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Q2 2024 Results | Presentation



Per Ottosson | CEO
Fredrik Törgren | CFO

Wednesday, August 21, 2024

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Presenters



Per Ottosson | CEO

Has +25 years of experience from leading positions in the software and SaaS industry
Most recently spent 10 years with IPSoft (Amelia) - US based vendor of enterprise AI solutions - as Chief Revenue Officer
M.Sc. Business & Administration, Stockholm School of Economics



Fredrik Törgren | CFO

Various CFO & Finance roles in large corporates and in Private Equity-backed Technology and SaaS companies
Former Investment Banking experience with Handelsbanken Capital Markets and Pareto Securities.
M.Sc. Business & Administration, Stockholm School of Economics

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Business Update



ARTIFICIAL SOLUTIONS

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TENEO in a Nutshell

FOUNDED IN 2001. HQ: STOCKHOLM

Our vision is a world without queues, without keypad navigation, with instant service.

We transform customer experience for consumers around the world, powering millions of interactions every day across our enterprise client base. Teneo, our Conversational AI platform, runs across 86 languages and their dialects and is fully integrated with contact center systems.



99%
NLU Accuracy

Teneo can help you get over 99% accuracy in understanding and addressing customer needs with our TLML.

98%
OP-EX Cost Saving

Cut your AI operational expenses in AI by up to 98% by integrating Teneo's Generative AI into your ecosystem.

+90%
Reduced Misrouting

Teneo does intelligent routing to direct queries to the right agent, decreasing wait times.

-2min
Reduction in AHT

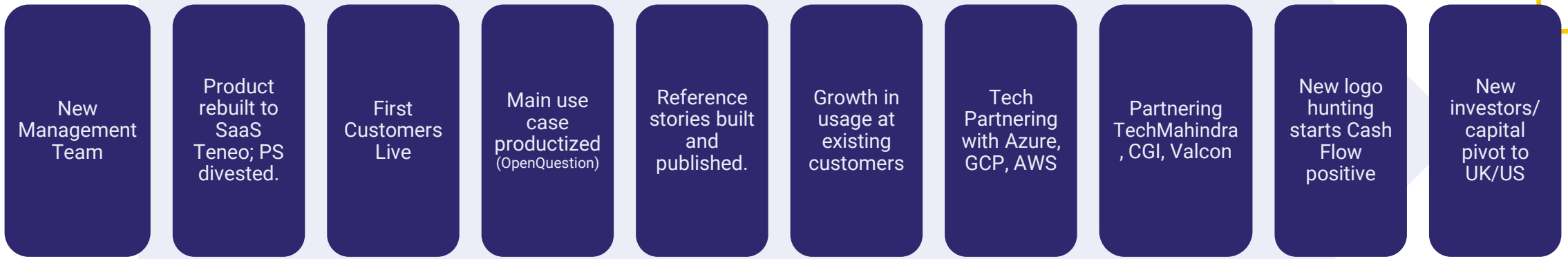
Teneo improves live agent metrics: decreasing Average Handle Time and improving First Call Resolution (FCR).

40%
Containment

40% of calls do not need a human to solve.

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The SaaS Journey





2021 | 2022 | 2023 | 2024

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ROI?

CFO JOURNAL

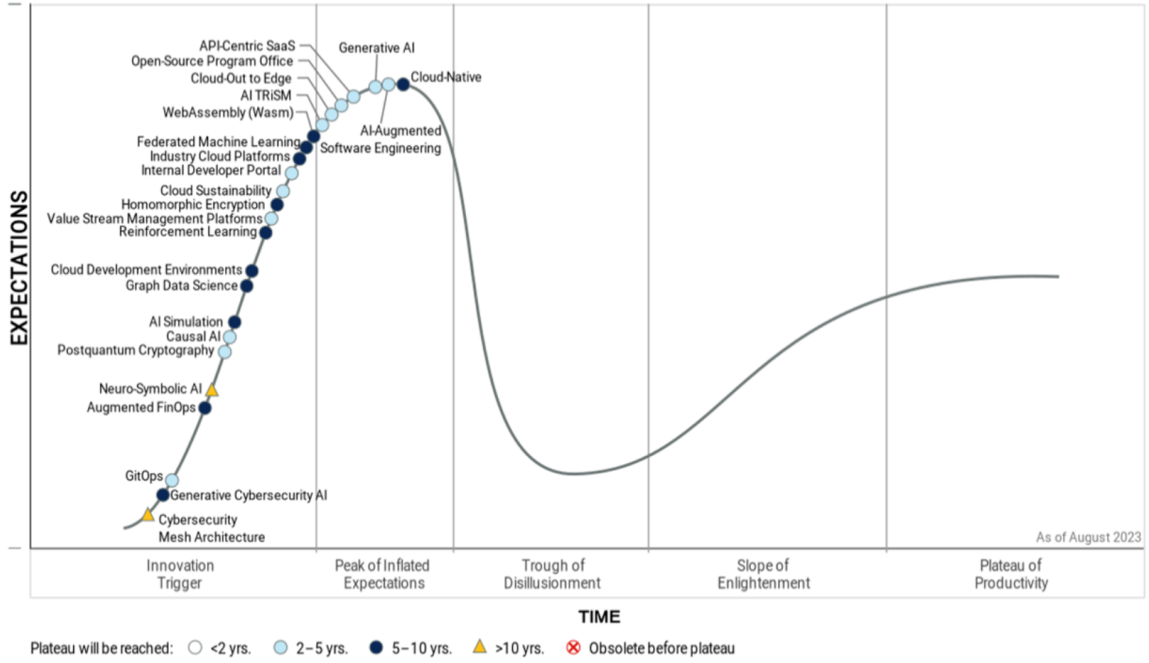
CFOs Tackle Thorny Calculus on Gen AI: What's the Return on Investment?

Companies from Motorola Solutions to Intuit are leaning on their finance teams to weigh the possible benefits against the costs—and keep those costs in check

By Kristin Broughton Follow *and Mark Maurer* Follow

March 24, 2024 at 9:30 am ET

Figure 1. Hype Cycle for Emerging Technologies, 2023



Gartner

Source: Gartner (August 2023)

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ANSWERS. UNDERSTANDS. RESOLVE.



40%

of cases
automatically resolved

$0.4

+

GATHERS INFO. AVOIDS MISROUTINGS



60%

of cases transferred to the right
agent with all background

$6.0

=

ENHANCED CUSTOMER EXPERIENCES



100%

Happier
customers!

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Positioned to Cater to Large-scale Enterprises

Partnerships with Hyperscalers

Three leading tech stacks dominate the global software market, creating significant network benefits connected services

Azure | Google Cloud | aws

Microsoft leads in AI services, AWS in Contact Center, Google runner up in Contact Center and AI services,

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Integrates latest AI technology in your organization.



Azure

Enterprises are scrambling to integrate GPT into Contact Center and Internal Services

Source: Company information

… provides access to blue chip enterprise customers

AT&T

"Conversational AI has improved Customer Recovery rates by 15% vs the previous base line, using the same tools that were already available to human care agents. It avoids shipping field technicians to houses."
Raj Raheja | AT&T Digital, product owner virtual assistant

swisscom

"Our Customer enquiry hotline will be considerably more productive thanks to human spoken interaction with our systems. Our voice-controlled hotline system improves the customer experience by assigning enquiries quickly and accurately, maximizing the valuable resources of our hotline agents." **Christoph Aeschlimann** | CEO

- Access to huge pool of new potential customers
- Credibility by being on the Hyperscaler Marketplaces
- Unique relationship with Microsoft in the AI space



TENEO.ai is the only player within the CAI space that answers millions of phone calls per month in several customers.

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Customer Delight

1-800-MICROSOFT

Teneo OpenQuestion is a cutting-edge AI IVR tat enables contact center transformation with one simple SaaS module integration.

Teneo will initially route to the correct human and, overtime, be taught to automatically answer complex questions like this live support case.



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Accuracy Is The Reason

BANKING77

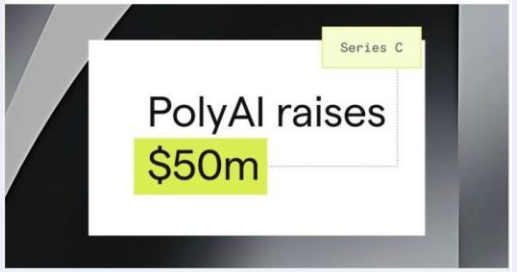
Platform	F1
Teneo	0.95
Amazon Lex	0.89
Cognigy	0.80
Microsoft CLU	0.70
IBM Watson	0.81
Google DialogFlow	0.74



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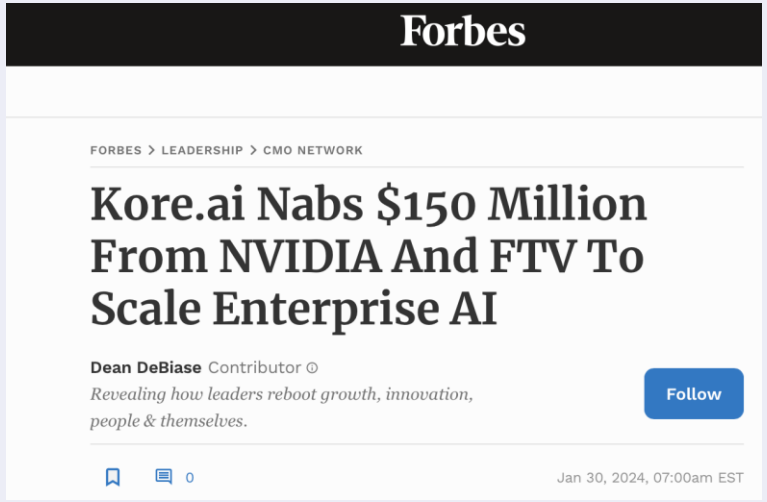
Our Market is on Fire

1. Competition is heating up with new entrants.
2. ChatGPT craze increases demand but also the Buzz
3. Teneo.ai is the only solution with live large-scale references
4. Our target is large enterprises whose buying behavior is shifting
5. Some established players under threat



PolyAI raises $50 million in series C round - PolyAI
poly.ai







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Financials

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Q2 2024

Operations & Numbers

+134%
NRR in Q2 2024

74M
SEK ARR in Q2 2024

+74%
Growth in SaaS API Calls YoY

1.6BSEK
Valuation Patents & IP Rights

79%
Gross Margin

50M
SEK Directed Share Issue



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Q2 2024 Operational Highlights

- **Record Quarter** – +74 % YoY growth in SaaS API call volumes and +47% SaaS ARR growth
- Scale for the first time where we had a **10-fold jump in processed calls** in **less than a minute** with Teneo, performing flawlessly
- **2 New logo** wins in Q2 24 – **Medhelp and Healthflexx.** 1 New logo in July ´24 – **Valcon.** A **number of renewal agreements** on SaaS and on License signed.
- **Teneo.ai Launches Accuracy Booster for Contact Center Voice AI**
- **Teneo Achieves** Record-Breaking **Scalability and Traffic on SaaS Platform,** Showcasing a Solution to the Peak Traffic dilemma in Contact Centers
- Successfully closed oversized **directed share issue of 50 MSEK**

valcon

MedHelp

HEALTHFLEXX
TRANSFORMING HEALTH AND WELLNESS

Telefónica

swisscom

CIRCLE K

HRSA
Health Resources & Services Administration

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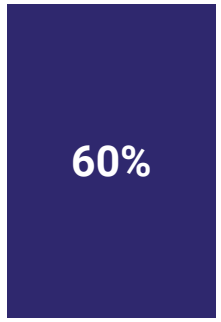
Key Financial Highlights In Q2 2024

GROWTH IN RECURRING REVENUES AND IMPROVED EBITDA

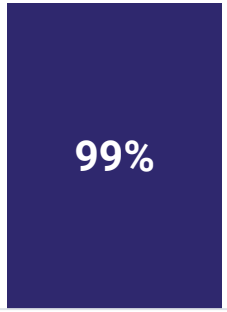
Key Metrics

- Recurring revenues amounted to 19.1 MSEK (14.6), +31%
- SaaS ARR amounted to 43.7 (29.8) MSEK, + 47%
- Total ARR amounted to 74.3 MSEK (58.2), +28%
- Net Revenue Retention 134% (137)
- Net sales amounted to 19.3 MSEK (14.8), + 31%
- Gross margin amounted to 79% (72)
- EBITDA adjusted amounted to -6.3 MSEK (-13.9)
- Monthly adj. OPEX -9.3 MSEK (-9.4 MSEK)
- Cash position : 60.5 MSEK (68 MSEK Adj.)

% SaaS*



% Recurring Revenues**



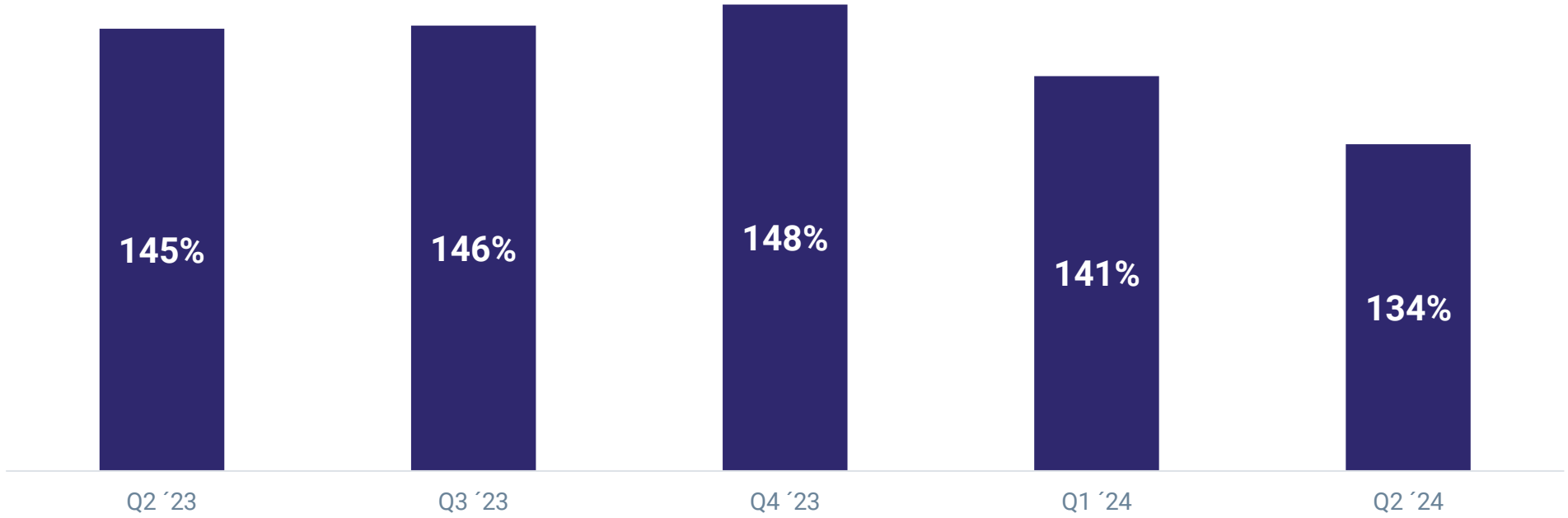
* SaaS Recurring Revenues as % of Total Recurring Revenues.
** % Recurring Revenues as % of Total Net Sales.

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Net Revenue Retention

BEST IN CLASS +134%

NRR (%) – Driven by Growth in Existing Accounts

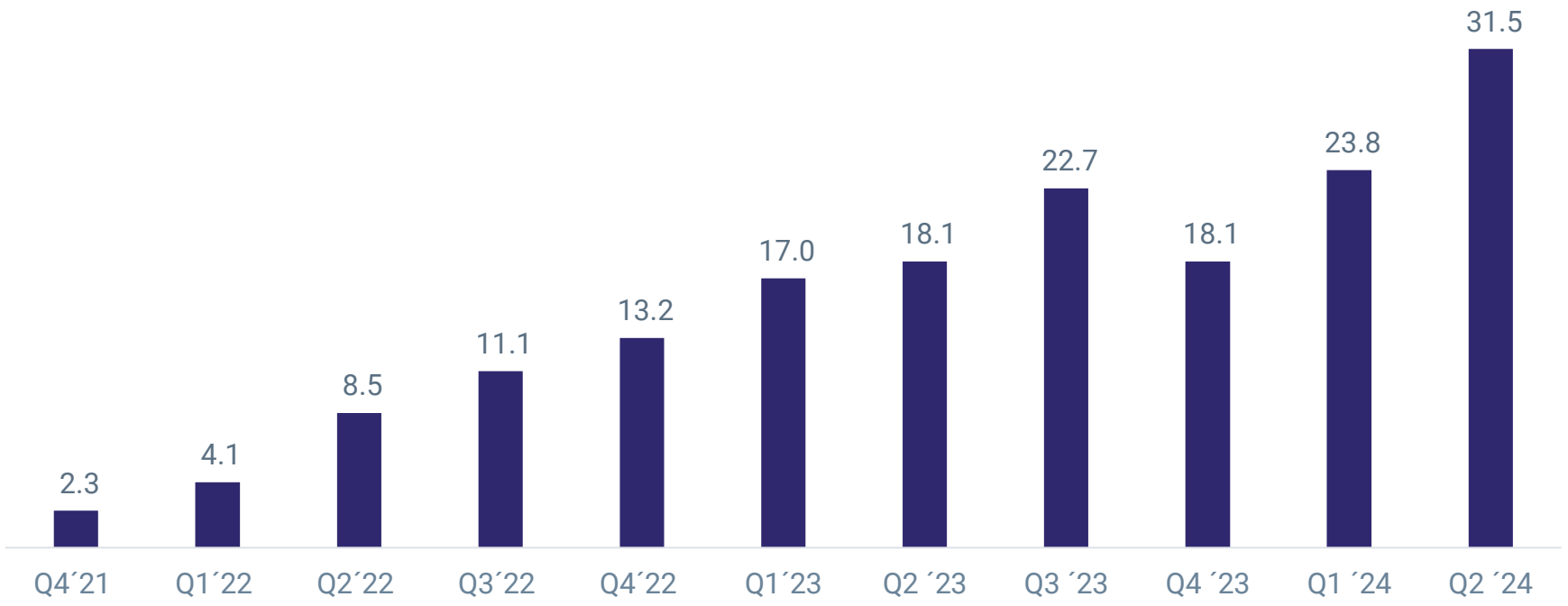


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SAAS Business Model Growth

SAAS API CALL VOLUMES - UP YoY

SaaS API Calls Quarterly Average (million) + 74% YoY



SaaS API call volumes +32% above Q1 ´24 levels

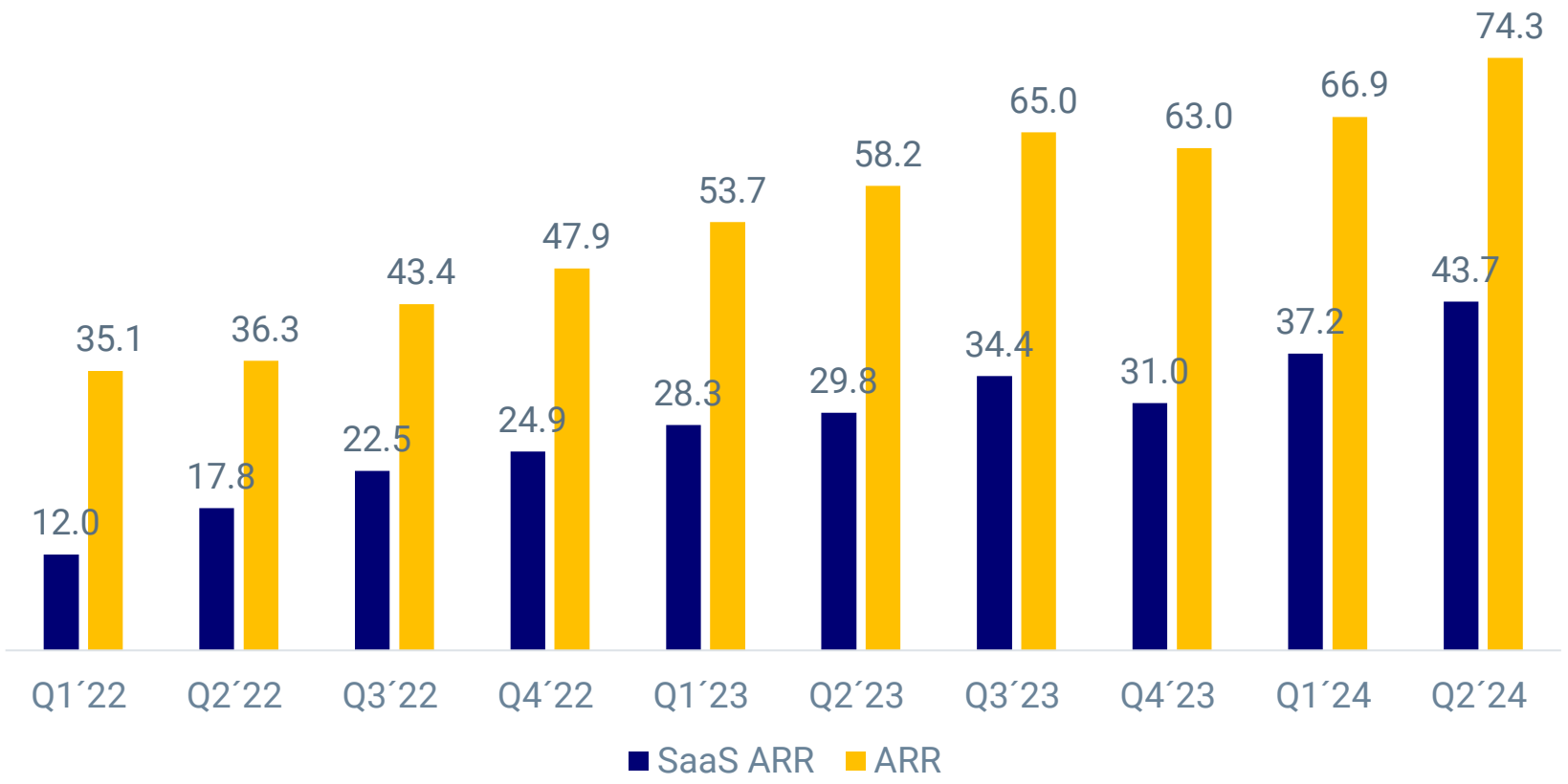
*API Calls Active Customers

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ARR Growth

AVERAGE ARR – OUR WAY TO MEASURE

SaaS and Total ARR Quarterly Average (MSEK) + 47% SaaS YoY



SaaS ARR +47% YoY

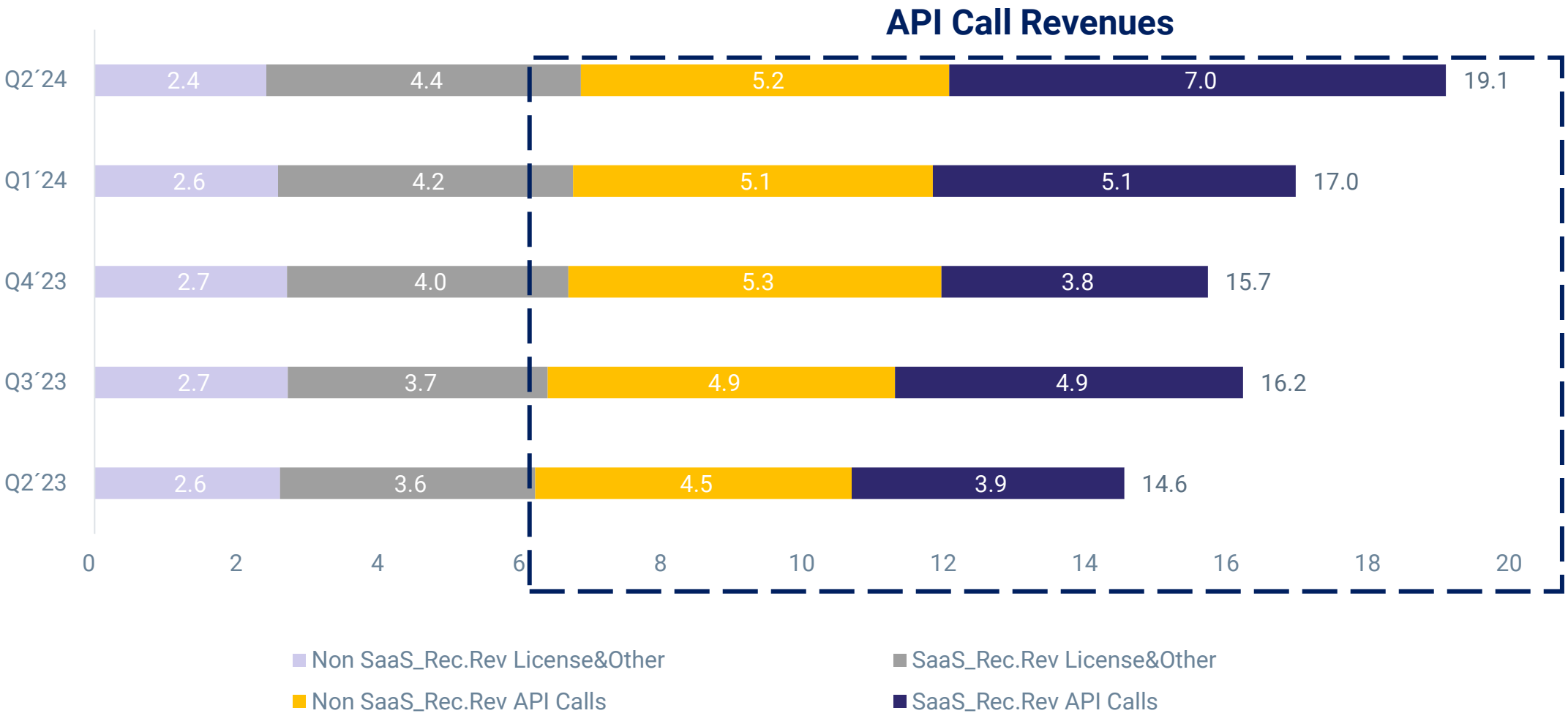
Total ARR +28% YoY

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API Calls driver of Revenue Growth

Above Record Quarter on SaaS API Calls Revenues

Recurring Revenues by Type (MSEK)

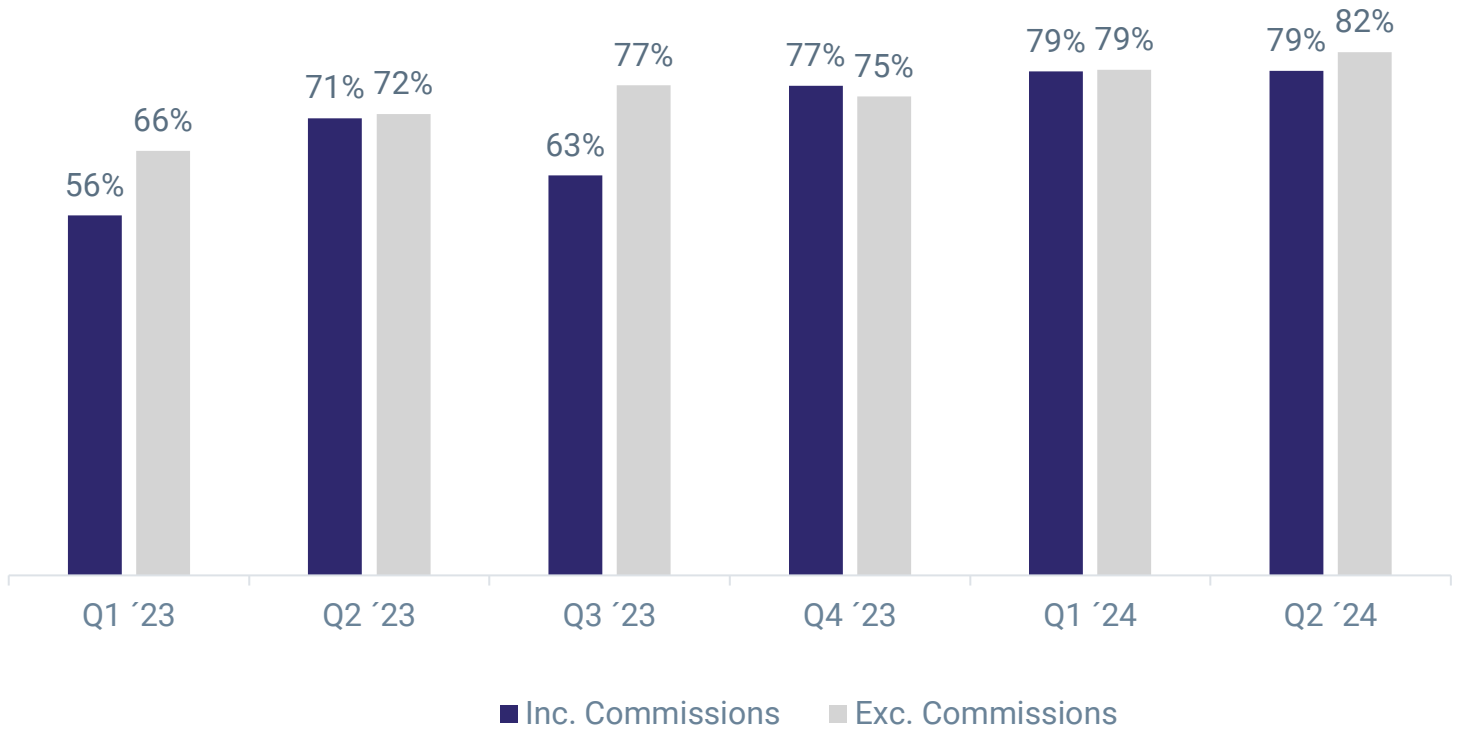


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Gross Margin Growth

+8 % units Q2 2023

Improved Gross Margin % with Higher API Call Volumes

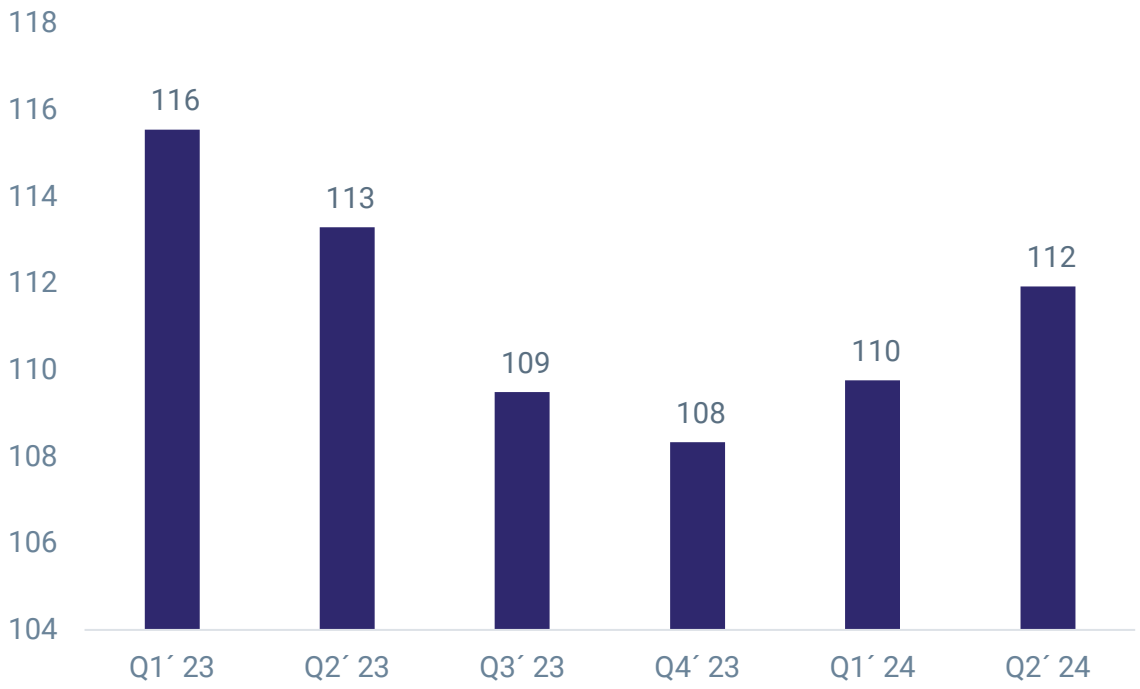


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OPEX RunRate Q2 2024

Costs Controlled

Annual OPEX Run Rate* MSEK



* OPEX adjusted for non-recurring items and cost of sales

- Monthly OPEX(*) in Q2 2024 of 9.3 MSEK (9.4 MSEK Q2 2023)
- OPEX(*) run rate of 112 MSEK in Q2 2024
- Increase in OPEX starting in Q2 2024, as expected, due to marketing and sales activities

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CASH POSITION
CASH ADJUSTED

Cash Position Jun 30, 2024 – Adjusted



- June 30, 2024, cash and bank position amounted to 60.5 MSEK
- Adjustments following the quarter end:
  - Cash received from collected ARs in July of 8 MSEK
- Adjusted cash & bank position would have amounted to **approximately 68 MSEK**

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Key Investment Highlights



I. **A prominent player, with strong industrial backing, and the Largest references in a high growth AI market.**

II. **NRR of 134% - testament to Customer Satisfaction**

III. **Highly scalable business model with gross margins on fully onboarded customers approaching 95%**

IV. **Quality of offering paired with material switching costs support revenue retention**

V. **Lets customer leverage the latest AI technologies like GPT**

Source: Company information

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Q&A

+134%
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Thank You!

Per Ottosson | CEO

Fredrik Törgren | CFO