

CXAI Third Quarter 2023 Earnings Call

November 14, 2023



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General

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*The CXAI SaaS platform is anchored on the intersection of **customer experience (CX)** and **artificial intelligence (AI)** providing digital transformation of the workplace for enhanced experiences across people, places and things*

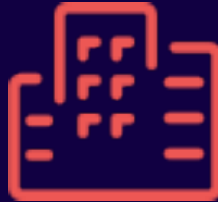
CXAI Addresses Key Future of Work Segments

The Big RTO (Return to Office) Problem



PEOPLE

Engagement
Productivity
Retention



PLACES

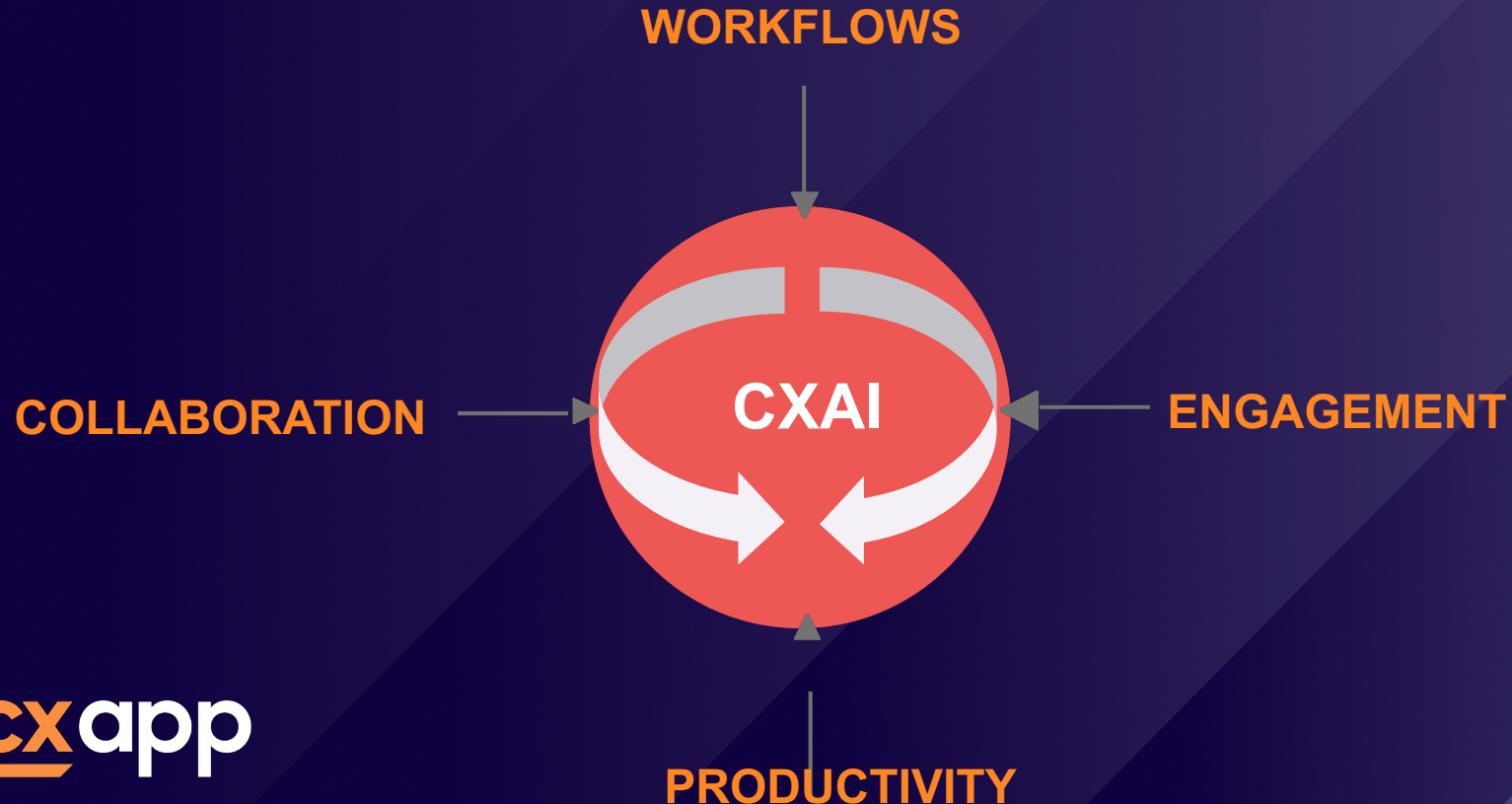
Utilization
Space Design
Effectiveness



THINGS

Amenities
Technology
Efficiency

CXAI Solution Creates "Affinity" Flywheel



Employee Experiences Solution



EXPERIENTIAL ANALYTICS

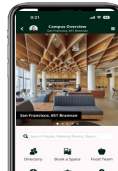


CXAI PLATFORM

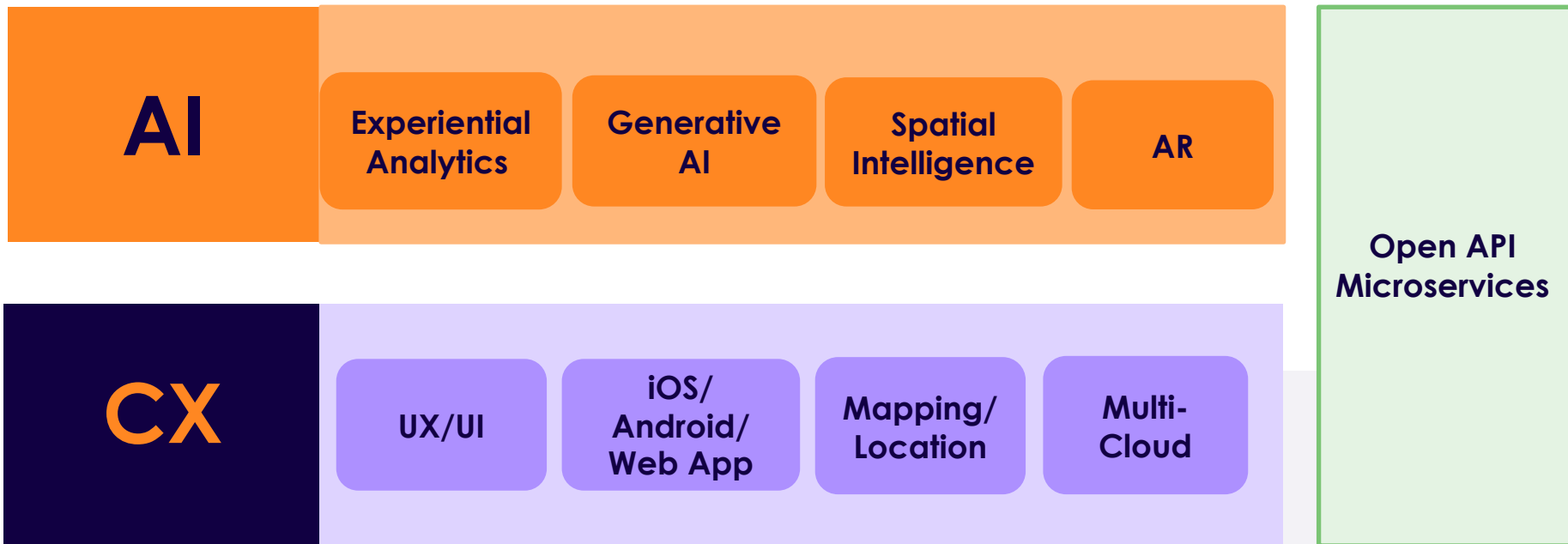
- Generative AI
- Spatial Intelligence
- Augmented Reality



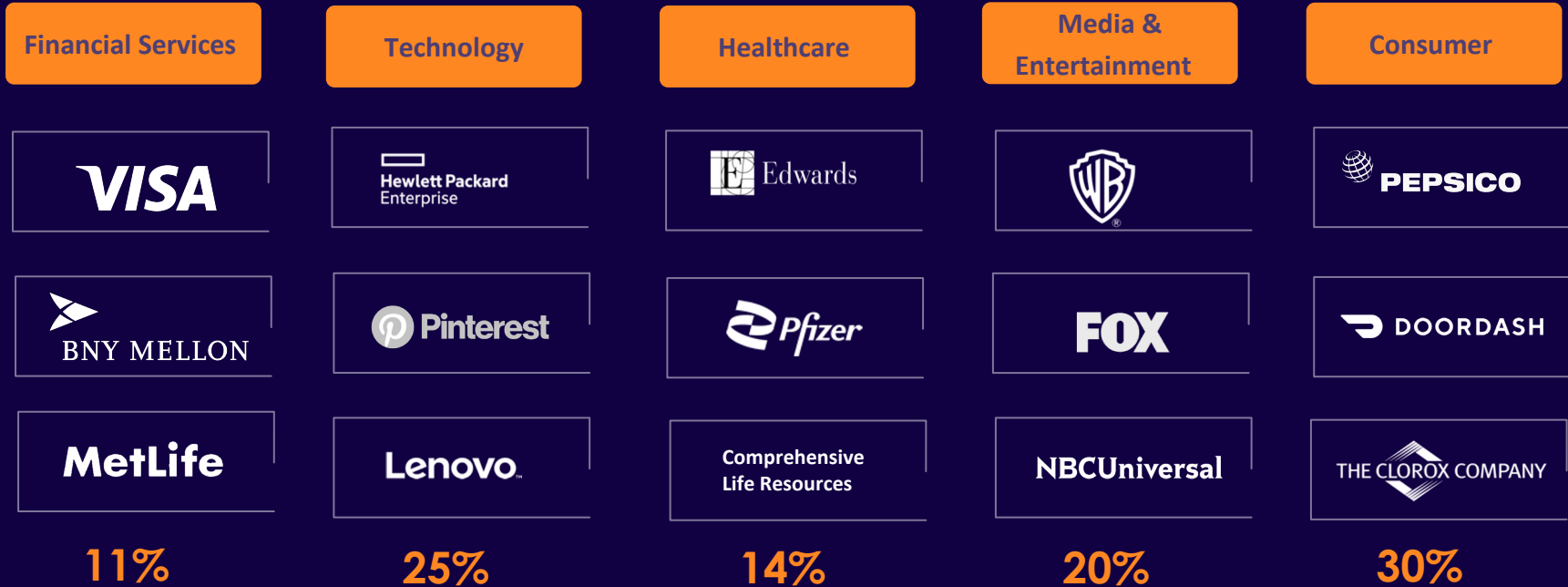
WORK SUPERAPP



CXAI Full-Stack Technology Platform

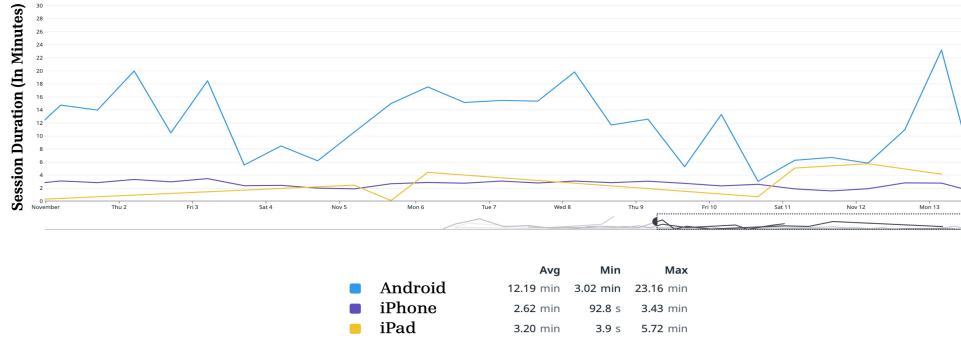


Tier 1 Customers across Enterprise Verticals



EXPERIENTIAL ANALYTICS – User Behavior

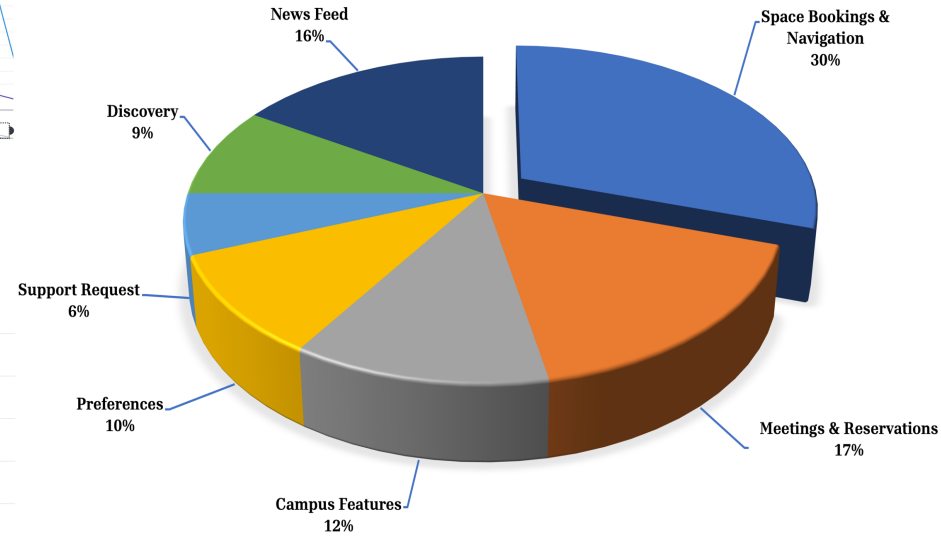
Average Time Spent Per User Per Session



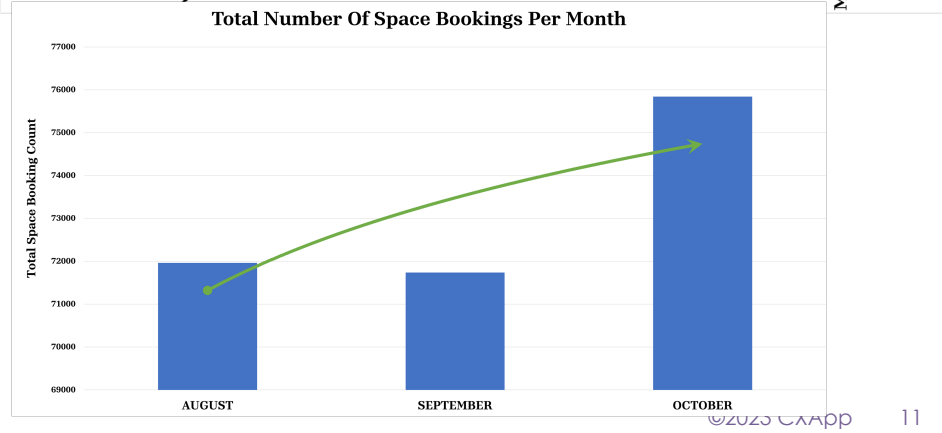
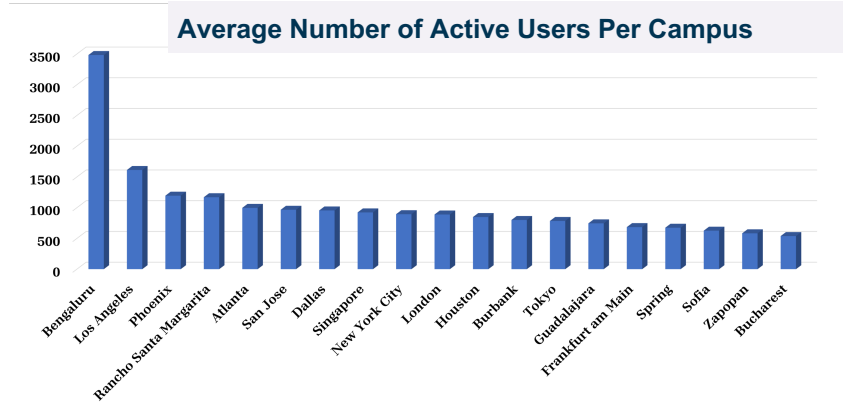
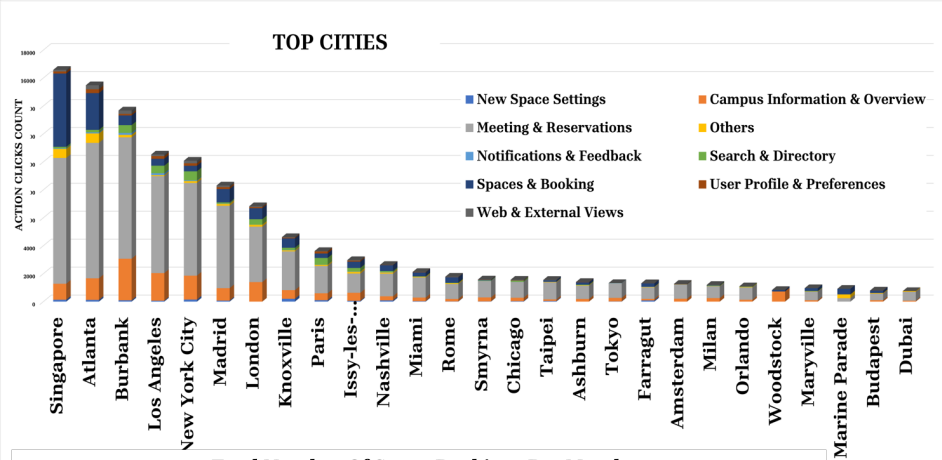
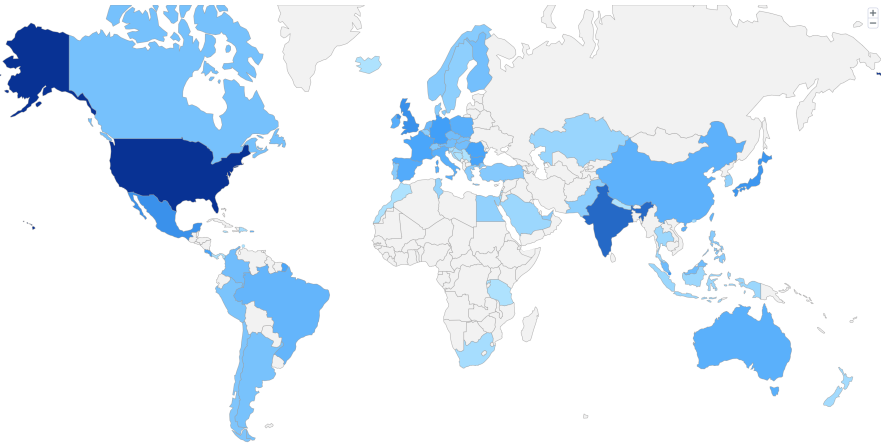
Average Time Spent Per user Per Day



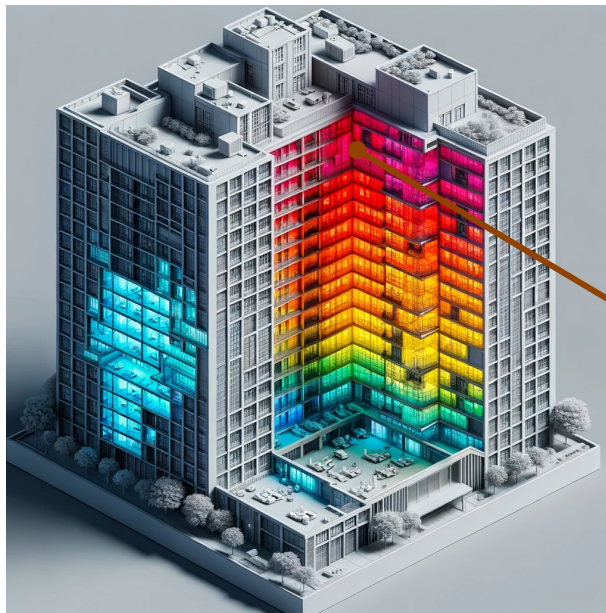
IN-APP FEATURE UTILIZATION



EXPERIENTIAL ANALYTICS – Spaces from Global to Local

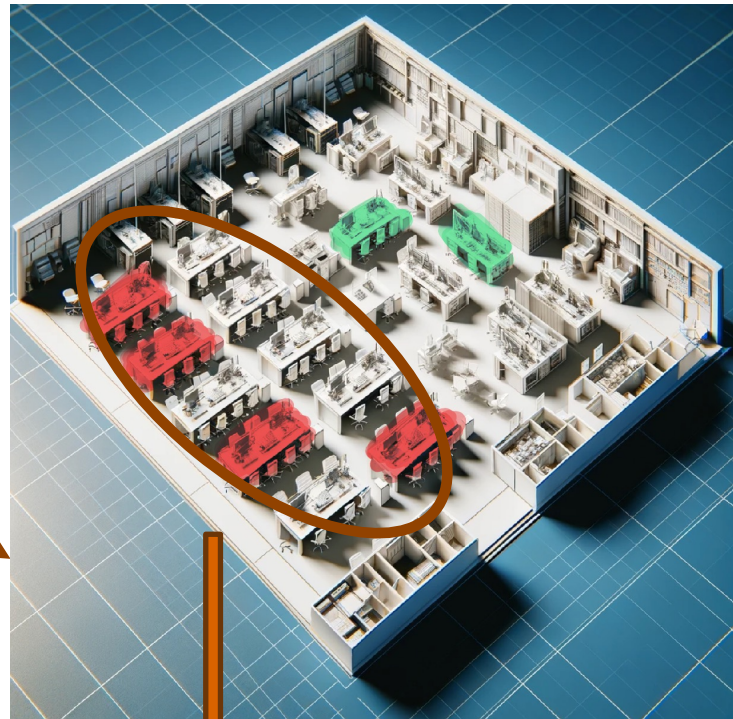


EXPERIENTIAL ANALYTICS – User, Space & Things Fusion

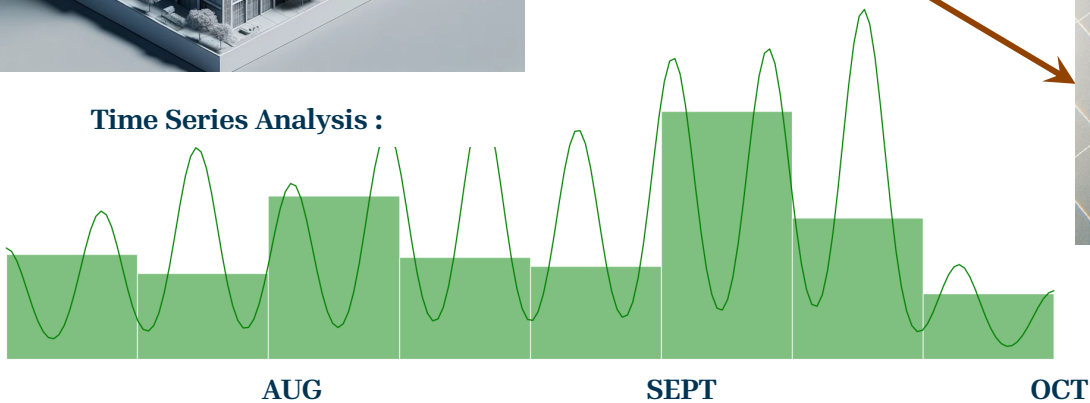


<- San Francisco HQ

Right wing of Floor 9 ->



Time Series Analysis :



FY23-Q3 Results Update

FY23 – Q3 Highlights

Q3 RPO *
Growth

Double
Digit
Rise

Increased
from Q2

SUBSCRIPTION
REVENUE SPLIT

80%

Higher ARR

NON-GAAP
GROSS
MARGIN

80%

Up from 75%
last Quarter

OpEX
REDUCTION

(56%)

Y/Y Reduced
Cost Structure

Right-sized Cost Base

GAAP to Non-GAAP Reconciliations

- Expense based right-sized
- Strong commitment to R&D
- AI key for Operating Leverage
- Path to Profitability clearer

Maintaining efficient R&D investment using AI

Substantially reduced cash burn by lowering operating expenses— down 56% Y/Y

	<u>Three Months Ended</u>				<u>Nine Months Ended</u>	
	September 30, 2023	June 30, 2023	September 30, 2022	June 30, 2022	September 30, 2023	September 30, 2022
Research and development	1,568,000	1,668,000	2,508,000	2,430,000	4,902,000	6,929,000
Sales and marketing	1,068,000	1,177,000	1,146,000	1,604,000	3,383,000	3,872,000
General and administrative	2,278,000	1,412,000	6,134,000	1,892,000	6,224,000	7,503,000
Acquisition related costs	30,000	164,000	-	16,000	194,000	16,000
Impairment of Goodwill	-	-	-	5,540,000	-	5,540,000
Amortization of intangibles	697,000	697,000	971,000	973,000	2,316,000	2,919,000
Total Operating Expenses	5,641,000	5,118,000	10,759,000	12,455,000	17,019,000	26,779,000
Less:						
Acquisition related costs	(30,000)	(164,000)	-	(16,000)	(194,000)	(16,000)
Consulting stock-issuance expense	(106,000)	-	-	-	(106,000)	-
Change in fair value of earnout payable	-	-	-	-	-	2,827,000
Share-based Compensation	(653,000)	(96,000)	(322,750)	(355,000)	(909,000)	(1,325,000)
Impairment of Goodwill	-	-	-	(5,540,000)	-	(5,540,000)
Amortization of intangibles	(697,000)	(697,000)	(971,000)	(973,000)	(2,316,000)	(2,919,000)
Depreciation expense	(24,000)	(24,000)	(174,000)	(165,000)	(280,000)	(484,000)
Non-GAAP Operating Expenses	4,131,000	4,137,000	9,291,250	5,406,000	13,214,000	19,322,000

CXAI Investment Thesis

- Defining New Software Category: ***Employee Experiences***
 - *Multi-Billion Dollar Opportunity with Rapid Growth*
- Patented Leading-Edge AI SaaS Platform
- Diversified Enterprise Customer Base
- Positioned for profitable growth
 - *Global operation, strong R&D investment, right-sized G&A*
- Transformational Leadership Team