QUARTERLY REPORT: APRIL TO JUNE 2026

Debt-free and recapitalized — new cash from a fully secured rights issue, a materially lower cost base, and a step change in product usability.

APRIL TO JUNE 2026

- Net sales in constant currency (*) amounted to 6.6 MSEK (22.1), -70%
- Net sales amounted to 6.4 MSEK (22.1), -71%
- SaaS ARR in constant currency (*) amounted to 12.2 MSEK (65.2), --81%
- Total ARR in constant currency (*) amounted to 21.4 MSEK (83.7), -74%
- Gross margin amounted to 70% (88)
- EBITDA adjusted amounted to -17.0 MSEK (-3.9)
- Earnings per share amounted to -0.0 SEK (-0.0)

JANUARY TO JUNE 2026

- Net sales amounted to 17.8 MSEK (47.4), -63%
- Gross margin amounted to 75% (87)
- EBITDA adjusted amounted to -29.1 MSEK (-5.4)
- Earnings per share amounted to -0.1 SEK (-0.1)

EVENTS DURING THE QUARTER

- Our partner FGS started implementation of Teneo in a very large Turkish Telco
- EXL (exlservice.com) chooses Teneo for Voice AI for their customers after extensive evaluations
- New top tier legal counsel retained with contingency engagement possible
- AGM held on June 16, 2026 and annual report published on May 26, 2026

EVENTS AFTER THE QUARTER

- Teneo AI reached agreement with lenders on full debt-to-equity swap refinancing
- Medtronic has partnered with Teneo to build the next generation Voice AI agent on top of ServiceNow
- Teneo AI is in the process of concluding a fully secured rights issue of at least 74 MSEK following the debt conversion refinancing
- The refinancing and the rights issue will make Teneo AI debt free and the senior lender Capital Four will become shareholder owning 29.9% of Teneo AI after transaction completions
- Teneo AI has initiated major cost reductions across the group including dismissals of employees, contractors and vendors to lower the operating expenses following the drop of revenues from the loss of revenues from a distribution partner in the US
- Teneo 10 presented to customers in Preview form with positive feedback

KEY FIGURES (FOR DEFINITIONS PLEASE SEE PAGE 18)

	APR-JUN 2026	APR-JUN 2025	JAN-JUN 2026	JAN-JUN 2025	JAN-DEC 2025
Net sales (MSEK)	6.4	22.1	17.8	47.4	86.2
Net sales in constant currency (MSEK)	6.6	22.1	18.2	47.4	91.0
Recurring revenues (MSEK)	6.5	22.0	18.1	47.3	85.6
ARR (MSEK)	20.9	83.7	20.9	83.7	69.9
SaaS ARR (MSEK)	12.0	65.2	12.0	64.8	57.0
ARR in constant currency (MSEK)	21.4	83.7	21.4	83.7	76.1
SaaS ARR in constant currency (MSEK)	12.2	70.1	12.2	83.3	62.2
SaaS API Call Revenues (MSEK)	6.0	12.7	5.7	27.3	51.3
SaaS API Call Volumes (average Million)	2.9	53.2	2.9	53.2	45.0
NRR %	23%	129%	23%	129%	93%
Gross margin %	70%	88%	75%	87%	86%
EBITDA adjusted (MSEK)	-17.0	-3.9	-29.1	-5.4	-15.8
Opex Runrate	-60	-117	-60	-117	-111
Earnings per share (SEK)	-0.0	-0.0	-0.1	-0.1	-0.2
Cash flow from operating activities before changes in working capital (MSEK)	-18.7	-4.0	-32.6	-13.3	-30.5

(*) Same currency rate as in the second quarter of 2025.

Per Ottosson
CEO

CEO STATEMENT

A heavy summer — and a product our customers love

This has been the most demanding period in Teneo's history. We lost a large share of our revenue, largely as a result of the contractual breach by our former partner in the US. There is no Sugar Coating it. Our strategy and product made us too dependent on very large implementations and therefore a few customers. In response we have restructured the company and rearchitected our Teneo from the ground up, taken our forward-looking cost base down by close to 50 percent, reducing the cost to deliver our service and settled our debt. Teneo is today a debt-free company. At the same time we have completed a rearchitected platform, Teneo 10, that customers, prospects and partners genuinely love. Those three facts define where we now stand: a much smaller cost base, no debt, and a materially stronger product — and together they point forward rather than back. Teneo 10 gives us and our partners a broader customer base to sell into, a debt-free balance sheet gives us the freedom to act, and new technology lets us carry a lower cost base while continuing to develop the platform.

Restructuring and balance sheet

The revenue loss forced decisive action. We have carried out a major restructuring that reduces our operating run rate cost base by close to 50 percent on a going-forward basis. Our debt has been renegotiated in full and the company is now debt free. As part of that settlement, the first SEK 25 million of value generated to shareholders will go to the former lender, and the lender will hold 29.99 percent of the shares in the company following the rights issue currently in process.

Our Spanish subsidiary, Artificial Solutions Iberia S.L.U., initiated a pre-insolvency procedure as the first formal step. This mechanism notifies the commercial court that the company is negotiating with creditors and grants a statutory protective period — typically 3 months — during which individual creditor enforcement actions are stayed, allowing the company to pursue a restructuring or, failing that, to prepare an orderly insolvency filing. This is similar to company reconstruction (Sw:*Företagsrekonstruktion*).

As part of this pre-insolvency procedure, the company negotiated with the employee worker representatives with a view to reaching a resolution. It has not been possible to reach an outcome on commercial terms acceptable to Teneo AI. As a consequence, the company is now in the process of concluding a collective dismissal procedure (ERE) affecting all employees in Spain, with the termination of all employment in Spain taking effect on August 31, 2026. As the company is unable to meet its obligations, outstanding wages and statutory severance will be covered by FOGASA, the Spanish public wage guarantee fund, up to the statutory limits.

These are the hardest decisions I have been part of. Many great colleagues have left us and some are in the process of leaving Teneo. Those who remain have shown extraordinary commitment — including working without pay under very difficult circumstances. I want to state clearly that the position Teneo is in today is a direct result of that commitment.

Teneo 10

Over the last few quarters, we have been building an AI model to help us build a faster and more efficient Teneo. The result is a completely rearchitected platform: Teneo 10. It allows us to operate with far fewer development resources, and it significantly reduces compute usage in customer implementations. AI is the enabler here: it lets us take cost out of the business without losing the capacity to keep developing the platform and to support our existing customers at the level they expect. The commercial consequence matters more than the technical one — we can now bring enterprise-grade compliance and security profitably to smaller companies than before, which materially widens the customer base we and our partners can address. Where our old economics required very large implementations, Teneo 10 lets us win and serve a far broader range of customers, directly reducing the concentration risk that hurt us this year.

Customers

We continue to work with our Turkish telco customer to bring Teneo Experiences to more customers. We have also been selected by our customer Medtronic to build the next generation AI agent for customers and patients, in both chat and voice. Giving ServiceNow a voice. These are the kinds of mandates that validate the architecture we have just completed.

Focus going forward

The company will focus on the business, and on nothing else. The legal pursuits arising from the events of this year can be run for the benefit of shareholders as separate ventures, and this is being formalized during the autumn. That separation keeps management attention where it creates value while preserving the shareholder upside in those claims.

This has been a very heavy summer. But we come out of it with a lower cost base, no debt, a focused organization, and a product in Teneo 10 that customers, prospects and partners love. That is the foundation we build from — and from here the work is growth: converting Teneo 10 preview enthusiasm into signed customers, using our partners to reach a broader and less concentrated customer base, and doing it on a cost base that new technology lets us keep low without slowing product development or the support our existing customers rely on.

Per Ottosson, CEO Teneo.ai

Sales Development

REVENUE MODEL, KPI'S AND FINANCIAL TARGETS

The company is in the process of resetting the financial targets, the overarching focus will be to become cash-flow positive.

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.

With most of the company's revenues being generated in USD (close to 56%), the appreciation of the Swedish Krona versus USD but also EUR during the second quarter 2026 compared to second quarter of 2025, had a negative impact on the revenues and consequently also on the ARR.

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 monthly average SaaS API call volumes decrease from 53 million in the second quarter 2025 to 3 million in the second quarter 2026, equivalent to a reduction of -94%. A new top tier legal counsel has been retained with contingency engagement planned to handle this dispute. It should be underlined that Teneo is maintaining positive and constructive contacts with its end customers in view of being able to win back these implementations in the future.

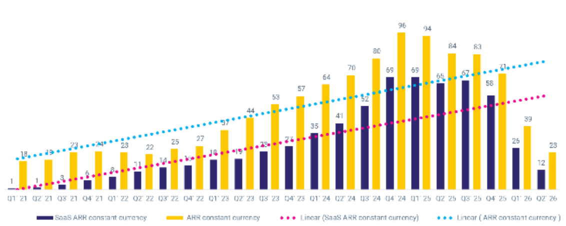
A SaaS customer is a subscription base customer that reports on API calls generated. If we add one customer at the end of a quarter, the actual revenues generated may be limited or even zero.

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. With Teneo 10, Teneo and partners can also cost effectively approach smaller customers, which increasing our and our partners' addressable market. 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 recurring revenues derived from SaaS customers for the second quarter 2026 amounted to 3.7 MSEK (17.0) and constituted 58% (76) of total recurring revenues, 6.3 MSEK (22.0), and 58% (77) of net sales.

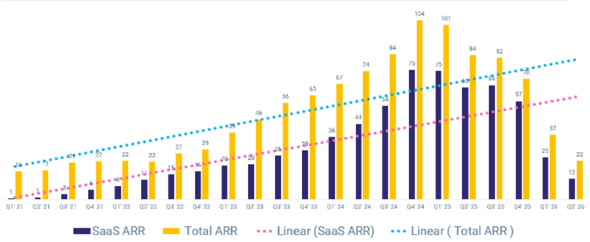
The SaaS ARR in the second quarter 2026 in constant currency, the same exchange rate as in the second quarter 2025, amounted to 12.2 MSEK (65.1), equivalent to a decrease of 81%. ARR in constant currency for total business amounted to 21.4 MSEK (83.6) in the second quarter 2026. As previously described, the biggest portion of the deviation stems from a dispute with a reselling partner in the US. The graph below shows ARR evolution in constant exchange rate to the second quarter 2026.

SaaS and Total ARR Quarterly Average (MSEK) Constant Currency



The SaaS ARR in the second quarter 2026 amounted to 12.0 MSEK, a decrease from 65.2 MSEK in the same period 2025. ARR for total business amounted to 20.9 MSEK in the second quarter 2026 versus 83.7 MSEK in the same period 2025. Graphical details can be found on the following chart.

SaaS and Total ARR Quarterly Average (MSEK)



SPLIT OF RECURRING REVENUES

The recurring revenues for the second quarter of 2026 amounted to 6.3 MSEK (22.0), equivalent to 98% (100) of net sales. In constant currency of the second quarter 2026, the recurring revenues would have amounted to 6.4 MSEK (22.0), a decrease of 71% 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 2026 amounted to 2.4 MSEK (15.6), equivalent to 37% (71) of total net sales. The SaaS API call revenues in the second quarter 2026 are negatively impacted mainly by the decline in sales through a former distribution partner.

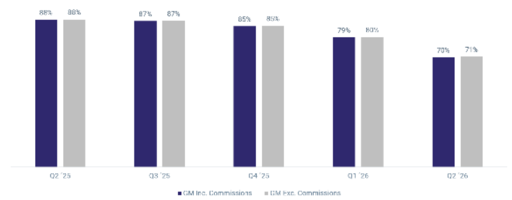
For non-SaaS customers, the revenues on API calls amounted to 1.3 MSEK (2.8) in the second quarter of 2026.

The reason for the decline is related to changes in exchange rates and customer departures due to not joining our SaaS offering.

GROSS MARGIN AT +70%

High volumes of API calls are key for our gross margin to improve. 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. Gross margin proved highly resilient in the quarter, declining just 20% from same period last year, against a 71% drop in revenue.

+70% Gross Margin



APRIL TO JUNE 2026

Net sales for the second quarter 2026 amounted to 6.4 MSEK (22.1), equivalent to a decrease of 71% compared to the same period last year. The currency impact on net sales in the second quarter 2026 is approximately -2%. 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 2026 amounted to -20.3 MSEK (-20.1). Total headcount end of June 2026 amounted to 61 (63). In addition to the employed staff, the company also has commitments with specialized contractors and the total cost in the second quarter of 2026 amounted to -3.7 MSEK (-4.3 MSEK). These costs are recorded under Other Operating Expenses. Total number of consultants end of June 2026 amounted to 14 (13).

Depreciation and amortization in the second quarter 2026 amounted to -5.2 MSEK (-4.5).

Capitalized R&D for the period amounted to 7.0 MSEK (6.0). The increase is due to a higher capitalization rate.

Total operating expenses, including depreciation and amortization, in the second quarter 2026 amounted to -37.5 MSEK (-36.8).

The annual operating expenses run rate starting from September 2026, excluding depreciation and amortization, non-recurring items and cost of sales, and after reorganization measures adopted in the group in the second and third quarter, are expected to amount to approximately -60 MSEK (-117.3), and the average monthly operating expenses, excluding depreciation and amortization, non-recurring cost items and cost of sales are expected to amount to approximately -5 MSEK (-9.8). The cost reduction is possible due to dismissal of approximately to 50 employees and consultants since the first quarter 2026.

JANUARY TO JUNE 2026

Net sales for the first six months of the year 2026 amounted to 17.8 MSEK (47.4), equivalent to a decrease of 63% compared to the same period last year. The recurring revenues for the first six months of the year 2026 amounted to 17.7 MSEK (47.3), equivalent to 99% (100) of total net sales.
Personnel costs for the first six months of the year 2026 amounted to -39.7 MSEK (-43.0), a decrease of 8% compared to the same period last year. Decrease related mainly to redundancy measures in 2025.
Depreciation and amortization in the first six months of 2026 amounted to -10.3 MSEK (-9.1) and capitalized R&D for the same period amounted to 12.9 MSEK (12.9).

FINANCIAL ITEMS AND TAX

Net financial items for the second quarter 2026 amounted to -0.5 MSEK (3.9). The interest income and costs for the second quarter 2026 amounted to -4.1 MSEK (-3.6). The interest cost for the credit facilities in the second quarter 2026 amounted to -4.8 MSEK (-3.7) of which -3.8 MSEK correspond to real interest and -0.9 MSEK to the capitalized costs related to the transaction. The increase of the interest cost is due to the new shareholder loan of 25 MSEK, which was received during the first quarter of 2026. The subordinated debt carries an interest rate of 15 per cent per annum (PIK) and matures on December 31, 2026. In conjunction, the interest rate of the existing senior debt is a 4.00% fixed rate and is not payable until maturity in December 2026. Total currency exchange differences for the second quarter of 2026 amounted to 4.4 MSEK (-7.5 MSEK), on its majority, unrealized. The unrealized exchange rate costs are associated to a loan between group entities with different functional currency. The big portion of such loan has been reduced through capitalization of debt, and the exchange rate impact has gone down accordingly.

Due to the value of accumulated tax losses carried forward there is no corporate income tax payable in relation to the result of the year.

CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital in the second quarter 2026 amounted to -18.7 MSEK (-4.0) and in the first six months of the year to -32.6 MSEK (-13.3).

In the second quarter 2026, adjustments for items not affecting cash flow amounted to 0.2 MSEK (-0.3) and in the first six months of the year to 0.3 MSEK (-3.5), which mainly correspond to currency differences from consolidation.

Cash flow from operating activities for the second quarter 2026 amounted to -14.2 MSEK (-6.7), and for the first six months of the year 2026 -28.8 MSEK (-20.5).

Cash flow from investing activities in the second quarter 2026 amounted to -6.1 MSEK (-6.1), and in the first six months of the year to -12.1 MSEK (-12.1), which mainly correspond to the capitalized R&D of the Teneo platform.

Cash flow from financing activities for the second quarter 2026 amounted to 0.0 MSEK (0.1), and for the first six months of 2026 to 25.0 MSEK (55.3). In the second quarter of 2026 the company borrowed 25.0 MSEK through a subordinated debt from key shareholders. The subordinated convertible debt carries an interest rate of 15 per cent per annum (PIK) and matures on December 31, 2026. During the same period previous year, the company received proceeds related to a directed share issue of a total of 60 MSEK before transactional costs.

The company's cash and bank position as of June 30, 2026, amounted to 1.4 MSEK (41.1). Adjusted for 2.7 MSEK from payments received in the third quarter of 2026 from customer invoices from the second quarter 2026, the cash and bank position would have amounted to 3.5 MSEK.

As announced on the 27th of July 2026, the company has entered into an agreement with the company's lender Capital Four (the "Lender") regarding a comprehensive restructuring of the company's full senior loan financing of approximately 290 MSEK, including accrued interest. The company has also entered into an agreement with one of the company's shareholders regarding a bridge financing of 10 MSEK, of which approximately 8 MSEK will be set off against shares in a rights issue of at least 75 MSEK that the company's Board of Directors intends to resolve on (the "Rights Issue") and the remaining amount will be repaid after the Rights Issue has been completed. Finally, the company has entered into an agreement with the holders of the subordinated loan of 25 MSEK that the company received at the beginning of the year (the "Subordinated Loan"), that the Subordinated Loan shall be set off against shares in the company at a subscription price corresponding to up to 2.5 times the subscription price in the Rights Issue (the "Conversion of the Subordinated Loan"). Through the agreement, the company's interest-bearing debt to the Lender will be eliminated in its entirety, while the balance sheet will be significantly strengthened. The refinancing creates the conditions for a long-term sustainable capital structure and gives the company greater financial flexibility to focus on its operations and future growth.

On 10 August 2026, the Board of Directors resolved on the Rights Issue in accordance with the refinancing solution announced on 27 July 2026, raising approximately 74 MSEK with preferential rights for existing shareholders. The subscription price was set at SEK 0.05 per share. The company received subscription commitments amounting to approximately 14.5 MSEK, corresponding to approximately 20 per cent of the Rights Issue, and guarantee commitments from Pareto Securities AB amounting to approximately 59.5 MSEK, corresponding to approximately 80 per cent of the Rights Issue. Consequently, the Rights Issue was fully covered by subscription commitments and guarantee commitments totaling approximately 74 MSEK, corresponding to approximately 100 per cent of the Rights Issue. Net proceeds of up to approximately 64 MSEK, after transaction costs of approximately 10 MSEK, were intended to be allocated to a cash payment to the Lender of approximately 10 MSEK, repayment of approximately 2 MSEK of the Bridge Financing, and approximately 50 MSEK in working capital to finance the company's ongoing operations and the development of Teneo X until the Company reaches positive cash flow, expected during the first quarter of 2027. Shareholders who chose not to participate in the Rights Issue faced dilution of up to approximately 75 per cent, with the aggregate dilutive effect of the full Refinancing, including the Set-off of the Secured Loan and the Set-off of the Subordinated Loan, amounting to a maximum of 85 per cent.

With this refinancing together with the significant cost reduction measures carried out during July 2026, the board of directors' expectation is that the group cash requirements have been adequately addressed.

Other Information

ACCOUNTING POLICIES

The interim report for the group and the parent company has 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).

There are no net sales in the second quarter of the year 2026, 0.1 MSEK in same period previous year, and 0.0 MSEK for the full year 2026, previous year 0.5 MSEK. Those were revenues from a single non-SaaS customer agreement entered into with the parent company, focused on a chat with low API call volumes. As disclosed previously, those services are not the focus of the company, so decision was not to renew for an additional period.

In the second quarter of 2026, total operating expenses amounted to -3.2 MSEK (-2.8), -6.3 MSEK (-6.7) for the six months of the year. The parent company centralized the contract with the group supplier of cloud services. From end of second quarter of 2025, that contract was transferred to the trading group entities, and that explains the higher value compared to same period previous year at parent company level.

Net financial items for the second quarter of 206 amounted to -4.7 MSEK (-3.3) and -8.7 MSEK (-7.2) the first six months of the year. -3.8 MSEK (-2.8) relate to interest costs and -0.9 MSEK (-0.9) to capitalized transaction costs. For the first six months of the year, -7.08 MSEK (-5.5) relate to interest cost and -1.8 MSEK (-1.8) to capitalized transaction costs.

FINANCING

On 27th of July 2026, Teneo AI AB (publ) entered into an agreement with the company's lender Capital Four (the "Lender") regarding a comprehensive restructuring of the company's full senior loan financing of approximately SEK 290 million, including accrued interest. The company also entered into an agreement with one of the company’s shareholders regarding a bridge financing of 10 MSEK, of which approximately 8 MSEK will be set off against shares in a rights issue of at least 75 MSEK that the company’s Board of Directors intends to resolve on (the “Rights Issue”) and the remaining amount will be repaid after the Rights Issue has been completed.

Finally, at the same date, it was announced that company entered into an agreement with the holders of the subordinated loan of 25 MSEK that the company received at the beginning of the year (the “Subordinated Loan”), that the Subordinated Loan shall be set off against shares in the company at a subscription price corresponding to up to 2.5 times the subscription price in the Rights Issue (the “Conversion of the Subordinated Loan”).

On 10 August 2026, the Board of Directors resolved on the Rights Issue in accordance with the refinancing solution announced on 27 July 2026, raising approximately 74 MSEK with preferential rights for existing shareholders. The subscription price was set at SEK 0.05 per share. The company received subscription commitments amounting to approximately 14.5 MSEK, corresponding to approximately 20 per cent of the Rights Issue, and guarantee commitments from Pareto Securities AB amounting to approximately 59.5 MSEK, corresponding to approximately 80 per cent of the Rights Issue. Consequently, the Rights Issue was fully covered by subscription commitments and guarantee commitments totaling approximately 74 MSEK, corresponding to approximately 100 per cent of the Rights Issue. Net proceeds of up to approximately 64 MSEK, after transaction costs of approximately 10 MSEK, were intended to be allocated to a cash payment to the Lender of approximately 10 MSEK, repayment of approximately 2 MSEK of the Bridge Financing, and approximately 50 MSEK in working capital to finance the Company's ongoing operations and the development of Teneo X until the Company reaches positive cash flow, expected during the first quarter of 2027. Shareholders who chose not to participate in the Rights Issue faced dilution of up to approximately 75 per cent, with the aggregate dilutive effect of the full Refinancing, including the Set-off of the Secured Loan and the Set-off of the Subordinated Loan, amounting to a maximum of 85 per cent.

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 or 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.

With the announced refinancing of the debt and the ongoing fully secured rights offering, the company is confident in having sufficient funding to finance the continued operations.

For further information about risks and uncertainties, see page 68 in the 2025 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 2026 amounted to 61 (63). The number of full-time equivalent employees in the group in the second quarter of 2026 amounted to 61 (62). In addition to the staff employed, the company also has commitments with 14 (11) consultants at the end of June 2026.

EVENTS DURING THE QUARTER

Positive Development with Partners EXL and FGS

FGS has kicked off a Teneo deployment at one of Turkey's major telecommunications providers.

Meanwhile, EXL (exlservice.com) has selected Teneo as their Voice AI solution following a thorough evaluation process.

Update on Patents and Licensing

Our patent attorneys have completed a comprehensive claims chart that maps out and documents clear infringements on our intellectual property by several new competitors who have recently entered our market space. This detailed analysis provides a strong foundation for potential legal action and underscores the strength and breadth of our patent portfolio.

In parallel, we are in the advanced stages of discussions with a number of highly reputable law firms that specialize in intellectual property litigation. These conversations are focused on securing legal representation to address patent infringement matters, with the firms taking on these cases on a contingency fee basis — meaning they will only be compensated upon a successful outcome. We expect these discussions to reach a conclusion in the near term, positioning us to move forward decisively in protecting our innovations and enforcing our rights.

Update on Financing Needs

On 18 June 2026, the company disclosed that adverse revenue effects from the first quarter 2026 disclosed legal dispute with a former US reseller partner have accelerated the company's need for additional financing. As of the disclosure date, the company's cash position covered approximately one month of operations at the prevailing revenue run-rate.

The Board communicated it is pursuing cost-saving measures alongside completion of the ongoing strategic review, whose primary objective remains a sale of all or part of the business. Following AGM authorization on 17 June 2026 to issue shares, warrants, or convertibles, the board considers a rights issue the most likely financing route, as it preserves upside participation for existing shareholders in a potential sale outcome.

The company and its financial advisor communicated they are in active discussions with lender CapitalFour to renegotiate and extend the 250 MSEK PIK loan (maturity 21 December 2026). The facility carries a minimum liquidity covenant effective 31 August 2026 (liquidity > MSEK 10 monthly) and requires refinancing to be secured by that date.

EVENTS AFTER THE QUARTER

Refinancing and Rights Issue announcement

On 27th of July 2026, Teneo AI AB (publ) entered into an agreement with the company's lender Capital Four (the "Lender") regarding a comprehensive restructuring of the company's full senior loan financing of approximately 290 MSEK, including accrued interest. The company also entered into an agreement with one of the company's shareholders regarding a bridge financing of 10 MSEK, of which approximately 8 MSEK will be set off against shares in a rights issue of at least 75 MSEK that the company's Board of Directors intends to resolve on (the "Rights Issue") and the remaining amount will be repaid after the Rights Issue has been completed.

Finally, at the same date, it was announced that company entered into an agreement with the holders of the subordinated loan of SEK 25 million that the company received at the beginning of the year (the "Subordinated Loan"), that the Subordinated Loan shall be set off against shares in the company at a subscription price corresponding to up to 2.5 times the subscription price in the Rights Issue (the "Conversion of the Subordinated Loan").

Cost Reduction Measures

Teneo AI is executing a decisive financial reset — securing a full debt-to-equity refinancing with its lenders and advancing a fully secured rights issue of at least SEK 74 million to become completely debt-free, positioning the company on a stronger footing for future growth. In parallel, the company is right-sizing its cost base to match today's revenue reality, streamlining its workforce, contractor base, and vendor spend across the group, including the concluded and planned dismissals of approximately 50 employees and consultants combined in the group by end of August 2026. Together, these actions — backed by new capital and Capital Four's continued confidence as an incoming 29.9% shareholder — give Teneo AI a leaner, more resilient platform to focus on its core technology and drive the business forward.

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
2027/2030	23,943,101	Not set yet*

The 2023/2026 Program entitles the warrant holders to subscribe for 23,943,101 new shares, equivalent to a dilutive impact of 4.2%.

The 2024/2027 Program entitles the warrant holders to subscribe for 9,256,786 new shares, equivalent to a dilutive impact of 1.6%.

The 2025/2028 Program entitles the warrant holders to subscribe for 17,883,180 new shares, equivalent to a dilutive impact of 3.1%.

The 2027/2030 Program entitles the warrant holders to subscribe for 23,943,101 new shares, equivalent to a dilutive impact of 4.2%.

* Exercise of a warrant shall correspond to 175 per cent of the volume-weighted average price paid for the company's shares on Nasdaq First North Growth Market during the ten trading days immediately preceding 31 December 2026.

The Company's Major Shareholders

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

The number of outstanding shares as of June 30, 2026, amounted to 493,144,240.

	30 JUN 2026	30 JUN 2025
Number of shares at the end of the period	493,144,240	493,144,240
Average number of shares before dilution	493,144,240	449,839,459
Average number of shares after dilution	493,144,240	449,839,459

The 10 largest shareholders on June 30, 2026 are listed below:

Shareholders	Capital %
Stockhorn Capital AB	16.1%
SEB-Stiftelsen	10.7%
Sven Hägestam	9.7%
Julnie S.A.	3.0%
Avanza Pension	2.8%
Thanh Nguyen	2.6%
AB Couronne	2.3%
Theodor Jeansson Jr.	2.2%
Claesson & Anderzén	2.0%
Staffan Bohman	1.8%

AUDIT REVIEW REPORT

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

FINANCIAL CALENDAR

Interim Report for the third quarter of 2026:
October 21, 2026

Interim Report for the fourth quarter of 2026:
February 24, 2027

Interim Report for the first quarter of 2027:
May 19, 2027

Interim Report for the second quarter of 2027:
August 26, 2027

Stockholm, August 31, 2026

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 TENEO. Redeye Sweden AB 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 2026	APR-JUN 2025	JAN-JUN 2026	JAN-JUN 2025	JAN-DEC 2025
Net Sales	6.4	22.1	17.8	47.4	86.2
Capitalized amount for own accounts	7.0	6.0	12.9	12.0	24.2
Other operating income	0.0	0.0	0.0	0.0	0.2
Total operating income	**13.5**	**28.1**	**30.7**	**59.4**	**110.5**
Personnel costs	-20.3	-20.1	-39.7	-43.0	-85.1
Other external costs	-12.0	-12.2	-24.2	-26.5	-51.0
Depreciation and amortization of fixed assets	-5.2	-4.5	-10.3	-9.1	-17.2
Total operating expenses	**-37.5**	**-36.8**	**-74.1**	**-78.7**	**-153.3**
Operating profit	**-24.0**	**-8.7**	**-43.4**	**-19.3**	**-42.8**
Net financial items	-0.5	3.9	-0.9	-14.4	-30.5
Loss after financial items	**-24.6**	**-4.8**	**-44.3**	**-33.7**	**-73.4**
Tax on result for the period	0.0	-	0.0	-	-
NET RESULT FOR THE PERIOD	**-24.6**	**-4.8**	**-44.3**	**-33.7**	**-73.4**

GROUP CONSOLIDATED BALANCE SHEET

MSEK	30 JUN 2026	31 DEC 2025
ASSETS		
Non-current assets		
Capitalized expenditure for licensed software and development	55.0	51.2
Equipment, furniture, and fitting	0.5	0.5
Other non-current receivables	1.5	0.8
Total non-current assets	**56.9**	**52.4**
Current assets		
Current receivables	8.8	15.0
Cash and bank balances	1.4	17.3
Total current assets	**10.2**	**32.3**
TOTAL ASSETS	**67.1**	**84.7**
EQUITY AND LIABILITIES		
Equity		
Share capital	216.5	216.5
Share premium reserve	1,402.6	1,402.6
Other equity including result for the period	-1,899.2	-1,847.5
Total Equity	**-280.0**	**-228.3**
Non-current liabilities		
Current liabilities		
Liabilities to other lenders	313.4	279.6
Current liabilities	12.1	9.4
Accrued expenses and deferred income	21.6	24.0
Total current liabilities	**347.2**	**313.0**
TOTAL EQUITY AND LIABILITIES	**67.1**	**84.7**

GROUP CONSOLIDATED CASH FLOW STATEMENT

MSEK	APR-JUN 2026	APR-JUN 2025	JAN- JUN 2026	JAN-JUN 2025	JAN-DEC 2025
Operating Activities					
Operating Profit	**-24.0**	**-8.7**	**-43.4**	**-19.3**	**-42.8**
Items not affecting Cash Flows					
Depreciation/amortization on assets	5.2	4.5	10.3	9.1	17.2
Other Adjustments	0.2	-0.3	0.3	-2.5	-3.1
Items affecting Cash Flows					
Interest Paid and received	-0.1	0.6	0.2	-0.4	-1.8
Taxation paid and received	-0.0	0.0	-0.0	-0.2	-0.0
Cash flow from operating activities before changes in working capital	**-18.7**	**-4.0**	**-32.6**	**-13.3**	**-30.5**
Changes in working capital	4.6	-2.7	3.9	-7.3	-1.6
Cash flow from operating activities	**-14.2**	**-6.7**	**-28.8**	**-20.5**	**-32.1**
Cash flow from investing activities	-6.1	-6.1	-12.1	-12.1	-24.4
Cash flow from financing activities	-0.0	-0.1	25.0	55.3	55.4
Net change in cash and cash equivalents	**-20.3**	**-12.8**	**-15.8**	**22.6**	**-1.2**
Cash and cash equivalents beginning of the period	21.7	53.9	17.3	18.4	18.4
Cash and cash equivalents end of the period	**1.4**	**41.1**	**1.4**	**41.1**	**17.3**

GROUP CONSOLIDATED CHANGE IN EQUITY

MSEK	30 JUN 2026	31 DEC 2025
Amount Brought Forward	**-228.3**	**-221.3**
New Issue of Shares	-	60.0
Transaction costs	-	-4.6
Warrant premiums	-	0.0
Results for the period	-44.3	-73.4
Translation difference	-7.4	11.0
Amount Carried Forward	**-280.0**	**-228.3**

KEY RATIOS

	APR-JUN 2026	APR-JUN 2025	JAN-JUN 2026	JAN-JUN 2025	JAN-DEC 2025
Net sales (MSEK)	6.4	22.1	17.8	47.4	86.2
Net Sales in constant currency (MSEK)	6.6	22.1	18.2	47.4	91.0
Recurring revenues (MSEK)	6.5	22.0	18.1	47.3	85.6
ARR (MSEK)	20.9	83.7	20.9	83.7	69.9
SaaS ARR (MSEK)	12.0	65.2	12.0	64.8	57.0
ARR in constant currency (MSEK)	21.4	83.7	21.4	83.7	76.1
SaaS ARR in constant currency (MSEK)	12.2	70.1	12.2	83.3	62.2
SaaS API Call Revenues (MSEK)	6.0	12.7	5.7	27.3	51.3
SaaS API Call Volumes (average Million)	2.9	53.2	2.9	53.2	45.0
NRR %	23%	129%	23%	129%	93%
Gross margin %	70%	88%	75%	87%	86%
EBITDA adjusted (MSEK)	-17.0	-3.9	-29.1	-5.4	-15.8
Opex Runrate	-60	-117	-60	-117	-111
Earnings per share (SEK)	-0.0	-0.0	-0.1	-0.1	-0.2
Cash flow from operating activities before changes in working capital (MSEK)	-18.7	-4.0	-32.6	-13.1	-30.5

FINANCIAL STATEMENTS PARENT COMPANY

PARENT COMPANY INCOME STATEMENT

MSEK	APR-JUN 2026	APR-JUN 2025	JAN-JUN 2026	JAN-JUN 2025	JAN-DEC 2025
Net Sales	0.0	0.1	0.0	0.5	0.5
Other operating income	0.0	0.0	0.0	0.0	4.5
Total operating income	**0.0**	**0.1**	**0.0**	**0.5**	**5.0**
Other external costs	-3.2	-2.8	-6.2	-6.7	-11.8
Depreciation and amortization of fixed assets	-0.0	-0.0	-0.0	-0.0	-0.0
Total operating expenses	**-3.2**	**-2.8**	**-6.3**	**-6.7**	**-11.9**
Operating Profit	**-3.2**	**-2.7**	**-6.2**	**-6.1**	**-6.9**
Net financial items	-4.7	-3.3	-8.7	-7.2	-105.7
Result after financial items	**-7.9**	**-6.0**	**-14.9**	**-13.3**	**-112.5**
Tax on result for the period	-	-	-	-	-
NET RESULT FOR THE PERIOD	**-7.9**	**-6.0**	**-14.9**	**-13.3**	**-112.5**

PARENT COMPANY BALANCE SHEET

MSEK	30 JUN 2026	31 DEC 2025
ASSETS		
Non-current assets		
Receivable from Group companies	168.4	135.6
Financial assets	283.6	283.6
Other Intangible	0.2	0.2
Total non-current assets	**452.3**	**419.4**
Current assets		
Current receivables	2.0	1.6
Cash and bank balances	0.9	13.4
Total current assets	**2.9**	**15.0**
TOTAL ASSETS	**455.2**	**434.4**
EQUITY AND LIABILITIES		
Equity		
Share capital	216.5	216.5
Share premium reserve	1,402.6	1,402.6
Other equity including result for the period	-1,482.3	-1,467.4
Total Equity	**136.8**	**151.7**
Current liabilities		
Payable to Group companies	-	0.3
Liabilities to other lenders	313.4	279.6
Current liabilities	2.9	1.2
Accrued expenses	2.0	1.6
Total current liabilities	**318.3**	**282.7**
TOTAL EQUITY AND LIABILITIES	**455.2**	**434.4**

PARENT COMPANY CASH FLOW STATEMENT

MSEK	APR-JUN 2026	APR-JUN 2025	JAN-JUN 2026	JAN-JUN 2025	JAN-DEC 2025
Operating Activities					
Operating Profit	**-3.2**	**-2.7**	**-6.2**	**-6.1**	**-6.9**
Items not affecting Cash Flows					
Depreciation/amortization on assets	-0.0	-0.0	-0.0	-0.0	-0.0
Other Adjustments	-	-	-	-	-
Other items affecting Cash Flows					
Interest paid and received	0.1	0.2	0.1	0.4	0.5
Taxation paid and received	-0.0	-0.0	-0.0	-0.2	0.0
Cash flow from operating activities before changes in working capital	**-3.1**	**-2.5**	**-6.2**	**-5.9**	**-6.4**
Changes in working capital	-12.7	-13.1	-31.3	-26.5	-48.4
Cash flow from operating activities	**-15.8**	**-15.6**	**-37.5**	**-32.4**	**-54.8**
Cash flow from investing activities	-	-	-	-	-
Cash flow from financing activities	-	-0.1	25.0	55.4	55.4
Net change in cash and cash equivalents	**-15.8**	**-15.7**	**-12.5**	**22.9**	**0.6**
Cash and cash equivalents beginning of the period	16.7	51.4	13.4	12.8	12.8
Cash and cash equivalents end of the period	**0.9**	**35.8**	**0.9**	**35.8**	**13.4**

PARENT COMPANY CHANGE IN EQUITY

MSEK	30JUN 2026	31 DEC 2025
Amount Brought Forward	151.7	**208.9**
New Issue of Shares	-	60.0
Transaction Costs	-	-4.6
Warrants	-	0.0
Results for the period	-14.9	-112.5
Amount Carried Forward	**136.8**	**151.7**

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 31, 2026, 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 Sweden AB is the company's Certified Adviser certificateadviser@redeye.se.

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

About Us

Diverse Workforce

50%

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

24

A multicultural workforce with 24 different nationalities.

27

Languages spoken in-house.

Patents & IP

1.9 BSEK

Amazon, Apple, Baidu, Google, Microsoft, IBM, Meta, Dell, Salesforce and Genesys 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.