teneo.ai

Annual Report 2024



Make Your AI Agents the Smartest

Table of Contents

LETTER FROM THE CEO 2

THE YEAR IN SUMMARY 7

THE STATE OF AI IN 2024 9

WHY INVEST IN TENEO.AI? 15

TENEO.AI'S MARKET POSITION 23

2024 ACHIEVEMENTS AND MILESTONES 26

TRANSFORMING GLOBAL CUSTOMER SERVICE: FORTUNE 500 TECH GIANT 31

OUR COMMITMENT TO A SUSTAINABLE FUTURE 37

MANAGEMENT TEAM 42

BOARD OF DIRECTORS 45

CORPORATE GOVERNANCE 49

FINANCIAL REPORTS 55

AUDITOR'S REPORT 116

Letter from the CEO



Dear Shareholders, Colleagues, Customers, and Partners:

Back in 2021, we set out on a bold journey—to give an exceptional technology a real shot in the global AI market. We transformed our software from a packaged product into a service. We reshaped our organization to focus on serving a small number of large enterprise customers. We exited our Professional Services business and set ourselves some truly Big Audacious Goals.

And this brilliant team — now known as Teneo.ai — delivered.

We are the clear category leader in answering and automating phone calls.

Our biggest customers automate up to 80% of their phone calls with 17 000 Teneo powered AI agents. That is millions of calls per month.
There is no number two in this market and a direct quote from one of our big customers:

“There is **nothing else like it** in the market. It is just amazing.”

Our clients’ customers get their support or account queries responded to within minutes with no queues, no keypresses – just by speaking Natural Language to the AI Agent. This provides higher satisfaction as issues are resolved quickly. And of course, a very large cost saving.

We hit a cash flow positive month in 2024. We reached an annual run rate of 1 billion API calls in a single month. We surpassed 100 MSEK in Annual Recurring Revenue, with an extraordinary 135% Net Revenue Retention—a true "We Love You" score.

But perhaps our biggest achievement in 2024 was finding a scalable go-to-market model that lowers Customer Acquisition Cost and shortens the sales cycle. A game-changer in the rapidly evolving agentic AI landscape.

"There is nothing else like it in the market. It is just amazing."

Direct quote from
one of our big customers.

To Our Capital Stakeholders

You've stood by us through thick and thin, and I want to extend a heartfelt thank you for believing in our team's ability to deliver. Without your support, our transformation—from project-based revenue to high-margin software—wouldn't have been possible.

Our promise to you is clear: we'll continue building on this strong foundation and deliver meaningful returns on your investment. On behalf of the entire team—thank you.

What's Behind the Numbers

Teneo.ai is the result of 24 years of software development, featuring patented innovations cited by the likes of Apple and Amazon. Since day one, our mission has been unwavering: build the best enterprise-grade B2B software for natural language interaction with enterprise systems through agentic AI.

"It just works."

Project owner from one of our million-plus call per month implementations, where we achieved 100% availability in 2024.

While the AI model gets the spotlight, it's only one part of the equation. For an AI agent to answer calls at scale, everything else also has to be world-class. Our proprietary AI model, TLML™, is our secret sauce—delivering the accuracy and speed that enable a small Swedish company to automate millions of phone calls with high customer satisfaction.

But it's not just about AI. We're ISO 27001 certified and SOC-2 Type II asserted. We offer confidential computing encryption—protecting data both at rest and in memory. We make GDPR, HIPAA, and PCI DSS compliance easier for our customers. Our platform intelligently chooses the best AI model based on factors like cost, energy, speed and accuracy.

In 2024, we launched a Co-Pilot powered by Azure OpenAI that lets customers build conversations in one language and translate them into 50+ others overnight. One customer did just that—translating from English to 48 languages over a single weekend—and through that cut call center costs by USD 20 million per month.

We now have 17,000 live AI agents built and maintained by customers and partners. These agents take 25 actions per second, handling the workload of 100,000 human agents annually.

Yes, agentic AI can have EBITDA impact. Our customers are living proof.

Go-to-Market

This year we delivered the Contact Center Integration Framework which makes it easier for our customers to integrate to their Contact Center platform and that was one large part of the next big event in 2024 – our breakthrough in Go-to-Market.

2024 marked a major shift in how we go to market, driven by three core pillars: Partnering, Market Dynamics, and Team.

Partnering

We began our Microsoft partnership in 2021 and were named AI Partner of the Year in 2023. While Microsoft leads in Enterprise AI, their focus isn't on voice automation—our customers' main need.

That's where Genesys comes in—leaders in our space with 5 billion delivered conversations in Q1 2025. In Q4 2024, we formed a key partnership with them. Independent testing by Cyara validated that our natural language understanding beats all alternatives—not just in transcription, but in true comprehension: who's calling, why, and what they need. Our customers report up to 99% accuracy, with Cyara's benchmark at 95%, far above the competition with only a testing duration of 2 weeks.

We have a similar partnership with Amazon Connect, where partners build services specifically for that ecosystem.

BANKING77

Platform	F1
Teneo	0.95
Amazon Lex	0.89
Cognigy	0.80
Microsoft CLU	0.70
IBM Watson	0.81
Google DialogFlow	0.74

Table 1 - Banking77 Benchmark Results

Market Dynamics

2023 was all about LLMs (Large Language Models) and GenAI and customer service was an obvious application. But in 2024, many organizations realized that RAG-based bots weren't delivering the user experience people expected. See some examples below:

Company	Failure Description
Air Canada	Chatbot provided incorrect refund policy information.
Chevrolet	Chatbot agreed to sell a car for $1 due to prompt manipulation.
DPD	Chatbot was prompted to swear and criticize the company
Nat. Eating Disorders Assoc.	Chatbot gave harmful health advice related to eating disorders.
NYC (Small Business Chatbot)	Chatbot advised businesses to violate local laws (e.g., serving rodent-eaten cheese).

Meanwhile, Microsoft announced it would sunset Nuance—the legacy voice IVR platform used in most large-scale call centers. That decision triggered an urgent need for modern replacements in 2025–2026. Teneo is not just a replacement—it delivers real cost savings through our advanced agentic AI approach.

And that's what companies want now. AI-driven cost reduction is no longer a buzzword, it's a mandate. Our Agentic AI solutions are already delivering. One of our clients, as mentioned, saves over USD 30 million/month using Teneo-built AI agents.

Team

Thanks to our investors' commitment, we expanded our New Sales Team throughout 2024 and early 2025, aligning with key regions. We remain committed to serving and growing our existing customers as well with the Customer Sales & Engagement group adding staff in the US during 2024.

This is an all-star, seasoned team—and the results speak for themselves: our sales pipeline has already doubled since October 2024.

Goodbye 2024 – Hello 2025

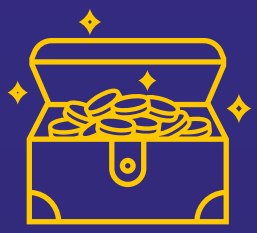
2025 is shaping up to be our breakout year. We have the team. We have the partners. We have happy customers realizing real and significant value. And we have financial stability to build from.

To all our investors: thank you for helping us take flight in 2025!

Best,

Per Ottosson
CEO, Teneo.ai

The Year in Summary



+142% YoY
SaaS ARR
75 MSEK



135% NRR
First in Class



+34% R40 YoY
Rule of 40 Q4 2024



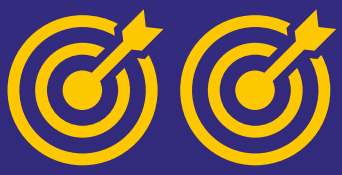
+72% Pipeline
October 2024 to
February 2025



+65% YoY
ARR 104 MSEK



+Cash Flow Positive
Q4 2024



+1 BN API Calls
Q4 2024

Key Events

- Up to 80% of customer contact center phone calls automated with Teneo Platform.
- **Strategic Partnerships** in place with **Genesys** and **Amazon Connect** Resellers and Integrators.
- Partnership agreements with key partners and resellers such as **Genesys**, **AWS Connect**, **Valcon**, **Business Systems Ltd**. (BSL), **AppDirect**, **Kenway Consulting**
- New commercial customer agreements signed with **MedHelp Care, Global American Tech company, Medtronic, Circle K, Swisscom and HRSA.**
- Global American Tech company expanded our solution to multiple markets and multiple languages.
- Company changes name to Teneo.ai

The State of AI in 2024

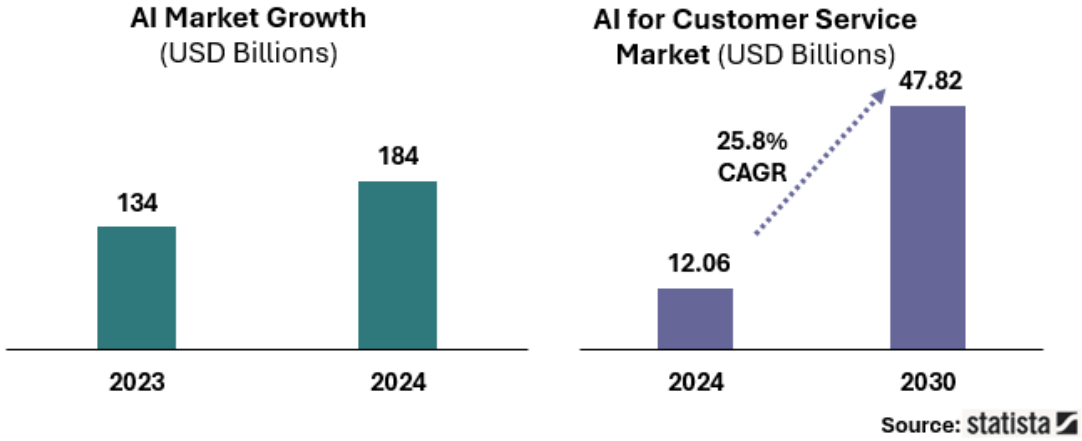


The year 2024 has witnessed remarkable advancements in artificial intelligence, with transformative impacts across industries and particularly in customer service. To fully appreciate Teneo.ai's contributions to this field, it's essential to understand the broader AI landscape that has evolved throughout the year.

Accelerated AI Adoption and Market Growth

According to McKinsey's 2025 State of AI report, more than three-quarters of organizations now use AI in at least one business function, with generative AI adoption rapidly increasing. Individual use of generative AI by professionals increased significantly in 2024, with C-level executives leading adoption at 53%. This widespread integration reflects AI's transition from an experimental technology to a core business capability.

The market for artificial intelligence grew beyond 184 USD billion in 2024, representing a considerable jump of nearly 50 USD billion compared to 2023, according to Statista.



Within this broader context, AI for customer service market specifically reached an estimated 12 USD billion in 2024 and is projected to grow at a compound annual growth rate (CAGR) of 25.8% to reach 47.8 USD billion by 2030, demonstrating the particularly strong growth in customer-facing AI applications.

Despite this growth, the ROI and impact on EBITDA remains questionable for many implementations, with McKinsey reporting that 80% of surveyed organizations "aren't seeing a tangible impact" from their AI investments. This gap between adoption and value realization represents a significant opportunity for solutions that can deliver measurable business outcomes.

The Emergence of Agentic AI

While much of the AI conversation in recent years has centered around large language models (LLMs) and generative AI, 2024 marked the emergence of agentic AI as a distinct and powerful category.

Agentic AI represents the evolution from passive, prompt-based AI systems to autonomous, goal-oriented agents capable of taking actions to accomplish specific objectives.

This shift from "AI as a tool" to "AI as an agent" has profound implications for customer service applications, where the ability to autonomously resolve customer issues without constant human oversight creates unprecedented opportunities for efficiency and scalability.



teneo.ai

Key Technological Breakthroughs

Several key technological advancements have defined AI progress in 2024:

1. Evolution of Large Language Models (LLMs)

LLMs have continued to evolve in sophistication and capability, with models like OpenAI's GPT-4o, Google's Gemini, and Anthropic's Claude setting new benchmarks for natural language understanding and generation. These models have demonstrated increasingly nuanced comprehension of context, improved reasoning capabilities and enhanced factual accuracy—all critical factors for customer service applications.

2. Multimodal AI Systems

One of the most significant developments in 2024 has been the maturation of multimodal AI systems capable of processing and combining multiple types of data, including images, videos, text, code, audio, and voice. As noted by industry experts, multimodal AI represents the most user-friendly iteration of AI, producing outputs that are more precise, more adaptable, and subsequently much more consumer friendly. This capability has proven particularly valuable in customer service scenarios where customers may need to communicate issues through various media formats.

3. Retrieval-Augmented Generation (RAG)

RAG has emerged as a critical technology for enhancing the accuracy and reliability of AI systems by combining the generative capabilities of LLMs with precise information retrieval from trusted knowledge bases. This hybrid approach ensures that AI responses are not only conversationally natural but factually correct and up to date—essential for customer service applications where accuracy is paramount.

4. AI Orchestration

As AI systems have proliferated, the need for sophisticated orchestration layers to manage multiple AI models and agents has become increasingly apparent. Advanced orchestration capabilities enable organizations to leverage the strengths of various AI models while mitigating their individual limitations, creating more robust and efficient systems.

The Contact Center Transformation Opportunity

The contact center industry has long grappled with significant challenges that create a perfect opportunity for agentic AI solutions.

Industry Challenges

1. **High Agent Turnover:** Contact center turnover rates exceed 30-45% industry-wide, resulting in continuous recruitment and training costs.
2. **Escalating Operational Costs:** Traditional human-handled calls typically cost between 2.70 USD and 5.60 USD per interaction, with limited opportunities for efficiency gains. Our customers typically have a cost above the upper range as their volumes are large and require staffing for peak periods.
3. **Inconsistent Service Quality:** Human agents, despite best efforts and training, inevitably vary in their knowledge, approach, and effectiveness.
4. **Limited Scalability:** Traditional contact centers face a linear relationship between customer volume and operational costs—more customers mean more agents and higher expenses.
5. **Language Barriers:** Supporting multiple languages requires separate teams, training programs, and knowledge bases for each language, creating operational silos and inconsistent service quality.

Market Disruption Factors

Several market factors have created a perfect storm of opportunity for agentic AI in contact centers:

- **Microsoft Sunsetting Nuance**: Microsoft's decision to sunset Nuance—the legacy voice IVR platform used in most large-scale call centers—has triggered an urgent need for modern replacements in 2025–2026.
- **Disillusionment with First-Generation Solutions**: Many organizations have realized that simple chatbots and RAG-based solutions aren't delivering the user experience people expected, creating demand for more sophisticated approaches.
- **Need for Cost Reduction**: AI-driven cost reduction is on top of the C-level agenda, with C-suite executives demanding measurable impact on both the top and bottom lines.
- **Rising Customer Expectations**: Customer expectations for service availability, speed and quality continue to rise, creating pressure on automation.



Why Invest in Teneo.ai?



Teneo.ai in Brief

Our mission is to build the best enterprise-grade B2B software for natural language interaction with enterprise systems through Agentic AI. Teneo.ai represents a compelling investment opportunity in the rapidly growing enterprise agentic AI market expected to grow with 26% p.a. by 2030.

1. **Market Leader**: Teneo.ai provides the only platform proven to automate phone calls at enterprise scale, with up to 80% automation.
2. **Customer references:** Teneo.ai has the largest references in this high- growth AI market, with multiple customers handling multi-million phone calls a month.
3. **Compelling customer cost saving**: Reduces customer service call costs from USD 6.00 to USD 0.40 per call, with proven 32.4 MUSD monthly cost saving for enterprise customers.
4. **Proprietary Technology**: Our TLML™ technology achieves a proven 99% accuracy in natural language understanding, which by far is the best in the industry.
5. **Strong Growth**: ARR surpassed +100 MSEK (10 MUSD) in 2024 with trajectory pointing to doubling within the next few quarters.
6. **Exceptional Retention**: Industry-leading Net Revenue Retention (NRR) of 135%, demonstrating strong customer satisfaction and expansion.
7. **Strategic Partnerships**: Key alliances with Genesys (handling 25 billion phone calls annually) and emerging Amazon Connect ecosystem.
8. **Market Disruption Opportunity**: Microsoft's decision to sunset its Nuance solution creates immediate replacement needs in 2025-2026.
9. **Scalable SaaS Model**: Incremental phone calls carry 90%+ gross margins, with proven path to positive cash flow.

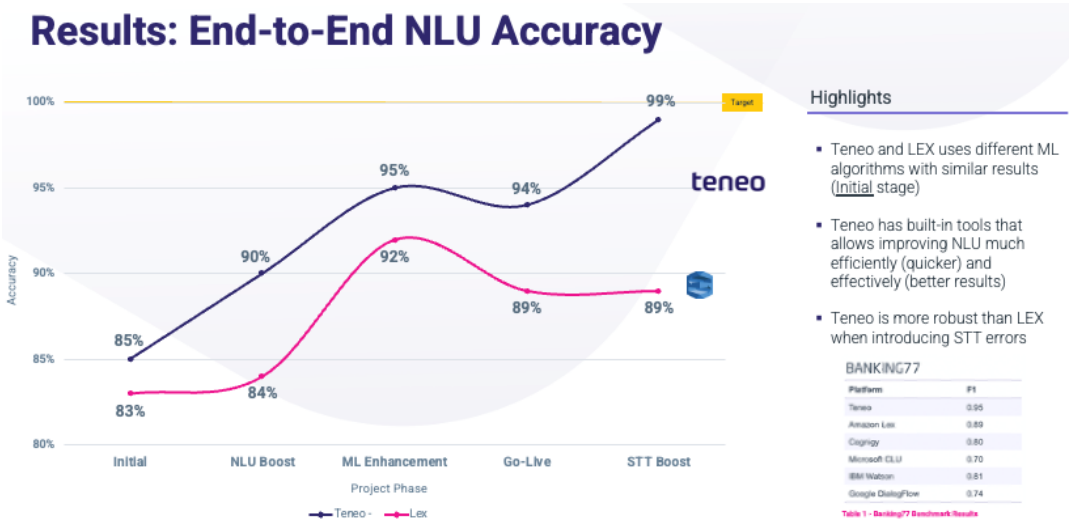
Teneo.ai is at the forefront of AI-powered and automated voice phone calls conversations with its Teneo platform, with global customers including AT&T, one of the largest software companies in the world, HelloFresh, and Telefónica. Our business model is highly scalable and sticky, and our recurring revenues scale with our clients' customers increased usage. We have a solid growth, 65%, in Annual Recurring Revenues (ARR) primarily driven by existing customers continuing to expand with us and a world class net revenue retention rate (NRR) at +135%.

What We Solve

We solve the complexity of machines understanding humans in voice calls and text interactions. Machines understanding customers voice inputs with accuracy is the foundation of automating any enterprise. Our Teneo platform answers, interprets and understands when a human voice calls or sends text interactions with a question/query. Our technology resolves the question with an accurate and precise answer or transfer the human to a human agent.

Teneo.ai's market leadership is built on two fundamental advantages: superior accuracy and automation level. Accuracy in our context isn't simply transcribing speech—it's understanding customer intent, identifying the customer, recognizing relevant entities and determining how to help the customer. It is understanding by AI automation. In independent testing conducted by Cyara, the world leader in testing natural language applications:

- Teneo.ai achieved 95% accuracy on a human-graded dataset of real bank customer-employee conversations and customers have in operation, achieved 99% accuracy.
- The closest competitor was at least 10 percentage points behind.
- This accuracy advantage translates directly to higher automation rates and customer satisfaction.



Teneo.ai's technology is world-leading, and its paramount accuracy is one of the key reasons why it can understand spoken language extremely well.

What We Do

We improve brands' understanding of their customers through the best natural language accuracy in the market. We offer a platform, Teneo, that connects voice with digital channels, analyzes data and orchestrates any voice or chat implementation and Large Language Model (LLM) with higher accuracy, better growth, and lower cost.

Teneo.ai supports customer growth and retention by making machines understand humans on a large scale, to make brands more productive and increase their revenue. With Teneo, we help our customers achieve automation rates of up to 80% in their customer service. We make customer service automation and the agentless contact centers possible.

Our focus remains on empowering enterprises, fostering growth, and setting new benchmarks for success.



How We Generate Our Revenues

A Highly Scalable Revenue Model

Teneo.ai has a highly scalable and sticky subscription-based business model where the company's recurring revenues scale with its customers increased usage of the Teneo platform or its solutions powered by Teneo.ai. Accordingly, volume on our API calls, the time our customers' customers use the platform, drives our success. This is opposite to most other SaaS companies. Most other SaaS companies are dependent on the number of users using their SaaS software rather than the amount (volume) they use them. The revenue streams in the SaaS model consists of the categories:

1. **Subscription revenues from Teneo** – based on number of users.
2. **API calls generated in Teneo Engine** – based on number of API calls (volume-linked).
3. **Teneo Data** – analytics platform to review users' conversations and enhance the conversational AI solutions. Revenues based on ingested data.

The three revenues (1-3) above represent recurring SaaS revenues and constituted 99% of our revenues in 2024, which are part of our total recurring revenues and our ARR metric. The remaining revenues, approximately 1% of our revenues for 2024, is related to expert services, which we aim to keep as low as possible, enabling partners to drive revenue on Professional Services.

The key revenue streams are:

Revenue stream	Subscription (Studio)	API calls (Engine)
Source		
Price	EUR 10,000/month for 5 seats	EUR 0.009 per API Call
Type	Recurring	Recurring

During the fourth quarter 2024, the API call revenues (volume-linked) constituted 74% of our total revenues, up from 58% in 2023, which highlights the essence in our revenue model – growth in volumes in API calls is the most important for our growth and with growth in API calls our gross margin expands.

Our Go to Market Strategy

We transform customer service into a fully automated, agentless contact center. We generate sales through direct sales and partner sales.

We have a *Customer Engagement Team* that works with our existing accounts to expand existing engagements, and this has been key to our successful growth of ARR in 2023 and 2024.

Our *New Sales Team* focuses on winning new customer accounts and on two key ecosystems:

Genesys Ecosystem

- Joint approach to Genesys's largest customers
- Partnership with NWN, a 1 USD billion revenue leader in Contact Center integration
- Enhancing the experience in Genesys's 25 billion annual phone call volume

Amazon Connect Ecosystem

- Partnership with CloudHesive to build a ready-made AI Agent service
- Targeting the growing Amazon Connect market
- Offering complete automation service for smaller implementations

Geographic Focus

Our New Sales team expansion strategy targets key regions with customers that have large volumes of phone calls.

- **North America**: primary focus with an expanded sales team that covers the West, Mid and East regions.
- **EMEA**: EMEA with the key market being the UK and opportunistically other countries where large call volume customers reside.

Our Technology Makes THE Difference

Our technology is complete with the full customer life cycle in mind. We offer integration and seamless collaboration across the customer service automation journey.

Teneo is a scalable, enterprise-grade platform and we power the largest voice AI implementations in the world.

- Teneo.ai has achieved 99% accuracy in a real customer implementation with millions of phone calls in German and English.
- Operational in 50 languages.
- The closest competitor was at least 10 percentage points behind in understanding on the independent testing.
- This accuracy advantage translates directly to higher automation rates and customer satisfaction.

Computational Efficiency

To handle 25 actions per second with millisecond response times—as Teneo.ai did in the fourth quarter 2024—requires incredibly efficient use of computing resources. A phone call with Teneo.ai uses approximately 1/100th of the computer power needed by modern LLM implementations. This efficiency enables real-time performance on a scale without latency issues. Lower computational requirements translate into cost advantages and environmental benefits

Proven Scalability

With 17,000 AI agents in production—the largest deployment of artificial intelligence in contact center history—Teneo.ai has demonstrated unmatched scalability in real-world AI automation environments.

Proprietary Technology

At the core of our competitive advantage is our proprietary TLML™ (Teneo Linguistic Modeling Language) technology, developed over 24 years and protected by 8 patents. An independent evaluator has valued our intellectual property to 1.6 billion SEK. The valuation considers how the scope and influence of the company's intellectual property has expanded and bases its conclusion on the patents overall market opportunity combined with the potential opportunities in the AI market.

This technology delivers:

- 99% accuracy in natural language understanding, verified by independent testing.
- Computational efficiency requires 1/100th of the resources compared to general-purpose LLMs.
- Millisecond response times essential for natural conversation flow.
- Support for 86 languages with comparable accuracy levels.

Core Technologies

- **TLML™**: Proprietary AI model delivering industry-leading accuracy and AI-automation.
- **Accuracy Booster™**: Enhanced natural language understanding capabilities.
- **LLM Orchestration**: Dynamic selection and combination of language models.

Key Differentiators

1. **ROI in AI automation** through Accuracy and Scalability.
2. **Enterprise Integration**: Seamless and encrypted integration with existing contact center platforms and backend systems.
3. **Modular Architecture**: Flexible deployment options to meet specific business needs.
4. **Governance Framework**: Comprehensive controls for security, compliance, and ethical AI use.
5. **Development Flexibility**: No-code, low-code, and pro-code options for building conversational flows.

Cloud Delivery Model

Customers access Teneo.ai through our secure cloud platform, which features:

- Shared codebase with complete data separation between customers.
- Flexible AI model selection based on cost and quality requirements.
- Comprehensive integration capabilities with enterprise systems.
- Access to 24 years of knowledge and 8 patents to guide implementation.

Teneo.ai's Market Position



Within this dynamic landscape, Teneo.ai occupies a unique position.

1. **Proven Enterprise-Scale Solution:** Teneo provides the only platform that allows customers to fully automate phone calls at scale, as proven by the largest installations in the world. A large credit card company recently shared their internal KPI for automation of phone calls. Every percentage point of automation (containment) saves 1 MUSD per month.

2. **Comprehensive Agentic AI Approach:** While competitors offer point solutions or first-generation automation, Teneo's comprehensive Agentic AI platform addresses the full spectrum of contact center challenges for end-to-end automation.

3. **Technical Differentiation:** Teneo's natural language understanding beats all alternatives, with accuracy rates up to 99% compared to competitors' 70-89%.

4. **Strategic Partnership Advantage:** Partnerships with industry leaders like Genesys (powering 5 billion conversations in Q1 2025) provide access to the largest contact center implementations globally.

5. **Demonstrated cost saving:** Unlike many AI implementations that struggle to demonstrate value, Teneo customers consistently achieve significant cost savings and efficiency gains, with documented cases of 20-32 MUSD monthly cost saving.

The convergence of technological advancement, market disruption and Teneo.ai's unique capabilities creates an unprecedented opportunity to transform the contact center industry through agentic AI.

Looking Beyond 2025

We anticipate several key trends that will shape the future of Agentic AI in customer service:

AI Agent Specialization and Collaboration
As AI agents become more sophisticated, we expect to see increasing specialization, with different agents optimized for specific tasks or domains. This specialization will drive the emergence of AI agent ecosystems where multiple AI entities collaborate to deliver comprehensive customer service. Teneo.ai's orchestration capabilities position us perfectly to enable and manage these ecosystems, coordinating specialized agents to work together seamlessly while maintaining consistent customer experience.

Integration of Augmented and Virtual Reality
The next frontier for customer service may involve augmented reality (AR) and virtual reality (VR) technologies. These immersive technologies could transform how customers receive support for complex products, allowing AI agents to guide customers through troubleshooting or assembly processes with visual overlays or in virtual environments. Teneo.ai's multimodal capabilities and open architecture provide a foundation for integrating these technologies as they mature, ensuring we remain at the forefront of customer service innovation.

Predictive and Proactive Service
The future of customer service will increasingly shift from reactive to proactive, with AI agents anticipating customer needs and initiating engagement before problems arise. This approach will be enabled by advanced analytics, customer journey mapping, and sophisticated prediction models. Our roadmap includes developing these predictive capabilities, leveraging the vast amounts of interaction data processed by our platform to identify patterns and anticipate customer needs.

Ethical AI and Responsible Deployment
As AI systems become more autonomous and influential in customer interactions, ethical considerations will become increasingly important. Teneo.ai is investing in robust governance frameworks and ethical guidelines to ensure responsible AI deployment. This includes mechanisms for human oversight, regular bias audits and transparent documentation of AI decision-making processes. We believe that ethical AI is not just a compliance requirement but a competitive advantage in building customer trust.

Seamless Human-AI Collaboration
While automation will continue to expand, we envision a future where human agents and AI agents work together seamlessly, each handling the aspects of customer service where they excel. This hybrid approach will deliver the best of both worlds: the efficiency and consistency of AI combined with the empathy and creativity of humans.

2024 Achievements and Milestones



The 17,000 AI Agents Milestone

In December 2024, Teneo.ai announced a landmark achievement: surpassing 17,000 AI agents in production, making it the largest deployment of artificial intelligence in contact center history.

This milestone is particularly significant because it demonstrates agentic AI's ability to scale in real-world customer service environments.

These AI agents collectively handle tens of millions of customer interactions monthly across various channels, including voice, chat and messaging. The scale of this deployment has allowed Teneo.ai's customers to achieve unprecedented operational efficiencies while maintaining—and often improving—service quality.

What makes this achievement particularly remarkable is the speed of deployment. Thanks to Teneo.ai's patented technology, customers have been able to build agents at an accelerated pace by leveraging the latest AI developments, including large language models and our proprietary TLML™ technology.

> ***" At a time when customer service expectations are at an all-time high, our customers' 17,000 AI agents are helping businesses deliver faster, more consistent, and more cost-effective support than ever before."***
>
> ***— Per Ottosson, CEO of Teneo.ai***

Launch of the Agentless Contact Center

In a groundbreaking development that further solidifies its leadership position in the customer service AI space, Teneo.ai launched its AI-Driven, Generative AI-Powered Agentless Contact Center in 2024. This innovative solution for AI Automation represents a paradigm shift in how enterprises approach customer service operations.

The Agentless Contact Center is designed to manage 100% of First Level Call Center tasks while simultaneously increasing customer satisfaction—a combination that has traditionally been difficult to achieve. By leveraging advanced agentic AI capabilities, the platform reduces operational costs by up to 80% and significantly enhances scalability, preparing enterprises for a future where digital agents handle all Level 1 and 50% of Level 2 support interactions.

What sets Teneo.ai's Agentless Contact Center apart is its exceptional accuracy and performance. Enhanced by the company's proprietary TLML™ technology and powered by Generative AI, the platform achieves over 99% accuracy in handling customer inquiries. Unlike typical LLM implementations that can suffer from latency issues and hallucinations, Teneo.ai's solution provides real-time responses with remarkable precision.

The business case for the Agentless Contact Center is compelling. Traditional human-handled calls typically cost between 2.70 USD and 5.60 USD per interaction, while calls managed by Teneo.ai's Generative AI cost just 0.40 USD per call—a reduction of up to 93%. This dramatic cost difference, multiplied across millions of customer interactions, represents potential savings in the tens of millions for large enterprises.

Teneo Accuracy Booster™ Enhancement

One of Teneo.ai's most significant technological advancements in 2024 has been the enhancement of the Teneo Accuracy Booster™, which has set new standards for precision in AI-driven customer interactions.

The Accuracy Booster™ leverages sophisticated natural language processing (NLP) capabilities to enhance understanding of customer requests, even when they're expressed in complex or ambiguous ways. This technology has been particularly valuable for industries with specialized terminology or complex products, where traditional chatbots often struggle to interpret customer queries correctly.

LLM Orchestration Advancements

Teneo's LLM Orchestration capabilities saw significant enhancements in 2024, enabling more sophisticated management of customer interactions across multiple channels. This orchestration layer ensures that every customer interaction is guided smoothly, transforming customer service into a seamless and intelligent experience.

A key innovation in Teneo's LLM Orchestration has been its ability to dynamically select and combine different language models based on the specific requirements of each interaction. This approach allows businesses to leverage the strengths of various models—such as OpenAI's GPT-4o, Google's Gemini, and Anthropic's Claude—while mitigating their individual limitations.

The orchestration layer also incorporates cost optimization features, allowing businesses to balance performance with operational expenses by intelligently routing queries to the most appropriate model based on complexity and priority.

Open AI Ecosystem Expansion

Teneo.ai has embraced an open ecosystem approach, ensuring compatibility with leading AI models and platforms. In 2024, the company enhanced its integration capabilities with powerful LLM models like OpenAI's GPT-4o, Anthropic's Claude, and Google's Gemini.

This open approach allows businesses to choose the best tools for their specific customer service needs while benefiting from Teneo's orchestration and optimization capabilities. It also provides futureproofing, ensuring that organizations can adopt new AI models as they emerge without having to rebuild their entire customer service infrastructure.

Security and Compliance Enhancements

Security and scalability have been key focus areas for Teneo.ai in 2024. The company has strengthened its enterprise-grade security protocols, ensuring compliance with regulations like GDPR, CCPA, and HIPAA .Together with completion of its ISO 27001 certification cycle, Teneo.ai has early in 2025 also successfully completed its System and Organization Controls (SOC) 2 Type II audit, achieving SOC 2 Type II Attestation.

Key security and compliance enhancements include:

- Confidential compute encryption for data both at rest and in memory
- Enhanced role-based access control
- Comprehensive audit logging and monitoring
- Expanded compliance documentation and certifications
- Advanced data anonymization capabilities

These accomplishments are a testament to Teneo.ai's technical rigor and reinforces the company's commitment to maintaining the confidentiality, integrity, and availability of all information it manages.

Studio Platform Enhancement

Recognizing the diverse technical capabilities of its customers, Teneo.ai enhanced its Teneo Studio platform in 2024. The no-code interface enables business users to create and modify conversational flows without technical assistance, while the pro-code environment gives developers the tools to build highly customized solutions for complex use cases.

Key improvements to the Studio platform include:

- Enhanced visual conversation builder
- Expanded template library for common use cases
- Improved testing and simulation capabilities
- Co-Pilot for generating utterances and translating workflows
- Advanced analytics and performance monitoring
- Collaborative workflow features for team development

These achievements and milestones in 2024 have solidified Teneo.ai's position as the leader in enterprise-grade Agentic AI for customer service, setting the stage for continued growth and innovation in 2025 and beyond.

Transforming Global Customer Service: Fortune 500 Tech Giant



One of the world's leading technology companies, a US-based Fortune 500 enterprise ranked among the top five tech corporations globally, has fundamentally transformed its approach to multilingual customer service through an innovative implementation of Teneo.ai's platform.

The results have been nothing short of revolutionary: expansion from one language to 48 in a weekend, up to 80% full automation of customer interactions, reduction in transfer rates from 37% to under 10%, and a staggering 32.4 MUSD in monthly cost savings.



teneo.ai

The Challenge

As one of the world's largest technology companies with operations spanning more than 100 countries, this organization serves hundreds of millions of customers worldwide. With a diverse product portfolio including software and digital services, the company handles an enormous volume of customer service interactions—approximately 120 million calls annually across countries.

Prior to implementing Teneo.ai's solution, the company faced challenges common to global enterprises:

- **Language fragmentation**: Supporting dozens of languages required separate teams, training programs, and knowledge bases for each language, creating operational silos and inconsistent service quality.

- **Scaling limitations**: Adding support for new languages or expanding coverage in existing languages required significant time and resources, limiting the company's agility in entering new markets.

- **Cost inefficiencies**: Maintaining 24/7 support across multiple languages led to high staffing costs, particularly for languages with lower call volumes where utilization rates were suboptimal.

- **Inconsistent customer experience**: Service quality, response times, and resolution rates varied significantly across languages, creating an uneven customer experience that impacted on satisfaction and brand perception.

The company had previously invested in various customer service technologies, including traditional IVR systems and first-generation chatbots. While these solutions provided some benefits, they fell far short of addressing the fundamental challenges of multilingual support.

Most notably, these earlier systems required separate development and maintenance for each language, essentially replicating the same fragmentation issues that existed with human agent teams.

The Solution: Virtual Contact Center Agent with Teneo.ai

The company implemented Teneo.ai's Virtual Contact Center Agent solution, designed to handle the complete customer interaction lifecycle with exceptional results

Operational Efficiency

- **Up to 80% Full Automation Rate**: up to 80% of all customer service and sales calls are now handled entirely by AI without human intervention, freeing human agents to focus on more complex issues.
- **5.60 USD Cost Reduction Per Call**: For each call handled by the Virtual Contact Center Agent, the company saves an average of 5.60 USD compared to traditional agent-handled calls.
- **2-Minute Reduction in Average Handling Time**: Even for calls that eventually require human assistance, the AI-powered initial interaction reduces average handling time by approximately 2 minutes.
- **Transfer Rate Reduction from 37% to Under 10%**: The percentage of calls requiring transfer to specialized agents or departments has decreased dramatically, improving first-contact resolution.

Financial Impact

- **32.4 MUSD Monthly Cost Saving**: The solution delivers a verified 32.4 MUSD in monthly cost saving, primarily through reduced operational costs and improved efficiency.
- **Rapid Payback Period**: The initial investment in the Teneo.ai solution was recouped within the first three months of full deployment.
- **Reduced Peak Staffing Costs**: The ability to handle consistent call volumes across all languages has significantly reduced the need for peak staffing, leading to more efficient resource allocation.

Performance Metrics

- **99% Accuracy Rate**: Teneo's proprietary TLML™ technology achieves 99% accuracy in understanding customer intents, exceeding human performance levels.

- **100% availability of Teneo functionality in 2024**.

- **85% Containment Rate**: 85% of customer interactions that begin with the Virtual Contact Center Agent are successfully completed without requiring escalation or transfer.

- **120 Million Calls Annually**: The system now handles approximately 120 million calls per year across 115 countries and 50 languages.

Glossary of Terms

Agentic AI	Artificial intelligence systems that can act autonomously to achieve specific goals, making decisions and taking actions without constant human oversight. Unlike passive AI systems that simply respond to prompts, agentic AI proactively works to resolve issues through a combination of planning, reasoning, and action.
API Calls	Application Programming Interface calls that allow different software systems to communicate and share data. In the context of Teneo.ai, API calls represent interactions between the platform and various enterprise systems or AI models.
Accuracy Booster™	Teneo.ai's proprietary technology that enhances natural language understanding capabilities, achieving industry-leading 99% accuracy in understanding customer intents. The technology employs sophisticated disambiguation, correction handling, and domain adaptation techniques.
Annual Recurring Revenue (ARR)	The annualized value of subscription contracts, representing the predictable, recurring revenue generated by Teneo.ai's business model.
Customer Acquisition Cost (CAC)	The total cost of acquiring a new customer, including sales and marketing expenses.
First-Call Resolution (FCR)	The percentage of customer inquiries that are completely resolved during the initial interaction, eliminating the need for follow-up calls or escalations.
Large Language Models (LLMs)	Advanced AI models trained on vast amounts of text data that can generate human-like text, understand context, and perform various language-related tasks. Examples include OpenAI's GPT-4o, Google's Gemini, and Anthropic's Claude.
LLM Orchestration	Teneo.ai's sophisticated approach to managing multiple AI models, ensuring optimal performance, cost-efficiency, and reliability by dynamically selecting and combining different language models based on specific requirements.
Net Revenue Retention (NRR)	A metric that measures the percentage of revenue retained from existing customers over a specific period, including expansion, contraction, and churn. Teneo.ai's extraordinary 135% NRR indicates that existing customers are significantly expanding their use of the platform.
No-Code/Low-Code Development	Development approaches that require minimal or no traditional programming, enabling business users to create and modify conversational flows without technical assistance. Teneo.ai's Studio platform offers no-code, low-code, and pro-code options.
Retrieval-Augmented Generation (RAG)	A hybrid approach that combines the generative capabilities of large language models with precise information retrieval from trusted knowledge bases, ensuring responses are not only conversationally natural but factually correct and up to date.
Rule of 40 (R40)	Rule of 40 combines the growth and the profitability together. It is the result of adding up the percentage of net sales growth year over year plus EBITDA margin over Net sales, all on a quarterly basis.
TLML™ (Teneo Lingustic Modeling Language)	Teneo.ai's proprietary technology developed over 24 years and protected by multiple patents. TLML™ is specifically designed for understanding customer service conversations and achieves superior accuracy while requiring approximately 1/100th of the computing resources compared to general-purpose LLMs.
Transfer Rate	The percentage of calls requiring transfer to specialized agents or departments.
Virtual Contact Center Agent	An AI-powered agent capable of handling end-to-end customer interactions, from initial engagement through problem resolution, with the ability to transfer to human agents when necessary.

Our Commitment to a Sustainable Future



Environmental, Social & Governance

We recognize our corporate responsibility to implement and support a high standard of ethical and environmentally responsible business practices.

Environment

We support the transition to a low carbon economy, and we seek to improve the efficiency and resilience of our operations by reducing our emissions and aligning sustainable practices and operation. In our climate actions, we reduce carbon footprint through our cloud-based consumption model in Microsoft Azure. Microsoft Cloud services are up to 98% more carbon efficient than traditional enterprise datacenters. For localized deployments, Microsoft Cloud is between 79-93% more energy efficient than a traditional datacenter. When renewable energy is taken into account, carbon emissions (kg/C02/user-year) from Azure Compute are 92-98% lower than a traditional enterprise datacenter. Source: Microsoft.

Social

We are committed to creating and supporting an inclusive, diverse and equitable workforce. In 2021, we became #ALLIES to accelerate our work on inclusion and gender equality. Teneo.ai is committed to diversity and equality and has managed to achieve a ratio of 40% women in the management team as per today. Teneo.ai also has a multicultural workforce with 22 different nationalities.

As we continue to grow as a business, we will continue to push for diversity at all levels, across departments and functions, by valuing equality, diversity, and integrity.

Governance

To generate value through sustainable business solutions, we ensure we are building AI in a responsible and ethical way, consistent with the following design principles:

- **Fairness** – Use AI to drive efficiency while protecting dignity and guarding against bias.
- **Accountability** – Decisions made by AI must be accountable to citizens and consumers.
- **Explainable** – AI must be explainable and understandable.
- **Ethics** – AI must assist humanity and respect rights, such as privacy.

Our Values

Gender Equality

In 2021, we became #ALLIES to accelerate our work on inclusion and gender equality. Teneo.ai is committed to diversity and equality and has managed to achieve a ratio of 40% women in management team positions. As we continue to grow as a business, we will continue to push for diversity at all levels, across departments and functions, by valuing equality, diversity, and integrity.

Queries Channel

Teneo.ai is committed to creating a safe and enjoyable environment to all employees and on its way to achieve such goals it has decided to improve communication channels inside the company.

Employees can report serious matters anonymously or reasonable suspicion of such matters. Through this report, employees can submit information about reprehensible matters or report actions that are unethical, illegal or in violation of internal policies. The scheme is to be used to bring matters to light that would not otherwise have come to light.

It can be reported confidentially with indication of name and contact information or, if desired, 100% anonymously.

All inquiries are treated confidentially and securely.

Economic Growth and a Decent Work Environment

We tend to employee demands for remote-work capabilities and ensure that their needs are met to work efficiently from home, increasing productivity and reducing workplace costs.



Teneo.ai has applied the following processes to follow the #BeCOME framework and implement it throughout its international ecosystem:

1. **ADVOCATE AND ELEVATE**
We're committed to advocating and elevating the voices of women across our organization, and we will work to provide educational opportunities and to promote their success at every opportunity.

2. **LISTEN TO LEARN**
Our team will make time and space to listen and learn from internal and external resources in order to maintain an understanding of our environment and of new issues that may arise in the future.

3. **BUILD CONFIDENCE IN OTHERS**
Our organization will work to develop and build the confidence of our global team while working to support our partners and those we work with in any capacity.

4. **INCLUDE OTHERS**
Inclusivity is a cornerstone of diversity and acts as a key element of our efforts to champion equity at all levels. Teneo.ai will continuously work to include each member of our team in new projects and opportunities.

5. **SPONSOR OTHERS**
Through our work with internal and external partners, Teneo.ai will explore opportunities to sponsor individuals and groups to support our efforts to improve diversity and equity.

Teneo.ai Leads Compliance in AI Act by Integrating New Standards into Its Operations

Teneo.ai attended the European Commission's recent first session on the AI Act, AI Act Shaping Europe's digital future (europa.eu), a vital step toward shaping the future of artificial intelligence in Europe through robust regulatory frameworks. This event was particularly notable as it drew participation from over 250 AI companies, showcasing a collective commitment to responsible AI development and early compliance.

We, on Teneo.ai, are not just adapting to these new regulations; we are actively leading the way. During the first session, we shared our early commitments to compliance with the AI Act, emphasizing our proactive measures to integrate these new standards into our operations. established an internal task force dedicated to ensuring our AI technologies not only meet but exceed the ethical and legal expectations set forth.

Adapting AI products to align with the AI Act offers significant benefits for companies within the industry. Compliance ensures that AI technologies are developed with a focus on safety, transparency, and fairness, which enhances trust among clients and their customers. By adhering to these robust standards, companies can mitigate risks, avoid legal pitfalls, and build a reputation for reliability and integrity. This not only attracts more clients but also ensures that end-users receive safer, more dependable AI-driven solutions, fostering greater consumer confidence and satisfaction.

Our approach is comprehensive: from revamping existing AI systems to embedding compliance into the lifecycle of new AI development. The company also places a strong emphasis on education, ensuring its teams are well-versed in both the technical and ethical dimensions of AI regulations.

The company will continue to engage with regulatory bodies to help understand the real applicability of this new framework that supports innovation while ensuring safety and fairness.

As Teneo.ai moves forward, the company remains dedicated to leading by example, demonstrating that compliance and innovation can go hand in hand. Teneo.ai is excited to continue this journey, fostering a culture of integrity in AI that others in the industry can look to.

Management Team





Per Ottosson

Born 1970. CEO since 2020.

Education: Master in Finance at the Stockholm School of Economics.

Experience. Member of the board of several Teneo.ai's subsidiaries. 25 years of experience from senior executive positions within the software / SaaS industry, most recently as Global CRO of IPSoft / Amelia.com.

Holdings in Teneo.ai: 2,875,543 shares and 1,900,000 warrants 2023/2026.

Fredrik Törgren

Born 1976. CFO since 2020.

Education: Master in Business Administration, Stockholm School of Economics.

Experience. Member of the board of several Teneo.ai's subsidiaries. 20 years of experience from senior positions within the technology, M&A, VC, and software industries, most recently as Group CFO of PE-backed Inteno Group.

Holdings in Teneo.ai: 3,000,000 shares and 853,575 warrants 2023/2026.





Marie Angselius

Born 1970. Chief Communication & Impact Officer since 2021.

Education: Bachelor's degree in Communications, Lund University.

Experience. 20+ years of experience from leading communication roles. Most recently as Global Head of Corporate Communication at IPSoft / Amelia.com and Founding partner at Angselius Rönn AB.

Holdings in Teneo.ai: 3,709 shares and 853,575 warrants 2023/2026.



Nuria Vilanova

Born 1973. Chief People Officer since 2024.

Education: Bachelor's degree in Economics and Business Administration, Universitat Pompeu Fabra.

Experience. 20+ years of expertise in Accounting and Finance managing positions, most recently as Director of Finance and HR in companies in the technology and software sectors.

Holdings in Teneo.ai: 5,573 shares and 662,500 warrants 2023/2026.

Andreas Wieweg

Born 1975. CTO since 2019 (employed since 2008)

Education: University studies in Computer Science & Mathematics, Stockholm University.

Experience. Andreas leads Teneo.ai's product strategy, design, and development for the company's next generation natural language interaction platform.

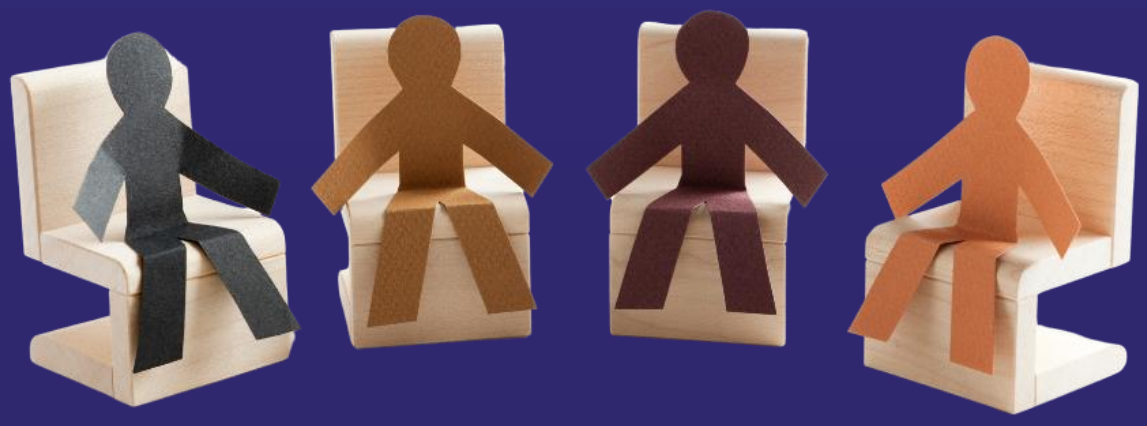
Holdings in Teneo.ai: 512,820 shares and 853,575 warrants 2023/2026.



Teneo.ai has an experienced and committed executive management team. The team's collective industry knowledge and leadership competence safeguards the company to successfully drive Teneo.ai' growth strategy.

Board of Directors

According to Teneo AI´s articles of association, the board of directors shall comprise of three to seven members, elected by the shareholders at the general meeting, with no more than three deputy members. Currently, Teneo AI's board of directors comprises five members including the chairman, appointed for the period until the end of the 2024 annual general meeting.



Information About the Board of Directors

The table below sets forth the board members and information of their position, year of election and whether they are independent in relation to the Company and executive management and in relation to major shareholders.

Name	Position	Elected Year	Independent in relation to the Company and the executive management	Independent in relation to major shareholders
Johan A. Gustavsson	Chairman from June 2024	2019	Yes	Yes
Lars Roth	Board member	2023	Yes	Yes
Mathias Björkholm	Board member	2023	Yes	Yes
Inna Kaushan	Board member from June 2024	2024	Yes	No
Sara Kullgren	Board member from June 2024	2024	Yes	Yes

Other Information on the Board of Directors and Executive Management

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and executive management of the Company and their private interests and/or other undertakings. As set out above, certain board members and members of the executive management have financial interests in Teneo.ai through holdings of shares and warrants. All members of the board of directors and the executive management may be contacted at the Company's address, Stureplan 15, 111 45 Stockholm.

Johan A. Gustavsson



Born 1963. Chairman of the Board since 2024. Board assignments in Teneo.ai since 2001. Co-founder of Teneo.ai.

Education: Master of Science, Stockholm School of Economics.

Experience. Chairman & Founder of Vencom Group, Albator, Fulmar and board member and founder of Besqab (former Aros Bostadsutveckling), as well as board memberships related to these assignments. Earlier experiences: Chairman of Hop Lun International Ltd. & Naturkompaniet AB.

Holdings in Teneo.ai: 147,330 shares, privately & 11,321,832 shares through AB Couronne.



Mathias Björkholm

Born 1972. Board member since 2023.

Education: Studies in Business Administration, University of Skövde, Sweden.

Experience. Founder and CEO of Pickit since the start in 2013, in Stockholm, but also in Seattle during the period 2014-2020. During these years Pickit became one of the world's most downloaded applications within Microsoft's eco-system.

Holdings in Teneo.ai: 100,000 shares.

Sara Kullgren



Born 1967. Board member since 2024.

Education: Strategy and Business Development at London Business School.

Current assignments: Microsoft, Head of Modern Work for Small Medium Business Europe, Middle East and Africa (EMEA) (2025-).

Previous assignments and experience: Channel Sales Lead for Telco Europe, Middle East, and Africa (EMEA) at Microsoft, Senior Vice President of Group Product and Services at Eniro, Head of Northern Europe at Oriflame, Managing Director for Nokia Mobile Phones and Board assignments at TV4 from 2004 to 2005, Swedish National Space Board from 2000 to 2002.



Inna Kaushan

Born 1983. Board member since 2024.

Education: PhD in Economics from The National Academy of Sciences and a master's in Economic Relations from Taras Shevchenko National University.

Current assignments: Board member of Causility Group and Ultinous, where she is also responsible for corporate development and Partner at Stockhorn Capital.

Previous assignments and experience: Inna was a partner and ran Solna for many years, which worked to simplify and streamline invoicing for companies. Inna has also worked in M&A and Corporate Finance at Erste Group, KPMG and ARTA Investment Partners. Inna was also previously a senior economist at the National Bank of Ukraine, where she worked for over five years.

Holdings in Teneo.ai: 79,352,854 shares through Stockhorn Capital AB.

Lars Roth

Born 1977. Board member since 2023.

Education: Master of Science and Engineering from KTH Royal Institute of Technology.

Experience. Chairman of Root Digital Group, as well as board memberships related to this assignment. Board member of Bright Energy. CEO of Q Industries Lars Roth AB. Earlier assignments and experience: CGO of MedHelp Care (2020-2023), board member of Zound Industries (2014-2016), board member of Soundtrack your Brand (2015-2016), different roles in Telia Company including Vice President Consumer and Vice President Innovestments (2005-2016)

Holdings in Teneo.ai: 533,330 shares.

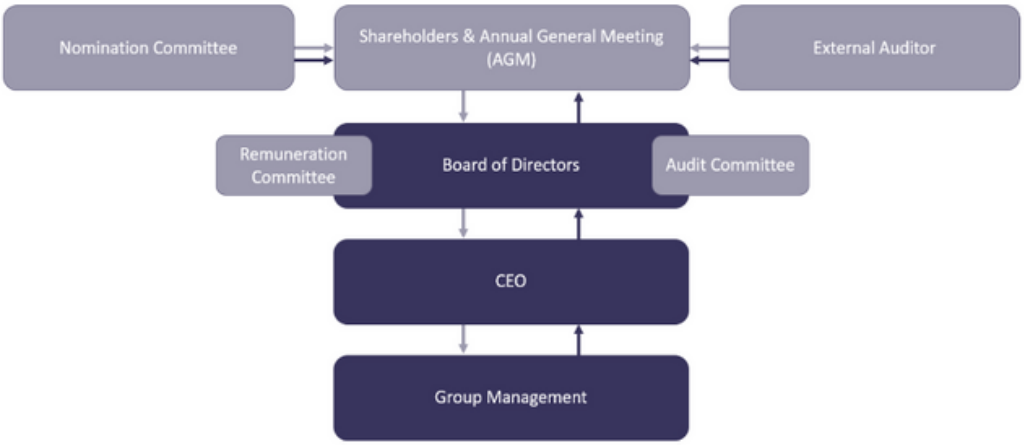


Corporate Governance

Sound corporate governance, risk management and internal control are key elements to the success of a business and are crucial when it comes to maintaining the trust of the company's stakeholders.

The purpose of corporate governance is to ensure that the company is managed in a way that is as efficient as possible for its shareholders.





Teneo.ai's corporate bodiey is the Annual General Meeting, the board of directors, the CEO, and the auditor.

The Annual General Meeting (AGM) is to be held no later than six months after the conclusion of the financial year. The shareholders appoint the board of directors, along with an auditor, at the AGM. The board of directors appoints the CEO. The auditor reviews the annual report as well as the administration by the board of directors and the CEO.

The duties of the Nomination Committee are determined at the AGM, and consist primarily of proposing board directors, the Chairman of the Board and the auditor for election at the AGM.

Teneo.ai is listed on First North Market at NASDAQ Stockholm, which does not constitute a regulated market. The company is not therefore compelled to comply with the Swedish Corporate Governance Code.

Shareholders

Information about Teneo.ai' shares and shareholders can be found on pages 69–71.

Annual General Meeting

The AGM is Teneo.ai 's highest decision-making body and the forum where the rights of shareholders are exercised.

Resolutions are passed at the AGM concerning proposals from the nomination committee, the board of directors and the shareholders, as well as any other resolutions pertaining to the relevant articles of association or law. These include resolutions on:

(i) the adoption of the income statement and balance sheets,
(ii) the allocation of the company's profit or loss,
(iii) granting discharge from liability for the board directors and the CEO, and
(iv) the election of the board of directors and the auditor and their fees.

The company's articles of association states that the board of directors at the company must have a minimum of three and a maximum of seven members and a maximum of three deputies.

Teneo.ai AGMs can be held either remotely or physically in the municipality of Stockholm every calendar year before the end of June. In addition to the AGM, extraordinary general meetings may be convened. According to the articles of association, a notice convening the General Meeting shall be made by an announcement in Post- och Inrikes Tidningar and by keeping the notice available on the Company's website. At the same time, it shall be announced in Svenska Dagbladet that a notice convening the AGM has been issued.

Nomination Committee

The AGM annually sets the principles for determining how the Nomination Committee is appointed.

The latest resolution of the AGM states that the current Nomination Committee has been appointed based on the following principles for establishment of nomination committee and instruction for the nomination committee:

Principles for Establishment of Nomination Committee

The AGM sets the principles for the appointment of a nomination committee. The nomination committee shall consist of the chairperson of the board of directors as well as three members elected by the three largest shareholders or groups of owners in terms of voting rights (herewith referred to both direct registered shareholders and nominee registered shareholders) of the Company, according to Euroclear Sweden AB's transcript of the share register as of 30 September. The majority of the members of the nomination committee shall be independent in relation to the Company. The CEO or management may not be part of the nomination committee. At least one of the members of the nomination committee shall be independent in relation to the largest shareholder of the Company in terms of voting rights or group of shareholders who cooperates on the Company's management.

Information about the names of the members of the nomination committee and which owner they represent shall be stated on the Company's website.

If owners, who are represented in the nomination committee, no longer belong to the three largest shareholders after the announcement, their member shall make their place available and such shareholders belonging to the three largest shareholders shall instead be offered a place in the Company's nomination committee.

However, there is no need to consider minor changes. If a member leaves the nomination committee before its work is completed and if the nomination committee considers that there is a need to replace this member, the nomination committee shall appoint a new member according to the principles above but based on Euroclear Sweden AB's transcript of the share register as soon as possible after the member had left the nomination committee. Owners who have appointed a member of the nomination committee have the right to dismiss such a member and appoint a new member.

Amendments in the composition of the nomination committee must be immediately announced.

Instruction for the Nomination Committee

The nomination committee is to prepare proposals of resolutions regarding the following matters to the AGM:

(i) Election of chairman of the AGM,
(ii) Determination of the number of directors and deputy directors,
(iii) Determination of remuneration and other fees to the board of directors, distinguishing between the chairman of the board and other directors,
(iv) Determination of remuneration to auditors,
(v) Election of directors and chairman of the board,
(vi) Election of auditors, and
(vii) Resolution on principles for establishment of the nomination committee and instruction for the nomination committee, as applicable. No remuneration is made to the nomination committee. The company shall, however, be responsible for reasonable costs for the execution of the tasks of the nomination committee.

Members of the Nomination Committee for the 2025 AGM Included:

The Nomination Committee consisted of:

- Carl Knutsson, appointed by Stockhorn Capital AB, the largest shareholder in Teneo.ai.
- Sven Härgestam, appointed by Arpeggio AB and Mr Härgestam's private holdings, combined the second largest shareholder in Teneo.ai.
- Carl Thelin, appointed by SEB-Stiftelsen, the third largest shareholder in Teneo.ai.
- Johan A. Gustavsson, Chairman of the Board of Directors of Teneo.ai.

The Committee has held a total of six meetings in 2024.

Board of Directors

The board of directors assumes ultimate responsibility for Teneo.ai's organization and administration.

The members of the board of directors, as well as information on dependencies and a presentation of the members of the board of directors, can be found in the section board of directors. The board of directors currently has five members, including two women and three men.

The work of the board of directors is governed by the Companies Act, the Articles of Association and the rules of procedure adopted by Teneo.ai's board of directors.

The company's rules of procedure specify, among other things, the allocation of responsibilities between the board of directors and the CEO. At the meetings of the board of directors, the board discusses the company's future development, strategy, quarterly reports, budget, financing and conducts the customary follow-up procedures of the strategic and operational activities of the company.

The board of directors also evaluates Teneo.ai financial reporting each year and sets requirements on its content and layout to safeguard a high level of quality. The company's auditor attends the meeting each year where the annual financial statements are approved. The company's CEO, Per Ottosson, is an adjunct and attends the board of directors' meetings along with the company's CFO, Fredrik Törgren, who also serves as secretary at the board of directors' meetings.

All resolutions voted on by the board of directors are based on detailed decision data and are passed following discussions led by the Chair of the board.

The Board of Directors' Committees

The board of directors has appointed an Audit Committee, and a Remuneration Committee tasked with dealing with audit and remuneration issues prior to any resolutions to be addressed by the board of directors.

Audit Committee
The Audit Committee consists of Johan A. Gustavsson (chairman) and Lars Roth (member). The Audit Committee assumes a supervisory role with respect to the company's risk management, governance, and controls in addition to financial reporting. The Audit Committee has held a total of six meetings in 2024. The auditor reports their observations to the Audit Committee on a regular basis.

Remuneration Committee
The Remuneration Committee deals with issues concerning the principles behind remuneration and other terms of employment for the CEO and company management. The committee evaluates ongoing remuneration schemes for company management and observes and evaluates the application of the guidelines for remuneration resolved on at the AGM. The Remuneration Committee consists of Lars Roth as Chairman and Mathias Björkholm as member. The Remuneration Committee held a total of one meeting in 2024.

CEO

The CEO is responsible for Teneo.ai's operational activities complying with the adopted strategy and the instructions of the board of directors. The CEO regularly reports to the board of directors pertaining to the development of business operations.

Auditor

The auditor reviews the annual report, the accounts, and the administration by the board of directors and the CEO and reports to the AGM. The AGM on June 26, 2024, resolved to appoint the registered accounting firm Grant Thornton Sweden AB as authorized auditor for the period until the end of the next annual general meeting. It was noted that Grant Thornton Sweden AB intends to appoint the authorized auditor Carl-Johan Regell as auditor in charge.

Financial Reports



Directors' Report

The board of directors and the CEO of Teneo AI AB (publ), org. no. 556840-2076, with registered office in Stureplan 15, 111 45 Stockholm, hereby submits the annual accounts and the consolidated account for the financial year 2024 (Jan-Dec). The annual report has been prepared in Swedish Krona (SEK) with all figures reported in SEK thousand, unless otherwise stated.

Group Structure

Teneo AI AB (publ) is the parent company in a Group. The parent company owns 100% of its subsidiary, Artificial Solutions Holding ASH AB, org no. 556734-1556. Artificial Solutions Holding ASH AB owns 100% of the subsidiary Artificial Solutions B.V., org no. 34162309.

Artificial Solutions B.V. owns 100% of four entities in Sweden, Spain, Germany and the US (with full indirect ownership on the US subsidiary through the Swedish operating entity).

In the fourth quarter of 2023, the company continued its strategy to simplify the operational and legal group structure by entering the German legal entity into a voluntary liquidation process. Existing customer agreements were transferred to other subsidiaries of the group. Artificial Solutions Germany GmbH entered into voluntary liquidation at the end of 2023. The company does not have any activity and the liquidation period, which initially was estimated to be completed at the end of 2024, will be finished during 2025.

Teneo AI AB (publ) is listed on Nasdaq First North Growth Market in Stockholm with the ticker name TENEO. See more detailed ownership data later in the section Ownership.

Research And Development

Teneo.ai has its own dedicated organization for product research and development, with highly experienced software engineers and computational linguists specializing in natural language development. The activities are focused on continuous improvements of the Teneo platform. A total of 24.2 MSEK (20.9) was invested in capitalized development expenses as capital expenditures during the year and the total capitalized development expenses in the balance sheet amounted to 46.1 MSEK (39.6). The increased investments compared to the previous year are due to a higher capitalization rate.

Operations

Teneo.ai (SSME: TENEO) is a leader in AI. Our platform, Teneo®, is used by millions of people in hundreds of SaaS implementations in the private and public sectors worldwide.Teneo.ai is the only listed AI company in Sweden focused on SaaS (Software as a Service) to large enterprise customers with more than 500 customer service agents, with 99% recurring revenue exceeding 100 MSEK in ARR end of 2024. Our mission is to build the best enterprise software for interacting with business systems in natural language through Agentic AI. With our proprietary TLML™ technology, our customers achieve 99% accuracy in understanding natural language (voice calls), outperforming competitors by at least 6 percentage points, and which means that large companies can replace human customer service agents with Teneo.ai's SaaS software at a significantly lower cost and higher quality in understanding what the customer's case is.

Teneo.ai is the market leader and provides the only platform proven to automate phone calls at scale, with the very largest implementations globally. The customer service AI market reached approximately USD 12 billion in 2024 and is expected to grow to USD 48 billion in 2030, representing a compound annual growth rate (CAGR) of 25.8%, demonstrating particularly strong growth in customer-facing AI applications.

Teneo.ai, Teneo, and OpenQuestion are registered trademarks of Teneo.ai.

Sustainability and Internal Control

Teneo.ai is fully committed on contributing to a sustainable future. As such, the company is actively embarking on climate action, through reduction of carbon footprint by our cloud-based delivery and business model; social inclusiveness, by accelerating gender equality and diversity; ethical and responsible services by AI designed based on such principles. This is further outlined earlier in this annual report.

ISO 27001 and SOC2 Type II Certification

During 2024, Teneo.ai successfully completed its first ISO 27001 certification cycle (3 years), a major achievement that underscores our commitment to maintaining the highest standards of information security across all levels of the organization. This accomplishment marks a pivotal step in the ongoing maturation of our Information Security Management System (ISMS) and demonstrates Teneo AI's dedication to safeguarding sensitive data in every process and department. Teneo.ai recognizes that in today's digital landscape, information security is not optional, it is essential. From the Management Team to every single employee, we understand that the responsibility of safeguarding information belongs to everyone. Teneo.ai's commitment to protecting our clients' and partners' data is paramount, and we take pride in knowing that this commitment is shared across the entire organization.

As we close the ISO 27001 certification cycle, we look forward to building on this achievement. Maintaining ISO 27001 certification is a continuous process, and Teneo.ai is fully committed to ongoing improvement and adaptation to new security challenges.

The standard ensures the effectiveness of the security information management system that protects assets and communications inclusive of financial information, intellectual property, employee details or information entrusted to the company by third parties — such as websites and other customers or partners.

Teneo.ai is committed to providing the highest level of security to its customers and partners as online threats continue to pose risks to businesses and consumer data. ISO 27001 certifies that Teneo.ai has developed and implemented processes and procedures in order to provide requirements for establishing, implementing, maintaining and continually improving an information security management system across its operations.

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 Equality and Queries Channel

Teneo.ai is committed towards creating a safe and enjoyable environment to all employees and on its way to achieve such goal has decided to improve communication channels inside the company. Employees can report serious matters anonymously or reasonable suspicion of such matters. Through this report, employees can submit information about reprehensible matters or report actions that are unethical, illegal or in violation of internal policies. The scheme is to be used to bring matters to light that would not otherwise have come to light.

It can be reported confidentially with indication of name and contact information or, if desired, 100% anonymously. All inquiries are treated confidentially and securely.

Significant Events During the Financial Year 2024

Tax Credit Refund

On January 25, 2024, the company received cash payment of 4.7 MSEK (5.7) from the Spanish Tax Authority following completed R&D review of R&D investments in 2021.

Rights Issue Proceeds of 25.7 MSEK

In February 2024, a successful rights issue provided the company with approximately 25.6 MSEK before deduction of transactional costs of 2.9 MSEK. The rights issue was oversubscribed with a subscription rate of 166%. The total number of shares outstanding after completion was 273,144,240, so total new shares 170,715,150 were added to the existing 102,429,090.

Directed Share Issue. Proceeds of 50 MSEK

In June 2024, the company carried out a directed share issue providing the company with 50 MSEK in proceeds before deduction of transactional costs of 4.1 MSEK. The directed share issue was carried out with deviation from preferential rights pursuant to the authorization granted to the board by the annual general meeting on 27 June 2023. The total number of shares outstanding after completion of the directed share issue was 373,144,240, so total new shares 100,000,000 were added to the existing 273,144,240. The directed share issue entailed a dilution of approximately 26.8 percent of the number of shares and votes in the company based on the number of shares and votes following the directed share issue.

New Warrant Program 2024/2027

At the Annual General Meeting on June 26, 2024, it was resolved to approve the establishment of a Warrant Program 2024/2027 through a directed issue of warrants to the company and approval of transfer of warrants to key persons of the company or its subsidiaries. For each warrant held, the holder shall have the right to subscribe for one (1) new share in the company. The number of warrants amounted to a total of 9,256,786 warrants. The subscription price for the warrants is 0.842 SEK.

Teneo.AI New Company Name

The group initiated a rebranding of our go-to-market brand in 2023. Part of this was to change to the company name to the same name as our platform product name Teneo. Our partners and customers are most familiar with our platform's name.

The name change was formally resolved at the Annual General Meeting on June 26, 2024. Then the company name was changed from Artificial Solutions International AB to Teneo AI AB. On August 20, 2024, trading commenced under the new ticker TENEO. The ISIN code continues to be SE0018397184. The FISN code changed to TENEO/SH.

Renewal Existing Customers

In December 2023, the two Italian banks, **BPM** and **Widiba**, renewed their license agreements for the 2024 year.

During the second quarter of 2024, renewal SaaS agreements were signed with a **Global American Tech company**, **Medtronic**, and **Circle K**. Also, renewal licenses agreements were signed with **Swisscom** and **UBS.**

In July 2024, the company signed a License renewal agreement with **HRSA**.

During the year, the **Global American Tech company** expanded our solution to multiple markets and multiple languages.

New Customers and Partners

In April 2024, the company signed a SaaS agreement with **MedHelp Care** for AI-Based voice chatbot. MedHelp Care offers one of Sweden's most used health platforms for employers. The company's roughly 500 customers with approximately 200,000 employees, will also have the opportunity for AI-based absence reporting via telephone through a voice chatbot from the AI platform Teneo.

Teneo.ai secured **Valcon**, a major consulting firm, as a new customer and OEM partner. Being an OEM partner, Valcon will be able to build one solution and deploy to several customers. The new customer collaboration will leverage Teneo.ai's LLM-orchestrator to enhance the efficiency and accuracy of different processes across the customer's extensive network of offices throughout Europe.

In December 2024, Teneo.ai signed an OEM agreement with new partner , **Business Systems Ltd**. (BSL) Through it, the company entered into a new customer agreement to deliver advanced Voice AI technology to a leading Swiss enterprise.

Sales Development

REVENUE MODEL, KPI'S AND FINANCIAL TARGETS

The company introduced the SaaS business and delivery model in the fourth quarter 2020 and its financial targets were announced in the third quarter 2022 which are:

- >1 billion API calls during 2024
- >200 MSEK in ARR during 2025
- Cash flow positive from operations during 2024
- A long-term EBITA margin exceeding 30% in a mature state

The two long-term financial targets that were fulfilled during the fourth quarter 2024 are:

- API call volumes of 1 billion annualized during 2024: During one month in the fourth quarter 2024, the annualized API call volumes, for SaaS and non-SaaS volumes combined, amounted to 1 billion API calls. The average annualized API call volumes in the fourth quarter amounted to 901 million (440), equivalent to a YoY growth of 105%. This is a key KPI for our operations and the more API calls generated, the more revenues for the company.
- Positive cash flow from operations during 2024: During one month in the fourth quarter of 2024, the company reported a net cash flow of +2.4 MSEK. The adjusted EBITDA in the fourth quarter of 2024 also amounted to -1.7 MSEK (-5.8 MSEK). Higher revenue volumes in the fourth quarter of 2024 improved profitability and cash flow generation during the quarter.

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.

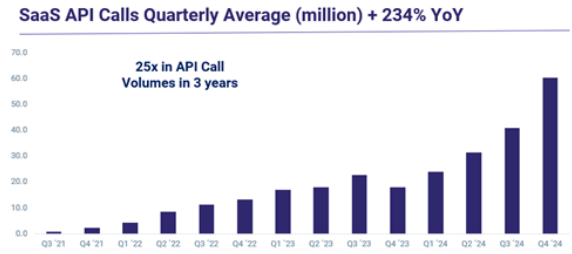
Our Way of Measuring ARR

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.

The SaaS business model is growing in importance. The recurring revenues derived from SaaS customers for the year 2024 amounted to 53.5 MSEK (30.9) and constituted 64% (51) of total recurring revenues, 83.5 MSEK (60.0), and 64% (49) of net sales. This number 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.

An important KPI to follow is the API call volumes development on the SaaS model as this metric is linked to the API call revenues generated by SaaS customers. This metric coupled with the SaaS ARR are also part of our financial targets.

The monthly average SaaS API call volumes increased from 18.1 million in the fourth quarter 2023 to 60.3 million in the fourth quarter 2024, equivalent to a growth of 234%. This number shows as unprecedent growth on SaaS volumes year over year. The graph below also highlights that we have increased the SaaS API call volumes 25x during the last three years.



Due to the fact that the API calls generated by non-SaaS customers are not always directly linked to the Usage revenues, we are not disclosing the volumes.

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. During 2024, the company incorporated 1 new SaaS customer through a partner and 2 new OEM partners.

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 would be multiplied.

For instance, Valcon and BSL are already working on that model, and we see more partners picking that up.

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 not customers but API call growth.

SaaS ARR (annual recurring revenues) is defined as the average monthly recurring revenues over the quarter generated in the SaaS model multiplied by 12 (months). See chart below starting first quarter 2022 for graphical details.

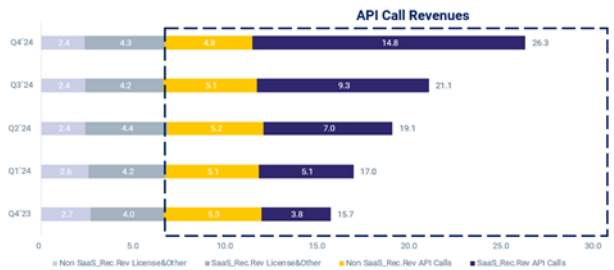
SaaS and Total ARR Quarterly Average (MSEK) + 142% SaaS YoY



The SaaS ARR in the fourth quarter 2024 amounted to 75.1 MSEK, an increase from 31.0 MSEK in the same period 2023, equivalent to a growth of 142%. ARR for total business amounted to 103.9 MSEK in the fourth quarter 2024, an increase from 63.0 MSEK in the same period 2023, equivalent to a growth of 65%. Total ARR in the fourth quarter of 2024 is +24% above recurring revenues on a rolling 12 months, indicating a very strong sales development in the most recent quarters.

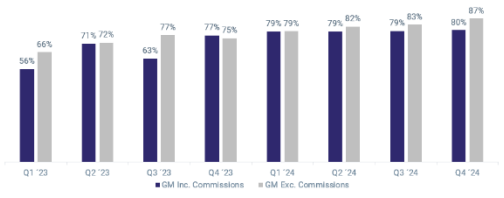
The recurring revenues for the year 2024 amounted to 83.5 MSEK (60.0), equivalent to 99% (99) of net sales and an increase of 39% compared with the same period last year. The usage revenues (Usage and API Calls plus Data Searchable and other revenues derived from usage of the Platform) for the year 2024 amounted to 56.8 MSEK (34.4), equivalent to 67% (57) of recurring revenues. The SaaS API call revenues in the year 2024 amounted to 36.3 MSEK (15.9) showing in the fourth quarter an unprecedent and strong growth, 14.8 MSEK (3.8), equivalent to an increase of 294% compared with the same period last year. On the graphic below, the development and growth in the recurring revenues by type is highlighted.

Recurring Revenues by Type (MSEK)



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.

Improved Gross Margin % with Higher API Call Volumes



SIGNIFICANT EVENTS AFTER 2024

Directed Share Issue Raises 60 MSEK

On February 5, 2025, the board of directors of Teneo.ai resolved on a directed share issue, partly based on the authorization granted by the annual general meeting on 26 June 2024 of 74,628,848 shares (Tranche 1), and (ii) partly conditional upon approval by an extraordinary general meeting (the “EGM”) of the board's resolution for a directed share issue of 45,371,152 shares (Tranche 2). Tranche 2 was resolved on the EGM on February 27, 2025.

The subscription price in the directed share issue was SEK 0.50 per share and was determined through an accelerated book building procedure carried out by the company’s financial advisor Pareto Securities AB. It was therefore the board of directors’ assessment that the terms for the directed share issue and the subscription price per share reflected prevailing market conditions and investor demand. The directed share issue amounted to 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.

Through the directed share issue, the number of outstanding shares in the company increased by 120,000,000 shares, from 373,144,240 shares to 493,144,240 shares and the share capital increased by SEK 52,688,356.176213, from SEK 163,836,305.185187 to SEK 216,524,661.361400. The directed share issue resulted in a dilution of approximately 24.3 percent of the number of shares and votes in the company based on the number of shares and votes following the directed share issue.

A large number of Swedish and international institutional investors participated in the directed share issue, which was oversubscribed, including existing shareholders Arpeggio AB, Martin Bjäringer, SEB-Stiftelsen and Stockhorn Capital AB as well as new investors including funds managed by Claesson & Anderzén.

Renewals Existing Customers

- Renewal of SaaS agreement with Medtronic, one of the largest medical device companies in the world, incorporating an additional subscription to the existing.
- Renewal of License Agreement with Swisscom for one year.
- Renewal of Global American Tech SaaS agreement.

New Partnerships

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 Modeling 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.

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. 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.

Future Developments, Risks and Uncertainties

Political and Geopolitical Conflicts

The company is not experiencing any direct negative impact due to the current active Political and Geopolitical conflicts. Our company has no operations or customers in conflict zones. Our main business and go to market focus is on the USA, where the group has 100% of investment in a US subsidiary, so we are not at any direct risk derived from the US administration.

Interest Fluctuation

The company interest rate on its existing loan is fixed to a 4% interest rate per and is therefore not exposed to interest fluctuations.

Currency Risk

Our operations involve transactions in multiple currencies, which naturally expose us to exchange rate fluctuations, and with significant sales denominated in USD, a change in SEK/USD rate can have an impact on our reported revenues in SEK.

This exposure primarily affects the presentation of revenues in SEK, with no material impact on cash flow, as operating costs are largely incurred in local currencies as well. While we do not currently employ formal hedging instruments, our exposure is naturally hedged through revenues and expenses in local currencies, as well as prudent financial management. We remain attentive to currency developments and, based on our current exposure and operational structure, we feel comfortable with the associated risk.

Legislation

The company is not experiencing disruption on its operations due to regulatory shifts concerning data privacy, security, or compliance. The company remains vigilant in addressing regulatory modifications prompted by the AI Act.

Technology

Teneo.ai relies on its technology systems and infrastructure in providing its services and solutions to its customers. It relies on that technology remaining in a leading position in the Conversational AI market. There is a risk that the company's business could be interrupted by any damage or the failure of the company's technology or failure to continue to develop the company's technology.

Markets

The Conversational AI market is fragmented and highly competitive. Some of Teneo.ai's competitors have greater name recognition and significantly greater financial resources and thus may be able to respond more quickly and effectively to new or changing customer demands.

The company depends on its ability to adapt to the rapidly changing market by improving the features and reliability of its Teneo Platform, and by successfully bringing new features to market meet customer demands often against competitors with significantly greater resources available.

Intellectual Property

Teneo.ai is dependent on protecting its intellectual property rights. However, the steps Teneo.ai takes to protect these rights may prevent copying, developing or reverse engineering the company's intellectual property and the company may be required to spend significant resources to continue to monitor and protect those rights. As such, the company may not be able to prevent third parties from infringing upon or misappropriating Teneo.ai's intellectual property.

People

Like any small software company, Teneo.ai is dependent on executives and key personnel with a detailed knowledge of the company and the industry. Identifying and recruiting qualified personnel and training them requires significant time, expenses, and attention. In a highly competitive market, there is also a risk that Teneo.ai may not be able to retain or hire such personnel to the extent necessary. Teneo.ai's business may also be adversely affected. Nevertheless, the company has, during 2025, compensated employees through salary review and has incentive programs in place to retain key employees.

Ownership

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

Number of outstanding shares as of December 31, 2024, amounted to 373,144,240.

	31 DEC 2024	31 DEC 2023
Number of shares at the end of the period	373,144,240	102,429,090
Average number of shares before dilution	304,920,097	87,196,772
Average number of shares after dilution	304,920,097	87,196,772

The average number of shares for 2023 in the 2023 annual report was not correctly stated. See above the correct number of average shares for 2023.

There are no dilutive effects as, due to the current share price as of December 31, 2024, the warrants are out of the money.

The 10 largest shareholders on December 31, 2024, are listed below:

Shareholder	Capital %
Stockhorn Capital AB	18.05%
Sven Härgestam	10.97%
SEB-Stiftelsen	10.74%
Theodor Jeansson Jr.	6.34%
Martin Bjäringer incl. Julnie S.A.	5.09%
Avanza Pension	3.58%
Johan A. Gustavsson incl. AB Couronne	3.07%
Sunhold B.V.	2.15%
Niclas Nyström	2.14%
Staffan Bohman	1.80%
Other Shareholders	36.06%

On March 31, 2025, as a result of the directed share issue, the total number of outstanding shares increased to 493,144,240. As a result, the 10 largest shareholders as of 31st of March 2025 are listed below:

Shareholders	Capital %
Stockhorn Capital AB	16.09%
Sven Härgestam	10.98%
SEB-Stiftelsen	10.74%
Martin Bjäringer incl. Julnie S.A.	7.06%
Theodor Jeansson Jr.	5.46%
Avanza Pension	4.04%
Johan A. Gustavsson incl. AB Couronne	2.33%
Claesson & Anderzén	2.03%
Staffan Bohman	1.77%
Sunhold B.V.	1.62%
Other Shareholders	37.87%

New Warrant Program 2024/2027 Approved

On the Annual General Meeting on June 26, 2024, it was resolved to approve the establishment of Warrant Program 2024/2027 through a directed issue of warrants to the company and approval of transfer of warrants to key persons of the company or its subsidiaries. For each warrant held, the holder shall have the right to subscribe for one (1) new share in the Company. The number of warrants amounts to a maximum of 9,256,786. The subscription price for the warrants is 0.842 SEK.

Outstanding Warrants Per Program and Strike Prices

On December 31, 2024, there were three existing incentive programs. None of the warrant programs have been exercised by the warrant holders on December 31, 2024.

Programs	Number of warrants	Strike Price (SEK)
2020/2025:1	3,900	8.0
2023/2026	11,381,010	1.5
2024/2027	9,256,786	0.842

The 2023/2026 program entitles the warrant holders to subscribe for 23,943,101 new shares, equivalent to a dilutive impact of 4.5% following the directed share issue in the first quarter 2025.

The 2024/2027 program entitles the warrant holders to subscribe for 9,256,786 new shares, equivalent to a dilutive impact of 1.8% following the directed share issue in the first quarter of 2025.

At the current share price, 2020/2025:1 program is not likely to have any dilutive impact.

Commentary to Financial Statements

Income Statement

Net sales for the year 2024 amounted to 84.1 MSEK (60.5), equivalent to an increase of 39% compared to the same period last year. The recurring revenues for the full year 2024 amounted to 83.5 MSEK (60.0), equivalent to 99% (99) of total net sales. A high percentage of recurring revenues of total net sales provides stability and visibility and is the foundation of our SaaS model.

Personnel costs for the full year 2024 amounted to -90.6 MSEK (-88.4), an increase of 2% compared to the same period last year. The increase in personnel costs is due to the reorganization measures carried out by the organization, -8.6 MSEK. Headcount at the end of the year amounted 59 (61) employees.

Depreciation and amortization in the full year 2024 amounted to -20.0 MSEK (-14.2). The increase corresponds to the amortization of the value of the Gecholog product, -4.2 MSEK. Capitalized R&D for the full year period amounted to 24.2 MSEK (20.9). The 16% increase is due to a higher capitalization rate.

Net financial items for 2024 amounted to -9.5 MSEK (14.4).

The interest income and similar items amounted to -14.7 MSEK (35.3) for the full year 2024. The interest expenses and similar items amounted to 14.9 MSEK (15.3), of which, interest cost for the credit facility amounted to -14.5 MSEK for the full year 2024 (of which -10.8 MSEK corresponds to real interest and -3.7 MSEK to the capitalized costs related to the transaction). The interest rate of the credit facility is a 4.00% fixed interest rate, and the credit facility is not payable until maturity in December 2026. The positive impact on interest income in 2023 was the result of the renegotiation of the existing facility agreement, effective date March 2, 2023. Part of this was a reversal of written off interest of 28 MSEK that was materialized accounting wise, without any cash impact and only with a positive P&L impact.

The net financial items were impacted by 6.7 MSEK of unrealized exchange rates differences and -2.0 MSEK are realized exchange rates differences.

Due to the value of accumulated tax losses carried forward there is no tax payable in relation to 2023 and 2024.

Cash Flow, Working Capital and Financial Position

Cash flow from operating activities before changes in working capital in the fourth quarter 2024 amounted to -1.3 MSEK (-8.6) and to -30.6 MSEK (-53.8) for the year 2024.

Adjustments for items not affecting cash flow in the year amounted to 2.8 MSEK (-2.1). They mainly correspond to currency differences from consolidation.

In January 2024, the company received a cash payment of 4.3 MSEK (5.7) from the Spanish Tax Authority following completed R&D review of R&D investments. This is the last year that the company will receive tax refund from the Spanish Tax Authority for performed R&D activities in Spain.

Cash flow from operating activities for the fourth quarter 2024 amounted to -6.6 MSEK (-12.7) and to -40.4 MSEK (-55.6) for the full year 2024.

Cash flow from investing activities amounted to -24.8 MSEK (-21.3) for the full year 2024. They relate mainly to capitalized R&D expenditures. The increase in investing activities is an effect of a higher capitalization rate.

Cash flow from financing activities amounted to 68.5 MSEK (74.0) for the full year 2024. In February 2024, the company received the proceeds from the rights issue of 25.6 MSEK before transactional costs. Costs associated to the transaction amounted to -2.8 MSEK. In June 2024, the company received proceeds from the directed share issue of 50.0 MSEK before transactional costs. Costs associated to the transaction amounted to -3.8 MSEK, paid in the third quarter of 2024.

On February 6, 2025, the company carried out a directed new 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 amounts to SEK 0.50 per share and was determined through an accelerated book building procedure led by Pareto Securities AB.

The company's cash and bank position as of December 31, 2024, amounted to 18.4 MSEK (15.2). Adjusted for 7.3 MSEK payments of receivables customer received in the first quarter 2025 and the planned gross proceeds from the directed issue providing the company with 60 MSEK excluding transactional costs, the cash and bank position would have amounted to 85.7 MSEK.

With the measures mentioned above, the board of directors is of the opinion that the liquidity needs of the group have been adequately met. It is the board of directors' assessment that the existing working capital is sufficient for continued operations and growth according to the current plan.

Financial Overview

The following are the developments in the Group during the last three years.

KEY RATIOS KSEK	2024	2023	2022
Net sales	84,142	60,543	45,678
Recurring Revenues	83,511	59,972	40,678
Usage Revenue	56,773	34,433	17,368
ARR, MSEK	103,9	63.0	47.9
SaaS ARR, MSEK	75.1	31.0	24.9
SaaS API Calls Revenues	36,329	15,881	6,434
SaaS API Call Volumes (Million)	60.3	18.1	13.2
NRR %	135%	145%	123%
Gross Margin %	79%	67%	55%
Gross margin % (excl. commission)	83%	72%	59%
Adjusted EBITDA	-22,281	-50,724	-76,600
Operating result	-55,990	-72,430	-88,890
Result after financial items	-65,522	-58,001	-85,115
Total intangible assets	46,069	39,636	31,912
Cash flow from operating activities before changes in working capital (MSEK)	-30.5	-53.8	-81.5
Total assets	85,562	79,430	88,655
Total equity	-221,346	-220,572	-233,655
Earnings per share before dilution (SEK)(*)	-0.2	-0.6	-13.0
Earnings per share after dilution (SEK)(*)	-0.2	-0.6	-13.0
Solidity	-259%	-278%	-264%
Average no. of employees	60	67	68

(*) The existing warrants are out of the money, so following K3, no dilutive effect is calculated.

Proposal for the Treatment of the Unappropriated Earnings

The Group

The Group's non-restricted equity amounts to -385,182,086 SEK of which -65,521,697 SEK are loss for the current year.

The Parent Company

The following are available for appropriation at the annual general meeting:

SEK	2024
Share premium reserve	1,399,954,490
Other equity	-1,339,653,696
Result for the year	-15,227,822
	45,072,972

The board proposes that the following be carried forward	45,072,972
	45,072,972

Please refer to the following income statements, balance sheets, change in equity, cash flow statements and additional information regarding the parent company's and the Group's losses and financial position in general. All amounts are in thousand Swedish Krona (SEK) unless otherwise indicated.

Consolidated Income Statement

KSEK	Note	1 JAN 2024 – 31 DEC 2024	1 JAN 2023 – 31 DEC 2023
Operating income			
Net sales	3	84,142	60,534
Capitalized amount for own accounts	10	24,243	20,944
Other operating income	3	2,111	-1,170
Total operating income		**110,496**	**80,308**
Operating expenses			
Other external costs	4, 5	-55,896	-50,112
Personnel costs	6	-90,612	-88,419
Depreciation and amortization of fixed assets	10, 11	-19,978	-14,204
Other operating expenses		-	-2
Operating result		**-55,990**	**-72,430**
Result from financial items			
Interest income and similar items	7	14,737	35,292
Interest expenses and similar items	8	-24,269	-20,866
Result after financial items		**-65,522**	**-58,001**
Tax on profit for the year		-	-
NET RESULT FOR THE YEAR		**-65,522**	**-58,001**

Consolidated Balance Sheet

KSEK	Note	31 DEC 2024	31 DEC 2023
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for product development	10	46,069	39,636
Total intangible assets		**46,069**	**39,636**
Tangible assets			
Equipment, furniture, and fittings	11	591	637
Total tangible assets		**591**	**637**
Total fixed assets		**46,660**	**40,274**
Other non-current receivables		1,139	1,066
Total non-current assets		**47,800**	**41,340**
Current assets			
Tax receivable		-	4,649
Accounts receivable		7,282	9,813
Other receivables		1,746	2,201
Prepaid expenses and accrued income	14	10,303	6,219
Total current assets		**19,331**	**22,882**
Cash and bank balances		**18,431**	**15,208**
TOTAL ASSETS		**85,562**	**79,430**

Consolidated Balance Sheet

KSEK	Note	31 DEC 2024	31 DEC 2023
EQUITY AND LIABILITIES			
Equity	17		
Share capital		163,836	119,096
Other contributed capital		1,399,955	1,376,104
Other equity including result of the year		-1,785,137	-1,715,772
Total equity		**-221,346**	**-220,572**
Long-term liabilities			
Liabilities to other lenders	15	264,787	250,453
Total Long-term liabilities		**264,787**	**250,453**
Current liabilities			
Accounts payable – trade		5,612	8,164
Income tax liability		-	742
Other liabilities		3,941	4,240
Accrued expenses and deferred income	16	32,568	36,403
Total current liabilities		**42,120**	**49,549**
TOTAL EQUITY AND LIABILITIES		**85,562**	**79,430**

Consolidated Change in Equity

KSEK	Share Capital	Other Contributed Capital	Other Equity Including Result of the Year	Total Equity
Balance brought forward	**119,096**	**1,376,104**	**-1,715,772**	**-220,572**
Reduction of share capital	-118,596	-	118,596	**-**
Bonus Issue	118,596	-	-118,596	**-**
New share issue	44,740	30,867	-	**75,607**
Warrant premiums	-	-	2	**2**
Transaction costs	-	-7,016	-	**-7,016**
Loss for the year	-	-	-65,522	**-65,522**
Translation difference	-	-	-3,844	**-3,844**
Balance Carried Forward	**163,836**	**1,399,955**	**-1,785,137**	**-221,346**

Consolidated Cash Flow Statement

KSEK	Note	1 JAN 2024 - 31 DEC 2024	1 JAN 2023 - 31 DEC 2023
Operating Activities			
Operating Loss		-55,990	-72,430
Items not affecting Cash Flows			
Depreciation/amortization on assets		19,978	14,204
Other Adjustments	21	2,817	-2,099
Items affecting Cash Flows			
Interest Paid and received		-1,720	1,092
Taxation paid and received		4,364	5,416
Cash flow from operating activities before changes in working capital		**-30,551**	**-53,816**
Changes in Working Capital:			
Increase (-)/Decrease (+) of operating receivables		-1,171	3,965
Increase (+)/Decrease (-) of operating liabilities		-8,691	-5,777
Cash flow from operating activities		**-40,413**	**-55,628**
Investing activities			
Payments to acquire tangible fixed assets		-350	-105
Payments to acquire intangible fixed assets		-24,487	-21,211
Cash flow from investing activities		**-24,837**	**-21,316**
Financing activities			
New share issue		75,607	95,859
Cost of new share issue		-7,016	-22,110
Other changes in financing activities		-	204
Cash flow from financing activities		**68,473**	**73,954**
Net change in cash and cash equivalents		**3,223**	**-2,990**
Cash and cash equivalents beginning of the period		15,208	18,198
Cash and cash equivalents end of the period		**18,431**	**15,208**

Parent Company Income Statement

KSEK	Note	1 JAN 2024 - 31 DEC 2024	1 JAN 2023 - 31 DEC 2023
Operating income			
Net sales		1,640	1,550
Other operating income		8,370	7,908
Total operating income	3	**10,010**	**9,458**
Operating expenses			
Other external costs	4,5	-17,875	-17,419
Personnel costs	6	-	-
Depreciation and amortization on fixed assets		-31	-
Operating result		**-7,896**	**-7,961**
Result from financial items			
Interest income and similar items	7	7,748	36,469
Interest expenses and similar items	8	- 15,080	-14,999
Result from credits and shares in group companies	9	-	-58,000
Loss after financial items		**-15,228**	**-44,491**
Result before tax		**-15,228**	**-44,491**
Tax on result for the year		-	-
RESULT FOR THE YEAR		**-15,228**	**-44,491**

Parent Company Balance Sheet

KSEK	Note	31 DEC 2024	31 DEC 2023
ASSETS			
Fixed assets			
Intangible Assets	10	240	-
Total Intangible Assets		**240**	**-**
Financial assets			
Participations in Group companies	12	283,634	283,634
Receivables from Group companies	13	181,946	115,825
Other non-current receivables		-	2
Total Financial assets		**465,580**	**399,461**
Total non-current assets		**465,820**	**399,461**
Current assets			
Current receivables			
Other receivables		1,137	1,644
Prepaid expenses and accrued income	14	962	1,133
Total current receivables		**2,099**	**2,777**
Cash and bank balances		**12,831**	**11,802**
Total current assets		**14,930**	**14,580**
TOTAL ASSETS		**480,751**	**414,041**

Parent Company Balance Sheet

KSEK	Note	31 DEC 2024	31 DEC 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	17	163,836	119,096
Total restricted equity		**163,836**	**119,096**
Non-restricted equity			
Share premium reserve	17	1,399,954	1,376,104
Other equity		-1,339,654	-1,295,165
Result for the year		-15,228	-44,491
Total non-restricted equity		**45,073**	**36,448**
Total equity		**208,909**	**155,544**
Long-term liabilities			
Liabilities to other lenders	15	264,787	250,453
Total Long-term liabilities		**264,787**	**250,453**
Current liabilities			
Accounts payable – trade		2,611	4,636
Liabilities to Group companies		1,109	1,016
Other liabilities		125	131
Accrued expenses and deferred income	16	3,209	2,261
Total current liabilities		**7,054**	**8,043**
TOTAL EQUITY AND LIABILITIES		**480,751**	**414,041**

Parent Company Change in Equity

KSEK	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER EQUITY	RESULT FOR THE YEAR	TOTAL EQUITY
Amount brought forward	**119,096**	**1,376,104**	**-1,295,165**	**-44,491**	**155,544**
Transmission of previous year's	-	-	-44,491	44,491	**-**
Reduction of share capital	-118,596	-	118,596	-	**-**
Bonus Issue	118,596	-	-118,596	-	**-**
New Share Issue	44,740	30,867	-	-	**75,607**
Warrant premiums	-	-	2	-	**2**
Transaction costs	-	-7,016	-	-	**-7,016**
Result for the year	-	-	-	-15,228	**-15,228**
Balance carried forward	**163,836**	**1,399,954**	**-1,339,654**	**-15,228**	**208,909**

Parent Company Cash Flow Statement

MSEK	Note	1 JAN 2024 - 31 DEC 2024	1 JAN 2023 - 31 DEC2023
Operating Activities			
Operating Result		-7,896	-7,961
Items not affecting Cash Flows			
Depreciation/amortization on assets		31	-
Other Adjustments	21	2	-393
Other items affecting Cash Flows			
Interest paid and received		852	748
Taxation paid and received		-265	-3
Cash flow from operating activities before changes in working capital		**-7,276**	**-7,609**
Changes in Working Capital:			
Increase (-)/Decrease (+) of operating receivables		-58,892	-64075
Increase (+)/Decrease (-) of operating liabilities		-1,124	-587
Cash flow from operating activities		**-67,293**	**-72,270**
Investing activities			
Payments to acquire intangible fixed assets		-269	-2
Cash flow from investing activities		**-269**	**-2**
Financing activities			
New share issue		75,607	95,859
Cost of new share issue		-7,016	-22,110
Cash flow from financing activities		**68,591**	**73,749**
Net change in cash and cash equivalents		**1,029**	**1,476**
Cash and cash equivalents beginning of the period		11,802	10,326
Cash and cash equivalents end of the period		**12,831**	**11,802**

Notes and Disclosures

Note 1. Accounting Principles

General Information

The annual report and the consolidated accounts are in accordance with 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 as compared to the previous year.

Consolidated Accounts

The consolidated financial statements, formed by the parent company and all subsidiaries, cover all the operations until 31 December 2024. Subsidiaries are all companies in which the group has the power to govern the financial and operating policies as well as to obtain benefits. The group achieves and exercises control by holding the majority of votes. All subsidiaries' reporting date is the 31st of December and apply the parent company's valuation principles.

The consolidated financial statements are presented in Swedish Krona which is also the parent company's reporting currency.

The results of the subsidiaries acquired or disposed during the year are recognized from the date of acquisition to the date of the disposal, as appropriate. All the amounts recognized in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the group's accounting policies.

The group applies the acquisition method of accounting for business combinations, which means that the carrying value of the parent company's shares in group companies are eliminated by offset against the subsidiary's equity at acquisition. Intra-group transactions and balance sheet items are eliminated in their entirety upon consolidation, including unrealized gains and losses between the group companies. In cases where unrealized losses on intra- group assets are reversed upon consolidation, the impairment needs of the underlying asset are also assessed from a group perspective.

Translation of Foreign Subsidiaries' Income Statements and Balance Sheets

The Swedish Krona is the reporting currency of the group as well as for the parent company. The current method is utilized to translate foreign subsidiaries' income statements and balance sheets.

All assets and liabilities in the subsidiaries' balance sheets are thereby calculated using the year end closing day rate, and all items on the income statement at the average annual exchange rate. Exchange rate differences arising from translation of foreign operations are reported in equity.

Equity

Common shares are classified as equity. Transaction costs directly attributable to the issuance of new shares are recognized, net after tax, in equity as a deduction from the issue proceeds.

Warrant programs

The group's incentive programs enable managers, key employees and consultants to acquire shares in the company at vesting period. Swedish employees have paid a market premium for these warrants. The premium received is recognized in equity as transactions with shareholders.

Valuation Principle

Assets, provisions, and liabilities are valued at cost unless otherwise noted below.

Profit & Loss

Translation and Transaction

Sales and purchases in foreign currencies are recorded at the transaction date's spot rate. Any losses or gains (transaction differences) that arises on payment is recorded in the income statement. Outstanding receivables and liabilities in foreign currencies at the balance sheet date are translated to the balance sheet day rate and translation differences are accounted for in the income statement.

Revenue Recognition

Licenses, Support and Maintenance

Private cloud deals are based on term licenses for the use of the Teneo platform. This license gives the customer access to the Teneo Platform and allows the customer to build and, then optionally, host their solution. It is possible for the customer to host multiple solutions, multiple languages, or multiple platforms on a single license. Typically, the licenses are signed for a term of one to three years and the group's experience is that the solutions become embedded in the customers' business. Along with the Term License, Support and Maintenance is also contracted.

Revenues are recognized ratably over the life of the agreement. Whilst the customers' Term license is active, they are entitled to receive any bugs or fixes applied to the Teneo Platform Software as well as being entitled to access and install the latest release of the software. Support and Maintenance cover the Teneo platform only and not the solution or use case that is built upon the platform. In the event that the customer wants their solution maintained, then this is generally covered by a professional services agreement.

Fees are normally due and payable annually in advance.

Usage Fees

Based upon the actual usage of the platform by the end-user customer. Usage can be measured in many ways and is generally related to the business value obtained by the end-user; usage fees therefore form a key element of the Business Model. The more functional the solution, the more use cases addressed, the more languages covered by the solution and the more channels supported for the user to access the solution, then the higher the usage and hence the more revenue to Teneo.ai.

Software as a Service (SaaS) – subscription fees

SaaS cloud-based subscription was introduced as a business and delivery model in the fourth quarter 2020.

Revenues from the SaaS subscription are recognized on a straight-line basis, over the length of the actual subscription period. These revenues are similar to the License Fee for the private cloud y model.

API Calls

In SaaS cloud-based subscriptions, usage is measured through API Calls. Revenues are recognized on an "as delivered" basis. These revenues are similar to the Usage Fees for the private cloud model.

Data, Additional End Points and Extra Seats

The company gets revenues from the Data storage in the cloud, plus additional end points or seats above the ones included on the base subscription. Revenue is recognized monthly upon consumption.

Professional Services and Training

Professional services are no longer in focus for the company, so it is the companies' partners that provide those services. If training is delivered by the company, revenues are recognized after they have been delivered. The value of these services and related revenues are limited in the fiscal years reported.

Capitalized Expenditure for Software Development

Teneo.ai has its own dedicated organization for product research and development, with highly experienced software engineers and computational linguists specializing in natural language development.

Teneo.ai's R&D budget is earmarked primarily for the continuing improvement and enhancement of the Teneo Platform to ensure that the software continues to be the leading software in the market.

Product development is also responsible for the group's patents that protect its technology platform. Patents range from the core Teneo product, through the training, data, and automation of building Conversational AI solutions to the hybrid approach used within the Teneo platform.

Development projects that are of significant value for the group are accounted for as an intangible asset on the balance sheet. An intangible asset for development is recognized when it is technically feasible to complete the asset for use or sale, the intention is to use or sale the asset, it is likely that it will generate future economic benefits and the expenditure attributable to the asset can be measured reliably.

The assets are measured at fully loaded cost of the developers less any subsequent depreciations and impairment. The assets are tested for impairment annually.

The assets are impaired if their carried value exceeds the recoverable amount, which is the higher of value in use and fair value less cost to sell.

Any research cost or any development cost that do not meet the criteria of future economic benefit, remains in the profit and loss account as an expense of its own nature.

Remuneration to Employees

Short-term benefits

Short term benefits to employees, such as salaries, holiday pay and bonuses, are compensations to employees which fall due within 12 months from the balance sheet date in the year in which the employee earned compensation.

Short-term compensation is valued at the undiscounted amount that the company is expected to pay as a result of the unused rights.

Remuneration After Termination of Employment

The company provides post-employment benefits in the form of pensions through various defined benefits and defined contribution plans.

Defined Contribution Pension Plans

The company pays established fees to other legal entities regarding several government plans and insurances for individual employees. The company has no legal or informal obligations to pay additional fees in addition to payments of the determined fee which is reported as an expense in the period in which its relevant service is performed.

Borrowing Expenses

Issue expenses and borrowing expenses other than interest are reported as a correction of the loan's acquisition value and are accrued as part of the loan's interest expenses according to the effective interest method.

Interest Revenue

Interest income is recognized as it is earned. Interest income is calculated based on the underlying asset’s return according to the effective interest method.

Taxation

Taxation consists of current and deferred taxation. Current taxation is income tax that is to be paid or received related to the financial period. Deferred tax refers to temporary timing differences in tax assets and liabilities that will be paid in the future. There are no substantial deferred tax liabilities and tax receivables.

Deferred tax receivables are recognized only to the extent that they are expected to be recovered within the foreseeable future. No deferred tax receivables have been accounted for. The Parent Company and the Group have chosen not to capitalize deferred tax on tax losses.

Balance Sheet

Fixed Assets

Tangible and intangible fixed assets are initially recognized at cost and subsequently at cost less depreciation and impairment. These assets are amortized over their useful lives which have been assessed as follows:

Capitalized expenditure for software development	5 years
Other intangible assets: Equipment, furniture, and fitting	4 years

A fixed asset is removed from the balance sheet in the event of scrapping or divestment or when no future economic benefits are expected from the use, scrapping or disposal of the asset.

Financial Assets

Shares in subsidiaries are measured at cost, less than any subsequent impairment. Holdings in subsidiaries are tested annually for impairment.

Financial assets are removed from the balance sheet when the obligations have been settled or otherwise discontinued.

Financial Instruments

Financial instruments that are reported in the balance sheet include accounts receivable and other receivables, investments, accounts payable, and loan liabilities.

The financial debt is removed from the balance sheet when the obligations have been settled or otherwise discontinued.

Accounts receivable and other receivables are valued at acquisition value less feared losses.

Financial investments are initially recognized at cost and subsequently at cost less impairment.

Loan liabilities and accounts payables are initially reported at acquisition value after deduction of transaction costs.

Cash Flow

Cash Flow Analysis

The cash flow statement has been prepared using the indirect method whereby adjustments have been made for transactions that have not resulted in cash inflows and outflows.

Cash and cash equivalents include cash, bank balances and short-term investments with a remaining term of less than three months from the acquisition date.

Note 2. Estimates and Judgements

The preparation of these financial statements and the application of accounting policies has been based on assessments, estimates and assumptions that are reasonable at the time the assessments are made.

These estimates are based on historical experience and various other factors that are reasonable under the circumstances. The results of these are used to assess the carrying values of assets and liabilities, which are not otherwise apparent from other sources. The actual outcome may differ from these estimates. Estimates and assumptions are reviewed regularly.

Management has assessed the application of accounting principles and identified sources of uncertainty in estimates, principally related to the value of Intangible assets and the future revenue streams likely to be generated from subscription and API call revenues under the SaaS business model. In arriving at these assessments, management has carefully assessed risks and opportunities on existing and future customer contracts, independent valuations of the group patent portfolio, as well as transactions involving similar companies.

The nature and timing of these agreements remains subject to uncertainty.

The forecasts for future cash flows are based on management's best estimates of future revenues and expenses. Several assumptions and estimates have significant impact on these calculations and include parameters like macroeconomic assumptions, market growth, available technology, business volumes, margins, and cost effectiveness. Changes to any of these or other key parameters can influence the forecasted cash flow and the Group's ability to support the book value of shares held in subsidiaries. Under current market conditions no such adverse changes are anticipated but may do so in subsequent periods.

The management considers that sufficient funds will be available to support the ongoing development of the solutions and the continuing sales cycles to fund the business. Furthermore, the company and its board of directors continuously review the possibility of strengthening the balance sheet and liquidity when market conditions are favorable. As a company undergoing strong growth, it is always an advantage to be well financed.

Note 3. Net Sales and Other Operating Income

Net Sales Split By Geographical Market

KSEK	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Europe and rest of the world	31,700	31,073	1,640	1,550
USA	52,442	29,461	-	-
Total Net Sales	**84,142**	**60,534**	**1,640**	**1,550**
Other operating income	2,111	-1,170	8,370	7,908

Other operating income in 2024 in the parent company, refers mainly to revenues from services delivered to group companies and amounted to 8,370 KSEK (7,908).

In 2022, Artificial Solutions Iberia S.L. received confirmation that its application for a tax refund in respect of R&D work performed in 2021, in accordance with the Spanish law “Ley del Impuesto de Sociedades, art. 35 “, was approved. As such, the group recognized the tax refund as Other Operating Income of 5,754 KSEK in the 2022 accounts. The amount the company was eligible to was 1.3 MSEK lower and therefore adjusted the accounts in 2023. This causes the negative Other operating income of 1,170 KSEK in 2023 for the group.

Sales and Purchases Between Parent Company and Other Group Companies

SALES & PURCHASES GROUP COMPANIES	SALES		PURCHASES	
	2024	2023	2024	2023
Artificial Solutions Iberia SL	7,842	3,609	1,109	1,016
Teneo.AI Inc	528	4,299	-	-
Total	**8,370**	**7,908**	**1,109**	**1,016**

Refer to the note 7 for financial charges between the parent company and its subsidiaries.

Note 4. Other External Costs. Leasing Commitments

During 2024 the group's payments due to leasing commitments amounted to 1,548 KSEK (1,855). There were no payments for leasing commitments in the parent company.

FUTURE MINIMUM LEASE PAYMENTS AMOUNT TO:	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
- within one year	1,276	1,373	-	-
- later than one year but within five years	97	889	-	-
- later than five years	-	-	-	-
Total	**1,373**	**2,262**	**-**	**-**

Even though the company is not legally bound by rental contracts for the next years, the company's future leasing commitments may be slightly higher than the reported 2024 numbers.

Note 5. Other External Costs. Auditors' Fees

KSEK	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Grant Thornton				
Audit engagement	533	584	533	584
Tax consultancy	518	306	271	273
Other services	-	-	-	-
Others				
Audit costs	1,644	677	1,623	9
Total	**2,695**	**1,567**	**2,426**	**866**

The group is ISO 27001 certified and SOC2 Type II asserted. As part of the certification processes, the group has assumed 1.6 MSEK of audit costs associated to successfully accomplish full ISO 27001 certification and SOC 2 Type II assertion, showcasing assurance to compliance, security and reliability.

Note 6. Personnel Costs. Average Number of Employees, Salaries, Other Remunerations and Social Security Charges

AVERAGE NO. OF EMPLOYEES	2024 AVERAGE NUMBER OF EMPLOYEES	WHEREOF FEMALE	2023 AVERAGE NUMBER OF EMPLOYEES	WHEREOF FEMALE
Parent company				
Teneo AI AB	-	-	-	-
Total in parent company	**-**	**-**	**-**	**-**
Subsidiaries				
Germany	0	0%	1	0%
Spain	41	43%	47	41%
Sweden	14	22%	15	23%
United States of America	4	26%	4	0%
Total in subsidiaries	**59**	**37%**	**67**	**34%**

On December 31, 2024, the management team was composed by three men and two women, same as previous year. CEO and CFO are senior members of the management team and PDMR people.

SALARIES, REMUNERATIONS, ETC	2024 SALARIES AND OTHER REMUNERATIONS	SOC. COSTS (OF WHICH PENSIONS)	2023 SALARIES AND OTHER REMUNERATIONS	SOC. COSTS (OF WHICH PENSIONS)
Parent company				
Subsidiaries	65,619	22,913	64,540	21,690
		(5,277)		(4,575)

Of the total personnel costs in 2024, 18,359 KSEK (18,880) have been capitalized as development expenditures.

SALARIES AND OTHER REMUNERATIONS ALLOCATED BY COUNTRY AND SPLIT BETWEEN MANAGEMENT AND OTHER EMPLOYEES	2024		2023	
	MANAGEMENT TEAM AND CEO (OF WHICH BONUS, ETC)	OTHER EMPLOYEES (OF WHICH BONUS, ETC)	MANAGEMENT TEAM AND CEO (OF WHICH BONUS, ETC)	OTHER EMPLOYEES (OF WHICH BONUS, ETC)
Parent Company				
Sweden				
Total in parent				
Subsidiaries in Sweden	14,593	11,487	13,964	8,187
Foreign Subsidiaries				
Germany	-	-	-	898
Spain	849	31,902	-	31,945
United States of America	-	6,788	-	9,545
Total in subsidiaries	**15,442**	**50,177**	**13,964**	**50,576**
	(1,567)	(31)	(2,545)	(182)

A total of 3,604 KSEK (3,356) of the Swedish subsidiary's pensions costs refer to the CEO and management team.

KSEK	POSITION	SALARIES AND OTHERREMUNERATIONS (OF WHICH BONUS, PENSION ETC…)	
		2024	2023
Per Ottosson	CEO	6,351	6,413
		(2,393)	(2,608)

Remuneration to the Chief Executive Officer

The employment contract between the company and the CEO has been entered on an indefinite basis. Remuneration of the CEO is set by the board's remuneration committee. The CEO employment contract has a mutual notice period of six months with a continued obligation to work. Notice period shall be given in writing.

Warrant Program Chief Executive Officer, Management Team and Other Employees

POSITION	TOTAL LIABILITY LINKED TO OUTSTANDING OPTION PROGRAMS (OF WHICH PERSONNEL COST)	
	2024	2023
CEO	66	66
Other Management team	119	119
Other Employees & Former employees	5,288	5,287
	5,473	**5,472**
	-	-

Non-Swedish residents warrant holders do not have to pay a market-based warrant premium and the warrants therefore constitute a benefit. Consequently, the company would recognize the associated warrant costs as personnel costs. The warrant programs are not in the money, so no costs associated have been booked in the fiscal year 2024.

Remuneration to the Members of the Board Of Directors & Audit Committee

At the Annual General Meeting held on June 26, 2024, it was resolved, in accordance with the nomination committee's proposal that board remuneration to be paid to the board of directors shall amount to SEK 500,000 to the chairman of the board and SEK 250,000 to each one of the other board directors elected by the meeting. It was further resolved, in accordance with the nomination committee's proposal, that remuneration to members of the audit committee to be paid with SEK 100,000 to the chairman of the audit committee and SEK 50,000 to each other member of the audit committee.

The table below sets forth the remunerations to the board members (5 members on December 31, 2024, whereof two women):

NAME	ELECTION YEAR	BORN	POSITION	2024	2023
Johan Gustavsson	2019	1963	Chair of the board	475	325
Lars Roth	2023	1977	Board member	275	125
Mathias Bjorkholm	2023	1972	Board member	250	125
Sara Kullgren	2024	1967	Board member	125	-
Inna Kaushan	2024	1983	Board member	-	-
Asa Hedin	2019	1962	Board member until June 2024	325	625
Paul St John	2022	1967	Board member until June 2024	-	-
Vesna Lindkvist	2021	1976	Board member until June 2023	-	150
Total				**1,450**	**1,350**

Note 7. Interest Income & Similar Items

	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Interest income	735	763	7,002	8,118
Reversal of interest costs from renegotiated PIK loan	-	28,160	-	28,160
Exchange rate gains	14,002	6,369	746	191
Other financial income	-	-	-	-
Total	**14,737**	**35,292**	**7,748**	**36,469**

On December 2022, the parent company and the lender of the 250 MSEK facility agreement, Capital Four, signed a binding amendment and restatement agreement regarding the facility agreement. In February 2023, the renegotiation of the amendment of the credit facility, which was done in connection with the rights issue, was completed. The restated facility agreement became effective on March 2, 2023. According to the new terms for the facility agreement, all accrued interest, corresponding to approximately 28 MSEK, were written off and the yearly interest rate onwards adjusted down to a fixed 4.00 % interest rate. These adjustments had a positive impact on the financial result in 2023.

In the parent company, 6,323 KSEK (7,413) of interest income comes from interest charged to group companies. The reduction on the interest charged is the result of the conversion into equity of the part of the existing debt between the two entities.

Note 8. Interest Expenses and Similar Items

	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Interest expenses and similar items	14,895	15,322	14,452	14,943
Exchange rate losses	9,373	5,544	628	56
Total	**24,269**	**20,866**	**15,080**	**14,999**

Interest expenses and similar expenses for the group 2024 amounted to 14,895 KSEK (15,322) and refer mainly to interest from credit institutions. In the parent company, 14,452 KSEK of interest expenses come from the PIK loan, of which -10,754 KSEK interest expenses from the 250 MSEK credit facility carrying a PIK interest at 4.00% and -3,697 KSEK are capitalized transaction costs associated from applying the effective cost interest method.

Note 9. Result From Credits and Shares in Group Companies

	PARENT COMPANY	
	2024	2023
Impairment of shares in subsidiaries	-58,000	-287,000
Provision for receivables in subsidiaries	58,000	229,000
Total	**-**	**-58,000**

In 2023, the board evaluated the valuation of liabilities provided to the subsidiary where an assessment was made of the need for impairment. As a result, a provision of the 58,000 KSEK receivable against Artificial Solutions Holding ASH AB was made as of the balance sheet date. In the first quarter of 2024, the parent company decided to contribute Artificial Solutions Holding ASH AB´s equity by way of setting off part of the existing liabilities in an amount of 58,000 KSEK. Thus, the provision was reversed, and the investment in the participation of the group was impaired and written down.

Given the strong development of the company and prosperous foreseeable future, having done the corresponding impairment test, it has been the board of directors' assessment that the investment on the group companies is at reasonable value, so no corrections to corresponding assets value have been made in 2024.

Note 10. Intangible Assets

LICENSES & IP RIGHTS	THE GROUP 2024	THE GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Acquisition value b/f	*20,403*	*20,354*	-	-
Purchases	250	74	250	-
Disposals	-	-	-	-
Exchange rate adjustments	347	-24	-	-
Accumulated acquisition values c/f	*21,000*	*20,403*	*250*	-
Amortization b/f	*-20,113*	*-19,807*	-	-
Depreciations and amortizations for the year	-109	-339	-10	-
Disposals	-	-	-	-
Exchange rate adjustments	-337	33	-	-
Accumulated amortization c/f	*-20,559*	*-20,113*	*-10*	-
Residual value acc. to plan c/f	**431**	**291**	**240**	-

CAPITALIZED EXPENDITURE FOR DEVELOPMENT	THE GROUP 2024	THE GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Acquisition value b/f	*177,670*	*156,888*	-	-
Purchases	24,243	20,944	-	-
Disposals	-220	-	-	-
Impairment	-4,188	-	-	-
Exchange rate adjustments	5,909	-162	-	-
Accumulated acquisition values c/f	*203,414*	*177,670*	-	-
Amortization b/f	*-138,325*	*-125,524*	-	-
Depreciations and amortizations for the year	-15,047	*-13,467*	-	-
Disposals	-220	-	-	-
Exchange rate adjustments	-4,403	666	-	-
Accumulated amortization c/f	*-157,775*	*-138,325*	-	-
Residual value acc. to plan c/f	**45,639**	**39,346**	**-**	**-**

TOTAL INTANGIBLE ASSETS	THE GROUP 2024	THE GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
Net book value intangible assets	**46,069**	**39,636**	**240**	**-**

Note 11. Equipment, Furniture and Fittings

	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Acquisition value b/f	*3,512*	*3,520*	-	-
Purchases	350	105	-	-
Disposals	-1,303	-134	-	-
Exchange rate adjustments	116	20	-	-
Accumulated acquisition values c/f	*2,676*	*3,512*	-	-
Depreciation b/f	*-2,874*	*-2,589*	-	-
Depreciation for the year	-319	-398	-	-
Disposals	1,208	128	-	-
Exchange rate adjustments	-99	-15	-	-
Accumulated depreciation c/f	*-2,085*	*-2,874*	-	-
Net book value carried forward	**591**	**637**	**-**	**-**

Note 12. Participations in Group Companies

INVESTMENT IN GROUP COMPANIES	PARENT COMPANY 2024	2023
Acquisition value b/f	1,527,184	*1,239,974*
Capital contributions to subsidiaries	58,000	287,210
Accumulated acquisition values c/f	*1,585,184*	*1,527,184*
Impairment value b/f	*-1,243,550*	*-956,550*
Impairment losses recognized	-58,000	-287,000
Accumulated impairment c/f	*-1,301,550*	*-1,243,550*
Residual value acc. to plan c/f	**283,634**	**283,634**

COMPANY NAME	CORP. ID.NO.	DOMICILE	EQUITY	PROFIT/LOSS THIS YEAR
Artificial Solutions B.V.	34162309	Netherlands	-161,325	-47,050
Teneo AI EMEA AB	556256-4657	Sweden	88,254	36,789
Artificial Solutions Holding ASH AB	556734-1556	Sweden	168,895	7,403
Artificial Solutions Iberia SL	B62059068	Spain	349	-35,682
Artificial Solutions Germany GmbH	HRB162917	Germany	142	-330
Teneo AI Inc	98-1119596	United States	110	-11,131

COMPANY NAME	NO. OF PARTICIPANTS	SHARE OF EQUITY %	BOOK VALUE
Artificial Solutions B.V.	200	100%	
Teneo AI EMEA AB	1,000	100%	
Artificial Solutions Holding ASH AB	3,646,109	100%	283,634
Artificial Solutions Iberia SL	500	100%	
Artificial Solutions Germany GmbH	1	100%	
Teneo AI Inc	1,000	100%	
			283,634

The companies on the group have contributed on equity to their subsidiaries through shareholder contributions by way of set off of existing group liabilities:

FROM	TO	2024	2023
Teneo AI AB	Artificial Solutions Holding ASH AB	58,000	287,000
Artificial Solutions Holding ASH AB	Artificial Solutions B.V.	-	44,746
Artificial Solutions B.V.	Teneo.AI EMEA AB	-	22,714
Artificial Solutions B.V.	Artificial Solutions Iberia SL	23,594	52,715
Artificial Solutions B.V.	Artificial Solutions Germany GmbH	-	8,988
Teneo AI EMEA AB	Teneo AI Inc	9,952	9,581

As disclosed in Note 9, in 2024, Teneo AI AB impaired the value of its investment in Artificial Solutions Holding ASH AB by 58,000 KSEK by way of setting off part of the existing debt. The impairment does not have any impact on the profit and loss account due to the reversal of existing provision as uncollectable receivable done by the same value in 2023 fiscal year.

On December 9, 2020, the company communicated its decision to streamline its legal structure with fewer subsidiaries to fit the new SaaS business and delivery model and organization. The main objective of these activities was to reduce our operating costs as well as simplifying our operations. Following the decision, in the fourth quarter of 2023, Artificial Solutions Germany GmbH entered into a voluntary liquidation process. Existing customer agreements were transferred to Teneo AI EMEA AB. It is the company expectation to fully complete the voluntary liquidation before the end of the year 2025.

Note 13. Receivables From Group Companies

RECEIVABLES FROM GROUP COMPANIES	PARENT COMPANY 2024	2023
Accumulated acquisition value		
Accumulated cost b/f	*173,825*	*389,527*
Additional receivables	167,730	102,898
Settlement of receivables	-159,609	-318,600
Accumulated cost c/f	*181,946*	*173,825*
Accumulated impairment losses		
Accumulated provisions b/f	-58,000	*-287,000*
Reversal of provisions during the year	58,000	287,000
Provisions during the year	-	-58,000
Accumulated write downs c/f	-	*-58,000*
Net book value carried forward	**181,946**	**115,825**

Note 14. Prepaid Expenses and Accrued Income

	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Prepaid rent	6	6	-	-
Prepaid Insurance	705	630	567	504
Prepaid Licenses	872	824	173	131
Accrued Financial Cost	117	115	117	115
Accrued Income	6,700	1,742	-	-
Other items	1,903	2,902	105	383
Total	**10,303**	**6,219**	**962**	**1,133**

The increase in item accrued income, 6,700 KSEK (1,742), is due to the higher level of consumption from customers billable in arrears after month ends.

Note 15. Liabilities to Other Lenders

	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Long-term liabilities				
Principal	250,000	250,000	250,000	250,000
Capitalized Interest	21,945	11,191	21,945	11,191
Transaction Costs	-7,158	-10,738	-7,158	-10,738
Total interest-bearing liabilities	**264,787**	**250,453**	**264,787**	**250,453**

In December 2021, the parent company entered into a 5-year credit facility agreement of 250 MSEK with Capital Four. The interest rate was STIBOR + 9.5%. In December 2022, the company and the lender signed a binding amendment and restatement agreement regarding the facility agreement. In February 2023, the renegotiation of the amendment of the credit facility, which was done in connection with the rights issue, was completed. The restated facility agreement became effective on March 2, 2023. According to the new terms for the facility agreement, all accrued interest, corresponding to approximately 28 MSEK, was written off and the yearly interest rate onwards is adjusted down to a fixed of 4.00 % interest rate per annum. Interest is calculated on a quarterly basis and is capitalized and accumulate until maturity of the credit, on December 22, 2026. The credit facility carries customary covenants for a PIK loan, including a quarterly minimum liquidity covenant of 30 MSEK exit quarter, starting in the first quarter of 2025, and a revenue covenant of 75 MSEK for the full year 2025.

Note 16. Accrued Expenses and Deferred Income

	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Accrued compensation incl. social charges	12,640	10,909	110	121
Deferred income	15,470	21,660	523	497
Other items	4,458	3,833	2,577	1,643
Total	**32,568**	**36,403**	**3,209**	**2,261**

Note 17. Change in Equity

Proposal for the treatment of the unappropriated earnings

The Group

The group's non-restricted equity amounted to -385,182,086 SEK of which -65,521,698 SEK are losses for the current year.

The Parent Company

SEK	2024
Share premium reserve	1,399,954,490
Other equity	-1,339,653,696
Result for the year	-15,227,822
	45,072,972

The board proposes that the following be carried forward	45,072,972
	45,072,972

On January 15, 2024, at the Extraordinary General Meeting, it was resolved to reduce the company's share capital by SEK 118,596,008.371676. The reduction was made without cancellation of shares. The reduction amount was allocated as non-restricted equity. The reduction was made in order to reduce the quota value of the shares to enable the issuance of shares. Following the reduction, the company's share capital amounted to SEK 500,000 divided between 102,429,090 shares in total (prior to the new issuance of shares), each share having a quota value of SEK 0.004881.

On January 15, 2024, through Extraordinary General Meeting, it was resolved to approve the board of directors resolution from December 13, 2023 on a new issue of a maximum of 170,715,150 shares, entailing a maximum increase of the share capital of SEK 833,333.333333 and to approve a bonus issue, without issuance of shares, to increase the share capital by SEK 118,596,008.371676, from SEK 833,333.333333 to SEK 119,929,341.705009.

The increase of the share capital through the bonus issue was carried out through a transfer of the relevant amount from unrestricted equity.

The 15th of January 2024, through Extraordinary General Meeting approved the Board of Directors' resolution of 13 December 2023 on a rights issue of not more than 170,715,150 shares with preferential rights for the Company's existing shareholders with a subscription price of SEK 0.15 per share and 17 January 2024 as record date. Through the Rights Issue, the number of shares in the Company increased by 170,715,150 to 273,144,240.

The 19th of June 2024, the Board of Directors resolved on a Directed Share Issue, pursuant to the authorization granted to the Board of Directors by the annual general meeting on 27 June 2023. The subscription price in the Directed Share Issue was SEK 0.50 per share and was determined through an accelerated book building procedure carried out by the Company's financial advisor Pareto Securities. It was therefore the Board of Directors' assessment that the terms for the Directed Share Issue and the subscription price per share reflected prevailing market conditions and investor demand. The subscription price per share in the Directed Share Issue constituted a discount of approximately 24.2 percent compared to the closing price on Nasdaq First North Growth Market on 19 June 2024 and a discount of approximately 10.4 percent in relation to the volume-weighted average trading price of SEK 0.55799 during the period from and including 5 February 2024 (which was the date on which the Company carried out its latest rights issue) until and including 19 June 2024. Through the Directed share issue the Company received SEK 50 million before deduction of transaction costs. Through the Directed share issue, the number of outstanding shares in the Company increased by 100,000,000 shares, from 273,144,240 shares to 373,144,240 shares and the share capital increased by SEK 43,906,963.480178, from SEK 119,929,341.705009 to SEK 163,836,305.185187. The Directed share issue entailed a dilution of approximately 26.8 percent of the number of shares and votes in the Company based on the number of shares and votes following the Directed share issue.

All shares have been fully paid and are freely transferable.

After the Directed share issue on February 5th, 2025, disclosed in note 22 for post balance events, the company undertook, subject to customary exceptions, not to issue additional shares for a period of six months.

Note 18. Warrant programs

	2024		2023	
	Average strike-price per warrant	Number of warrants	Average strike-price per warrant	Number of warrants
Outstanding per January 1st	**14.89**	**12,692**	**18.78**	**2,505**
Allotted	1.18	1,967	3.20	10,189
Forfeited	1.52	1,660	18.78	-2
Redeemed	1.52	-1,660	-	-
Expired	11.56	-2,499	-	-
Outstanding per December 31st	**3.45**	**12,161**	**14.89**	**12,692**

New Incentive Programs

The Annual General Meeting on June 26, 2024, resolved, in accordance with the board of directors' proposal, on establishment of Warrant Program 2024/2027 by directed issue of warrants to the company and approval of transfer to key persons of the company or its subsidiaries. For each warrant held, the holder shall have the right to subscribe for one (1) new share in the company. The number of warrants amounts to 9,256,786. The warrant program has been registered and allocation to key employees is made on a case-by-case basis. The subscription price for the warrants is 0.842 SEK.

Outstanding Warrants Per Program and Strike Prices

On December 31, 2024, there were three existing incentive programs. None of the warrants' programs have been exercised by the warrant holders as of December 31, 2024.

Programs	Number of Warrants	Strike Price (SEK)
2020/2025	3,900	8.0
2023/2026	11,381,010	1.5
2024/2027	9,256,786	0.842

The 2023/2026 program entitles the warrant holders to subscribe for 23,943,101 new shares, equivalent to a dilutive impact of 4.5% after the directed share issue in 2025.

The 2024/2027 program entitles the warrant holders to subscribe for 9,256,786 new shares, equivalent to a dilutive impact of 1.8% after the directed share issue in 2025.

At the current share price, the 2020/2025:1 program is not likely to have any dilutive impact.

Note 19. Pledged Assets and Warranties

PLEDGED ASSETS	THE GROUP 2024	2023	PARENT COMPANY 2024	2023
Cash and cash equivalent	2,500	2,500	-	-
Business mortgages	72,812	67,507	9,600	9,600
Group Shares	-	-	283,634	283,634
Total	**75,312**	**70,007**	**293,234**	**293,234**

Other Securities

As a result of the accession into a credit facility agreement with a third party, all shares in Artificial Solutions Holding ASH AB, Artificial Solutions BV, Artificial Solutions Iberia SL, Artificial Solutions Germany GmbH, Teneo AI Inc. and Teneo.AI EMEA AB, have been pledged. In 2024, the company entered into a voluntary liquidation of the subsidiary Artificial Solutions Germany GmbH, so security will be released after completion of the voluntary liquidation.

Contingent liabilities

The group has not been part to any governmental, legal or arbitration proceedings (including proceedings which are pending or threatened of which the company is aware might occur) during the past twelve months, which may have or have had in the recent past, significant effects on the group's financial position or profitability.

Note 20. Related Parties

Related parties are those individuals and entities who can exercise a controlling or significant influence over the group. The owners, subsidiaries and associates, senior management and the board of directors have been identified as related parties to the group. The following transactions were carried out with related parties.

	SALES		PURCHASES	
	2024	2023	2024	2023
Management shareholders	-	-	-	303

Sales and purchases of services and goods between related parties are negotiated based on the arm-length principle. See also note 6 for disclosure about key management compensation.

The consulting services agreement between the company and ASH&Partners AB, a company controlled by previous Chair of the board Åsa Hedin, was terminated after the Annual General Meeting held on June 27, 2023. The cost during 2023 amounted to 303 KSEK.

See Note 6 for board member remunerations.

BK Corporate International BV, one of the board members of Artificial Solutions B.V., represented by Antoinette Albus and Edwin Prevoo, delivers management and corporate services to the company. Adfin Solutions BV, sister company of BK Corporate International BV represented by Mr. Fred Letschert and Mr. Edwin Prevoo, provide financial services.

Note 21. Adjustments For Items Excluded from Cash Flow Statement

	THE GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Translation differences	2,832	-1,777	-	-
Other items	-15	-322	2	-393
Total	**2,817**	**-2,099**	**2**	**-393**

Note 22. Significant Events After the Period

On February 5th, 2025, the board of directors resolved on a directed share issue, partly based on the authorization granted by the annual general meeting on 26 June 2024 of 74,628,848 shares (Tranche 1), and (ii) partly conditional upon approval by an extraordinary general meeting (the "EGM") of the Board's resolution for a directed share issue of 45,371,152 shares (Tranche 2).

The subscription price in the Directed share issue was SEK 0.50 per share and was determined through an accelerated book building procedure carried out by the company's financial advisor Pareto Securities. It was the Board of Directors' assessment that the terms for the Directed share issue and the subscription price per share reflected prevailing market conditions and investor demand. The Directed share issue amounted to a total of SEK 60 million before transaction costs, of which approximately SEK 37.3 million were received through Tranche 1 and approximately SEK 22.7 million through Tranche 2.

The 27th of February 2025, in Extraordinary General Meeting it was resolved, in accordance with the Board of Directors' proposal, to approve the Board of Directors' resolution on an issue of shares with deviation from the shareholders' preferential rights.

Through the Directed share issue, the number of outstanding shares in the Company increased by 120,000,000 shares, from 373,144,240 shares to 493,144,240 shares and the share capital increased by SEK 52,688,356.176213, from SEK 163,836,305.185187 to SEK 216,524,661.361400. The Directed share issue entailed a dilution of approximately 24.3 percent of the number of shares and votes in the

Company based on the number of shares and votes following the Directed share issue.

STOCKHOLM, 2nd of June, 2025

Per Ottosson	Johan A. Gustavsson
Managing Director	Chair of the Board
Mathias Björkholm	Lars Roth
Board Member	Board Member
Inna Kaushan	Sara Kullgren
Board Member	Board Member

Our auditor’s report was submitted on 2nd of June of 2025.

Grant Thornton Sweden AB

Carl-Johan Regell

Authorized Public Accountant

Auditor in charge

Ida Sparrfeldt

Authorized Public Accountant

Auditor's Report



Auditor's report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

To the general meeting of the shareholders of Teneo AI AB

Corporate identity number 556840 - 2076

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Teneo AI AB for the year 2024.

The annual accounts and consolidated accounts of the company are included on pages 55-115 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 – 54 and 120. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence

the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Teneo AI AB for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

• in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, according to the date indicated by the electronic signature.
Grant Thornton Sweden AB

Carl-Johan Regell
Authorised Public Accountant
Auditor in-charge

Ida Sparrfeldt
Authorised Public Accountant

Definitions

Financial Measures	Description
Net Sales	Reported net sales.
Recurring Revenue	Combined amount of revenue derived from Usage, License and Support revenues. This also includes SaaS recurring revenues.
Usage Revenue	The amount of revenue derived solely from the usage of the Teneo Platform.
SaaS Recurring Revenue	Recurring revenues derived from SaaS revenue model customers, based on the revenues coming from Subscription, API Calls and Searchable Data.
SaaS ARR	Annual recurring revenues based on last quarter's average SaaS Recurring Revenues (Average of quarter Recurring Revenues from SaaS x 12 months).
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.
Gross Profit	Is calculated as the total net sales subtracted with the total cost of sales (for providing expert services, sales commission and total cost of staff related to the Customer Success department). From Jan 1, 2023, and for comparative periods in the report, the company uses this methodology.
Gross Margin %	Total Gross Profit expressed as a per cent of total revenue in the period.
Adjusted EBITDA	Earnings before interest, tax, depreciation, and amortization adjusted for non-recurring items and restructuring costs.
Solidity	Equity as a percentage of total assets.
Average number of shares before dilution	Average number of outstanding shares during the period.
Average number of shares after dilution	Average number of shares during the period including impact from outstanding warrants.
Average number of employees	Average number of employees, calculated on a full-time equivalent employee basis.
Earnings per share before dilution	Net profit for the year divided by the number of shares at the end of the period.
Earnings per share after dilution	Net profit for the year divided by the number of shares at full dilution at the end of the period.
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 average
SaaS API Calls	Specific API calls solely for SaaS customers. Volumes are disclosed in millions and calculated on last quarter's average.