

Expert.ai: FY 2022 Financial Results

March 31, 2023



FY 2022 Overview

- **Key financials**

- Revenue 31.7 MM
- EBITDA (14.4 MM)
- ARR 18.8 MM
- Final cash position 11.6MM with 5.9MM of capital raise

- **Cost actions accelerated reduction in cash consumption in Q4 2022**

- November/December monthly cash consumption down 54% from January/October monthly
- One-time costs for technology stack complete
- Optimized go-to-market model to focus on strategic verticals and geographies
- Reduced G&A

And...dramatic increase in attention to AI and language in final weeks of year...

Y/Y P&L Business Compare

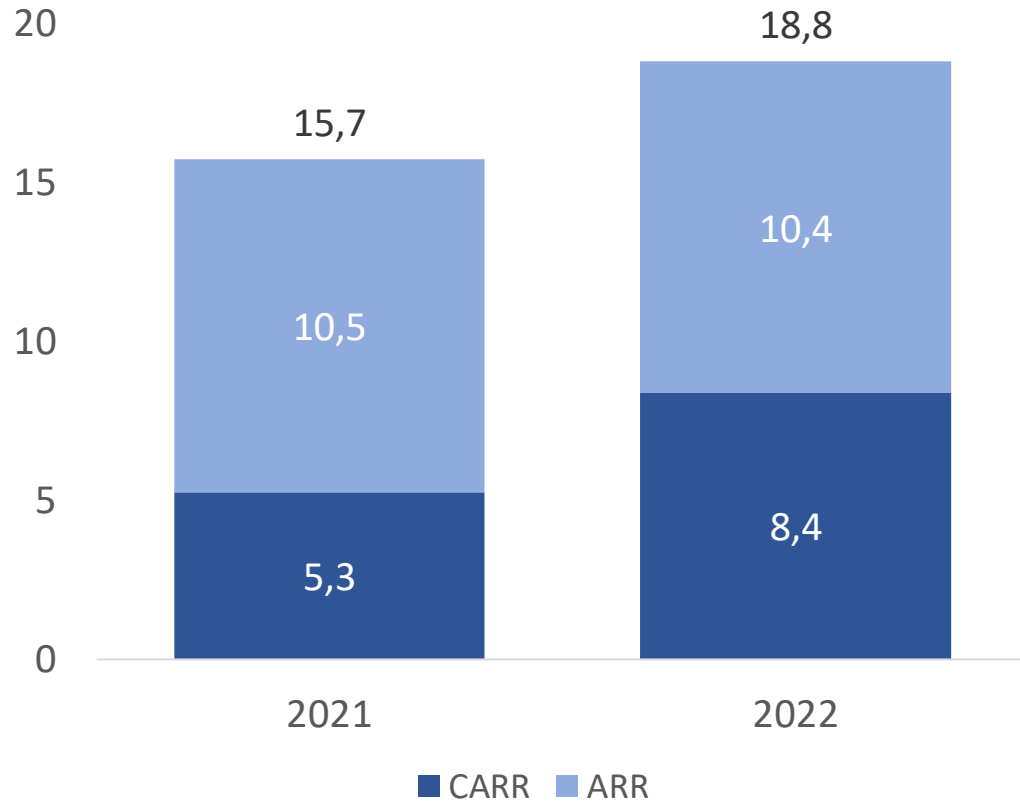
Revenue stream	FY 2021	FY 2022	Y/Y
Recurring revenues	18.3	19.5	6%
Europe	14.3	12.2	-15%
North America	4.0	7.3	83%
Perpetual license	1.6	0.5	-68%
Professional Services	8.5	8.5	0%
*Other	2.6	3.2	21%
TOTAL REVENUES	31.1	31.7	2%

*Other inclusive of Grants

- Outlook 31-33M
- Growth in North America
 - Driven by core verticals
 - 27% of total revenue
 - 37% of recurring revenues
- Need to enhance Go To Market focus on growth in Italy and Rest of Europe

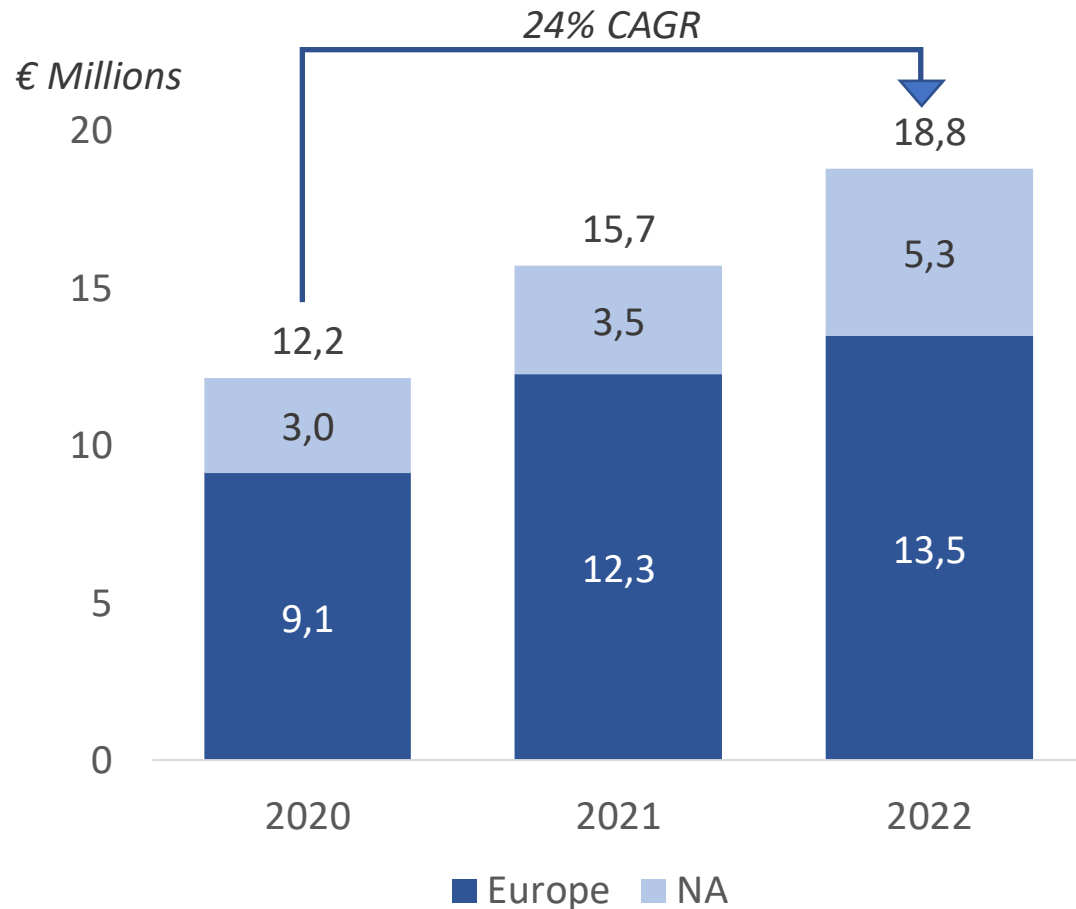
2021-22 ARR

€ Millions



- Excludes 1.4M ARR in 2021 in US government sector
 - Transitioned business in 2022 to partner model
 - US 2022 ARR corporate segment driven
- 20% YoY growth overall
- Continued focus on multi-year contracts
 - Committed Annual Recurring Revenue (CARR)
 - Represents longer-term commitment
 - 45% of ARR in 2022
 - 34% of ARR in 2021

2020-22 ARR Growth



- 24% compounded growth rate from 2020 – 2022
 - NA CAGR 33% and 51% YoY in 2022
 - Europe 22% w/ Italy
- Mix continuing to shift to NA ENT
- Renewed focus on Italy growth going forward
- Targeted focus in Europe
 - Core geos and solutions
 - Partner engagement

2021 - 22 EBITDA Walk

Year ended 31 Dec	FY 2021 €	FY 2022 €	Δ Y/Y
Total revenues	31.1	31.7	2%
Total costs	(40.5)	(46.1)	13%
COGS	(13.0)	(17.3)	33%
S&M	(18.3)	(18.6)	1%
G&A	(9.2)	(10.2)	11%
EBITDA	(9.4)	(14.4)	
EBIT	(17.2)	(23.1)	
Net Result	(15.7)	(23.8)	
Net Financial Debt	(0.7)	15.8	16.5
Shareholder's Equity	32.0	17.5	(14.5)

- COGS
 - Platform deployment costs
 - Services staffing to growth plan
- Sales & marketing flat
 - Actions from July onwards
 - Focus on core market segments
- G&A increase driven by internal cloud costs
- Cost savings traction in Q4

2022 Key Wins

Insurance

- Global Specialty Insurer and Reinsurer
- Use Case: Underwriting | Risk Engineering
- Differentiator: Off-the-shelf solutions, domain expertise, and accuracy
- Goal: Reduce manual effort and subjectivity

Financial Services

- Global financial information and analytics provider
- Use Case: Extraction and enrichment
- Differentiator: Intelligent tagging, speed, and domain expertise
- Goal: Increase speed, consistency, and quality of analysis

LifeScience & Pharma

- Top 10 Global Pharmaceutical Company
- Use Case: Summarization for clinical trial insights
- Differentiator: Hybrid & domain expertise
- Goal: Reduce errors and repurpose team to higher value tasks

Media & Publishing

- Leading events, digital services and academic publisher
- Use Case: **Summarization** and semantic enrichment of **pharma intelligence**
- Differentiator: Domain expertise, connectivity and integrations
- Goal: New business model creation

2023 Opportunity



ChatGPT has dominated news cycle

Rising tide for AI and Language

ChatGPT Bug Exposed Some
Subscribers' Payment Info

Investigative
reveals add

Robotics & AI

As NYC public schools
ChatGPT, OpenAI says
on 'mitigations' to

Chat GPT & AI a growing concern
Hedberg

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AI chatbots
compared: Bard
vs. Bing vs.
ChatGPT

TELLIGENCE / TECH / GOOGLE

ChatGPT started a new kind of AI race –

Technology Review

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test

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mark for chatbots can expose text written by an AI

ARTIFICIAL INTELLIGENCE | MAR. 24, 2023

Is AI Turning Me Into an Obsolete Machine?



By Eric Levitz, features writer for Intelligencer who covers politics and economics

AI begins
essional, a
iral chatbo

Your Data Helped Build ChatGPT.
Where's Your Payout?

The AI revolution is shifting the power balance in Silicon Valley even
more towards those at the top.

platforms fight

AI changes the software-making
game

What ChatGPT can

AP

ChatGPT Opened a New Era in Search. Microsoft Could Ruin It

Startups say Microsoft and its Bing chatbot—not just Google—are stifling competition when it comes to creating better search engines.

OPINION

The Carbon Footprint of ChatGPT

What can Google's AI-powered Bard do? We tested it for you

of All Its AI-Written

11 Tips to Take Your ChatGPT Prompts to the Next Level

Sure, anyone can use OpenAI's chatbot. But with smart engineering, you can get way more interesting results.

Articles After Multiple Ma

Big surprise: CNET's writing robot doesn't know what it's talking

ChatGPT is about to revolutionize the
economy. We need to decide what that looks
like.

SEJ · Digital Marketing

What is ChatGPT And How Can
You Use It?

FORBES > BUSINESS

BREAKING

JPMorgan Chase Restricts
Staffers' Use Of ChatGPT

What to Expect When you're Expecting ... GPT-4

What comes after ChatGPT? 7 predictions for 2023

ChatGPT bug leaked users'
conversation histories

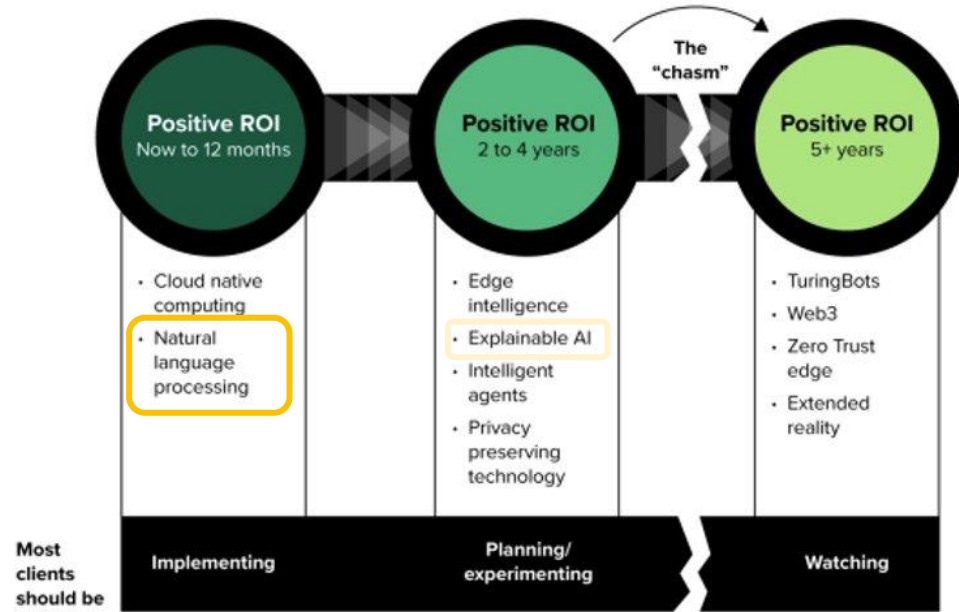
Is GPT-4 Worth the Subscription? Here's What You Should Know

The new algorithm is exclusive to ChatGPT Plus, OpenAI's subscriber-only service. We signed up and put it to the test.

Shopify, Coca Cola Harness the Power of
ChatGPT

Natural Language Mainstream

FORRESTER®



NLP is Becoming an Enterprise-imperative

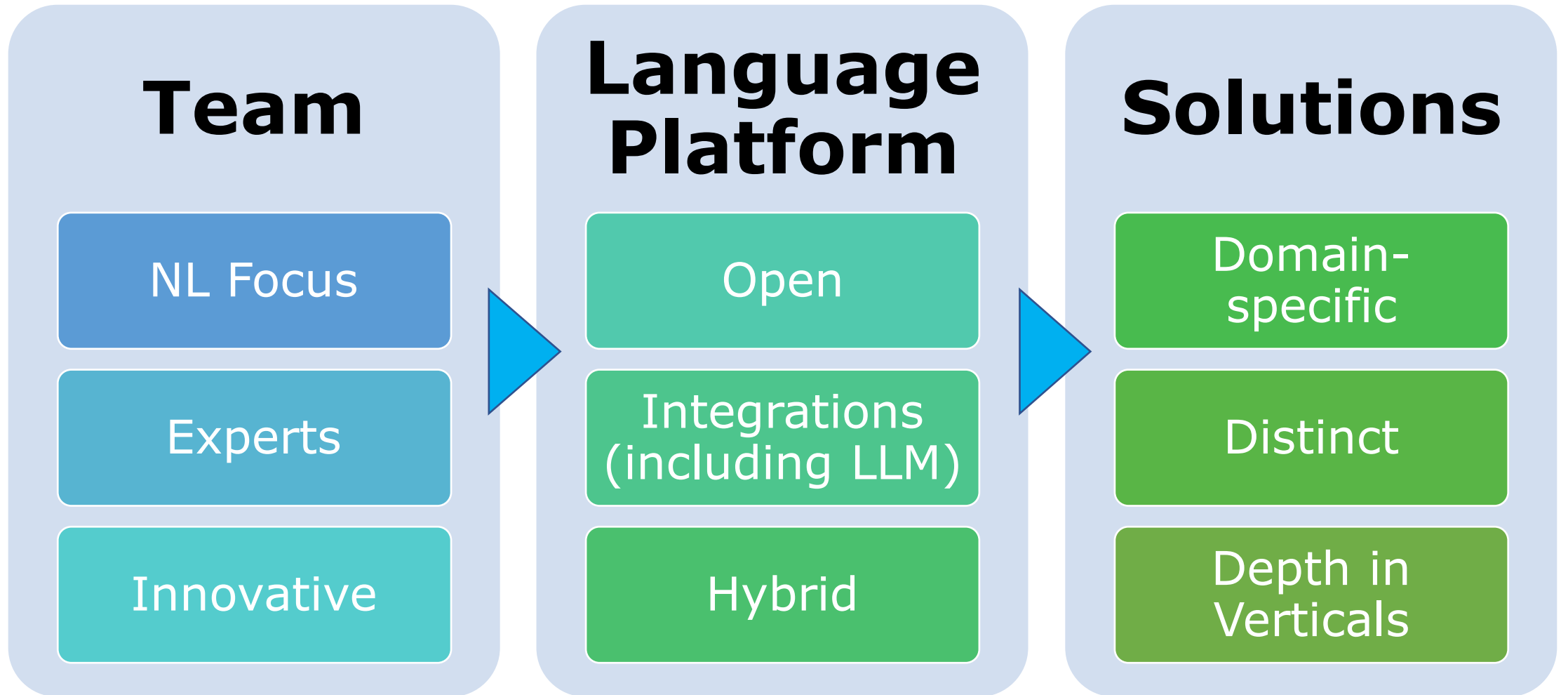
- 1. 80% of enterprise data is unstructured and most of that is language**
- 2. New AI technology shows language is tractable with technology at scale**
- 3. Automation focus to drive cost savings in uncertain economic climate**
- 4. Processes that are language dependent offer clear ROI through AI**

“Firms with modernized technology stacks and development approaches need to double down on their existing implementation of NLP. Traditional firms need accelerate their experimentation and pilots to better understand the benefits and risk, so they can gain executive commitment to invest.

The Enterprise AI Company for Language

- **Capitalize on explosion of interest in AI and language**
 - Platform and solutions to deliver value – now
 - Enterprise governance
 - Cost effective
 - Innovation leadership in practical applications in the enterprise
- **Solutions focus on core vertical, horizontal and geographic markets**
 - Banking, financial services, insurance
 - Information services
 - Life Sciences/health/medical
 - Intelligent process automation/intelligent document processing
 - Renewed focus on growth in Italy
- **Drive profitable growth in our go-to-market**
- **Deepen integration and technology partnerships to expand reach**

Why expert.ai



Technology Integrations



Guidewire Integration

Automate the extraction of medical record data to handle claims faster.

[Learn More](#)



Blue Prism Integration

Automate language intensive processes.

[Learn More](#)



Automation Anywhere Integration

Power robotic processes that require language understanding

[Learn More](#)



UiPath Integration

Use language data to automate robotic processes.

[Learn More](#)

- **Significant RPA opportunities and traction across multiple use cases and verticals**
- **Offering use case solutions in ubiquitous vertical platforms**

Core Principles



Transparent

Unlike many AI platforms, the outcomes that our platform generates are easily explainable. Humans can understand how expert.ai's algorithms arrive at results.



Sustainable

Expert.ai's Hybrid AI approach is far less computation-intensive than most pure Machine Learning or neural networks. Less computing = less energy = lower carbon footprint.



Practical

Our Hybrid AI platform is the most efficient and reliable way to solve NL tasks. Human objectives shaped the design of our technology – not the other way around.



Human-Centered

Our Hybrid AI uses a "human-in-the-loop" approach, where data and inputs can be monitored and refined by users. So if an outcome is misleading, biased, or wrong, users can intervene to prevent future mistakes.



Thank You