

1H 2022 Results

Investor Presentation



SaaS and North American Growth

Focus Going Forward on Growth-Cost Balance

Total Revenue

13.9MM

+17% YoY

NA Revenue

3.9MM

+339% YoY

SaaS
Revenue

6.8MM

+50% YoY

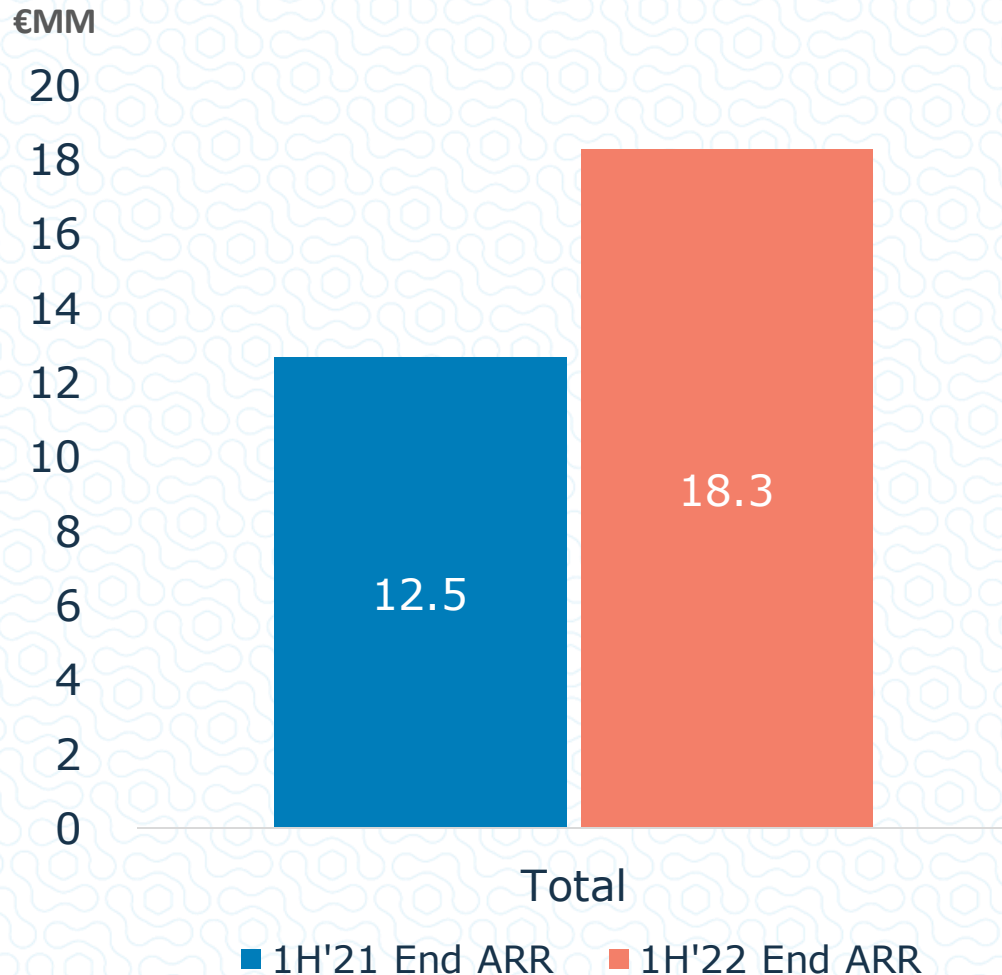
Annual Recurring
Revenue*

18.3MM

+46% YoY

*Non-IFRS: trailing 12 months annual contract value period ending 1H2022 over period ending 1H 2021

ARR +46% YoY



COMMENTARY

- Annual Recurring Revenue
 - SW subscription & maintenance
 - Net growth = sum of...
 - New
 - Expansion/renewal
 - Less decline/churn
 - Trailing twelve months (TTM)
- Net retention 100%...key focus
- 21 new/expansion 1H clients
- Focus on multi-year contracts (committed ARR – CARR)
 - Default 3-year contract
 - 36% ARR € value multi-year
 - 9 new multi-year contracts 1H

Recurring revenue business

Revenue stream	HY 2021	% Rev.	HY 2022	% Rev.	Var %
Recurring revenues	6.3	53%	8.5	61%	35%
SaaS	4.5	39%	6.8	49%	50%
Maintenance	1.7	15%	1.7	12%	-4%
Perpetual license	0.7	6%	0.1	1%	-87%
Services	3.5	30%	3.6	26%	4%
*Other	1.3	11%	1.7	12%	25%
TOTAL REVENUES	11.8		13.9		17%

* Includes hosting and grant revenues

COMMENTARY

- SW license subscription (SaaS)
 - **49%** of total
 - **50%** YoY growth
- Recurring revenue
 - **61%** of total revenue
 - **35%** YoY growth
- Services <30% revenue
- New/expansion growth driver
 - 4.1MM SaaS revenue
 - 15 new/6 expansion
 - Balanced deal size
 - Strong multi-year in NA
- Growth in NA and core verticals
- Europe challenged -11%

Need to scale cost

Move from investment to optimization

	ACT	ACT	
June - €/m	H1 2021	H1 2022	Δ
Total revenues	11.8	13.9	18%
Total costs	(20.0)	(24.9)	24%
COGS	(6.9)	(8.1)	17%
S&M	(8.6)	(11.3)	31%
G&A	(4.5)	(5.5)	22%
EBITDA	(8.1)	(11.1)	-37%
EBIT	(11.5)	(14.9)	-29%
Net Result	(11.0)	(14.7)	-34%
Net Financial Position	(11.3)	11.0	22.3
Shareholder's Equity	37.1	19.3	(17.9)

COMMENTARY

- Actions underway to address cost scaling
 - COGS/margin improvement
 - Cloud hosting optimization
 - Platform deployment consulting
 - Internal cloud costs
 - One-time platform/SaaS dev costs
 - Sales productivity alignment
 - Low return GTM initiatives
 - Full impact of actions in 2023
 - Relentless focus to drive profitability
- Cash equal to €19.6M

From EBITDA to Net Results:

HY 2020 vs. HY 2021

	ACT	ACT	
June - €/m	H1 2021	H1 2022	Δ
EBITDA	(8.1)	(11.1)	(2.9)
Amortization of Intangible Assets	(3.2)	(3.7)	(0.4)
Amortization of Tangible Assets	(0.1)	(0.1)	0.0
Depreciation	0.0	0.0	0.0
EBIT	(11.5)	(14.9)	(2.5)
Financial Income/(Expense)	(0.3)	(0.3)	(0.0)
Exch. Gains / (Losses) unrealized	0.6	0.2	(0.4)
Capital gain from disposal	0.0	0.0	0.0
Result before taxes	(11.2)	(15.1)	(3.8)
Taxes	0.2	0.3	0.1
Net Result	(11.0)	(14.7)	(3.7)

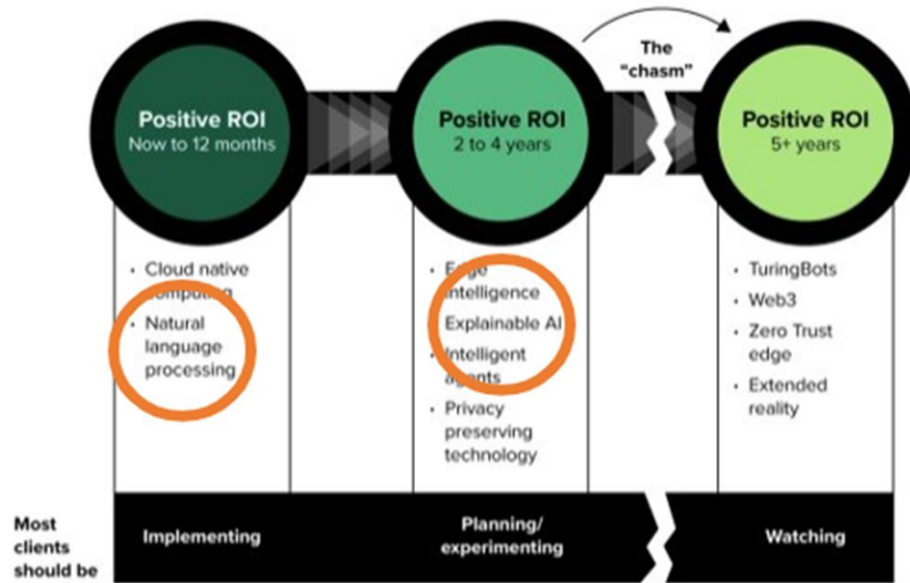
COMMENTARY

- Amortization mainly R&D costs (**€3.1M in 2022 and €2.8M in 2021**).
- Unrealized exchange gain of **€0.2M** related to €/€ exchange rate impacting intercompany exposure

Compelling Opportunity

"As economic turbulence looms, Forrester recommends companies rein in tech spending. But not on A.I." Fortune 9/14/2022

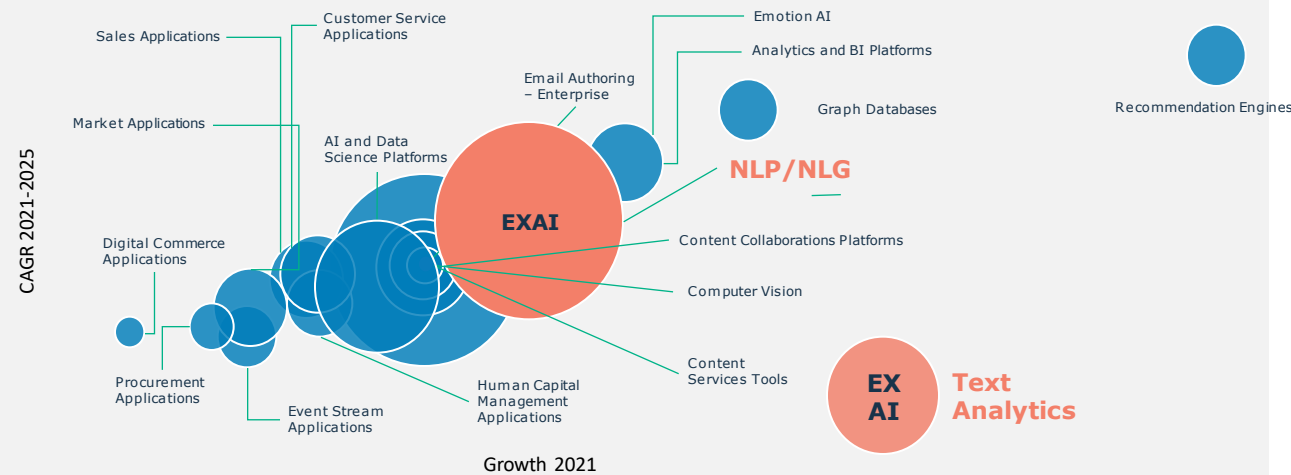
Forrester's Top 10 Emerging Technologies Will Go Mainstream In Three Phases



Source: <https://www.forrester.com/blogs/show-me-the-value-of-emerging-technology/>


 Indicate expert.ai strategic market segments

The NLP Market Dominant in AI Software (1)



The NLP Market is the largest market within the AI software market, with a market size of \$11.7B in 2021 and a CAGR of 24.9% from 2020 to 2025

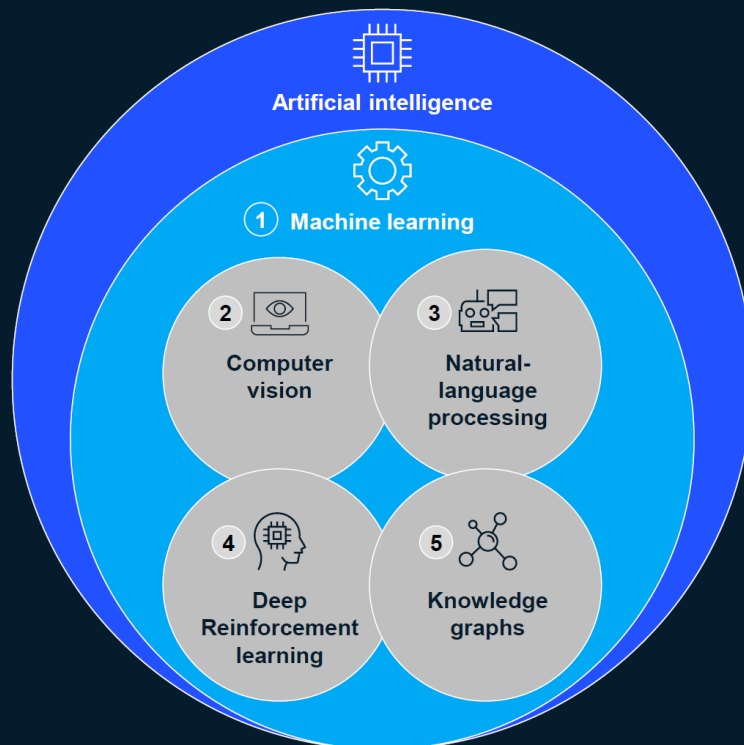
Source: Gartner Forecast Analysis on Artificial Intelligence Software, Worldwide – 20th Oct., 2021

 Indicate expert.ai strategic market segments






Analyst Validation of expert.ai Approach

What are the most noteworthy technologies?

AI involves machines exhibiting intelligence,¹ encompassing various interconnected fields of technology²



Description

-  **1 ML:** Subfield of AI that uses statistical methods to learn from data
-  **2 Computer vision:** Subfield of ML using visual data, such as images, videos, and 3-D signals, extracting complex information and gaining rich interpretations
-  **3 NLP:** Subfield of ML that involves processing, generating, and understanding language-based data, such as written text and spoken word
-  **4 Deep reinforcement learning:** Combination of deep learning and reinforcement learning, in which an agent makes decisions within an uncertain environment using complex algorithms inspired by brain neural networks
-  **5 Knowledge graphs:** Collection of data points structured into a network to show complex relationships among themselves





¹AI is nonprogrammatic intelligence exhibited by machines, in which they perform cognitive functions often associated with human minds. Cognitive functions include all aspects of perceiving, reasoning, learning, and problem solving.

²Technologies are not exhaustive and are examples that are at the frontiers of innovation and cut across industries.

Source: Expert input; McKinsey analysis






Competitive Advantage

"Our research confirms that the best results are achieved by a combination of AI that is both knowledge-based and ML-based — hybrid AI." Forrester September 22, 2022

Coverage	Expert.ai Platform	Legacy Platforms	NLP Libraries/ NL API/Open-Source Models	ML/DS Platforms	Point Solutions
Purpose-built for NLP	●	●	●	○	◐
Complete Workflow	●	●	○	●	○
Type of NL Use Cases	●	◐	●	◐	◐
Business Use Cases	●	Selected (Knowledge Discovery)	◐	○	Single
Type of Business Use Case	Complex/Custom	Selected	Simple/Custom	Simple/Custom	Simple/Standard
HybridNL	●	○	○	○	○
Representative Vendors					Numerous

Strong Performer and Growing Ecosystem

"We recommend that tech leaders increase or defend investments in...intelligent document extraction serving critical business processes" Forrester 8/14/2022

Insurance	Information Services	Solutions	Partnership Ecosystem
<ul style="list-style-type: none">• Policy Review• Cyber Policy Review• Risk Engineering• Claims Automation	<ul style="list-style-type: none">• Financial Services• Life Sciences• Knowledge Management• Content Enrichment	<ul style="list-style-type: none">• Content Analytics• Email Management• Intelligent Process Automation• Insight Search• Sentiment	     <p>1H New Partners</p>

"Robotic Process Automation has been proven to increase efficiency. Adding A.I. to that equation, can push the time-and-labor savings further." Fortune 9/14/2022

"We welcome expert.ai as our latest Guidewire PartnerConnect Solution partner and congratulate the company on the release of its AI-based accelerator," said Zachary Gustafson, GM, Guidewire 9/28/2022

Keys to SaaS Profitability

- **Customer acquisition cost – sales and marketing cost for new business**
 - One time infrastructure investment complete – technology and GTM
 - Focus and scale GTM
 - High impact/low complexity segments
 - Scale/marketing productivity
 - Grow partners/eco-systems
- **Payback period ~2 years – time for margin to cover acquisition cost**
 - Drive down/scale deployment costs – internally and externally
 - Optimize gross margin ~85-90%
- **>100% net revenue retention**
 - Keep your customers
 - Expand the value
 - Amortize the acquisition cost
- **Manage total costs to new and total revenue growth**


2H Focus

- **Growth-cost alignment and focus on core markets/solutions**
- **ARR growth**
 - New business in core verticals and emerging functional use cases
 - Key renewals
 - Customer success/expansion
- **Accelerate sales cycle with repeatable solutions/enhanced targeting**
- **Build through eco-systems/partnerships - insurance platforms, process automation, search and knowledge management**
- **Continue pipeline build/progression for 2023**

Thank You

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