

Tecnotree

Empowering Digitally
Connected Communities

Financial Report 2022

1st Jan – 31st Dec 2022



Tecnotree Corporation Full Year Report 1st Jan – 31st December 2022 (Unaudited)

Solid revenue growth supported by strategic investments

Fourth quarter (October – December 2022)

- Net sales increased 11.2% to EUR 20.1 (18.1) million.
- Operating result increased 3.6% to EUR 6.1 (5.9) million.
- Non operating expenses increased 276% to EUR 2.9 (0.8) million.
- Result for the period decreased 37.2% to EUR 3.1 (5.2) million.
- Cash flow after investments EUR -6.0 (3.8) million.
- Earnings per share EUR 0.01 (0.02).
- Order book at the end of the period increased by 28.8% to EUR 68.9 (53.5) million.

Full year (January - December 2022)

- Net sales increased 11.5% to EUR 71.6 (64.2) million.
- Operating result decreased 22.7% to EUR 18.3 (23.7) million.
- Non operating expenses increased 25% to EUR 6.7 (5.4) million.
- Result for the period decreased 36.7% EUR 11.6 (18.3) million.
- Cash flow after investments EUR -4.8 (4.0) million
- Earnings per share EUR 0.04 (0.06).

Key figures, MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Net sales	20.1	18.1	71.6	64.2
Operating result	6.1	5.9	18.3	23.7
Result before taxes	4.7	5.9	17.2	21.4
Result for the period	3.2	5.2	11.6	18.3
Earnings per share, basic, EUR	0.01	0.02	0.04	0.06
Order book			68.9	53.5
Cash flow after investments	-6.0	3.8	-4.8	4.0
Change in cash and cash equivalents	-6.3	3.6	-5.3	9.5
Cash and cash equivalents			12.3	17.6
Equity ratio %			77.1	85.2
Net gearing %			-9.3	-26.0
Personnel at end of period			857	750

*Unless otherwise stated, all figures presented below are for the financial period 1-12/2022 and the figures for comparison are for the corresponding period in 1-12/2021.

Prospects 2023

Tecnotree expects in 2023:

- Revenue to be higher by 7%-15% compared to 2022
- Operating profit (EBIT) to be higher by 10%-20% compared to 2022

Assumptions behind the prospects

The demand for our products and solutions continues to grow and we expect to receive increasing orders from new and existing Tier 1 operators. The investments in Artificial Intelligence and Machine Learning in the new verticals of Telco, Healthcare and Fintech are strategic to the company and in line with emerging industry trends, which will yield long term benefits.

In 2023, these planned investments are expected to have an adverse impact on Tecnotree's EBIT in the short term. Such investment is necessary to further cement our position in the AI/ML space.

Tecnotree has seen significant growth in the last couple of years. In order to ensure competitive advantage in its core digital business, Tecnotree will implement cost rationalization in Q2 of 2023 to the tune of 5 - 7%. These cost savings are expected to be realized in Q4 of 2023 and 2024, thus positively benefiting the company's profitability.

Foreign exchange rates are expected to remain at approximately current levels.

From the CEO

Tecnotree continues to enjoy a strong order book position while delivering customer commitments.

Tecnotree has witnessed a surge in demand for our digital stack with a robust increase in order book position by 29% to 68.9 million euros compared to end of last year. We have also been recognizing revenue through our global deliveries across Europe, Middle East and Africa, realizing a 11% increase in revenue in 2022 despite persistent geo-political issues.

Tecnotree adds record number of new logos

Tecnotree continues to grow its market position welcoming new customer logos like Solomon Telekom, Emtel Mauritius, Monty Mobile Gambia, Entel Bolivia, Cable & Wireless Communications Panama and Start Canada, that further validates the demand for our digital offerings across markets. Tecnotree was recognized by Gartner for Customer Management and Experience Solutions and for Revenue Monetization & Management in 2022.

Ongoing recognition by key Industry bodies

Tecnotree was also recognized by TM Forum, the telecom industry standards body, as the first digital platform company in the world to be certified for real-world open API implementation, which ensures quick and rapid integrations to accelerate business growth and growth in our partner ecosystems for the 5G and Cloud era. In addition, Tecnotree is a Global ISP partner for Microsoft Azure, with a Global joint Go To Market alignment.

Order Book

Order book at the year end was EUR 68.9 million being 29% higher compared to EUR 53.5 million last year.

Net sales

Net sales in the fourth quarter were EUR 20.1 million showing 11% growth compared to last year. Similarly, the full year net sales were EUR 71.6 million and 11% higher than last year. The growth in net sales came mainly from MEA & APAC segment.

Profitability

Tecnotree's operating result in the fourth quarter was EUR 6.1 million and increased by EUR 0.2 million (4%) compared to EUR 5.9 million last year. Operating result for the full year was EUR 18.3 million and declined by EUR 5.4 million (-23%) compared to EUR 23.7 million last year.

Tecnotree's net result in the fourth quarter was EUR 3.2 million and declined by EUR 1.9 (-37%) million compared to EUR 5.2 million last year. Net result for the full year was EUR 11.6 million and declined by EUR 6.7 million (-37%) compared to EUR 18.3 million last year.

Tecnotree faces increase in operating expenses as it continues to invest in human resources in order to meet its delivery demands and to invest in the R&D of its digital platform. The operating result is further impacted by global inflationary pressures. Tecnotree has made necessary provisions against receivables with abundant caution. Tecnotree continues to be challenged with currency volatility in its Treasury operations. As we continue to work in emerging markets we face repatriation challenges and delayed collections.

Financial situation

In the fourth quarter Tecnotree concluded an asset purchase agreement with Cognitive Scale Inc. for a cash price of USD 0.6 million. The transaction included acquiring interest bearing liabilities valued to USD 5.4 million.

Cashflow and Cash Management

For the year 2022 growth in cash collections of 15%, outpaced Revenue Growth at 11%. Cash and cash equivalents at the end of the year were EUR 12.3 million compared to EUR 17.6 million last year. Cash flow in the fourth quarter was impacted by temporary delays in some key customer payments and a strategic investment made in Q4 2023. Our cash recovery expectation for 2023 is expected to grow by 12% to 18%.

Tecnotree is committed to investing in advanced technologies such as 5G, AI/ML, Deep Learning, Automation, Robotics and Cloud across its R&D centers globally. The recent acquisition of Cognitive Scale's award winning AIML platform, with 108 awarded patents will put Tecnotree in a market leading position with Tecnotree SENSEA, the next generation of our digital platform. It will enable Tecnotree products to develop advanced cognitive & intuitive capabilities that will empower customers to make personalized choices.

At the end of 2022, through the acquisition of CS, Tecnotree has expanded its footprint globally and entered the North American market.

Net sales

Tecnotree's net sales for the review period were EUR 71.6 (64.2) million being 11.5% higher compared to last year. Net sales from sale of third-party hardware and software were EUR 4.7 (1.8) million, own licenses EUR 18.8 (14.2) million, delivery EUR 22.9 (24.4) million and maintenance and management services EUR 25.2 (23.7) million.

Net sales for the fourth quarter were EUR 20.1 million (18.1) being 11.2% higher compared to last year. Net sales from sale of third-party hardware and software were EUR 0.6 (0.1) million, own licenses EUR 7.9 (5.7) million, delivery EUR 6.2 (6.7) million and maintenance and management services EUR 5.4 (5.6) million.

The order book at the end review period stood at EUR 68.9 (53.5) million showing 28.7% growth compared to last year.

Tecnotree's most significant foreign currency translation exposure derives from the US dollar, representing approximately 40% of Tecnotree revenue. Depreciation of US dollar against Tecnotree reporting currency euro had an adverse impact on the revenue and the order book in the fourth quarter.

Nature of goods and services offered, MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Sale of third party hardware and software	0.6	0.1	4.7	1.8
Own licenses	7.9	5.7	18.8	14.2
Delivery	6.2	6.7	22.9	24.4
Maintenance and management services	5.4	5.6	25.2	23.7
Net sales total	20.1	18.1	71.6	64.2

Methods used to recognise revenue, MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Point in time:				
Third party hardware and software	0.6	0.1	4.7	1.8
Own license	7.9	5.7	18.8	14.2
Overtime:				
Delivery	6.2	6.7	22.9	24.4
Maintenance and management services	5.4	5.6	25.2	23.7
Net sales total	20.1	18.1	71.6	64.2

Recognition of revenue by operating segment, MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Europe & Americas:				
Third party hardware and software	0.1	0.1	1.0	1.8
Own license	0.6	0.2	0.9	0.7
Delivery	2.6	1.2	4.2	2.6
Maintenance and management services	0.4	1.9	6.6	7.4
Net sales total	3.8	3.4	12.7	12.5
MEA & APAC:				
Third party hardware and software	0.5	0.0	3.7	
Own license	7.3	5.6	17.9	13.5
Delivery	3.6	5.5	18.7	21.9

Maintenance and management services	5.0	3.7	18.6	16.3
Net sales total	16.3	14.7	58.9	51.7
Order book by operating segment, MEUR				
			1-12/2022	1-12/2021
Europe & Americas			8.3	5.1
MEA & APAC			60.6	48.4
Order book total			68.9	53.5

Result analysis

The operating result for the review period was EUR 18.3 (23.7) million and the result EUR 11.6 million (18.3). The operating result for the fourth quarter was EUR 6.1 (5.9) million and the result EUR 3.2 million (5.2). Earnings per share for the review period were EUR 0.04 (0.06). Operating result was impacted by the continued investments in R&D, additional costs relating to large customer deliveries as well as sales efforts to continue Tecnotree's geographical expansion.

Capitalization of product development expenses during the review period was EUR 9.5 (5.3) million and EUR 4.8 (1.6) million in the fourth quarter. Amortizations on total capitalized development costs during the review period were EUR 1.1 (1.3) million and EUR 0.5 (0.5) million in the fourth quarter.

Financial items without exchange rate differences in financial items for the review period were EUR 1.8 (0.2) million and EUR 0.9 (0.1) million in the fourth quarter. Exchange rate differences in the financial items in the review period were EUR -2.9 (-2.5) million and EUR -2.3 (-0.2) million in the fourth 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	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Net sales	20.1	18.1	71.6	64.2
Other operating income	0.0	0.0	0.1	0.1
Operating costs excluding	-14.0	-12.1	-53.3	-40.6
Operating result	6.1	5.9	18.3	23.7
Financial items without currency differences	0.9	0.1	1.8	0.2
Exchange rate gains and losses in financial items	-2.3	-0.2	-2.9	-2.5
Income taxes	-1.5	-0.7	-5.7	-3.1
Result for the period	3.2	5.2	11.6	18.3

Financial income and expenses for the review period totalled a net loss of EUR 1.1 million (net loss of EUR 2.3 million), including following items:

Financial income and expenses, MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Interest income	0.3	0.1	1.3	0.4
Exchange rate gains	-0.4	0.1	1.8	0.3
Other financial income	-0.0	0.0	-0.0	0.0
Financial income, total	-0.1	0.2	3.1	0.7
Interest expenses	-0.1	-0.0	-0.1	-0.2

Exchange rate losses	-1.9	-0.2	-4.7	-2.7
Other financial expenses	0.7	0.0	0.6	-0.0
Financial expenses, total	-1.3	-0.2	-4.2	-3.0
Financial items, total	-1.4	-0.1	-1.1	-2.3

Taxes for the review period totalled EUR 5.7 (3.1) million, including following items:

Taxes in income statement, MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Withholding taxes paid abroad	-0.5	-0.5	-3.4	-2.0
Change in withholding tax accrual	-0.3	0.1	-0.4	0.1
Income taxes on the results of Group companies	-0.4	-0.1	-1.3	-0.8
Other items	-0.2	-0.2	-0.6	-0.4
Taxes in income statement, total	-1.5	-0.7	-5.7	-3.1

Financing, cash flow and balance sheet

Tecnotree's working capital increased during the review period by EUR 10.3 (Increased 15.9) million

Change in working capital, MEUR (increase-/decrease +)	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Current receivables, increase (-) /decrease (+)	-7.2	-0.6	-11.8	-14.5
Inventories, increase (-) /decrease (+)	0.0	-0.0	0.0	0.0
Current liabilities, increase (+) /decrease (-)	2.6	2.5	1.5	-1.4
Change in working capital, total	-4.6	1.9	-10.3	-15.9

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 December 2022, Tecnotree's cash and cash equivalents totalled to EUR 12.3 (December 2021: 17.6) million. Cash flow after investments in the review period was negative EUR 4.8 (positive 4.0) million.

The balance sheet total on 31 December 2022 stood at EUR 103.8 (79.4) million. Interest-bearing liabilities were EUR 4.8 (0.0) million.

Tecnotree's investments during the review period were EUR 10.8 (5.9) million.

During the review period, total equity was affected by translation differences of negative EUR 1.9 (positive 0.7) million.

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

Tecnotree

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 800 million subscribers worldwide and supporting more than 65 operators/CSPs worldwide.

Tecnotree operates globally and has development and operational support centres 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 1.3% from previous year being EUR 12.7 (12.5) million.

Order book at the end of the review period increased by 61.6% from previous year and stood at EUR 8.3 (5.1) million.

Middle-East and Africa & Asia Pacific

The net sales for the review period increased by 13.9% from previous year being EUR 58.9 (51.7) million.

The order book at the end of the review period increased by 25.3% from previous year and stood at EUR 60.6 (48.4) million.

Personnel

At the end of the year 2022, Tecnotree employed 857 (750) persons, of whom 43 (42) worked in Finland and 814 (708) globally. The company employed on average 794 (703) people during the review period. Personnel by country were as follows:

Personnel	31.12.2022	31.12.2021
Personnel, at end of period	857	750
Finland	43	42
Brazil	6	8
Argentina	37	36
India	638	541
United Arab Emirates	21	20
Other countries	112	103
Personnel, average	794	703
Personnel expenses (MEUR)	-23.7	-22.1

Share and price analysis

At the end of the review period, the shareholders' equity of Tecnotree Group stood at EUR 80.1 (67.7) million and the share capital was EUR 1.3 million (1.3). The total number of shares was 318,956,206 and the company held 7,975,260 own shares. Equity per share was EUR 0.25 (0.21).

A total of 191,609,929 Tecnotree shares (EUR 175,902,070) were traded on the Helsinki Exchanges during the period 1 January – 31 December 2022, representing 60.07% of the total number of shares.

The highest share price quoted in the review period was EUR 1.52 and the lowest EUR 0.41. The average quoted price was EUR 0.84 and the closing price on 31 December 2022 was EUR 0.62. The market capitalisation of the share stock at the end of the review period was EUR 199.0 million.

Current authorizations

At the end of the review period, the Board of Directors had 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 short-term uncertainty factors

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

Risks and uncertainty factors relating to business operations

Tecnotree focuses on R&D led, product-based solutions for Communication and Digital Service Providers in emerging markets. This involves risks, such as the time to develop new products, the timely market introduction of products, the competitive situations as well as the company's ability to respond to customer and market demand. The company has also noted the impact of inflation on its cost and is taking appropriate measures to mitigate the same.

Dependence on key customers

Tecnotree's largest customers are much bigger businesses than the company itself and the two largest customers accounted for 75% of net sales in 2022 (68%). The relationship between the company and its major customers is one of interdependence, which offers business opportunities but also poses risks. However these relationships have been existing for over 20 years.

Carrying out customer projects, profitability, forecasting

Certain commitments are associated with the project delivery and maintenance agreements made by the company, and unforeseen costs may arise in the future from these agreements. The company aims to limit these commitments with limitation of liability clauses in customer contracts. In addition, the company has a current global liability insurance to cover any liabilities that may materialize in connection with customer projects in accordance with the insurance agreement.

Carrying out projects involves risks. They are contained for example in projects that require new product development, where creating new product features may prove more difficult than anticipated. Another problem with project sales arises from variations in net sales and profit during the different quarters of the year. Forecasting these variations is often difficult.

Risks relating to international operations, receivables and developing markets

Project deliveries result in large accounts receivable. Most of Tecnotree's net sales come from developing countries and some of these contain political and economic challenges. There is the risk of a considerable delay in the payment of invoices in these countries and that Tecnotree will have to record credit losses. Regulation by the authorities of foreign payment transactions and international sanctions hamper operations in certain countries. Various regulations can change frequently and may be ambiguous. In many countries it is common

practice to delay payment of invoices. For these reasons forecasting customer payments is often challenging and delays occur.

Exchange rate risks

Changes in exchange rates create risks especially in sales activities, but also in other income statement and balance sheet items and in cash flow. A significant part of the company's net sales is in US dollars. The exchange rate fluctuations of Indian Rupees also have a significant impact on the Group's net result because of the costs for the large number of employees in India and other costs denominated in rupees. Intra-group receivables and liabilities result exchange rate differences in the consolidated income statement, since the Group companies usually have different functional currencies.

Financing and liquidity risks

The overall financial position of the company is strong. The company is exploring currency swaps and hedging to improve liquidity and minimize exchange risks.

Taxation

Operating in developing markets often involves problems relating to taxation. Local tax legislation can change rapidly and may be subject to conflicting interpretations. It is possible for the tax authorities in different countries to demand taxation of the same revenue. Withholding taxes are often imposed on sales of systems and services and obtaining credit for this in the country receiving the revenue is not a clear case. In Finland Tecnotree has a large amount of tax-deductible costs from previous fiscal periods, which can be capitalized in taxation.

As a rule, Tecnotree applies the cost-plus method in its transfer pricing. This clarifies the taxable result recorded in different countries.

Events after end of the period

No material changes regarding the company's business or financial position have materialized after the end of the review period.

Board of Directors' proposal concerning the result

At the end of financial year 2022, the distributable equity of the Group's parent company is 48,401,008.99 euros. The Board of Directors proposes to the Annual General Meeting to be held on April 19, 2023, that no dividend will be paid for the financial year 2022, and the parent company's lost for the period, 308.052,50 euros, will be transferred in retained earnings in the shareholders' equity.

Tecnotree Corporation

Board of Directors

Further information

Padma Ravichander, CEO, tel +971 56 414 1420

Indiresh Vivekananda, CFO, tel +971 56 410 8357

www.tecnotree.com

Table section (unaudited)

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

Consolidated income statement, MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/ 2021
Net sales	20.1	18.1	71.6	64.2
Other operating income	0.0	0.0	0.1	0.1
Materials and services	-1.7	-1.0	-7.1	-2.3
Employee benefit expenses	-5.5	-5.6	-23.7	-22.1
Depreciation, amortisation and impairment charges	-0.6	-0.5	-1.5	-1.6
Other operating expenses	-6.2	-5.0	-21.0	-14.6
Operating result	6.1	5.9	18.3	23.7
Financial income	-0.1	0.2	3.1	0.7
Financial expenses	-1.3	-0.2	-4.2	-3.0
Result before taxes	4.7	5.9	17.2	21.4
Income taxes	-1.5	-0.7	-5.7	-3.1
Result for the period	3.2	5.2	11.6	18.3

Allocated to:

Equity holders of parent company	3.2	5.2	11.6	18.3
Non-controlling interest	-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	0.02	0.04	0.06
Earnings per share, diluted, EUR	0.01	0.02	0.04	0.06

Consolidated statement of comprehensive income, MEUR

	10-12/2022	10-12/2021	1-12/2022	1-12/ 2021
Result for the period	3.2	5.2	11.6	18.3
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement items on net defined benefit liability	-0.0	-0.0	-0.0	-0.0
Revaluation	-0.0		0.1	0.0
Tax on items that will not be reclassified subsequently to profit or loss				0.0
Items that may be reclassified subsequently to profit or loss:				
Translation differences from foreign oper.	-3.1	0.4	-3.0	1.1
				-0.4
Other comprehensive income, net of tax	-3.1	0.3	-2.0	0.7
Total comprehensive income for the period	0.1	5.4	9.6	19.0
Allocated to:				
Equity holders of parent company	0.1	5.4	9.6	19.0
Non-controlling interest	-0.0	0.0	-0.0	0.0

Consolidated balance sheet, MEUR

31.12.2022 31.12.2021

Non-current assets		
Intangible assets	23.6	9.9
Tangible assets	0.4	0.3
Deferred tax assets	0.6	0.6
Other non-current trade and other receivables	1.8	2.3
Current assets		
Trade receivables	37.8	27.8
Other receivables	27.3	20.8
Cash and cash equivalents	12.3	17.6
Assets total	103.8	79.4
Shareholders' equity		
	80.1	67.7
Non-current liabilities		
Non-current interest-bearing liabilities	2.4	0.0
Other non-current liabilities	3.1	2.7
Current liabilities		
Current interest-bearing liabilities	2.5	0.0
Trade payables and other liabilities	15.8	8.9
Equity and liabilities total	103.8	79.4

Consolidated condensed cash flow statement, MEUR

10-12/2022 10-12/2021 1-12/2022 1-12/2021

Cash flow from operating activities				
Result for the period	3.2	5.2	11.6	18.3
Adjustments of the result	4.9	-1.2	12.2	12.6
Changes in working capital	-4.6	1.9	-10.3	-15.9
Financial income and expenses	-2.9	0.4	-2.3	-1.4
Income taxes paid	-1.2	-0.8	-5.1	-3.7
Net cash flow from operating activities	-0.6	5.4	6.0	9.9
Cash flow from investing activities				
Capital expenditure on non-current tangible and intangible assets	-5.4	-1.7	-10.8	-5.9
Net cash flow from investing activities	-5.4	-1.7	-10.8	-5.9
Cash flow from financing activities				
Repayments of borrowings	-0.2	0.0	-0.2	-16.7
Proceeds from share issue	0.0	0.0	0.1	22.3
Other financial costs	-0.0	-0.2	0.0	-0.2
Net cash flow from financing activities	-0.3	-0.1	-0.1	5.5

Increase (+) and decrease (-) in cash and cash equivalents	-6.3	3.6	-4.9	9.5
Cash and cash equivalents at beg. of period	19.9	13.9	17.6	8.0
Impact of changes in exchange rates	-1.4	0.0	-0.4	0.1
Cash and cash equivalents at end of period	12.3	17.6	12.3	17.6

Calculation of changes in shareholders' equity, MEUR

	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						11.6	11.6	0.0	11.6
Other comprehensive income, net of tax			-1.9			-0.0	-2.0		-0.0
Total comprehensive income for the period			-1.9			11.6	9.6	0.0	9.6
Share issue							0.0		0.0
Stock options exercised				0.1			0.1		0.1
Share based payments						1.9	1.9	0.0	1.9
Revaluation reserve					0.0		-0.0		-0.0
Argentina hyperinflation						0.8	0.8		0.8
Other changes					0.0	0.0	0.0	0.0	0.0
Shareholders' equity 31st Dec 2022	1.3	0.8	12.6	27.6	2.2	60.6	79.9	0.2	80.1
	A	B	C	D	E	F	G	H	I
Shareholders' equity 1 Jan 2021	1.3	0.8	11.4	5.1	2.1	21.7	19.7	0.2	19.9
Result for the period						18.3	18.3	0.0	18.3
Other comprehensive income, net of tax:									
Remeasurement items							-0.0		-0.0
Translation differences			0.7				0.7		0.7
Total comprehensive income for the period			0.7			18.3	19.0	0.0	19.0
Share issue				22.0			22.0		22.0
Stock options exercised				0.3			0.3		0.3
Share based payments						5.7	5.7	0.0	5.7
Revaluation reserve					0.0		0.0		0.0
Argentina Hyperinflation					0.0	0.2	0.2		0.2
Transfers between items						0.3	0.3		0.3
Other changes					0.0	0.1	0.1	0.0	0.1
Shareholders' equity 31 Dec 2021	1.3	0.8	10.7	27.5	2.1	46.3	67.5	0.2	67.7

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 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 report are the same as the principles published in the 2021 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	1-12/2022	1-12/2021
Net sales		
Europe & Americas	12.7	12.5
MEA & APAC	58.9	51.7
Total	71.6	64.2
Result		
Europe & Americas	6.1	5.6
MEA & APAC	23.1	25.7
Total	29.2	31.3
Non-allocated items	-10.9	-7.6
Operating result	18.3	23.7

3. Interest-bearing liabilities

At the end of the review period, interest-bearing liabilities totalled to EUR 4.8 m (0.0) million.

Interest-bearing liabilities, MEUR	31.12.2022	31.12.2021
Loans, 1 Jan	0.0	13.3
New loans	5.1	0.0
Repayments of loans	-0.2	-13.3
Loans, end of period	4.8	0.0
Finance lease liabilities, 1 Jan	0.0	0.2
Finance lease liabilities, additions	0.0	0.0
Finance lease liabilities, decreases	0.0	-0.2
Finance lease liabilities, end of period	0.0	0.0
Interest-bearing liabilities total	4.8	0.0

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	31.12.2022	31.12.2021
On own behalf		
Corporate mortgages	0,0	45,3
Pledged deposits	1,1	1,3
Other contingent liabilities		
Litigation	2,1	0,0
Operating leases, MEUR	31.12.2022	31.12.2021
Minimum rents payable based on other leases that cannot be cancelled:		
Other operating leases		

Less than one year	0,3	0,2
Between one and five years	0,2	0,0

Contingent liability on litigation is related to an employee redundancy in Argentina.

6. Key figures

Consolidated key financial figures	1-12/2022	1-12/2021
Return on investment, %	23.1	48.3
Return on equity, %	15.7	31.9
Equity ratio, %	77.1	85.2
Net gearing, %	-9.3	-26.0
Investments, MEUR	10.8	5.9
% of net sales	15.1	9.2
Research and development, MEUR	9.5	5.7
% of net sales	13.3	8.8
Order book, MEUR	68.9	53.5
Personnel, average	794.0	703.0
Personnel, at end of period	857.0	750.0

Consolidated key figure per share	1-12/2022	1-12/2021
Earnings per share, basic, EUR	0.04	0.06
Earnings per share, diluted, EUR	0.04	0.06
Equity per share, EUR	0.25	0.21
Number of shares at end of period, x 1,000	318.956	318.956
Number of shares on average, x 1,000	318.956	292.528
Share price, EUR		
Average	0.84	1.02
Lowest	0.41	0.51
Highest	1.52	1.71
Share price at end of period, EUR	0.62	1.47
Market capitalisation of issued stock at end of period, MEUR	199.0	469.5
Share turnover, million shares	191.6	293.5
Share turnover, % of total	60.1	92.03
Share turnover, MEUR	175.9	312.3
Price/earnings ratio (P/E)	17.1	23.5

Quarterly key figures	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21
Net sales, MEUR	20.1	19.9	18.3	13.3	18.1	18.2	16.7
Net sales, change %	11.2	9.1	9.5	18.7	27.2	24.5	18.5
Operating result, MEUR	6.1	5.0	5.1	2.0	5.9	7.1	7.6
% of net sales	30.6	25.2	28.1	15.1	32.8	39.0	45.3

Result for the period, MEUR	3.2	3.4	4.0	1.0	5.2	5.4	5.3
Personnel at end of period	857	798	778	756	750	715	688
Earnings per share, basic, EUR	0.01	0.01	0.01	0.00	0.02	0.02	0.02
Earnings per share, diluted, EUR	0.01	0.01	0.01	0.00	0.02	0.02	0.02
Equity per share, EUR	0.25	0.25	0.23	0.21	0.21	0.19	0.11
Net interest-bearing liabilities, MEUR	-7.5	-19.9	-13.9	-15.6	-17.6	-13.9	2.1
Order book, MEUR	68.9	76.1	72.8	64.0	53.5	58.6	55.0

