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Being AI Group announce co-investment to form AI startup, Tymestack

Introduction to TymeStack

In order to access emerging opportunities across the AI landscape, Being AI Group operates three divisions - Being Labs, Being Consultants, and Being Ventures.

Today we announce that we have co-invested into one such emerging opportunity – Tymestackai Pty Limited ("TymeStack"), an Australian company headquartered in Melbourne Australia, by taking a 50% equity position in TymeStack

David McDonald, Group CEO of Being AI elaborates on the announcement.

> "Being Labs develops patentable AI technologies and incubates advanced technology startups. Our Labs team have been working on this opportunity for some time, and so today, we are pleased to announce our co-investment into Tymestack. Tymestack offers a unique approach to AI-driven price optimisation engine that reduces and even eliminates gross margin losses in retail price markdowns while simultaneously accelerating sales and reducing waste"

The problem seems simple. Some retailers over-discount, offering a 30% discount to clear stock when a lesser discount would suffice, while others under-discount or discount at the wrong times. Tymestack optimises the depth and timing of discounts to maximise profits.

Despite the widespread adoption of AI in pricing solutions, a survey by IHL Group[1] projects that overstocking costs $562 Billion for retailers globally in 2023. This stark reality underscores the urgent need for improvement in industry-standard solutions. Tymestack is committed to transforming this lost opportunity into a profit generator, leveraging advanced AI technologies to optimize pricing strategies. Some might argue that this is solely an inventory optimization problem, contending that with careful planning, markdowns could be avoided altogether. While meticulous planning is indeed crucial, it's important to acknowledge the reality that demand is often influenced by short-term, unpredictable factors like supply chain disruptions and pandemics. We're living in an era where predictability is increasingly erratic. Therefore, our solutions must not only be meticulously planned but also be reactive to uncertainties in the market landscape.

The origins of Tymestack began over four years ago. Having undertaken a forecasting and optimisation project for a large-scale retailer, Abishek Sriramulu, the founder and co-investor of Tymestack, realised that existing price optimisation algorithms could be vastly improved. The project solution showed a significant recorded uplift in revenues during an A/B test but Abishek believed he could deliver more.

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[1] The Good, The Bad, The Ugly of Retail Inventory Distortion (ihlservices.com)

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"Despite the massive direct positive impact that the earlier forecasting and optimisation project generated for the proprietor of that project, I was dissatisfied with the limitations of the solution. This dissatisfaction led me to leave and start my PhD, embarking on a journey to find a better solution" says Abishek Sriramulu.

As part of his PhD in Temporal Analytics at Monash University, Abishek Sriramulu worked with Being AI CTO and founder of Being Labs, Dr Nicolas Fourrier co-publishing papers to further research into areas such as graph neural network based forecasting methods.

With all the academic & business knowledge gained over four years, the Tymestack algorithm is patent-pending and has been tested, refined, and validated as a superior AI-driven approach to price optimisation – achieving up to 20% better results than existing AI price optimisation methodologies, in testing undertaken to date. For large-scale international retailers, this could amount to hundreds of millions of dollars in additional margin and savings

Abishek Sriramulu continues – *"The algorithm applies a specialised area of forecasting mathematics to overcome issues with static and heuristic price elasticity estimations. Despite the algorithm's complexity, Tymestack's UX is designed to be simple and easy to use, providing the flexibility and simplicity that real-world applications demand."*

Being Labs incubation team will support Tymestack's launch and growth to traction with technical, financial, legal, marketing, and sales support. This incubation effort is spearheaded by Dr Nicolas Fourrier.

"We are all looking forward to bringing the Tymestack difference to market. Our initial focus is to work with large, often multinational or ecommerce retailers with the revenue and SKU scale that makes markdown price optimisation a valuable problem to solve." Says Dr Fourrier.

Abishek Sriramulu concludes *"After years of work, it's truly exciting to witness first-time reactions to Tymestack as well as to partner with the Being AI team to accelerate Tymestack's journey."*

Terms of our deal

Today we finalised the contractual arrangements to document our investment in TymeStack. The principal terms of our investment is as follows:

- We have subscribed for new shares in TymeStack, representing 50% of the total shares on issue.
- The aggregate cost of our investment is AUD$1.5 million.
- We will be satisfying the payment of our investment progressively by contributing a combination of cash, and the provision of our own professional services to TymeStack.
- Being AI's CTO, Dr. Nicolas Fourrier, will be appointed to the Tymestack Board.

Optimisation and forecasting some of the highest value areas is where AI will have an impact across every industry, investing in technology that is already proven to be market leading in this space is a clear indicator of where Being AI is going.

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