

1H 2021 Results

Executing to plan...building for scale...



Highlights: acceleration in strategic focus areas

Subscription
revenue

+102% YoY

Partner revenue

+133% YoY

Product Leadership

**Platform
Launch**

Simple, powerful,
practical NLU

Team to win

67 YoY Adds

Focus on NA sales
and marketing,
engineering

HY Compares 2020 vs. 2021

June - €/m	ACT		Δ
	H1 2020	H1 2021	
Total revenues	10,6	11,8	11%
Total costs	(16,6)	(19,9)	20%
COGS	(6,6)	(6,9)	4%
S&M	(5,3)	(8,6)	62%
G&A	(4,6)	(4,4)	-4%
EBITDA	(5,9)	(8,1)	36%
EBIT	(9,1)	(11,6)	27%
Net Result	(4,3)	(11,0)	155%
Net Financial Position	(2,0)	(11,3)	(9,3)
Shareholder's Equity	23,3	37,1	13,8

COMMENTARY

- IFRS financial statements
- Revenue growth driven by subscription
- Accelerated investment in NA market
- Cash & equivalents equal to **€44.6M** vs. **€31.6M** in 2020
- IFRS impact: higher cost of **€1.4M** in 2020 and **€1.2M** in 2021 mainly due to stock grants and stock options ; higher financial debt of **€1.8M** in 2020 and **€2.0M** in 2021 connected to leases.

Recurring revenue momentum...

Revenue stream	HY 2020	%	HY 2021	%	Var	Var %
Recurring revenues	4.4	42%	6.3	53%	1.8	41%
Subscription	2.2	21%	4.5	39%	2.3	102%
Maintenance	2.2	21%	1.7	15%	(0.5)	-22%
Perpetual license	0.7	6%	0.7	6%	(0.0)	8%
Professional Services	4.1	39%	3.5	30%	(0.7)	-16%
*Other	1.4	13%	1.3	11%	(0.1)	-7%
TOTAL REVENUES	10.6		11.8		1.2	11%

* Includes hosting and grant revenues

COMMENTARY

- Recurring revenue
 - **53%** of total revenue
 - **41%** YoY growth
- Subscription
 - **39%** of total
 - **102%** YoY growth
- Decrease in professional services
- Channel revenue of €1.9M
 - **~17%** of total
 - **133%** YoY growth
- Building capacity in US
 - Sales adds joined 1H 2021
 - Demand generation launched
 - Strength in core verticals
 - Expanding to data practice

From EBITDA to Net Results:

Hy 2020 vs. Hy 2021

June - €/m	ACT	ACT	Δ
	H1 2020	H1 2021	
EBITDA	(5,9)	(8,1)	(2,2)
Amortization of Intangible Assets	(3,0)	(3,3)	(0,2)
Amortization of Tangible Assets	(0,1)	(0,1)	(0,0)
Depreciation	0,0	(0,1)	(0,1)
EBIT	(9,1)	(11,6)	(2,5)
Financial Income/(Expense)	(0,3)	(0,3)	0,0
Exch. Gains / (Losses) unrealized	(0,3)	0,6	0,9
Capital gain from disposal	5,1	0,0	(5,1)
Result before taxes	(4,5)	(11,2)	(6,7)
Taxes	0,2	0,2	0,1
Net Result	(4,3)	(11,0)	(6,7)

COMMENTARY

- Amortization mainly R&D costs (**€3.0M in 2020 and €2.8M in 2021**).
- **€5.1M** capital gain from CY4Gate in 2020
- Unrealized exchange gain of **€0.6M** related to €/€ exchange rate impacting intercompany exposure

Foundation for accelerated growth...

Demand Generation

+23%

Average MoM lead growth 1H21

Funnel Build

40%

New business funnel increase = **€7.5M**

Net Expansion

105%

Net YoY revenue growth of existing customers

Customer experience

>50

NPS score

Partner Delivery

Two new global delivery partners and 23 projects delivered

Sales Team

52%

YoY increase in sales team

New US HQ

Boston
November 1

2H2021 focus



Go To Market

Core verticals
Expand to data practice
Accelerate channel model



Product Leadership

HybridNL advantages
Platform enhancements
Value bridges



SaaS Model

Value driven economics
Customer success



Team of Teams

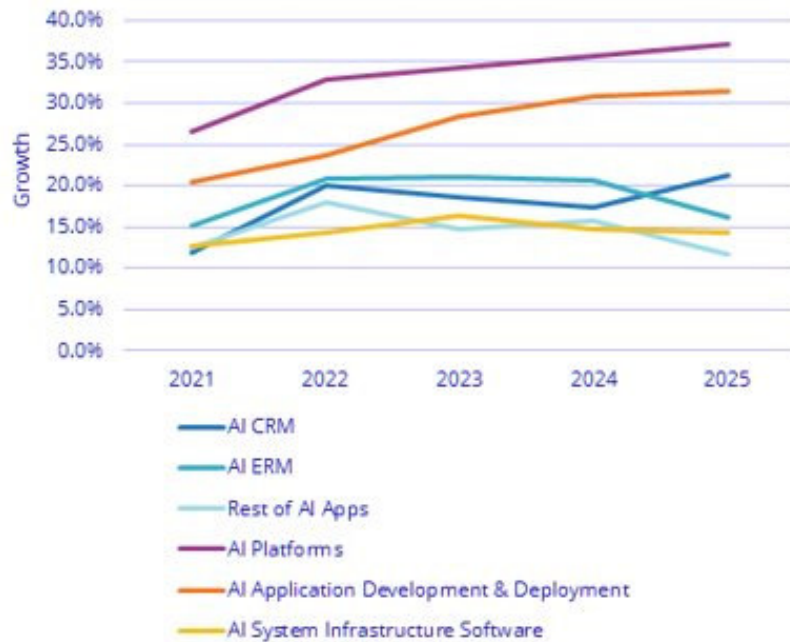
Build talent and capacity
Fast, focused, bold



Platforms Lead AI Growth



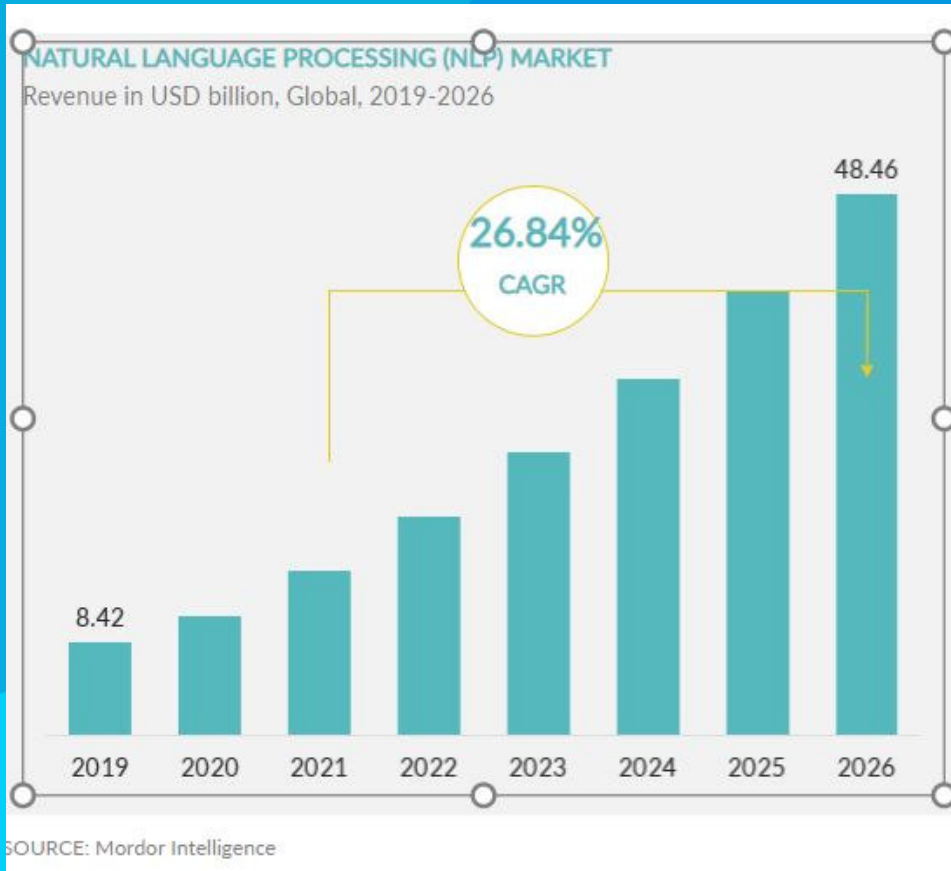
Worldwide AI Software Forecast, 2021-2025



Source: IDC 2021

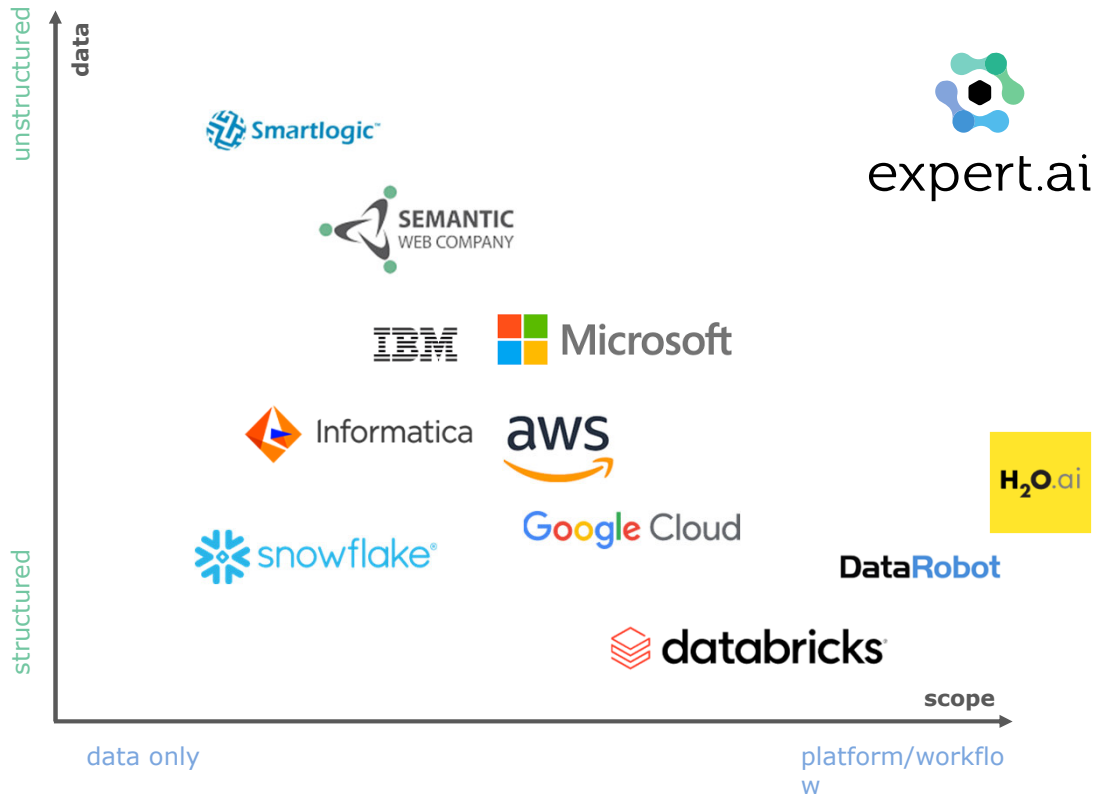
- **AI market**
 - 2021 \$342BN USD
 - 2024 ~\$500BN USD
- **Software spend ~\$300BN USD**
- **AI platforms CAGR 33.2% 2021-2024**
- **Expert.ai – best in class NLU platform**
 - Unique HybridNL technology
 - Purpose-built for language data

Turning language into data...



- **NLP market CAGR 27%**
 - 2021 \$14BN USD market
 - 2024 \$29BN USD market
- **Platform extends reach and scales growth**
 - Power any process in any domain
 - Expansion to multiple use cases
 - Customizable by channel partners
 - Opportunity for volume offerings

Owning a category...



COMMENTARY

- Platforms defined by type of data (structured or unstructured) and functional focus (data only or tools to build solutions)
- Databricks, DataRobot, and H2O.ai focus on structured data with little or no language capability
- Major players (AWS, Google, MSFT, IBM) offer some form of limited language processing capability but are restricted to their platforms (Amazon or Google) or environments (IBM and MSFT). They do not offer integrated tool sets and workflow management
- expert.ai only company to offer combination of machine learning and symbolic/knowledge-based AI

Words matter...

What is your product?

The expert.ai Platform transforms language into data to scale expertise, deliver business insights and accelerate knowledge intensive processes.

Really, how do you do all that?

The Platform is purpose-built for the unique complexity of unstructured language data. Combining the best of machine learning and knowledge-based AI techniques, it understands the context, meaning and relationships in language to power any application or process.

Strong Performer in The Forrester Wave™: AI-Based Text Analytics Platforms, Q2 2020

... reference customers gave expert.ai's AI platform high scores for its multilingual capabilities, ontologies, and time-to-value.

2021 Gartner Emerging Technologies & Trends Impact Radar – Artificial Intelligence 2021

Composite AI – Sample Provider: "...The days of singular AI techniques are coming to an end. Software and service providers that cannot provide solutions combining multiple AI techniques...will quickly find themselves at a disadvantage compared with those that can."

Industry Recognition



**Best API Debut
Natural Language**



**Artificial Intelligence
& Machine Learning
Innovation Winner**



**Natural Language
Processing Winner**



**Empowering
Intelligent Knowledge
Management**



**Best Overall
Natural Language
Processing
Company**



**Product Developer of
the Year**

Pain points for the enterprise



Deliver Business Impact Now

How we solve

Tools and workflows that immediately accelerate the capabilities of your data team to deploy domain-specific NLU solutions.

Hybrid NL combines knowledge and learning for expertise at scale and optimal results.



Manage Cost, Complexity and Risk

How we solve

Remove the burden of managing complex NL pipelines and free data teams to focus on higher value tasks

Purpose built platform to overcome data variability, simplify model design and reduce training time and cost.

Provide full explainability for all kinds of NLU solutions ensuring constant compliance with market regulations.



Build a Scalable Strategic Capability

How we solve

Future proof your AI capability with a platform that embraces the best, proven NLU approaches.

Leverage the exponential growth of language in your enterprise.

Listing project on the Italian Stock Exchange Main Market (MTA)

Yielding a higher visibility on national and international markets, and further backing expert.ai's positioning as a global leader in AI applied to natural language.

Larger and
more international
investor base

Greater stock
liquidity

Renewed interest
from institutional
investors

Higher visibility

Strategic Pillars

"The global leader in bringing the power of language understanding to any domain and process for faster, smarter, and more consistent decisions."

Scalable Technology

- Platform tools for any process or domain
- Open architecture
- Modular design

Scalable GTM

- Extend reach, customization, and delivery with partners
- Focus on US
- Integrated demand generation

Product Leadership

- Hybrid NL capability
- Best of breed design practices
- Flexible deployment

SaaS Economics

- Consumption pricing tied to customer value
- Cloud deployment
- Tiered pricing model
- Lower cost to serve



Thank You

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