best-in-class AI platform for text understanding and analytics

- More than 400 man/years of development

- 2 million concepts and entities, 6 million relations, advance rules based system

Recognize the right meaning of every word and expression in the context with one of the highest levels of accuracy in the market (source Forrester)

Based on patented AI algorithms, Cogito mimics the human ability to read and understand any textual content

Available in **12 languages:**

English	**Dutch**
Italian	**Arabic**
French	**Russian**
German	**Korean**
Spanish	**Japanese**
Portuguese	**Chinese**

Customers

Expert System has helped global brands across all major industries

Government Agencies
Europe and USA

Growth Thesis

- **Situation:** Emerging recognition of AI NLU/NLP potential
  - ML advances driven by open source – BERT, GPT-3
  - Growth of point solution AI language start-ups
    - Conversational AI for sales and customer support (e.g. Gong, ASAPP)
    - Sentiment and text analysis
  - RPA accelerating business processes involving text/language data

- **Complication:** Complexity remains barrier to successful adoption at scale
  - Data teams work with fragmented environment of OS approaches and models
  - Weak integration across data, IT, and SME teams
  - ML models data and compute greedy, difficult to manage, and unexplainable
  - High failure rate in deploying solutions

- **Resolution:** Practical AI NLU/NLP wins – simple to design, build, operate
  - Intuitive tools to design and deploy real solutions across the enterprise
  - Open and flexible approach to range of AI technology
  - Workflows to bring to scale in the enterprise or technology stack

Competition

Open source – spaCy, StanfordNLP, NLTK
- Libraries/repositories not platforms for build/deploy/monitor
- No collaboration tools for SME's

AI/ML Platforms – Datarobot, H20.ai
- No/limited NLU capability
- ML only

Google, Amazon, Microsoft NLP offerings
- Fragmented services
- Cloud only
- ML only and no/limited domain relevance

NLOps - the Reference Platform for NLU/NLP

Simplify tools

- Intuitive low-code design environment
- Engage data scientists, software developers, IT team, and business users

Enable Hybrid NL to combine proprietary and open source approaches

- Symbolic/knowledge graph domain depth
- Open source machine learning/deep learning for scale
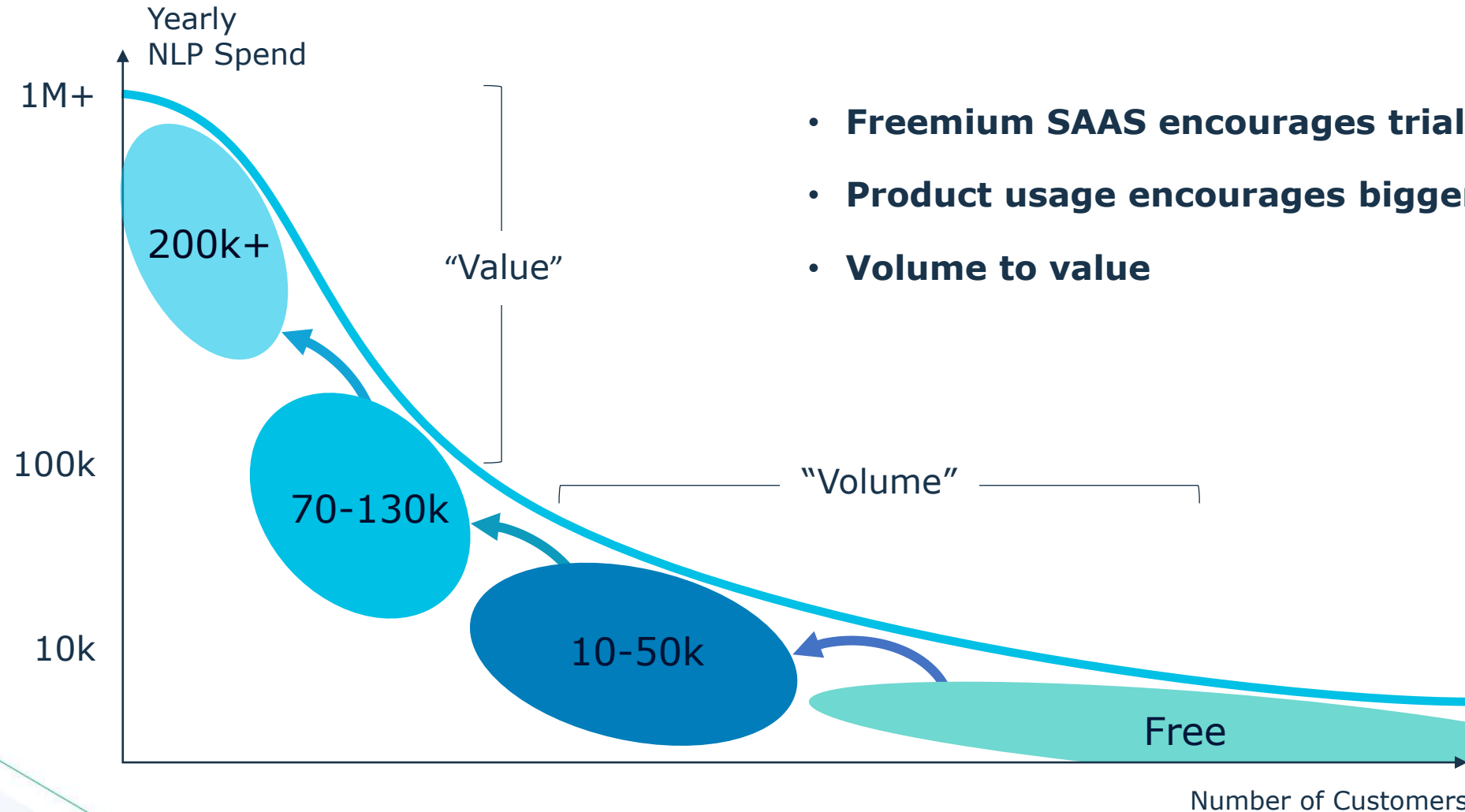- Lower compute costs, smaller training sets, explainable outcomes

Integrate platform – data input →design/build/deploy/operate→workflow

- Tools/workflows to build, deploy, and manage at enterprise scale
- Vertical "accelerators" for time to value deployments

Business Model

- Broaden Offer – lower entry price & attract open source users

  - NLapi entry service launched

  - Studio/Edge api for design/build launch November

  - Additional vertical/domain services on-going

  - Full platform launch March 2021

  - $10k to "call for quote" $200k+ price points

- Accelerate acquisition and lower cost to serve

  - Low touch/volume sale in the bottom of the funnel – freemium and individuals

  - Direct Team focus on repeatable solution packages

  - Added focus on Indirect & OEM ~40% of revenue by 2024

Product Led Model Accelerates Velocity & Expands Market

Yearly NLP Spend

- 1M+
- 200k+
- 70-130k
- 10-50k
- Free
- 100k
- 10k

"Value"

"Volume"

Number of Customers

- **Freemium SAAS encourages trial**
- **Product usage encourages bigger spend**
- **Volume to value**

Growth Plan

- Invest in US sales and marketing – 3X growth 2021 to 2024

- Double R&D team

- Drive recurring revenue with consumption pricing

  - Software gross margins ~70%

  - Target NDR of 110%

  - Services < 20% of revenue by 2024

- Focus on core verticals and use cases for high-end value customers

- Offer OEM software NLU/NLP layer for stack

- Develop channel distribution

Growth Phasing

2020 – Setting the stage

- COVID impact 2020 revenue – flat YoY
- Cloud NLapi, beta platform
- Hire C-team, ramp US sales & marketing
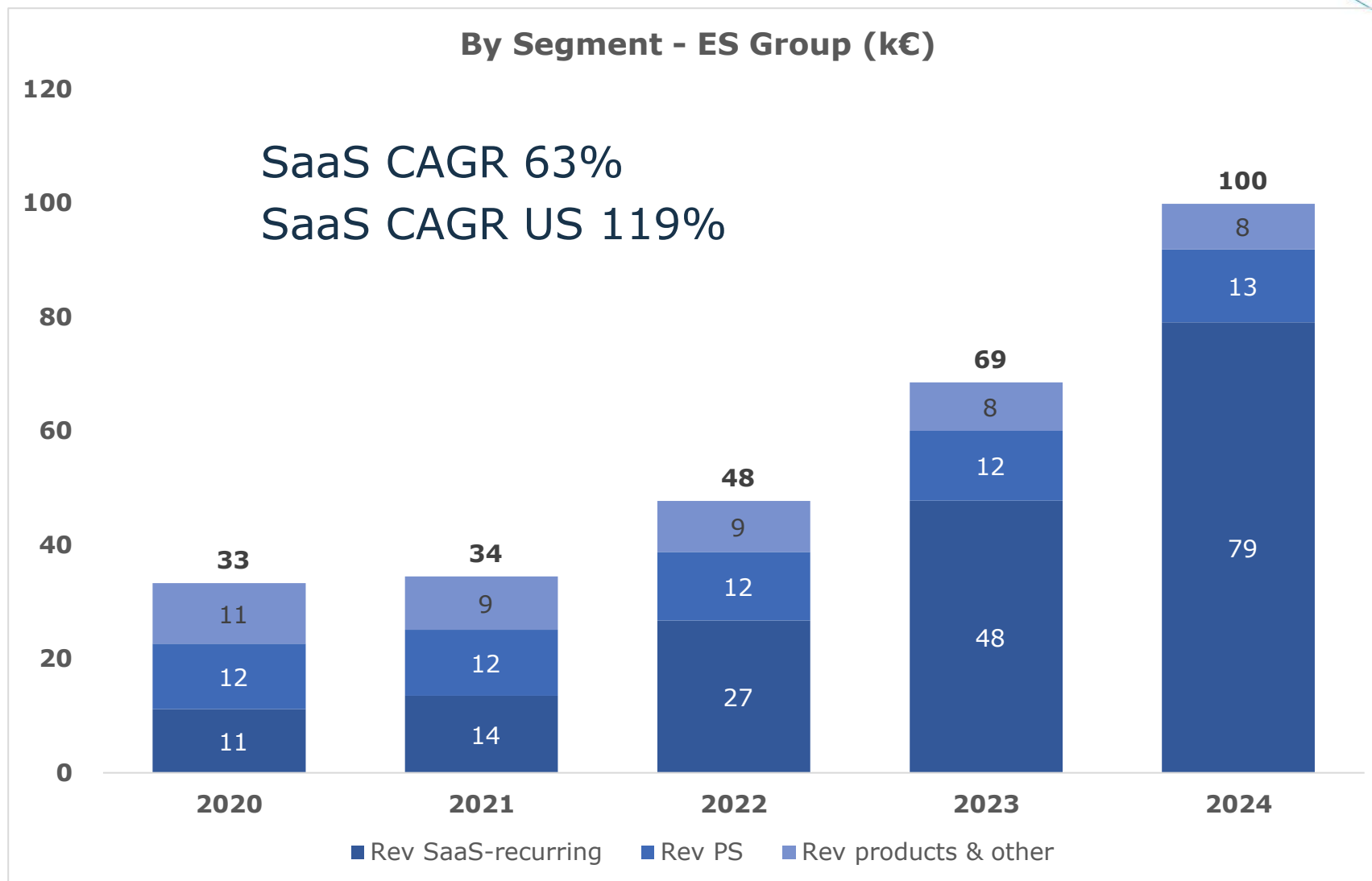- R&D team +30

2021-22 – Ramping growth

- March full SaaS platform release
- US growth >100% YoY
- Community development
- OEM and channel expansion
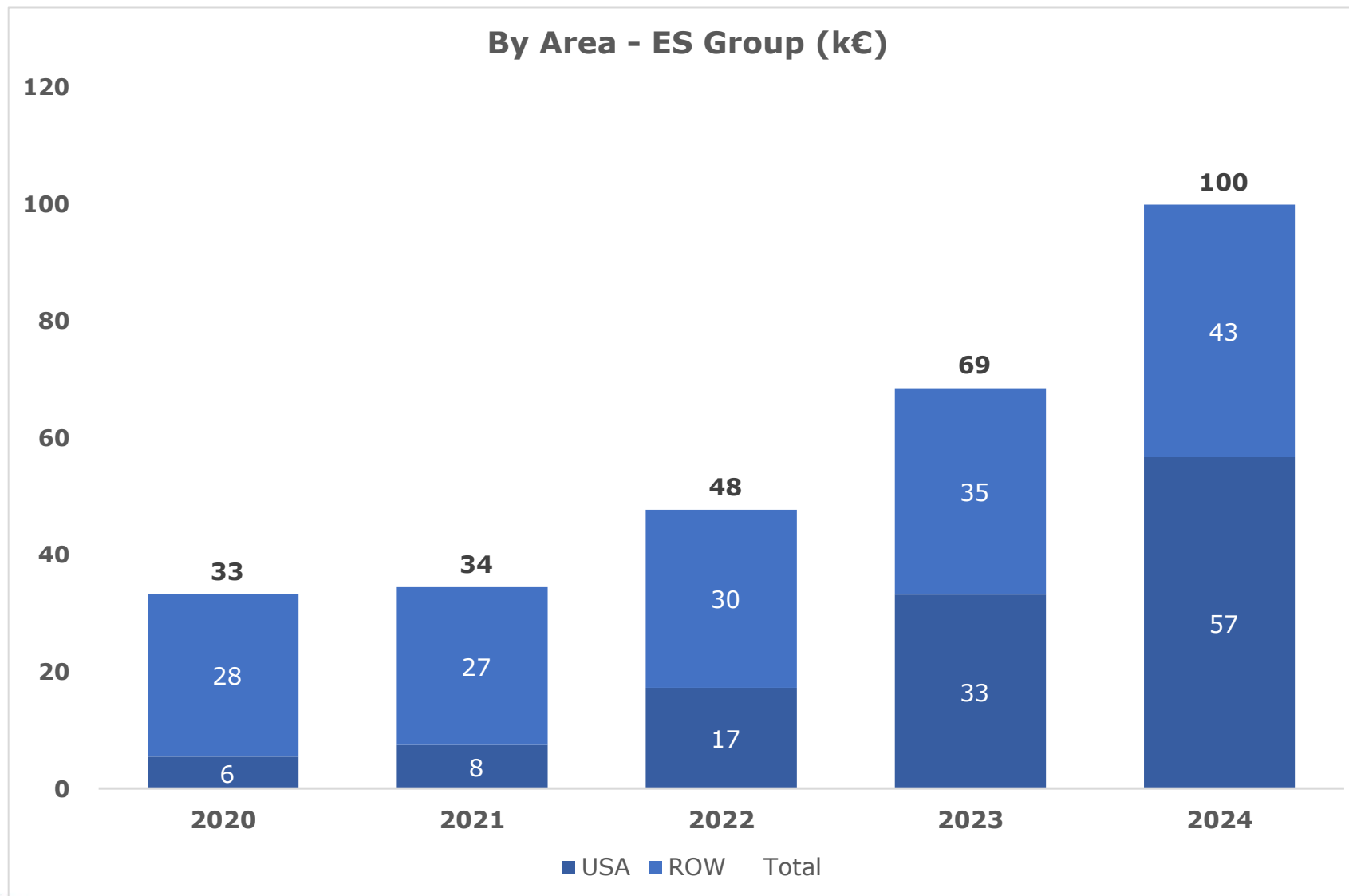- ~€23MM cash consumption

2023-2024 – Rule of 40 growth/FCF

- Free cash flow generation ~€8MM
- US >€56MM revenue

Revenue by Source

By Segment - ES Group (k€)

SaaS CAGR 63%
SaaS CAGR US 119%

Year	Rev SaaS-recurring	Rev PS	Rev products & other	Total
2020	11	12	11	33
2021	14	12	9	34
2022	27	12	9	48
2023	48	12	8	69
2024	79	13	8	100

■ Rev SaaS-recurring ■ Rev PS ■ Rev products & other

Revenue by Region

By Area - ES Group (k€)

	2020	2021	2022	2023	2024
Total	33	34	48	69	100
ROW	28	27	30	35	43
USA	6	8	17	33	57

■ USA ■ ROW Total

Thank You.

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