

Tecnotree

Empowering Digitally
Connected Communities

Half-Year Report H1 2023

1.1.2023 – 30.6.2023



Tecnotree Corporation Half-Year Report 1st Jan – 30th Jun 2023 (unaudited)

MAINTAINING GROWTH IN TURBULENT MARKET CONDITIONS

Second quarter (April-June 2023)

- Net sales increased 5.4% to EUR 19.3 (18.3) million.
- Operating result increased 20.4% to EUR 6.2 (5.1) million.
- Net result decreased by 6.3% to EUR 3.7 (4.0) million.
- Cash flow after investments was EUR -0.8 (-2.1) million.
- Earnings per share were EUR 0.01 (0.01)
- Order book at the end of the period stood at EUR 68.4 (72.8) million.

First half (January-June 2023)

- Net sales increased 10.2% to EUR 34.8 (31.6) million.
- Operating result increased 37.3% to EUR 9.8 (7.1) million.
- Net result increased by 11.1% to EUR 5.5 (5.0) million.
- Cash flow after investments was EUR -1.2 (-4.2) million.
- Earnings per share were EUR 0.02 (0.02)

Key figures, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales	19.3	18.3	34.8	31.6	71.6
Operating result	6.2	5.1	9.8	7.1	18.3
Result before taxes	4.2	5.9	6.9	7.4	17.2
Result for the period	3.7	4.0	5.5	5.0	11.6
Earnings per share, basic, EUR	0.01	0.01	0.02	0.02	0.04
Order book			68.4	72.8	68.9
Cash flow after investments	-0.8	-2.1	-1.2	-4.2	-4.8
Change in cash and cash equivalents	-0.2	-2.1	-1.6	-3.6	-5.3
Cash and cash equivalents			10.7	13.9	12.3
Equity ratio %			77.4	81.7	77.1
Net gearing %			-4.4	-18.7	-9.3
Personnel at end of period			895	778	857

Unless otherwise stated, all figures presented below are for the financial period 1-6/2023 and the figures for comparison are for the corresponding period in 1-6/2022.

From the CEO – Consistent Growth in a Challenging Market

Revenue

In H1, Tecnotree witnessed a continued net sales growth of 10.2% to EUR 34.8 million compared to H1 of 2022 (31.6). This growth was achieved despite the strengthening of the euro against the US dollar. Substantial revenue growth came from the Middle East Region and North America in Q2. This growth was fuelled by ongoing deliveries of our Digital Stack for BSS in Africa and Middle East along with Tecnotree Sensa AI/ML deliveries in Healthcare and Fintech in the United States of America.

Profitability

Tecnotree demonstrated a strong climb in operating result with a 37.3% increase to EUR 9.8 (7.1) million owing to the increased productization and configurability of the stack making deployments and deliveries timely and cost effective. Profitability is also enhanced by annual recurring revenue models of the AI/ML business in the United States. As the revenue increased by 10.2%, opex grew by only 8.2% due to the ongoing cost optimisation plans, resulting in a strong operating result.

Net Result

The net result increased by 11.1% in H1 to EUR 5.5 (5.0) million due to increased revenue and continued focus on Opex reduction. The net result was impacted by a one-time currency devaluation in Nigeria on the cash balances maintained for local operations and the continued hyper-inflationary trends in Argentina.

In H1 of 2023 Tecnotree delivered an earnings per share of EUR 0.02, consistent with last year's performance for the same period.

Cash Flow

Cash inflow improved by 21.9% to EUR 31.5 million compared to 25.9 in H1 of 2022. The continued effort on collection resulted in a reduction of accounts receivable in H1 of 2023. The net cash balance at the end of H1 is 10.7 million euros and remains at the same levels as Q1 of 2023. The cash balance was impacted negatively by the one-time currency devaluation in Nigeria.

Order Book

At the end of H1 of 2023 Tecnotree's order book remains healthy at EUR 68.4 million despite challenging market conditions for customers and prospects. The H1 order intake was EUR 32.1 (45.9) million euro. Tecnotree continues to retire its order backlog with strong delivery performance, however new order intake has been muted by customers delaying decisions on capex investment for large digital transformations. This has necessitated Tecnotree to invest in R&D initiatives to create alternative revenue streams such as annual recurring revenue and cloud-based subscription models.

In H1 of 2023, Tecnotree added two new Tier-1 logos from North America for the Sensa AI/ML platform in Healthcare and Fintech. Tecnotree also grew its market share of its digital BSS stack in the Middle East and Africa with significant orders from both new and existing customers.

Recognitions

Tecnotree's Digital BSS, Moments and Sensa platform have been nominated by TM Forum for the prestigious TM Forum Excellence Awards 2023 and Tecnotree has been recognised as a finalist in the Customer Experience category for its implementations with MTN.

Tecnotree has been recognized by Gartner's Market Guide again in Q1 of 2023 for Customer Experience and Management and has been consistently recognized for the same since 2020.

Additionally, for 2023 Tecnotree has been recognized by Gartner's Market Guide for Revenue Monetization and Management, and has been consistently recognised for the same since 2020.

Tecnotree DiWa wallet achieved PCIDSS (Payment Card Industry Data Security Standard) compliance, which will significantly increase the growth opportunities for its Fintech offering globally.

Tecnotree continues to be among the leading vendors in TM Forum Open APIs certification standards with a 45 APIs certified by the industry standards body, the highest in the internet service community.

Furthermore, Tecnotree Moments has been awarded the best telecom monetization platform by the Government of Dubai at the FTNFT awards in Q1 of 2023.

Prospects 2023

Tecnotree expects in 2023:

Despite significant pressures expected in H2 of 2023 from cost inflation and margin erosions, the company at this stage maintains its current guidance:

- Revenue to be higher by 7-15% compared to 2022
- Operating profit (EBIT) to be higher by 10-20% compared to 2022
- Cash recovery expected to grow by 12-18%
- Cost rationalization by Q4 of 2023 to the tune of 5-7%

Financial Performance

Tecnotree's net sales for the review period were EUR 34.8 (31.6) million, 10.2% higher compared to last year. Net sales from sale of third-party hardware and software were EUR 1.4 (2.2) million, own licenses EUR 7.6 (7.6) million, delivery EUR 9.2 (10.2) million and maintenance and management services EUR 16.7 (11.5) million.

Net sales for the second quarter were EUR 19.3 (18.3) million, 5.4% higher compared to last year. Net sales from sale of third-party hardware and software were EUR 0.8 (1.3) million, own licenses EUR 5.4 (3.2) million, delivery EUR 4.8 (8.3) million and maintenance and management services EUR 8.2 (5.5) million.

The order book at the end review period stood at EUR 68.4 (72.8) million showing -6% decrease compared to last year.

The net result for the review period was EUR 5.5 million (5.0) and EUR 3.7 million (4.0) in the second quarter. Earnings per share in the review period were EUR 0.02 (0.02).

Nature of goods and services offered, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Sale of third party hardware and software	0.8	1.3	1.4	2.2	4.7
Own licenses	5.4	3.2	7.6	7.6	18.8
Delivery	4.8	8.3	9.2	10.2	22.9
Maintenance and management services	8.2	5.5	16.7	11.5	25.2
Net sales total	19.3	18.3	34.8	31.6	71.6

Methods used to recognise revenue, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Point in time:					
Third party hardware and software	0.8	1.3	1.4	2.2	4.7
Own license	5.4	3.2	7.6	7.6	18.8
Overtime:					
Delivery	4.8	8.3	9.2	10.2	22.9
Maintenance and management services	8.2	5.5	16.7	11.5	25.2
Net sales total	19.3	18.3	34.8	31.6	71.6

Recognition of revenue by operating segment, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Europe & Americas:					
Third party hardware and software	0.0	0.8	0.0	0.8	1.0
Own license	0.2	0.2	0.8	0.2	0.9
Delivery	0.8	1.0	0.9	1.0	4.2
Maintenance and management services	3.4	2.1	6.5	3.8	6.6
Net sales total	4.4	4.1	8.3	5.8	12.7
MEA & APAC:					
Third party hardware and software	0.8	0.6	1.3	1.5	3.7
Own license	5.2	2.9	6.7	7.4	17.9
Delivery	4.0	6.0	8.3	7.9	18.7
Maintenance and management services	4.8	4.7	10.2	9.0	18.6
Net sales total	14.8	14.2	26.6	25.8	58.9

Order book by operating segment, MEUR	30.6.2023	30.6.2022	31.12.2022
Europe & Americas	9.7	7.4	8.3
MEA & APAC	58.8	65.4	60.6
Order book total	68.4	72.8	68.9

Result analysis

The operating result for the review period was EUR 9.8 (7.1) million and the result EUR 5.5 (5.0) million. The operating result for the second quarter was EUR 6.2 (5.1) million and the result EUR 3.7 million (4.0).

Financial items without currency differences in financial items for the review period were EUR -1.0 (0.4) million and EUR -1.0 (0.3) million in the second quarter. Exchange rate differences in the financial items in the review period were EUR -1.9 (-0.1) million and EUR -0.9 (0.4) million in the

second quarter. It is important to examine Tecnotree's result without the impact of exchange rates, which is why this is shown separately in the table below.

Income statement, key figures, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales	19.3	18.3	34.8	31.6	71.6
Other operating income	0.0	0.0	0.0	0.1	0.1
Operating costs excluding	-13.1	-13.2	-25.0	-24.5	-53.3
Operating result	6.2	5.1	9.8	7.1	18.3
Financial items without currency differences	-1.0	0.3	-1.0	0.4	1.8
Exchange rate gains and losses in financial items	-0.9	0.4	-1.9	-0.1	-2.9
Income taxes	-0.5	-1.9	-1.4	-2.5	-5.7
Result for the period	3.7	4.0	5.5	5.0	11.6

Financial income and expenses during the review period totalled a net loss of EUR 2.9 million (net profit of EUR 0.3 million), including following items:

Financial income and expenses, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Interest income	0.1	0.4	0.3	0.6	1.3
Exchange rate gains	1.7	1.2	4.6	1.8	1.8
Other financial income	-0.0	-0.0	-0.0	-0.0	-0.0
Financial income, total	1.8	1.6	4.9	2.4	3.1
Interest expenses	-0.1	-0.0	-0.3	-0.0	-0.1
Exchange rate losses	-2.6	-0.8	-6.5	-1.9	-4.7
Other financial expenses	-1.0	-0.2	-1.0	-0.2	0.6
Financial expenses, total	-3.7	-0.9	-7.8	-2.1	-4.2
Financial items, total	-1.9	0.7	-2.9	0.3	-1.1

Taxes for the review period totalled EUR 1.4 (2.5) million, including following items:

Taxes in income statement, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Withholding taxes paid abroad	0.1	-1.0	-0.6	-1.9	-3.4
Change in withholding tax accrual	-0.1	-0.5	-0.1	-0.0	-0.4
Income taxes on the results of Group companies	-0.6	-0.4	-0.7	-0.4	-1.3
Other items	0.1	-0.0	0.0	-0.1	-0.6
Taxes in income statement, total	-0.5	-1.9	-1.4	-2.5	-5.7

Financing, cash flow and balance sheet

Tecnotree's working capital increased by EUR 3.8 (7.8) million during the review period.

Change in working capital, MEUR (increase-/decrease +)	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Current receivables, increase (-) /decrease (+)	-0.9	-8.7	-1.2	-8.1	-11.8

Inventories, increase (-) /decrease (+)	0.0	0.0	0.0	0.0	0.0
Current liabilities, increase (+) /decrease (-)	-3.5	1.5	-2.6	0.2	1.5
Change in working capital, total	-4.4	-7.2	-3.8	-7.8	-10.3

Project revenue is recognized in other receivables. When the agreement allows the customer to be invoiced, the receivables are regrouped in trade receivables.

At the end of June 2023, Tecnotree's cash and cash equivalents totalled EUR 10.7 (December 2022: 12.3) million. Cash flow after investments in the review period was negative EUR 1.2 (negative 4.2) million.

The balance sheet total on 30 June 2023 stood at EUR 105.4 (31 December 2022: 103.8) million. Interest-bearing liabilities were EUR 7.0 (31 December 2022: 4.8) million.

Tecnotree's investments in R&D during the review period were EUR 6.9 (3.2) million.

The total equity was affected by translation differences of negative EUR 4.7 (0.4) million during the review period.

Business description

Tecnotree is a 5G-ready digital Business Support System (BSS) player with AI/ML capabilities and multi-cloud extensibility. It has over 40 years of deep domain expertise and it is amongst the first few companies to attain Platinum Badge in the world for Open API standards by TM Forum. It's agile and open-source Digital BSS Stack comprises of the full range (order-to-cash) of business processes and subscription management for telecommunication players and other digital services providers, creating opportunities beyond connectivity. Tecnotree also provides a Fintech solution and a B2B2X multi-experience digital marketplace to its subscriber base through the Tecnotree Moments platform to empower digitally connected communities across gaming, health, education, OTT and other vertical ecosystems.

In 2023 and beyond, Tecnotree will continue to offer its digital products and services to expand its reach to help telecom operators globally in their digital transformation journeys. Tecnotree will focus on expanding its footprint within the current geographies and customers and it will also explore new markets in Europe, Oceanic and Asia Pacific and adjacent vertical market opportunities.

With Tecnotree Moments platform and its Fintech offerings, Tecnotree continues to hope to synergize new partnerships with digital service providers, eco-system players and internet of things (IOT) providers, to introduce new revenue models and API frameworks to take advantage of the 5G roll-outs world-wide and forge new frontiers to empower digitally connected communities in the sectors of Education, Health, E-commerce, Gaming, Sports and Entertainment.

Tecnotree plans to achieve this with its cloud enabled micro-services based interoperable products and digital platforms that will help its customers to create a "Digital Marketplace and Digital Communities" for their traditional offerings, and an additional ecosystem of partner

products and services that fosters true business value and improved revenue models for stakeholders.

Tecnotree's cutting-edge products enable communication service providers to expand their footprint and transform their business into that of a digital service provider, thus helping expand and increase their value to their subscriber base.

Tecnotree's business is based on its product licenses, professional services for customization of its products, and maintenance and support services on its products to a global customer base and is planning on capturing subscription and transaction-based business through its B2B2X offerings. Tecnotree has an especially strong footprint in developing markets such as Latin America, Africa and the Middle East, serving more than 1 billion subscribers worldwide and supporting more than 90 operators/CSPs worldwide.

Tecnotree operates globally and has development and operational support centers in LATAM, Europe, Middle East, Africa, and Asia.

Segment information

The operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Europe & Americas (Europe and North, Central and South America) and MEA & APAC (the Middle East and Africa, Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision maker, as referred to in IFRS 8, is the Group's management board.

Net sales and the result for the operating segments are presented based on the location of customers. The result for the operating segments includes the costs that can be allocated to the segments, being costs of sales and marketing, customer service and delivery functions as well as product development. Costs for product management and administration, depreciations, taxes and financial items are not allocated to the segments

Geographical areas

Tecnotree Group operates in the following geographical areas: Europe & Americas (Europe and North, Central and South America) and MEA & APAC (the Middle East and Africa, Asia Pacific).

Europe & Americas

Net sales for the review period increased by 41.9% from previous year being EUR 8.3 (5.8) million.

Order book at the end of the review period increased by 30.9% from previous year and stood at EUR 9.7 (7.4) million.

Middle-East and Africa & Asia Pacific

The net sales for the review period increased by 3.1% from previous year being EUR 26.6 (25.8) million.

The order book at the end of the review period decreased by 10.1% from previous year and stood at EUR 58.8 (65.4) million.

Personnel

At the end review period, Tecnotree employed 895 (31 December 2022: 857) persons, of whom 39 (31 December 2022: 43) worked in Finland and 856 (31 December 2022: 814) globally. The company employed on average 886 (762) people during the review period. Personnel by country were as follows:

Personnel	30.6.2023	30.6.2022	31.12.2022
Personnel, at end of period	895	778	857
Finland	39	42	43
Brazil	6	7	6
Argentina	38	40	37
India	668	553	638
United Arab Emirates	21	22	21
Other countries	123	114	112
Personnel, average	886	762	794
Personnel expenses (MEUR)	-10.8	-12.0	-23.7

Share and price analysis

At the end of June 2023, the shareholders' equity of Tecnotree Group stood at EUR 81.6 (31 December 2021: 80.1) million and the share capital was EUR 1.3 million (31 December 2021: 1.3). The total number of shares was 318,956,206 and the company held 6,895,053 own shares. Equity per share was EUR 0.26 (31 December 2022: EUR 0.25).

A total of 55,606,906 Tecnotree shares (EUR 28,457,531) were traded on the Helsinki Exchanges during the period 1 January – 30 June 2023, representing 17.4% of the total number of shares.

The highest share price quoted in the period was EUR 0.63 and the lowest EUR 0.41. The average quoted price was EUR 0.50 and the closing price on 30 June 2023 was EUR 0.47. The market capitalisation of the share stock at the end of the period was EUR 148.3 million.

Current authorizations

The Board of Directors has two valid mandates.

The Annual General Meeting held on 15 May 2019 authorized as follows:

- 1) Authorization replacing the authorization granted by the Extraordinary General Meeting of Shareholders on 14 September 2017

The Board of Directors to decide to issue and/or convey a maximum of 900.000.000 new shares and/or the company's own shares either against payment or for free in one or several transactions. The authorization is valid for a period of five years from the date of the Annual General Meeting. This authorization will revoke the authorization granted by the Extraordinary General Meeting on 14 September 2017.

The Board of Directors has not exercised this authorization during the financial period.

2) General authorization

The Board of Directors to decide to issue and/or convey a maximum of 100.000.000 new shares and/or the company's own shares either against payment or for free in one or several transactions. The authorization is valid for a period of five years from the date of the Annual General Meeting. This authorization revokes the authorization granted by the Annual General Meeting of Shareholders on 30 May 2018.

The Board of Directors has exercised this authorization on 31 October 2019 as follows:

- Tecnotree's Board of Directors resolved to issue without consideration 14.500.000 Tecnotree shares to Tecnotree to be later used to fulfil the company's obligations under the LTI Plan.
- The Board of Directors of Tecnotree Corporation resolved to carry out a directed share issue of 12.500.000 shares to the company's CEO.

The Board of Directors has exercised this authorization on 26 February 2021 as follows:

- Tecnotree's Board of Directors resolved to issue, without consideration, 8.000.000 Tecnotree shares to Tecnotree to be later used to fulfil the company's obligations under the LTI-2 Plan.

The Board of Directors has exercised this authorization on 11 August 2021 as follows:

- Tecnotree's Board of Directors resolved to issue without consideration 5,750,000 Tecnotree shares to Tecnotree to be used as a part of the implementation of the company's incentive programs.

The Board of Directors has not exercised this authorization during the financial period.

Risks and uncertainty factors

The risks and uncertainty factors for Tecnotree are explained in the 2022 Board of Directors' Report and in the notes to the Financial Statements.

Tecnotree's risks and uncertainties in the near future relate to development of net sales, projects, delivery timelines, trade receivables and changes in foreign exchange rates.

Events after end of the period

On 17 July 2023, the company announced on successful allotment of compulsorily convertible debentures. In total, EUR 43.1 million worth of CCDs were subscribed and allotted, corresponding to 431 CCDs, as per the terms outlined in the June 22nd announcement.

Tecnotree Corporation
Board of Directors

Further information

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Table section (unaudited)

The financial figures in the income statement, balance sheet, cash flow statement and key indicators are presented in million euros. The figures shown here have been calculated using exact values.

Consolidated income statement, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/ 2022	1-12/2022
Net sales	19.3	18.3	34.8	31.6	71.6
Other operating income	0.0	0.0	0.0	0.1	0.1
Materials and services	-1.7	-1.4	-2.3	-2.3	-7.1
Employee benefit expenses	-4.9	-6.2	-10.3	-12.0	-23.7
Depreciation, amortisation and impairment charges	-0.7	-0.9	-1.3	-1.9	-1.5
Other operating expenses	-5.7	-4.5	-11.1	-8.3	-21.0
Operating result	6.2	5.1	9.8	7.1	18.3
Financial income	1.8	1.6	4.9	2.4	3.1
Financial expenses	-3.7	-0.9	-7.8	-2.1	-4.2
Result before taxes	4.2	5.9	6.9	7.4	17.2
Income taxes	-0.5	-1.9	-1.4	-2.5	-5.7
Result for the period	3.7	4.0	5.5	5.0	11.6
Allocated to:					
Equity holders of parent company	3.7	4.0	5.5	5.0	11.6
Non-controlling interest	-0.0	-0.0	-0.0	-0.0	-0.0
EPS calculated on the profit attributable to equity holders of parent company:					
Earnings per share, basic, EUR	0.01	0.01	0.02	0.02	0.04
Earnings per share, diluted, EUR	0.01	0.01	0.02	0.02	0.04
Consolidated statement of comprehensive income, MEUR					
Result for the period	3.7	4.0	5.5	5.0	11.6
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement items on net defined benefit liability					-0.0
Revaluation	0.1	-0.0	0.1	0.1	0.1
Tax on items that will not be reclassified subsequently to profit or loss					
Items that may be reclassified subsequently to profit or loss:					
Translation differences from foreign oper.	-4.9	0.6	-6.3	0.4	-3.0
	1.2		1.6		1.0
Other comprehensive income, net of tax	-3.6	0.6	-4.6	0.5	-2.0
Total comprehensive income for the period	0.1	4.6	0.9	5.5	9.6
Allocated to:					
Equity holders of parent company	0.1	4.6	0.9	5.5	9.6
Non-controlling interest	-0.0	0.0	-0.0	0.0	-0.0

Consolidated balance sheet, MEUR	30.6.2023	30.6.2022	31.12.2022
Non-current assets			
Intangible assets	28.9	11.3	23.6
Tangible assets	0.2	0.3	0.4
Deferred tax assets	0.6	0.6	0.6
Other non-current trade and other receivables	2.1	1.9	1.8
Current assets			
Trade receivables	29.9	34.0	37.8
Other receivables	33.1	28.9	27.3
Cash and cash equivalents	10.7	13.9	12.3
Assets total	105.4	91.0	103.8
Shareholders' equity	81.6	74.4	80.1
Non-current liabilities			
Non-current interest-bearing liabilities	1.2	0.0	2.4
Other non-current liabilities	3.6	2.7	3.1
Current liabilities			
Current interest-bearing liabilities	5.8	0.0	2.5
Trade payables and other liabilities	13.2	13.9	15.8
Equity and liabilities total	105.4	91.0	103.8

Consolidated condensed cash flow statement, MEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Cash flow from operating activities					
Result for the period	3.7	4.0	5.5	5.0	11.6
Adjustments of the result	2.2	2.2	4.7	3.5	12.2
Changes in working capital	-4.4	-7.2	-3.8	-7.8	-10.3
Financial income and expenses	1.2	1.1	0.3	0.4	-2.3
Income taxes paid	-0.1	-1.0	-1.0	-2.1	-5.1
Net cash flow from operating activities	2.7	-0.9	5.7	-1.0	6.0
Cash flow from investing activities					
Capital expenditure on non-current tangible and intangible assets	-3.4	-1.2	-6.9	-3.2	-10.8
Net cash flow from investing activities	-3.4	-1.2	-6.9	-3.2	-10.8
Cash flow from financing activities					
Repayments of loans	-0.5	0.0	-1.0	0.0	-0.2
Proceeds from share issue	0.0	0.0	0.0	0.1	0.1
New loans	3.2	0.0	3.2	0.0	0.0
Other financial costs	0.0	0.0	0.0	-0.1	0.0
Net cash flow from financing activities	2.7	0.0	2.2	0.0	-0.1
Increase (+) and decrease (-) in cash and cash equivalents	1.9	-2.1	1.0	-4.2	-4.9

Cash and cash equivalents at beg. of period	10.9	15.6	12.3	17.6	17.6
Impact of changes in exchange rates	-2.1	0.5	-2.6	0.6	-0.4
Cash and cash equivalents at end of period	10.7	13.9	10.7	13.9	12.3

Calculation of changes in shareholders' equity, MEUR

	A	B	C	D	E	F	G	H	I
Shareholders' equity 1st Jan 2023	1.3	0.8	-12.6	27.6	2.2	60.6	79.9	0.2	80.1
Result for the period						5.5	5.5	0.0	5.5
Other comprehensive income, net of tax			-4.7				-4.7		-4.7
Total comprehensive income for the period			-4.7			5.5	0.9	0.0	0.9
Share based payments						0.4	0.4	0.0	0.4
Revaluation reserve					0.0		0.0		0.0
Argentina hyperinflation						0.3	0.3		0.3
Other changes					0.0	-0.1	-0.1	0.0	-0.1
Shareholders' equity 30th Jun 2023	1.3	0.8	-17.3	27.6	2.2	66.7	81.5	0.2	81.6
	A	B	C	D	E	F	G	H	I
Shareholders' equity 1st Jan 2022	1.3	0.8	-10.7	27.5	2.1	46.3	67.5	0.2	67.7
Result for the period						5.0	5.0	0.0	5.0
Other comprehensive income, net of tax			0.4				0.4		0.4
Total comprehensive income for the period			0.4			5.0	5.4	0.0	5.4
Share issue							0.0		0.0
Share based payments				0.1			0.1		0.1
						0.6	0.6		0.6
					0.1		0.1		0.1
						0.4	0.4		0.4
Other changes					0.0	-0.0	-0.0	0.0	-0.0
Shareholders' equity 30th Jun 2022	1.3	0.8	-10.3	27.6	2.2	52.4	74.2	0.2	74.4

A = Share capital

B = Share premium fund

C = Translation differences

D = Invested non-restricted equity reserve

E = Other reserves

F = Retained earnings

G = Total equity attributable to equity holders of parent company

H = Non-controlling interest

I = Total shareholders' equity

1. Accounting principles for the half year report

This half-year report has been prepared in accordance with the international financial reporting standard IAS 34 Interim Financial Reporting. The formulas for calculating the key figures presented and the accounting principles for the half-year report are the same as the principles published in the 2022 Annual Report.

2. Segment information

The operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Europe & Americas (Europe and North, Central and South America) and MEA & APAC (the Middle East and Africa, Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision-maker, as referred to in IFRS 8, is the Group's management board.

Net sales and the result for the operating segments are presented based on the location of customers. The result for the operating segments includes the costs that can be allocated to the segments, being costs of sales and marketing, customer service and delivery functions, administration, product management, as well as product development. Costs for depreciation, taxes and financial items are not allocated to the segments.

Operating segments, MEUR	1-6/2023	1-6/2022	1-12/2022
Net sales			
Europe & Americas	8.3	5.4	12.7
MEA & APAC	26.6	26.2	58.9
Total	34.8	31.6	71.6
Result			
Europe & Americas	2.3	2.8	6.1
MEA & APAC	10.5	7.4	23.1
Total	12.8	10.2	29.2
Non-allocated items	-3.0	-3.1	-10.9
Operating result	9.8	7.1	18.3

3. Interest-bearing liabilities

Interest-bearing liabilities at the end of the review period were EUR 7.0 (4.8) million

Interest-bearing liabilities, MEUR	30.6.2023	30.6.2022	31.12.2022
Loans, 1 Jan	4.8	0.0	0.0
New loans	3.2	0.0	5.1
Repayments of loans	-1.0	0.0	-0.2
Loans, end of period	7.0	0.0	4.8

4. Related party transactions

Tecnotree's related parties include the subsidiaries, the members of the Board of Directors and the Management Board, the CEO and the close family members of the preceding persons, and those entities in which these people have control.

Except for regularly paid salaries and fees as well as ordinary intra-group transactions, Tecnotree has not entered into any significant transactions with related parties during the review period.

5. Contingent liabilities

Consolidated contingent liabilities, MEUR	30.6.2023	30.6.2022	31.12.2022
On own behalf			
Pledged deposits	1.1	0.8	1.1
Other contingent liabilities			
Litigation	2.0	0.0	2.1
Operating leases, MEUR	30.6.2023	30.6.2022	31.12.2022
Minimum rents payable based on other leases that cannot be cancelled:			
Other operating leases			
Less than one year	0.9	0.1	0.3
Between one and five years	1.2	0.1	0.2

6. Key figures

Consolidated key financial figures	1-6/2023	1-6/2022	1-12/2022
Return on investment, %	17.5	21.5	23.1
Return on equity, %	13.7	14.0	15.7
Equity ratio, %	77.4	81.7	77.1
Net gearing, %	-4.4	-18.7	-9.3
Investments, MEUR	6.9	3.2	10.8
% of net sales	19.8	10.1	15.1
Research and development, MEUR	6.4	3.0	9.5
% of net sales	18.4	9.6	13.3
Order book, MEUR	68.4	72.8	68.9
Personnel, average	886	762	794
Personnel, at end of period	895	778	857

Consolidated key figure per share	1-6/2023	1-6/2022	1-12/2022
Earnings per share, basic, EUR	0.02	0.02	0.04
Earnings per share, diluted, EUR	0.02	0.02	0.04
Equity per share, EUR	0.26	0.23	0.25
Number of shares at end of period, x 1,000	318.956	318.956	318.956
Number of shares on average, x 1,000	318.956	318.956	318.956
Share price, EUR			
Average	0.50	1.08	0.84
Lowest	0.41	0.74	0.41
Highest	0.63	1.51	1.52
Share price at end of period, EUR	0.47	0.82	0.62
Market capitalisation of issued stock at end of period, MEUR	148.3	261.2	199.0
Share turnover, million shares	55.6	119.3	191.6
Share turnover, % of total	17.4	37.4	60.10
Share turnover, MEUR	28.5	132.2	175.9
Price/earnings ratio (P/E)	27.2	52.6	17.1

	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Net sales, MEUR	19.3	15.5	20.1	19.9	18.3	13.3
Net sales, change %	24.0	17.0	11.2	19.1	9.5	18.7
Operating result, MEUR	6.2	3.6	6.1	5.0	5.1	2.0
% of net sales	32.1	23.3	30.6	25.2	28.1	15.1
Result for the period, MEUR	3.7	1.8	3.2	3.4	4.0	1.0
Personnel at end of period	895	884	857	798	778	756
Earnings per share, basic, EUR	0.01	0.01	0.01	0.01	0.01	0.00
Earnings per share, diluted, EUR	0.01	0.01	0.01	0.01	0.01	0.00
Equity per share, EUR	0.26	0.25	0.25	0.25	0.23	0.21
Net interest-bearing liabilities, MEUR	-3.6	-6.5	-7.5	-19.9	-13.9	-15.6
Order book, MEUR	68.4	67.8	68.9	76.1	72.8	64.0

