

QUARTERLY REPORT: APRIL TO JUNE 2025

Strong Y-o-Y growth, record gross margin, improved profitability and a 91% growth in pipeline

APRIL TO JUNE 2025

- SaaS API Call revenues amounted to 12.7 (7.0) MSEK, +81%
- SaaS API Call volumes amounted to 53.2 million (31.5), +69 %
- SaaS ARR in constant currency^(*) amounted to 70.1 MSEK (43.7), +60%, and +49% in nominal growth
- Total ARR in constant currency^(*) amounted to 89.7 MSEK (74.3), +21%, and 13% in nominal growth
- Net Revenue Retention Rate (NRR) +129% (134)
- Net sales amounted to 22.1 MSEK (19.3), +15%
- Gross margin amounted to 88% (79)
- EBITDA adjusted amounted to -3.9 MSEK (-6.3), +38%
- Earnings per share amounted to -0.0 SEK (-0.1)

JANUARY TO JUNE 2025

- SaaS API Call revenues amounted to 27.4 (12.2) MSEK, +125%
- Net sales amounted to 47.4 MSEK (36.4), +30%
- Gross margin amounted to 87% (79)
- EBITDA adjusted amounted to -5.4 MSEK (-14.8), +64%
- Earnings per share amounted to -0.1 SEK (-0.1)

EVENTS DURING THE QUARTER

- Key customer renewals with AT&T, Swisscom and Italian bank BPM, also migrating from non-SaaS to SaaS
- Teneo.ai partners with CloudHesive to Supercharge Amazon Connect/ConnectPath CX with AI-Driven Automation
- Teneo.ai partners with EBO, a trusted provider of AI-powered patient engagement solutions in healthcare
- Teneo.ai partners with Future Generation Systems (FGS) in Türkiye, a Vodafone Türkiye technology company
- Teneo.ai started three Proofs of Concepts in the healthcare and consumer services verticals
- Teneo.ai Launches First Voice AI Accelerator for Genesys Cloud Platform
- Successful completion of SOC 2 Type II audit, underscoring the highest standards of data security for our clients

EVENTS AFTER THE QUARTER

- Renewal of SaaS agreement with CGI regarding one of the largest National Healthcare Providers in the world
- Renewal of SaaS agreement with MedHelp Care, one of Sweden's most used health platforms
- Teneo.ai invited to speak at Genesys customer event in Nashville
- Teneo.ai achieves top scores for Customer Satisfaction Across all Vendor Categories in DMG Consulting's 2025 Conversational AI Solutions Report

KEY FIGURES (FOR DEFINITIONS PLEASE SEE PAGE 18)

	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Net sales (MSEK)	22.1	19.3	47.4	36.4	84.1
Recurring revenues (MSEK)	22.0	19.1	47.3	36.1	83.5
ARR (MSEK)	83.7	74.3	83.3	74.3	103.9
SaaS ARR (MSEK)	65.2	43.7	64.8	43.7	75.1
ARR in constant currency (MSEK)	89.7	74.3	89.3	74.3	103.3
SaaS ARR in constant currency (MSEK)	70.1	43.7	83.3	74.3	74.6
SaaS API Call Revenues (MSEK)	12.7	7.0	27.3	12.2	36.3
SaaS API Call Volumes (average Million)	53.2	31.5	53.2	31.5	60.3
NRR %	129%	134%	129%	134%	135%
Gross margin %	88%	79%	87%	79%	79%
EBITDA adjusted (MSEK)	-3.9	-6.3	-5.5	-14.8	-22.3
Opex Runrate	-117	-112	-117	-112	-115
Earnings per share (SEK)	-0.0	-0.1	-0.1	-0.1	-0.2
Cash flow from operating activities before changes in working capital (MSEK)	-4.0	-8.8	-13.1	-12.9	-30.6

^(*) Same currency rate as in the second quarter of 2024.



Per Ottosson
CEO

CEO STATEMENT

Dear Shareholders, Team Teneo.ai and Partners,

The second quarter 2025 marks another strong growth in Y-O-Y numbers and some significant milestones in our focus on new customer engagements, with a doubled pipeline Q-o-Q. The M&A market has also heated up during the summer with some large investments and acquisitions that prove to us and customers that the Teneo hybrid ML, LLM is the right AI solution for Voice.

MARKET OVERVIEW

The mindshare of OpenAI has been deafening in the last few years. Sam Altman's predictions gain more headlines than wars. This has led to all our customers experimenting with companies that provide wrappers on top of LLM's. This is different than our approach – we use proprietary technology in Teneo to understand what customers are calling about. This technology is based on traditional Machine Learning as well as Small Language Models and in the development of the customer solution Large Language Models are used. Newly minted companies that have seen a lot of investments and gained attention such as Sierra.ai use only Large Language Models.

In July we saw an acquisition that validates our approach. Cognigy, was acquired in July by NiCE (number two in Contact Center Software) at a valuation of 26 times sales including Professional Services. Total purchase price of 955 MUSD. Their technology is a platform using deterministic models just like ours. NiCE could of course have acquired any of the LLM wrapper companies at a much lower price but chose to acquire a comprehensive platform. This proves that to really have impact in the Contact Center you need to use deterministic technologies rather than only Large Language Models.

Customers are slowly arriving at the same conclusion. We are currently engaged in three proofs of concepts where we see great increases in accuracy with our approach. The pure LLM players are currently increasing the sales cycle but luckily LLM's are also more expensive to use in production so this does not increase price pressure.

When considering Enterprise features such as security, accuracy, and performance Teneo remains uniquely positioned in the market, effectively managing high-volume telephony operations and automating up to 91% of incoming calls (more on this new number below), offering unmatched efficiency and reliability.

Teneo.ai has a large proportion of our business with US customers. The company maintains a stable outlook, with no immediate risks aside from currency exchange rates identified from current U.S. administrative actions or proposed economic measures, including toll tariffs. Sales Cycles have increased as many customers are restrictive with investments in an uncertain environment. The positive side of the current development for Teneo is an increased focus on cost reductions which increases the interest in adding AI Agents into the workforce.

PIPELINE DEVELOPMENT

Sales and Marketing in the second quarter 2025 prioritized qualifying the opportunities created in the first quarter 2025 and putting focus on the closeable opportunities. We also broadened our geographical focus to include Turkey where we see interest in our solutions.

PARTNERSHIPS

Two important additional partnerships were signed during the second quarter 2025. EBO.ai, a company focused on automation that delivers to the same National Healthcare unit that CGI and we renewed the agreement just after the second quarter 2025. Together we are building a role model hospital contact center built on Teneo in the Middle East that we also will be showcasing to UK and US prospects. By combining EBO's healthcare trained AI models with Teneo we will be able to increase patient access and satisfaction while freeing up valuable care resources.

We also welcome FGS as a partner. FGS is part of the Vodafone group and has a very strong presence in Turkish Enterprises. Their local knowledge combined with a strong Turkish enterprise interest in using AI to automate Customer Care make this ideal for Teneo collaboration and we already have several joint opportunities we are addressing.

ANALYSTS

In the Contact Center space there is an analyst that is trusted by more enterprises than any other. That is DMG Consulting.

In the DMG Consulting's 2025 enterprise report where we participated for the first time, Teneo.ai earned perfect customer satisfaction scores across seven key areas, including implementation, pricing, and overall vendor satisfaction. This achievement is particularly significant because it's based on feedback from actual enterprise customers, validating Teneo's voice-first agentic AI platform for contact center automation. The perfect scores underscore the Teneo's ability to deliver value through high accuracy rates and substantial operational cost savings. For Teneo, this recognition solidifies our position as a trusted and leading partner in a competitive market, where customer satisfaction is a critical differentiator.

CUSTOMER FEEDBACK

Our Teneo is the only tool that has the accuracy and performance to actually replace people answering the phone. In the second quarter 2025, we got this confirmed by one of our very large customers. This customer has 10 million inbound calls per month. In order to serve these customers correctly the most important component is understanding why they are calling. This is called Natural Language Understanding. This is the step that entails both the accuracy in transcribing speech to text and then parsing understanding from this text. In this customer the understanding was 99% - which is much better than any other solution. But even more importantly 91% of all calls were managed by Teneo instead of a human leading to higher customer satisfaction. That is 9.1 million automated calls per month. Astonishing ROI!

STRATEGIC SALES EVENTS

During second quarter 2025, we have focused on developing the opportunities that we created in the first quarter 2025. We have moved six to qualified, three into proposal sent and we have three in the stage Pilot/POC. This means that we are progressing our opportunities and focusing the work on closing. The pipeline almost doubled to 2 MEUR in weighted numbers primarily due to the progression of our opportunities.

Our new sales pipeline is measured as a 12-month subscription value, excluding future API calls—though API calls make up most of our revenue. The pipeline is weighted based on the sales stage of each opportunity and does not include additional revenue from existing customers.

For example, consider a sales opportunity for a new customer similar to one of our large existing clients. If this opportunity is in the *qualified* sales stage, it would be valued at:

9,900 times 12 months times 20 % (weight for qualified stage) = approximately 24,000 EUR.

While the long-term potential revenue from such a customer could be 3.5 MEUR per year, our pipeline reflects only 24,000 EUR at this stage.

Since our first quarter 2025 report, our weighted pipeline has again almost doubled to 2 045 000 EUR from 1 050 000 EUR in our first quarter 2025 report. Our pipeline progression this quarter is mostly driven by our opportunities moving up in sales stages thereby increasing the probability of closing. We have fewer opportunities in total as we have qualified out some of the created opportunities in the first quarter 2025. The remaining pipeline includes major enterprises across various sectors, driven by factors such as the discontinuation of Nuance (the foundation for traditional keypad navigation systems) and our partnership with Genesys and the associated eco system. Our first opportunity where AWS has engaged together with our partner Cloudhesive is also a promising development opening up more avenues for pipeline development.

PREPARATION FOR TENEO 8 ROLLOUT

During the third quarter 2025 we will be rolling out the biggest update to our Teneo ever. The details will be released at a later stage during the quarter. In preparation for this we have been pushing legacy, chat only customers to accept upgrading to the new codebase. We delivered a record gross margin of 88% in the second quarter 2025, but in order to further bring up our gross margin we want all customers to use one and the same codebase.

Customers that use chat only in Teneo do not see the value in the solutions as does a voice customer and therefore those that are not able to move to voice will likely not be moving to the new codebase. In our forward looking ARR metric we have taken this into account. Those customers are costly for us to serve and the functionality we are pushing in the new release is very important for our enterprise voice prospects and customers.

Last quarters change in how we operate our SaaS has brought the cost savings and associated higher Gross Margin as projected.

AUTUMN FOCUS

Looking ahead we have the partnerships and pipeline to deliver on our goal to hit 20 MUSD ARR within the first quarter 2026. Selling to large enterprises involves many stakeholders and many hoops to go through. Once we are in the process, we see that our message resonates and when we have the chance to prove our technology we never fail. We have enough qualified opportunity to reach our goal – now its closing focus.

I want to express my sincere gratitude to our dedicated team, our valued partners, and exceptional customers for their continued collaboration. And of course, to our shareholders who continue to support us on this journey!

Thank you all for your continued support and confidence.

Sincerely,

Per Ottosson, CEO
Teneo.ai

Sales Development

REVENUE MODEL, KPI'S AND FINANCIAL TARGETS

In the third quarter of 2022, the company introduced four new financial targets. Two of these financial targets were successfully met during 2024 and the remaining two financial targets are:

- >200 MSEK in ARR during 2025
- A long-term EBITA margin exceeding 30% in a mature state

Business Revenue Model

In our SaaS business model, revenue recognition happens at the actual usage/consumption of the product/services and any increases/decreases in the monthly recurring revenues are instantly captured in the SaaS ARR metric.

The revenue streams in the SaaS business and delivery model are primarily:

1. Subscription revenues from **Teneo Studio** – based on number of users (License & Support on the Non-SaaS business).
2. API calls generated in **Teneo Engine** – based on number of API calls (Usage on the Non-SaaS business).
3. **Teneo Data** – analytics platform to review users' conversations and enhance the conversational AI solutions. Revenues based on searchable data.

Recurring revenues consist of 1 to 3 above. On top of it, revenues can also be generated from provision of Professional and Expert services. These are no longer in focus for Teneo.ai as a company as we prefer our partners to provide these services to customers.

SAAS ARR AND SAAS API CALL VOLUMES KEY METRICS/KPI'S

The company measures ARR as the average monthly recurring revenues over the quarter multiplied by 12. This way of measuring ARR provides a more accurate representation of the annual recurring revenues as it removes impact from potential monthly fluctuations caused by seasonality and similar.

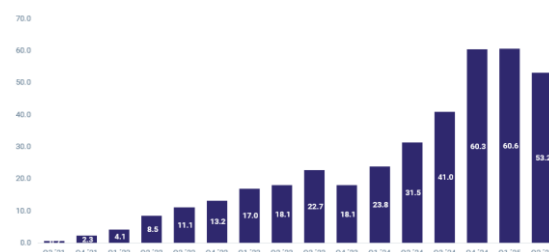
Our SaaS and total ARR will grow as we: add more customers to the SaaS model, ramp up existing customers in terms of API call volumes, and continue to convert existing customers to the SaaS model. Our Expert Services revenues are low and will be limited going forward as well due to our focus on recurring revenues.

With most of the company's revenues being generated in USD (close to 70%), the appreciation of the Swedish Krona versus USD but also EUR during the second quarter 2025 had a negative impact on the revenues and consequently also on the ARR. We focus our operations on growing existing customers API call volumes combined with adding new customers and increasing prices for our software when we renew contracts. That is key to increasing the revenues, ARR and the value of our company in the long term.

An important KPI to follow is therefore the API call volume development on the SaaS model as this metric is linked to the API call revenues generated by SaaS customers.

The graph below shows that monthly average SaaS API call volumes increased from 31.5 million in the second quarter 2024 to 53.2 million in the second quarter 2025, equivalent to a growth of 69%. The decline in SaaS API call volumes during the second quarter 2025 is related to seasonality of built out solutions and we see higher volumes in the beginning of the third quarter 2025. New volumes are underway as we close new customers and new projects with existing customers.

SAAS API Call Quarterly Average (million) + 69% YoY



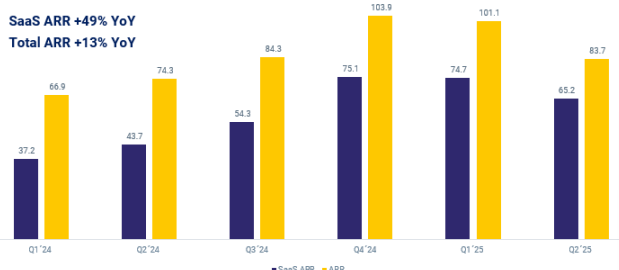
A SaaS customer is a subscription base customer that reports on API calls generated. If we add one customer at the end of a quarter, the actual revenues generated may be limited or even zero.

An important part of the company strategy is to focus on partnerships. The distribution channels of the company through its partners means that one subscription would entitle the partner to have multiple customers, representing one customer for Teneo.ai even if revenues were multiplied. This means that one partner can have several customers that have smaller or larger volumes but still represent a large API call volume for the total. The most important metric for us therefore is the total number of API calls generated.

The SaaS business model is growing in importance. The recurring revenues derived from SaaS customers for the second quarter 2025 amounted to 17.0 MSEK (11.5) and constituted 77% (60) of total recurring revenues, 22.0 MSEK (19.1), and 74% (54) of net sales.

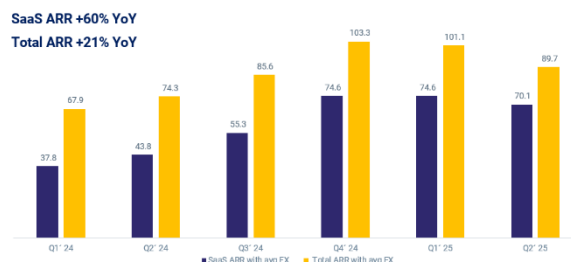
The SaaS ARR in the second quarter 2025 amounted to 65.2 MSEK, an increase from 43.7 MSEK in the same period 2024, equivalent to a growth of 49%. ARR for total business amounted to 83.7 MSEK in the second quarter 2025, an increase from 74.3 MSEK in the same period 2024, equivalent to a growth of 13%. Graphical details can be found on the chart below.

SaaS and Total ARR Quarterly Average (MSEK) + 49% SaaS YoY



The SaaS ARR in the second quarter 2025 in constant currency, the same exchange rate as in the second quarter 2024, amounted to 70.1 MSEK, an increase from 43.7 MSEK in the same period 2024, equivalent to a growth of 60%. ARR for total business amounted to 89.7 MSEK in the second quarter 2025, an increase from 74.3 MSEK in the same period 2024, equivalent to a growth of 21%. The graph below shows ARR evolution in constant exchange rate to the second quarter 2024.

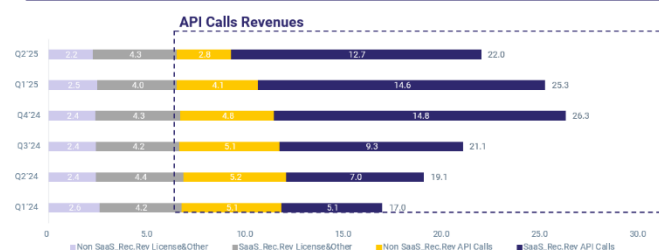
SaaS and Total ARR Quarterly Average (MSEK) Constant Currency



SPLIT OF RECURRING REVENUES

The recurring revenues for the second quarter of 2025 amounted to 22.0 MSEK (19.1), equivalent to almost 100% (100) of net sales and an increase of 15% compared with the same period last year. The API call revenues (API Calls plus Data Searchable and other revenues derived from usage of the Platform) for SaaS and non-SaaS combined for the second quarter 2025 amounted to 15.8 MSEK (12.4), equivalent to 72% (64) of total net sales and an increase of 28% compared with the same period last year. The SaaS API call revenues in the second quarter amounted to 12.7 MSEK (7.0), equivalent to an increase of 81% compared with the same period last year. The SaaS API call revenues in second quarter 2025 are negatively impacted with 7% versus the second quarter 2024 due to exchange rate changes. On the graphic below, the development and growth in the recurring revenues by type is highlighted.

Recurring Revenues by Type (MSEK)

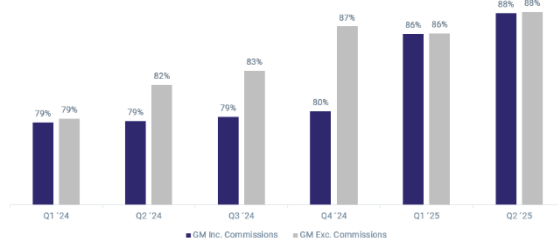


For non-SaaS customers, the revenues on API calls amounted to 2.8 MSEK (5.2) in the first quarter of 2025. The reason for the decline is related to changes in exchange rates, seasonality together with one client, BPM, moving to our SaaS offering.

RECORD GROSS MARGIN AT +88%

The growth in API calls is key for our gross margin to improve from current levels. Short-term commission costs, especially for new customers, can impact negatively and we therefore also report gross margin excluding commission costs. The graphic below shows the evolution of our gross margin as our API call volumes grow and proves the stability of the model with three consecutive quarters with +86% gross margin levels. Despite revenue levels not growing in the second quarter compared to the first quarter of the year, the gross margin has improved, proving the profitability and efficiency of the model.

Strong Performance: 88% Gross (+2 points from previous quarter)



APRIL TO JUNE 2025

Net sales for the second quarter 2025 amounted to 22.1 MSEK (19.3), equivalent to an increase of 15% compared to the same period last year. The recurring revenues in the second quarter 2025 amounted to 22.0 MSEK (19.1), equivalent to almost 100% (99) of total net sales and an increase of 15% compared with the same period last year. A high percentage of recurring revenues of total net sales provides stability and visibility and is the foundation of our SaaS model.

Personnel costs in the second quarter 2025 amounted to -20.1 MSEK (-20.2). Total headcount end of June 2025 amounted to 63 (59). In addition to the employed staff, the company also has commitments with specialized contractors and the total cost in the second quarter of 2025 amounted to -4.3 MSEK (-3.4 MSEK). These costs are recorded under Other Operating Expenses. Total number of consultants end of June 2025 amounted to 13 (6).

Depreciation and amortization in the second quarter 2025 amounted to -4.5 MSEK (-4.4).

Capitalized R&D for the period amounted to 6.0 MSEK (6.5). The increase is due to the increase in salaries.

Total operating expenses, including depreciation and amortization, in the second quarter 2025 amounted to -36.8 MSEK (-37.9).

The annual operating expenses run rate in the second quarter 2025, excluding depreciation and amortization, non-recurring items of -4.5 MSEK and cost of sales of -2.7 MSEK, amounted to -117.3 MSEK (111.9). The average monthly operating expenses in the second quarter 2025, excluding depreciation and amortization, non-recurring cost items and cost of sales amounted to -9.8 MSEK (-9.3). As announced in the first quarter 2025 report, the company has continued to invest in sales, marketing and staff during the second quarter 2025 and that is reflected in the slightly higher costs versus in the first quarter 2025. The company will continue to invest in marketing and sales, but investments will be carefully steered based on customer wins.

JANUARY TO JUNE 2025

Net sales for the first six months of the year 2025 amounted to 47.4 MSEK (36.4), equivalent to an increase of 30% compared to the same period last year. The recurring revenues for the first six months of the year 2025 amounted to 47.3 MSEK (36.1), equivalent to almost 100% (99) of total net sales.

Personnel costs for the first six months of the year 2025 amounted to -43.0 MSEK (-41.3), an increase of 4% compared to the same period last year. The increase in personnel costs compared to same period last year is primarily due to non-recurring costs mainly associated to the payment of variables in Sweden, which amounted to -2.4 MSEK.

Depreciation and amortization in the first six months of 2025 amounted to -9.1 MSEK (-8.5) and capitalized R&D for the same period amounted to 12.0 MSEK (11.9).

FINANCIAL ITEMS AND TAX

Net financial items for the second quarter 2025 amounted to 3.9 MSEK (-7.2) and for the first six months of the year 2025 -14.4 MSEK (-3.2). The interest income and costs for the second quarter 2025 amounted to -3.6 MSEK (-3.7) and for the first six months of the year 2025 -7.2 MSEK (-7.3). The interest cost for the credit facility in the second quarter 2025 amounted to -3.7 MSEK (-3.6) of which -2.8 MSEK correspond to real interest and -0.9 MSEK to the capitalized costs related to the transaction and to -7.4 MSEK (-7.1) for the first six months of the year 2025. The amount for the interest rate of the credit facility is a 4.00% fixed interest rate and is not payable until maturity in December 2026. The net financial items for the second quarter were impacted with 7.5 MSEK of currency exchange rate differences, of which 6.9 MSEK are unrealized exchange rate differences, and 0.6 MSEK are realized. Total currency exchange differences on the first six months of the year 2025 amounted to -7.3 MSEK (4.1 MSEK), of which 0.7 MSEK are realized and -8.0 MSEK are unrealized.

Due to the value of accumulated tax losses carried forward there is no tax payable in relation to 2024 and 2025.

CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital in the second quarter 2025 amounted to -4.0 MSEK (-8.8) and in the first six months of the year to -13.3 MSEK (-12.9). Up until the first quarter 2024, the company has annually received tax refund associated to R&D activities in Spain of approximately 5 MSEK annually. This tax refund will, as expected, not materialize going forward. In January 2024, the tax refund represented cash inflow of 4.3 MSEK while there is no such cash inflow in 2025. Consequently, cash flow from operating activities before changes in working capital have improved by approximately 3.9 MSEK during 2025 versus 2024.

In the second quarter 2025, adjustments for items not affecting cash flow amounted to -1.0 MSEK (-1.9) which mainly correspond to currency differences from consolidation.

Cash flow from operating activities for the second quarter 2025 amounted to -6.7 MSEK (-7.0), and -13.3 MSEK (-12.9) for the first half of the year.

Cash flow from investing activities in the second quarter 2025 amounted to -6.1 MSEK (-6.5), and -12.1 MSEK (12.0) for the first half of the year.

Cash flow from financing activities for the second quarter 2025 amounted to -0.1 MSEK (49.5) and 55.3 MSEK (72.1) for the first six months of the year 2025. In the first quarter 2025, the company received proceeds related to the directed share issue, a total of 60 MSEK before transactional costs, of which approximately 37.3 MSEK were received through Tranche 1 and 22.7 MSEK through Tranche 2.

The company's cash and bank position as of Jun 30, 2025, amounted to 41.1 MSEK (60.5). Adjusted for 8.3 MSEK from payments of customer invoices from the second quarter 2025, the cash and bank position would have amounted to 49.4 MSEK and cash flow from operations in the second quarter would have been 1.7 MSEK.

It is the board of directors' expectation that the group cash requirements have been adequately addressed.

Other Information

ACCOUNTING POLICIES

The interim report for the group and the parent company have been prepared using the accounting policies, formats, etc. as stated by the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and Consolidated reports (K3).

The parent company applies the same accounting principles as the group, if not otherwise indicated. The accounting principles remain unchanged compared to the previous year.

PARENT COMPANY

The parent company is Teneo AI AB (publ).

In the second quarter of 2025 net sales amounted to 0.1 MSEK (0.4), and 0.5 MSEK (0.8) for the first half of the year. These are revenues from a single customer agreement entered into with the parent company. The decrease in revenues is due to the fact that the non-SaaS customer with low API call volumes has not renewed for the upcoming period.

In the second quarter of 2025, operating expenses amounted to -2.8 MSEK (-5.4) and -6.7 MSEK (-10.7) for the first six months of the year. The parent company centralizes the contract with the group supplier of cloud services. From 2025, those costs are reallocated on a quarterly basis to the group sales entities, and that explains the decrease compared to same period previous year at parent company level.

Net financial items for the second quarter of 2025 amounted to -3.3 MSEK (-3.6), of which -2.8 MSEK (-2.6) relate to interest income and costs, -0.9 MSEK (-0.9) to capitalized transaction costs. Net financial items for the first half of 2025 amounted to -7.2 MSEK (-6.8)

FINANCING

On February 5, 2025, Teneo AI carried out a directed issue of 120,000,000 shares, corresponding to 60 MSEK, of which 74,628,848 shares were resolved by the board of directors within the authorization granted by the annual general meeting on 26 June 2024 ("Tranche 1"), while 45,371,152 shares were resolved by the board of directors subject to approval from a subsequent extraordinary general meeting ("Tranche 2"). The subscription price of the shares in the directed share issue amounted to SEK 0.50 per share and was determined through an accelerated book building procedure led by Pareto Securities AB. Total proceeds after transaction costs amounted to 55.4 MSEK.

The company has a 5-year 250 MSEK loan maturing at the end of December 2026 at an annual 4.00% flat interest rate.

After the directed share issue in February 2025, the company ensures that the company will capture the growth momentum in the operations in the US as well as meeting its 30 MSEK minimum liquidity covenant which started on March 31, 2025. The minimum liquidity covenant is recurring quarterly until maturity of the loan and has been met by the company with a position of cash on bank end of June 2025 of 41.1 MSEK.

SIGNIFICANT RISKS AND UNCERTAINTIES

The company is not experiencing any direct negative impact due to the current active political and geopolitical conflicts. The company has no operations nor customers in conflict zones. The company is not experiencing disruption on its operations due to regulatory shifts concerning data privacy, security, or compliance.

The company maintains a stable outlook, with no immediate risks identified from current U.S. administrative actions or proposed economic measures, including toll tariffs. For further information about risks and uncertainties, see page 66 in the 2024 Annual report, which can be found on <https://www.teneo.ai/investors/financial-information/financial-reports>.

RELATED-PARTY TRANSACTIONS

The company does not have any agreement with any related party.

EMPLOYEES

The headcount end of June 2025 amounted to 63 (59). The number of full-time equivalent employees in the group in the second quarter of 2025 amounted to 61 (58). In addition to the staff employed, the company also has commitments with 13 (6) consultants at the end of June 2025.

EVENTS DURING THE QUARTER

CloudHesive and Teneo.ai partner to supercharge ConnectPath CX with AI-driven automation

CloudHesive's, ConnectPath CX platform powered by Amazon Connect now has Teneo.ai integrated, which provides Next-Generation Conversational AI capabilities.

- **30% Cost Reduction** for Contact Centers
- **99% AI Accuracy** in Customer Intent Recognition
- **Fully Automated** Level 1 & 2 Customer Support

This collaboration brings Teneo's advanced automation capabilities—including its NLU Accuracy Booster™ (Natural Language Understanding Accuracy Booster) —to the ConnectPath CX, CloudHesive's next-generation Contact Center as a Service (CCaaS) platform powered by Amazon Connect.

Key Benefits of Teneo's integration to ConnectPath CX

- **Agentless Contact Center** – Automates 100% of Level 1 and 50% of Level 2 support inquiries, reducing costs by up to 30%
- **NLU Accuracy Booster™** – Powered by TLML™ (Teneo Linguistic Modelling Language), delivering 99% AI accuracy in intent recognition
- **Conversational IVR for Amazon Connect** – Reduces misrouted calls by 90%, enabling instant and intelligent call routing
- **Seamless CRM & Platform Integration** – Pre-built compatibility with Salesforce, Microsoft Dynamics, Zendesk, Epic, and more.

EBO and Teneo.ai Partner to enhance NHS patient engagement through Conversational Voice AI solution

EBO, a trusted provider of AI-powered patient engagement solutions in healthcare, and Teneo.ai have entered a strategic partnership aimed at redefining how the NHS engages with patients, streamlines services, and delivers workflow efficiencies.

This collaboration brings together the power of Teneo.ai's highly customisable, voice AI platform with EBO's AI-powered automation and patient engagement solution. The result: a next-generation voice-enabled engagement layer designed specifically for the NHS. This innovative solution aligns with national priorities around improving access, boosting efficiency, and ensuring equity of care.

New Customer

The company has started three proofs of concept with customers in the healthcare and consumer services verticals.

Existing Customers

In the second quarter of 2025, the company extended existing agreements with two customers, **Swisscom**, the Swiss Telecom Incumbent, and with **AT&T**, an American multinational telecommunications company.

During the quarter, **BPM**, a leading Italian bank entered into a SaaS agreement, migrating from its non-SaaS contract into a SaaS agreement.

Teneo.ai achieves SOC 2 Type II Attestation

In May 2025, Teneo.ai announced the successful completion of its System and Organization Controls (SOC) 2 Type II audits. This attestation, specifically covering the Security Trust Service Principle, underscores Teneo.ai's unwavering commitment to maintaining the highest standards of data security for its enterprise clients utilizing the Teneo Platform for sophisticated AI-driven automation and customer experiences.

Achieving SOC 2 compliance demonstrates that Teneo.ai has implemented and maintains rigorous internal controls, validated through an independent audit process, to ensure the security of its platform and the customer data it processes. This is particularly crucial for scalable, reliable, and secure AI interactions.

The SOC 2 framework, developed by the American Institute of Certified Public Accountants (AICPA), sets criteria for managing customer data based on Trust Services Criteria. Teneo.ai's attestation focuses on the Security principle, confirming that the Teneo Platform is protected against unauthorized access, unauthorized disclosure of information, and damage to systems that could compromise the availability, integrity, confidentiality, and privacy of information or systems.

Teneo.ai launches first Voice AI accelerator for Genesys Cloud platform

Teneo.ai launched the first Voice AI Accelerator for Genesys Cloud, introducing a purpose-built voice-first agentic AI solution through the AppFoundry marketplace. The Voice AI Accelerator enables autonomous AI agents that handle complex phone conversations without scripts, delivering proven enterprise results including over USD 32 million in monthly cost savings and 99% voice accuracy across more than 17,000 agents currently in production.

The launch addresses a critical gap in the customer service industry, where 70% of customers use phone support, but most AI solutions fail to deliver the natural, intelligent voice interactions they expect. Teneo.ai's Voice AI Accelerator transforms this dynamic by providing AI agents that understand context, adapt to emotions, handle complex conversations through autonomous reasoning, delivering full containment for customer service.

EVENTS AFTER THE QUARTER

Renewals Existing Customers

During July 2025, Teneo renewed the SaaS agreement with one of the largest National Healthcare Providers in the world, through its partnership channel. The initial agreement was signed with the company in 2022. The renewal proves the confidence and satisfaction in the Teneo platform.

Renewal SaaS agreement signed with MedHelp Care, one of Sweden's most used health platforms.

New Partners

Teneo entered into a partnership with **Future Generation Systems (FGS)**, a Vodafone Türkiye technology company,

The partnership directly addresses a pressing challenge in Türkiye's enterprise landscape: the growing demand for sophisticated AI solutions that can deliver measurable business value while ensuring operational efficiency and regulatory compliance. With Türkiye's AI market projected to reach USD 8.2 billion by 2031 with an impressive annual growth rate of 26.3%, this collaboration arrives at a pivotal moment for Turkish businesses seeking to leverage advanced AI technologies for competitive advantage.

Teneo.ai achieves top scores for customer satisfaction across vendor categories in DMG Consulting's 2025 Conversational AI solutions report

Teneo achieved perfect scores (5.0 out of 5.0) in key categories: Implementation, Training, Professional Services, Ongoing Service and Support/Managed Services, Vendor Communication, Pricing, and Overall Vendor Satisfaction. The DMG Consulting report, conducted by the premier research firm specializing in contact center and customer experience markets, surveyed actual enterprise customers to evaluate the performance of the report's featured vendors across nine critical satisfaction categories. This methodology ensures the findings reflect genuine customer experiences rather than vendor claims.

SHARE-RELATED INCENTIVE PROGRAM

Incentive Programs Summary

On the date of this report, there are three existing warrant programs available:

Programs	Number of warrants	Strike Price (SEK)
2023/2026	11,381,010	1.5
2024/2027	9,256,786	0.842
2025/2028	17,883,180	0.891

The 2023/2026 Program entitles the warrant holders to subscribe for 23,943,101 new shares, equivalent to a dilutive impact of 4.4%.

The 2024/2027 Program entitles the warrant holders to subscribe for 9,256,786 new shares, equivalent to a dilutive impact of 1.7%.

The 2025/2028 Program entitles the warrant holders to subscribe for 17,883,180 new shares, equivalent to a dilutive impact of 3.3%.

The Company's Major Shareholders

Teneo.ai's shares are traded on Nasdaq First North Growth Market Stockholm under the ticker "TENE0".

The number of outstanding shares as of June 30, 2025, amounted to 493,144,240.

	30 JUN 2025	30 JUN 2024
Number of shares at the end of the period	493,144,240	373,144,240
Average number of shares before dilution	449,839,459	373,144,240
Average number of shares after dilution	449,839,459	373,144,240

The 10 largest shareholders on June 30, 2025, are listed below:

Shareholders	Capital %
Stockhorn Capital AB	16.09%
Sven Härgestam	10.98%
SEB-Stiftelsen	10.74%
Martin Bjäringer Inklusive Julnie S.A.	7.06%
Theodor Jeansson Jr.	4.87%
Avanza Pension	3.56%
AB Couronne	2.33%
Claesson & Anderzén	2.03%
Staffan Bohman	1.77%
Sunhold B.V.	1.62%

AUDIT REVIEW REPORT

This Interim Report has not been reviewed by the company's auditors.

FINANCIAL CALENDAR

Interim Report for the third quarter of 2025 October 23, 2025

Interim Report for the fourth quarter of 2025 February 18, 2026

Stockholm, August 19, 2025

Per Ottosson, CEO

Teneo.ai financial reports are available at the corporate website: www.teneo.ai/investors. Teneo.ai is listed on Nasdaq First North Growth Market in Stockholm with short name TENE0. Redeye Certified Adviser is the Company's Certified Adviser ([Redeye - Nordic Growth](#) , tel. +46 (0)8 121 576 90 , e-mail certifiedadviser@redeye.se).

GROUP FINANCIAL STATEMENTS

GROUP CONSOLIDATED INCOME STATEMENTS

MSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Net Sales	22.1	19.3	47.4	36.4	84.1
Capitalized amount for own accounts	6.0	6.5	12.0	11.9	24.2
Other operating income	0.0	0.8	0.0	2.1	2.1
Total operating income	28.1	26.6	59.4	50.5	110.5
Personnel costs	-20.1	-20.2	-43.0	-41.2	-90.6
Other external costs	-0.1	-13.3	-26.5	-26.0	-55.9
Depreciation and amortization of fixed assets	-4.5	-4.4	-9.1	-8.5	-20.0
Other operating expenses	-	-	-	-	-
Total operating expenses	-36.8	-37.9	-78.7	-75.7	-166.5
Operating loss	-8.7	-11.3	-19.3	-25.2	-56.0
Net financial items	3.9	-7.2	-14.4	-3.2	-9.5
Loss after financial items	-4.8	-18.5	-33.7	-28.4	-65.5
Tax on result for the period	-	-	-	-	-
NET RESULT FOR THE PERIOD	-4.8	-18.5	-33.7	-28.4	-65.5

GROUP CONSOLIDATED BALANCE SHEET

MSEK	30 JUN 2025	31 DEC 2024
ASSETS		
Non-current assets		
Capitalized expenditure for licensed software and development	47.8	46.1
Equipment, furniture, and fitting	0.6	0.6
Other non-current receivables	1.0	1.1
Total non-current assets	49.4	47.8
Current assets		
Current receivables	21.2	19.3
Cash and bank balances	41.1	18.4
Total current assets	62.3	37.8
TOTAL ASSETS	111.7	85.6
EQUITY AND LIABILITIES		
Equity		
Share capital	216.5	163.8
Share premium reserve	1,402.6	1,400.0
Other equity including result for the period	-1,814.5	-1,785.1
Total Equity	-195.4	-221.3
Non-current liabilities		
Liabilities to other lenders	272.1	264.8
Total non-current liabilities	272.1	264.8
Current liabilities		
Current liabilities	9.7	9.6
Accrued expenses and deferred income	25.3	32.6
Total current liabilities	35.0	42.1
TOTAL EQUITY AND LIABILITIES	111.7	85.6

GROUP CONSOLIDATED CASH FLOW STATEMENT

MSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Operating Activities					
Operating Loss	-8.7	-11.3	-19.3	-25.2	-56.0
<i>Items not affecting Cash Flows</i>					
Depreciation/amortization on assets	4.5	4.2	9.1	8.3	20.0
Other Adjustments	-0.3	-1.9	-2.5	1.9	2.8
<i>Items affecting Cash Flows</i>					
Interest Paid and received	0.6	0.4	-0.4	-1.8	-1.7
Taxation paid and received	0.0	-0.2	-0.2	4.1	4.4
Cash flow from operating activities before changes in working capital	-4.0	-8.8	-13.3	-12.9	-30.6
Changes in working capital	-2.7	1.8	-7.3	-1.8	-9.9
Cash flow from operating activities	-6.7	-7.0	-20.5	-14.7	-40.4
Cash flow from investing activities	-6.1	-6.5	-12.1	-12.0	-24.8
Cash flow from financing activities	-0.1	49.5	55.3	72.1	68.5
Net change in cash and cash equivalents	-12.8	35.9	22.6	45.3	3.2
Cash and cash equivalents beginning of the period	53.9	24.6	18.4	15.2	15.2
Cash and cash equivalents end of the period	41.1	60.5	41.1	60.5	18.4

GROUP CONSOLIDATED CHANGE IN EQUITY

MSEK	30 JUN 2025	30 JUN 2024	31 DEC 2024
Amount Brought Forward	-221.3	-220.6	-220.6
New Issue of Shares	60.0	75.6	75.6
Transaction costs	-4.6	-6.5	-7.0
Warrant premiums	0.0	-	0.0
Results for the period	-33.7	-28.4	-65.5
Translation difference	4.3	-3.7	-3.8
Amount Carried Forward	-195.4	-183.6	-221.3

KEY RATIOS

	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Net sales (MSEK)	22.1	19.3	47.4	36.4	84.1
Recurring revenues (MSEK)	22.0	19.1	47.3	36.1	83.5
ARR (MSEK)	83.7	74.3	83.3	74.3	103.9
SaaS ARR (MSEK)	65.2	43.7	64.8	43.7	75.1
ARR in constant currency ^(*) (MSEK)	89.7	74.3	89.3	74.3	103.3
SaaS ARR in constant currency ^(*) (MSEK)	70.1	43.7	83.3	74.3	74.6
SaaS API Call Revenues (MSEK)	12.7	7.0	27.3	12.2	36.3
SaaS API Call Volumes (average Million)	53.2	31.5	53.2	31.5	60.3
NRR %	129%	134%	129%	134%	135%
Gross margin %	88%	79%	87%	79%	79%
Gross margin % (excl. commission)	88%	82%	87%	83%	83%
EBITDA adjusted (MSEK)	-4.0	-6.3	-5.5	-14.8	-22.3
Opex Runrate	-117.3	-111.9	-117.3	-115.1	-111.9
Earnings per share (SEK)	-0.0	-0.1	-0.1	-0.1	-0.2
Cash flow from operating activities before changes in working capital (MSEK)	-4.0	-8.8	-13.1	-12.9	-30.6

FINANCIAL STATEMENTS PARENT COMPANY

PARENT COMPANY INCOME STATEMENT

MSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Net Sales	0.1	0.4	0.5	0.8	1.6
Other operating income	-	-	-	-	8.4
Total operating income	0.1	0.4	0.5	0.8	10.0
Other external costs	-2.8	-5.4	-6.7	-10.7	-17.9
Depreciation and amortization of fixed assets	-0.0	-	-0.0	-	-0.0
Total operating expenses	-2.8	-5.4	-6.7	-10.7	-17.9
Operating profit	-2.7	-5.0	-6.1	-9.9	-7.9
Net financial items	-3.3	-3.6	-7.2	-6.8	-7.3
Result after financial items	-6.0	-8.6	-13.3	-16.7	-15.2
Tax on result for the period	-	-	-	-	-
NET RESULT FOR THE PERIOD	-6.0	-8.6	-13.3	-16.7	-15.2

PARENT COMPANY BALANCE SHEET

MSEK	30 JUN 2025	31 DEC 2024
ASSETS		
Non-current assets		
Receivable from Group companies	204.7	181.9
Financial assets	283.6	283.6
Other Intangible	0.2	0.2
Total non-current assets	488.5	465.8
Current assets		
Current receivables	2.1	2.1
Cash and bank balances	35.8	12.8
Total current assets	37.9	14.9
TOTAL ASSETS	526.4	480.8
EQUITY AND LIABILITIES		
Equity		
Share capital	216.5	163.8
Share premium reserve	1,402.6	1,400.0
Other equity including result for the period	-1,368.2	-1,354.9
Total Equity	251.0	208.9
Non-current Liabilities		
Liabilities to other lenders	272.1	264.8
Total non-current liabilities	272.1	264.8
Current liabilities		
Current liabilities	1.9	2.7
Accrued expenses and deferred income	1.4	3.2
Total current liabilities	3.4	7.1
TOTAL EQUITY AND LIABILITIES	526.4	480.8

PARENT COMPANY CASH FLOW STATEMENT

MSEK	APR-JUN 2025	APR-JUN 2024	JAN-JUN 2025	JAN-JUN 2024	JAN-DEC 2024
Operating Activities					
Operating Loss	-2.7	-5.0	-6.1	-9.9	-7.9
<i>Items not affecting Cash Flows</i>					
Depreciation/amortization on assets		-		-	-
Other Adjustments		-		-	-
<i>Other items affecting Cash Flows</i>					
Interest paid and received	0.2	0.0	0.4	0.0	0.6
Taxation paid and received	-0.0	-0.2	-0.2	-0.2	-
Cash flow from operating activities before changes in working capital	-2.5	-6.9	-5.9	-10.1	-7.3
Changes in working capital	-13.1	-7.2	-26.5	-17.7	-60.0
Cash flow from operating activities	-15.6	-12.4	-32.4	-27.8	-67.3
Cash flow from investing activities	-	-	-	-	-0.3
Cash flow from financing activities	-0.1	49.6	55.4	72.4	68.6
Net change in cash and cash equivalents	-15.7	37.3	22.9	44.6	1.0
Cash and cash equivalents beginning of the period	51.4	19.1	12.8	11.8	11.8
Cash and cash equivalents end of the period	35.8	56.4	35.8	56.4	12.8

PARENT COMPANY CHANGE IN EQUITY

MSEK	30 JUN 2025	30 JUN 2024	31 DEC 2024
Amount Brought Forward	208.9	155.5	155.5
New Issue of Shares	60.0	75.6	75.6
Transaction Costs	-4.6	-6.5	-7.0
Warrants	0.0	-	0.0
Results for the period	-13.3	-16.7	-15.2
Amount Carried Forward	251.0	207.9	208.9

DEFINITIONS OF KEY PERFORMANCE INDICATORS NOT DEFINED IN ACCORDANCE WITH BFNAR

FINANCIAL MEASURES	DESCRIPTION
API	Application Programming Interface (API) that allows interaction between two applications.
API Calls	Making an API Call corresponds to the request sent through an endpoint to the server. Volumes are disclosed in millions and calculated on last quarter's average.
Average number of shares after dilution	Average number of shares during the period including number of shares at full dilution.
Average number of shares before dilution	Average number of shares during the period.
EBITDA	Earnings before interest, tax, depreciation, and amortization.
EBITDA Adjusted	Earnings before interest, tax, depreciation, and amortization adjusted for non-recurring items and restructuring costs.
Gross Margin %	It is calculated as the total Gross Margin expressed as a per cent of total revenue in the period.
Gross Profit	It is calculated as the total net sales subtracted with the total cost of sales (for direct costs per hosting clients' solutions together with commission paid to sales representatives and personnel cost of staff related to Existing Customers Expansion department).
Net Revenue Retention (NRR)	The percentage of recurring revenues in the last twelve months (deducting recurring revenues from new customers in the period and deducting revenues from lost customers), divided by recurring revenue in the last twelve months on the previous period, all average.
Net Sales	Reported net sales.
OPEX run rate	Average monthly operating expenses in the period, excluding depreciation and amortization, non-recurring cost items and cost of sales, annualized.
Recurring Revenues	Combined amount of revenues derived from Usage, License and Support revenues. This also includes SaaS recurring revenues.
SaaS API Calls	Specific API calls solely for SaaS customers. Volumes are disclosed in millions.
SaaS ARR	Annual recurring revenues based on last quarter's average SaaS Recurring Revenues (Average of quarter Recurring Revenues from SaaS x 12 months).
SaaS Recurring Revenues	Recurring revenues derived from SaaS revenue model customers, based on the revenues coming from Subscription, API Calls and Searchable Data.
Usage Revenues	The amount of revenue derived solely from the usage of the Teneo Platform, both from SaaS and non-SaaS customers.

CONFERENCE CALL

The report will be presented by Per Ottosson, CEO, and Fredrik Törgren, CFO, via Microsoft Teams Meeting on August 19, 2025, at 09:00 CET.

Please connect using this [link](#).

CONTACT INFORMATION

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ABOUT TENEO.AI

Teneo.ai ([SSME:TENEO](#)) delivers the most advanced Agentic AI solutions for contact center automation—helping enterprises resolve customer inquiries faster, reduce wait times, and elevate service quality. Our AI Agents achieve up to **99% accuracy**, automate over **60% of interactions**, and enable up to **50% in operational cost savings**.

Trusted by global leaders like **AT&T**, **HelloFresh**, **Swisscom**, and **Telefónica**, the Teneo platform combines **Conversational AI**, **Generative AI**, and **Large Language Models** to drive measurable improvements in **containment**, **first contact resolution (FCR)**, **CSAT**, **NPS**, and overall CX efficiency.

Teneo-powered AI Agents handle **millions of conversations daily** across voice and digital channels with enterprise-grade scalability and performance. Our patented technology integrates seamlessly with leading CCaaS and CX platforms—including **Genesys**, **Five9**, **Microsoft**, **AWS**, **Google**, and **NICE**—maximizing automation without disrupting existing workflows.

We make your AI Agents the smartest—delivering consistent, human-like experiences that accelerate growth and ROI.

Teneo.ai is listed on the **Nasdaq First North Growth Market** in Stockholm under the ticker **TENEO**. Redeye is the company's Certified Adviser certificateadviser@redeye.se.

To learn more visit www.teneo.ai/investors.



About Us

Diverse Workforce

42%

Percentage of female employees in managing positions; 33% in the whole company.

23

A multicultural workforce with 23 different nationalities.

24

Languages spoken in-house.

Patents & IP

1.6 BSEK

Amazon, Apple, Baidu, Google, Microsoft, Nuance and IBM have made forward citations of our pioneering patents.

AI Agents in Production

17,000

Teneo has surpassed 17,000 customer developed AI agents in production, making it the largest deployment of AI in customer service to date.

NLU Accuracy

99%

High AI accuracy, crucial for voicebots requires at least 90% accuracy to match human effectiveness. Teneo is achieving over 99% accuracy, outperforming AWS Lex, IBM Watson and Google DialogFlow.

