

2020 RESULTS

Setting the stage for accelerated growth...

**TP ICAP Midcap
Conference**

May 11-12, 2021

2020: big changes, strategic execution

STRATEGIC PLAN

the reference platform for AI language understanding



SaaS

€100MM in
SaaS-based revenue
in **2024**



US

Primary growth driver
and **~60%** of revenue
in **2024**



Scale First

Through **“sales+growth”**
model and partners
(channel & technology)

Highlights: transformation and growth in all strategic focus areas

Strengthened
business from

C-level

through

frontline

SaaS revenue

+8% YoY

US corp. revenue

+39% YoY

Partner revenue

+32% YoY

Lowlights – overall revenue -8% (€2.7MM) driven by perpetual license decline

Y/Y and Path To Lead Compares

Year ended 31 Dec	2019 €/m	2020 €/m	Δ
Total revenues	33.7	30.6	-9%
Total costs	(28.2)	(32.5)	15%
COGS	(11.0)	(11.8)	8%
S&M	(8.6)	(11.7)	36%
G&A	(8.6)	(8.9)	4%
EBITDA	5.5	(1.9)	
EBIT	(2.9)	(9.5)	
Net Result	(1.0)	(5.4)	
Net Financial Position	2.8	(20.9)	(23.7)
Shareholder's Equity	20.9	44.6	23.7

Path to Lead	PTL 2020	ACT 2020	Δ
Total Revenues	33.3	30.6	-8%
Revenues ROW	27.8	25.2	-9%
Revenues US	5.5	5.5	0%
EBITDA	2.1	(1.9)	

COMMENTARY

- Revenues decrease in perpetual driven mainly by Covid impact in government Defense & Intelligence sector
- Cost increase driven by US sales & marketing investment
- Strong Net Financial Position through **€28.2M** capital increase August 2020 & proceeds from **€5.4M** CY4Gate stake June 2020
- Cash & cash equivalents equal to **€54.0M** vs. **€21.7M** in 2019

Strong shift to **recurring revenue**

Revenue stream	FY 2019	%	FY 2020	%	Var	Var %
Recurring revenues	15.4	46%	15.5	51%	0.1	1%
Subscription	10.5	31%	11.3	37%	0.8	8%
Maintenance	4.9	15%	4.2	14%	(0.7)	-15%
Perpetual license	3.4	10%	1.3	4%	(2.0)	-60%
Professional Services	11.3	34%	10.7	35%	(0.6)	-5%
*Other	3.6	11%	3.1	10%	(0.5)	-15%
TOTAL REVENUES	33.7		30.6		(3.1)	-9%

**Other inclusive of Hosting, Grants and Other*

COMMENTARY

- Subscription plus maintenance more than **half of total revenue**
- Subscription revenue
 - **89%** of total license revenue vs. **76%** in 2019
 - **44% (€4.9M)** new customer revenue
- Maintenance to subscription **~€0.4MM**
- Revenues decrease in perpetual and professional services
- Channel revenue of **€4.0M**, or **~14%** of overall

North America growth accelerates...

Revenue
+39% YoY
and on track
to PTL

NA comprises
20%
Of global revenue
vs. **13% in 2019**

New customers
comprise
52%
of total revenue

Subscription
60%
Of total revenue

22%
Of maintenance
revenue converted
to subscription

Major new
customer wins


58%
Headcount
growth
in US

Scale **partner growth**



2020 Highlights

- Partner revenue + 32% YoY and 14% of total revenue vs. 9.5% in 2019
- ~ 80 total deals
- Strong partnerships with key players...Accenture, Deloitte, Capgemini, Atos and Regional Partners
- New deals with vertical BPOs and VARs



Training & Certification

- YoY results:
 - Rookies > 2x
 - PRO partners > 4x
 - Rookie to PRO conversion rate 2x increase
- 85 PRO Certified – able to independently design and implement projects for clients.

From EBITDA to Net Results:

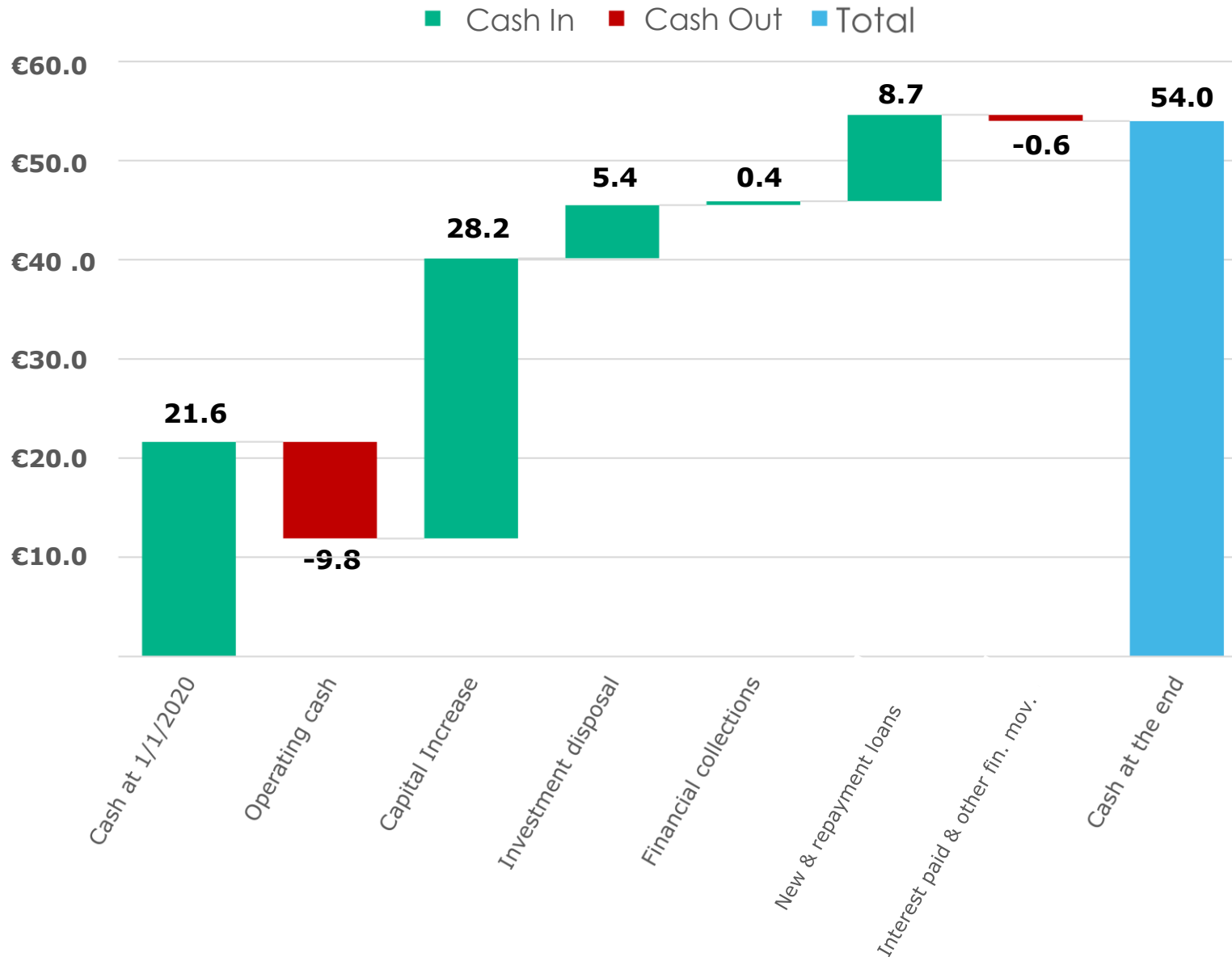
2020 vs. 2019

COMMENTARY

Year ended 31 December	2019 €/m	2020 €/m	Δ
EBITDA	5.5	(1.9)	(7.4)
Amortization of Intangible Assets	(8.1)	(7.3)	0.8
Amortization of Tangible Assets	(0.2)	(0.2)	0.0
Depreciation	(0.0)	(0.1)	(0.1)
EBIT	(2.9)	(9.5)	(6.6)
Financial Income/(Expense)	(0.6)	(0.5)	0.1
Exch. Gains / (Losses) unrealized	0.4	(1.6)	(2.0)
Capital gain from disposal	2.2	5.1	2.9
Results before Taxes	(0.8)	(6.4)	(5.6)
Taxes	(0.2)	0.9	1.2
Net Result	(1.0)	(5.4)	(4.4)

- Amortization mainly R&D costs (**€5.1M in 2019 and €5.8M in 2020**); net decrease with end of amortization of consolidation difference resulting from acquisitions
- Capital gain **+€2.9M**
- **€5.1M** capital gain from CY4Gate
- **€2.2M** in 2019 from Admantx SpA
- Unrealized exchange loss of (**€1.6M**) related to €/€ exchange rate impacting intercompany exposure

CASH FLOW JAN-DEC 2020



COMMENTARY

- Overall cash position increased **€32M** over the course of the year, driven by growth capital raise and loans
- 2020 operating cash burn at **-€9.8M**
- 2020 end cash position of **€54.0M**
- On track to expected **2021 cash consumption**, but will consider accelerated investment

Building momentum **throughout 2020**



Path to Lead

	2020	2021	2022	2023	2024
	Setting the Stage	Ramping Growth		Rule of 40 & Platform Leadership	
Total revenues	30.6	34	48	68	100
YoY Growth		12.9%	38.4%	43.6%	45.8%
EBITDA		(5)	(0.4)	9	22

Accelerating investment

Platform Release, US Focus, Bottoms up Development

"Rule of 40" free cash flow generation

2021 focus



Scale First

Value direct core verticals

Channel/Technology

Sales + Growth model



Product Leadership

NL API

Platform



Agile Execution

Fast, focused, bold

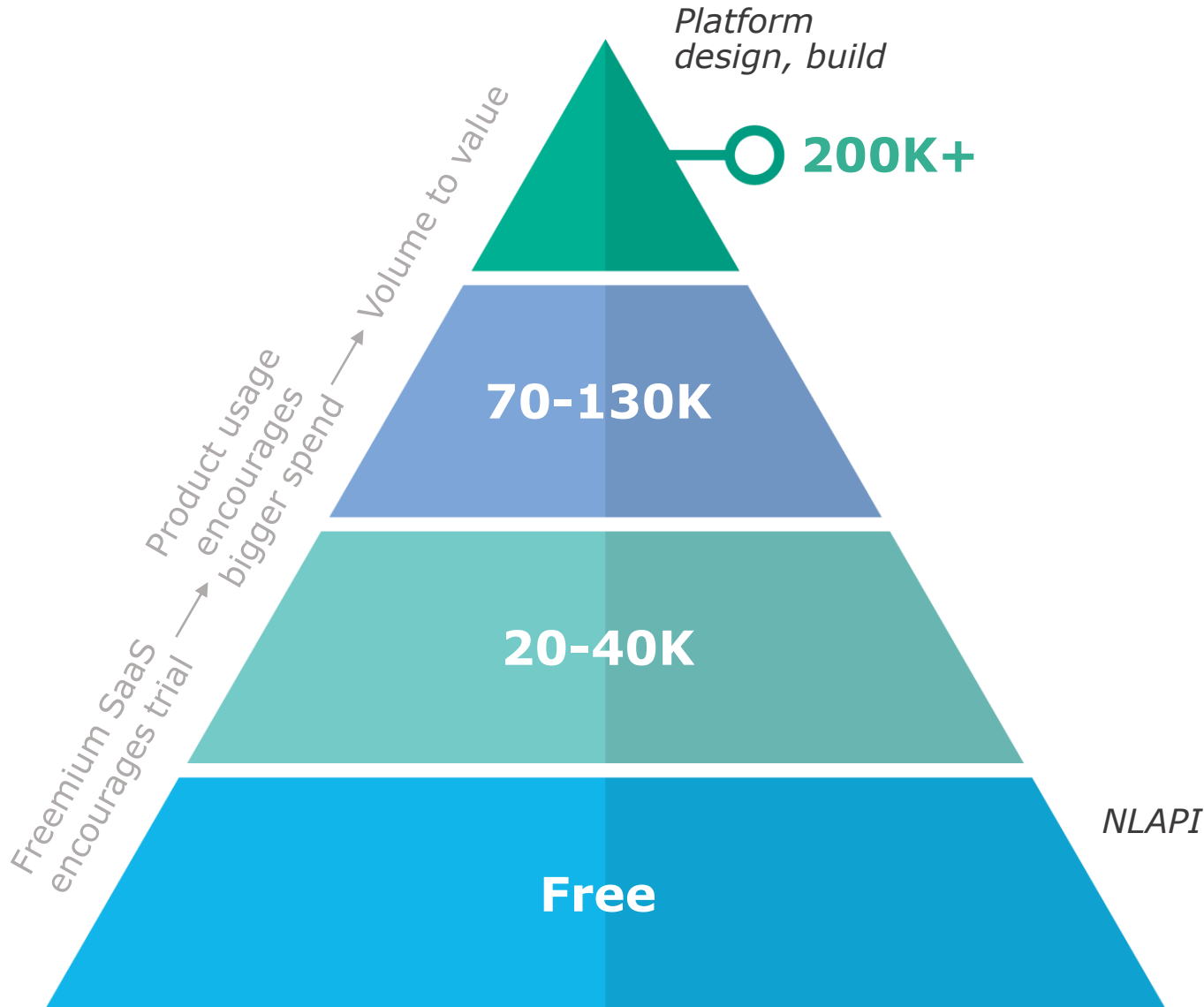


Team of Teams

Team above self



Sales + growth



COMMENTARY

- **Sales** – top-down vertical focus
- Growth bottoms up
- Expanding to **developers** seeking deep language understanding capability
- **600+** NL API registrations
- **197** unique users
- **1,004** participants in Hackathon
- 1st paid NLAPI user with **€40k ACV**
- Community leader started **3/8**
- Community platform launched **3/15**

State of AI



Gartner

*2021 Strategic Roadmap for
Enterprise AI: Natural Language
Architecture*

Enterprises must shift from
**tactical to strategic use of
Natural language...using
composite AI.**



Gary Marcus

The Next Decade in AI

...**knowledge-driven,
reasoning-based
approach**...provide the
substrate for a richer, more
**robust AI than is
currently possible.**



Simple & Efficient NLP

Sponsored by GOOG

...recent research efforts
have...failed to identify sources
of empirical gains in models,
often failing to...**justify the
model complexity beyond
benchmark performance.**



State of AI



Neurips 2020

Sponsored by AMZN

ML comes with several drawbacks, **such as the need for large amounts of training data and the lack of explainability.**



Judea Pearl

Turan Award winner

AI systems based only on amassing and blindly processing large volumes of data are **doomed to fail.**



Yeijin Choi

University of Washington

...we cannot just get there by making the tallest building in the world taller. Therefore, GPT-4, -5, or -6 may not cut it.





Accuracy on the task

This is often the main KPI considered by data-scientists.

Accuracy on datasets is obviously an important evaluation criteria!

But...

Each time, a **different combination of these factors** is key for a project success.

Scalability

Latency when used in production

Robustness to data scarcity

Explainability / Interpretability

Robustness to noisy data

Document fidelity

Deployability

Use case applicability

Robustness to "real-world variations" of data distribution

Accountability Full-control "Human in The Loop"

Computational cost or "Carbon Footprint" in train & inference

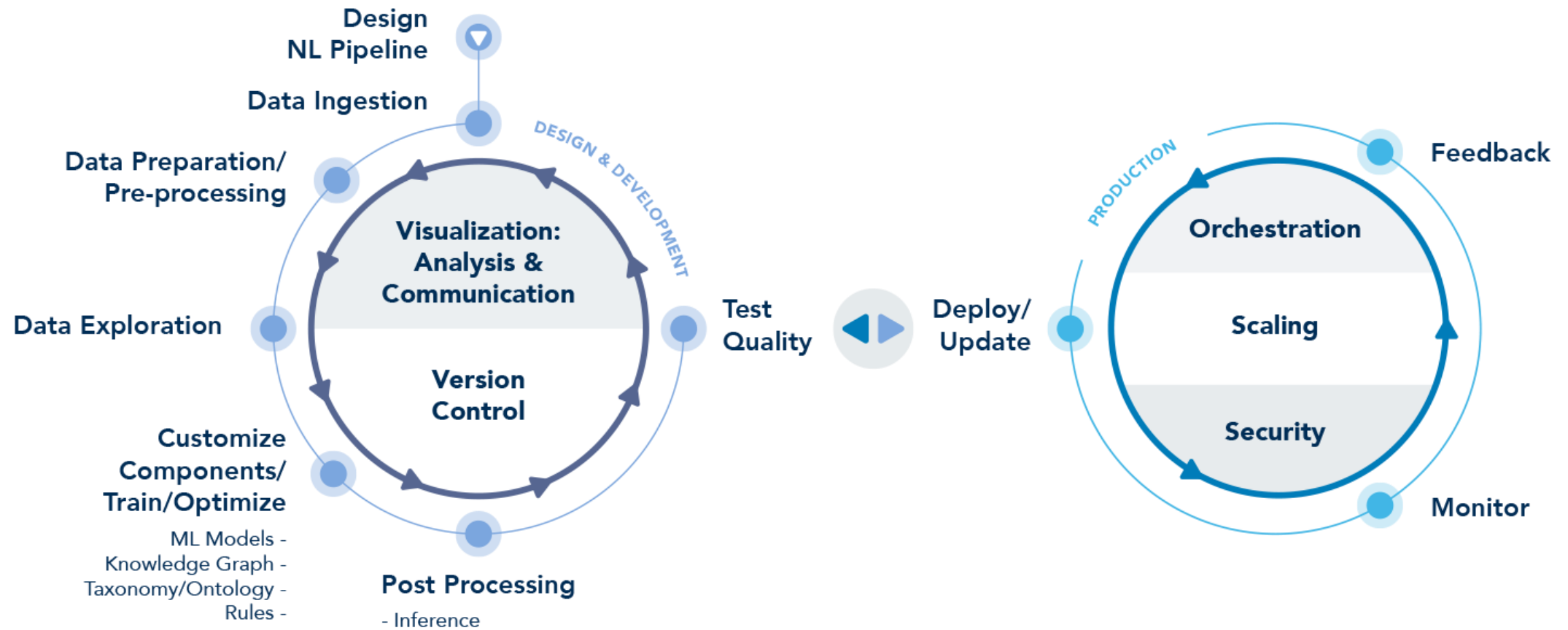
Defining a category...



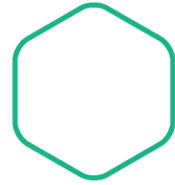
COMMENTARY

- New category: full platform for **NLU**
- Focus on **unstructured language data**
- End to end platform to power language understanding in **any application or process across any domain**

expert.ai platform



New market messaging



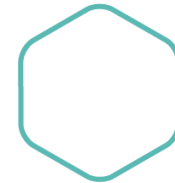
make everyone expert at what they do

understand text
like experts

unlock the value of language

language is data

transform language
into knowledge



mimic expert reasoning

expert.ai
for the expert enterprise

human in the loop

hybridNL

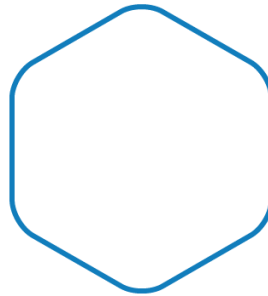
power language understanding
in any application

scale your
experts

no experiments,
just results

provide expertise
at scale

AI is software



The Time is **Now**

**Market
moment**

**Huge
opportunity**

**Unique
competitive
advantage**

**Team
to win**