

TECNOTREE CORPORATION SHORT REPORT 1 JAN – 31 MAR 2021 (UNAUDITED)

Tecnotree is the only full stack digital business management solution player for digital service providers, with over 40 years of deep domain knowledge, proven delivery and transformation capabilities across the globe. Tecnotree's open source technology-based products and solutions comprises of the full range (order-to-cash) of business processes and subscription management services for telecom players and other digital service providers. Tecnotree's products and platforms service over 800 million subscribers worldwide.

ORDER BOOK REACHES NEW HEIGHT

	1-3/	1-3/	1-12/
KEY FIGURES	2021	2020	2020
Net sales, MEUR	11,2	9,8	52,8
Adjusted operating result, MEUR ¹	3,1	2,3	19,3
Operating result, MEUR	3,1	1,1	18,6
Result before taxes, MEUR	2,9	1,0	15,9
Adjusted result for the period, MEUR ²	2,4	1,7	14,2
Result for the period, MEUR	2,4	0,6	13,6
Earnings per share, basic, EUR	0,01	0,00	0,05
Order book, MEUR	47,3	35,5	32,1
Cash flow after investments, MEUR	4.7	1.0	7.0
· · · · · · · · · · · · · · · · · · ·	1,7	1,2	7,0
Change in cash and cash equivalents, MEUR	1,7	1,3	4,7
Cash and cash equivalents, MEUR	10,0	4,5	8,0
Equity ratio %	43,2	15,7	39,3
Net gearing %	13,0	146,6	27,1
Personnel at end of period	679	616	659

¹ Adjusted operating result = operating result before one-time items.

Significant transactions that are not part of the normal course of business, infrequently occurring events or valuation items that do not affect cash flow are treated as adjustment items affecting comparability between reporting periods. According to Tecnotree's definition, such items include, for example, impairment of assets and the remeasurement to fair value, sale of assets, costs of closing down offices, restructuring measure and personnel related redundancy costs.

With reference to the new guidelines on alternative performance measures issued by the European Securities and Markets Authority (ESMA), Tecnotree uses the alternative

² Adjusted result for the period = result for the period before one-time items.

performance measures "adjusted operating result" and "adjusted result for the period". These measures are defined in the above paragraph.

Unless otherwise stated, all figures presented below are for the financial period 1-3/2021 and the figures for comparison are for the corresponding period in 1-3/2020.

CEO Padma Ravichander: Promising start to the year

Tecnotree continues to be on the robust growth trajectory, the performance for the 1st quarter of 2021 has been very promising compared to our performance for the same quarter last year. The development of global telecom market is showing positive signs, which is resonating in increasing market activity despite Covid-19 pandemic is still ongoing. During the quarter, Tecnotree was able to secure a substantial amount of new orders resulting in the highest order book position in the last six years.

Revenue

Revenue in the first quarter was at EUR 11.2 million demonstrating 13.7% growth from last year. Middle East and Africa region represented EUR 8.2 million or 72.9% of the total revenue and witnessed 16.1% growth from last year. LATAM region presented EUR 2.4 million or 21.8% of the total revenue being at the same level as last year. Asia Pacific and Europe regions constituted a total of EUR 0.6 million or 5.4% of the total revenue.

Profitability

Operating profit in the first quarter was EUR 3.1 million, witnessing an improvement of EUR 1.9 million or 168% compared to last year. Net profit improved by EUR 1.8 million or 287% and earnings per share (EPS) was 0.01 euros compared to 0.00 euros last year.

Order intake

The total value of new orders recorded during the first quarter amounted to EUR 26.4 million, this was 33% more compared to the order intake last year. The impressive order intake also lifted the total order book to new heights being EUR 47.3 million. The most significant achievement of the quarter in terms of order intake was Digital BSS transformation award worth USD 11.7 million from a tier-1 Telecom operator customer in the Middle East region.

Financial situation

Net cash flow after investments in the first quarter was EUR 1.7 million positive and cash and cash equivalents in the end of the period were EUR 10.0 million. Liquidity wise the company continues to be well-positioned to meet its expenses, investments and debt repayment requirements.

Other Business Updates

Tecnotree is on the growth path in its business across global markets by increasing the presence of its brand and taking advantage of the onset of digital transformation requirements of digital service providers.

In 2021 we 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.

NET SALES

Net sales for the period were EUR 11.2 (9.8) million, 13.7 % higher than a year ago. Revenue from goods and services increased by EUR 2.1 million and revenue from maintenance and support decreased by EUR 0.8 million. The net sales were impacted by EUR 0.2 (0.1) exchange rate differences.

The order book represents the total value of confirmed customer orders not yet recognized as revenue and stood at EUR 47.3 (35.5) million in the end of the period.

ODEOISIO ATION OF NET CALSO MELID	1-3/ 2021	1-3/ 2020	1-12/ 2020
SPECIFICATION OF NET SALES, MEUR			
Revenue from maintenance and support	5,8	6,6	24,7
Revenue from goods and services	5,2	3,1	28,2
Currency exchange gains and losses	0,2	0,1	-0,2
TOTAL	11,2	9,8	52,8
	1-3/	1-3/	1-12/
NET SALES BY MARKET AREA, MEUR	2021	2020	2020
Europe & Americas	2,5	2,7	11,0
MEA & APAC	8,7	7,1	41,8
TOTAL	11,2	9,8	52,8
	31.3.	31.3.	31.12.
CONSOLIDATED ORDER BOOK, MEUR	2021	2020	2020
Europe & Americas	8,3	9,2	4,0
MEA & APAC	39,1	26,3	28,1
TOTAL	47,3	35,5	32,1

RESULT ANALYSIS

The adjusted operating result in the period was 3.1 (2.3) million and the operating result was EUR 3.1 (1.1) million. The adjusted result was EUR 2.4 (1.7) million and the result was EUR 2.4 (0.6) million.

Capitalized product development expenses in the period were EUR 1.0 (1.2) million. Amortizations on capitalized development costs during the period were EUR 0.3 (0.2) million.

Financial items without currency differences in financial items in the period were EUR -0.0 (-0.1) million. Exchange rate differences in financial items in the period were EUR -0.2 (-0.1) million. It is important to examine Tecnotree's result without the impact of exchange rate changes, which is why this is shown separately.

	1-3/	1-3/	1-12/
INCOME STATEMENT, KEY FIGURES, MEUR	2021	2020	2020
Net sales	11,2	9,8	52,8
Other operating income	0,1	0,1	0.9

Operating costs excluding one-time costs	-8,2	-7,6	-34,5
Adjusted operating result	3,1	2,3	19,3
One-time items	0,0	-1,1	-0,7
OPERATING RESULT	3,1	1,1	18,6
Financial items without foreign currency differences	-0,0	-0,1	-0,2
Exchange rate gains and losses in financial items	-0,2	-0,1	-2,5
Income taxes	-0,5	-0,4	-2,3
Adjusted result for the period	2,4	1,7	14,2
One-time items	0,0	-1,1	-0,7
RESULT FOR THE PERIOD	2,4	0,6	13,6

Financial income and expenses (net) during the period totalled a net loss of EUR 0.2 million (net loss of EUR 0.1 million), including following items:

	1-3/	1-3/	1-12/
FINANCIAL INCOME AND EXPENSES, MEUR	2021	2020	2020
Interest income	0,1	0,1	0,4
Exchange rate gains	0,5	0,6	3,2
Other financial income	-0,0	0,0	0,0
FINANCIAL INCOME, TOTAL	0,6	0,6	3,6
Interest expenses	-0,1	-0,1	-0,5
Exchange rate losses	-0,7	-0,6	-5,7
Other financial expenses	-0,0	-0,0	-0,1
FINANCIAL EXPENSES, TOTAL	-0,8	-0,8	-6,3
FINANCIAL ITEMS, TOTAL	-0,2	-0,1	-2,7

Taxes for the period totalled EUR 0.5 (0.4) million, including following items:

	1-3/	1-3/	1-12/
TAXES IN INCOME STATEMENT, MEUR	2021	2020	2020
Withholding taxes paid abroad	-0,4	-0,3	-2,2
Change in withholding tax accrual	0,0	0,2	0,6
Income taxes on the results of Group companies	-0,1	-0,1	-0,3
Other items	-0,0	-0,2	-0,4
TAXES IN INCOME STATEMENT, TOTAL	-0,5	-0,4	-2,3

Earnings per share in the period were EUR 0.01 (0.00) and equity per share at the end of the period was EUR 0.09 (0.02)

PERSONNEL

At the end of March 2021 Tecnotree employed 679 (616) persons, of whom 40 (39) worked in Finland and 639 (577) elsewhere. The company employed on average 685 (611) people during the period. Personnel by country were as follows:

			1-
PERSONNEL	1-3/2021	1-3/2020	12/2020
Personnel, at end of period	679	616	659
Finland	40	39	40
Brazil	8	9	8
Argentina	38	40	41
India	468	402	464
United Arab Emirates	16	16	15
Other countries	109	110	91
Personnel, average	685	611	637
Personnel expenses (MEUR)	-4,4	-4,5	-18,2

EVENTS AFTER THE END OF THE PERIOD

8.4.2021 Tecnotree announced that a total of 8.000.000 new shares issued in Tecnotree Corporation's share issue to the Company itself without consideration have been registered with the Trade Register.

15.4.2021 Tecnotree announced resolutions passed by the Annual General Meeting

15.4.2021 Tecnotree announced the organization of the Board of Directors of Tecnotree Corporation

PROSPECTS IN 2021

While we witnessed strong growth in our business in 2020 and continue to see encouraging interest in our product and services despite the current pandemic, we are sensitive to the risks that this pandemic could potentially cause to our customers' operations and to the safety of our employees and therefore would refrain from giving any guidance.

TECNOTREE CORPORATION

Board of Directors

Further information

Padma Ravichander, CEO, tel +97 156 414 1420 Priyesh Ranjan, CFO, tel +971 50 955 1188

www.tecnotree.com

TABLE SECTION (UNAUDITED)

Other non-current liabilities

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.

	1-3/ 2021	1-3/ 2020	1-12/ 2020
CONSOLIDATED INCOME STATEMENT, MEUR	2021	2020	2020
NET SALES	11,2	9,8	52,8
Other operating income	0,1	0,1	0,9
Materials and services	-0,3	-0,5	-2,7
Employee benefit expenses	-4,4	-4,5	-18,2
Depreciation, amortisation and impairment charges	-0,3	-0,4	-1,7
Other operating expenses	-3,2	-3,4	-12,4
OPERATING RESULT	3,1	1,1	18,6
Financial income	0,6	0,6	3,6
Financial expenses	-0,8	-0,8	-6,3
RESULT BEFORE TAXES	2,9	1,0	15,9
Income taxes	-0,5	-0,4	-2,3
RESULT FOR THE PERIOD	2,4	0,6	13,6
Allocated to:			
Equity holders of parent company	2,4	0,6	13,6
Non-controlling interest	-0,0	0,0	0,0
EPS calculated on the profit attributable to equity holders	s of parent comp	any:	
Earnings per share, basic, EUR	0,01	0,00	0,05
· · · · · · · · · · · · · · · · · · ·	0,01 0,01	0,00 0,00	0,05 0,05
Earnings per share, basic, EUR Earnings per share, diluted, EUR		0,00	
Earnings per share, basic, EUR		0,00	0,05
Earnings per share, basic, EUR Earnings per share, diluted, EUR	0,01	0,00	
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR	0,01	0,00	0,05
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets	31.3.2021	0,00	0,05
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets	0,01 31.3.2021 6,1	0,00 31.3.2020 4,0	0,05 31.12.2020 5,5
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets	0,01 31.3.2021 6,1 0,3	0,00 31.3.2020 4,0 0,1	0,05 31.12.2020 5,;
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets	0,01 31.3.2021 6,1 0,3 0,5	0,00 31.3.2020 4,0 0,1 0,5	0,05 31.12.2020 5,; 0,;
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables	0,01 31.3.2021 6,1 0,3 0,5 0,9	0,00 31.3.2020 4,0 0,1 0,5 0,8	0,05 31.12.2020 5,; 0,; 0,,
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets	0,01 31.3.2021 6,1 0,3 0,5 0,9	0,00 31.3.2020 4,0 0,1 0,5 0,8	5,; 0,05
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets Current assets	0,01 31.3.2021 6,1 0,3 0,5 0,9 0,2	0,00 31.3.2020 4,0 0,1 0,5 0,8 2,0	0,05 31.12.2020 5,; 0,; 0,,
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets Current assets Inventories	0,01 31.3.2021 6,1 0,3 0,5 0,9 0,2	0,00 31.3.2020 4,0 0,1 0,5 0,8 2,0	0,05 31.12.202 5,; 0,; 0,; 1,; 0,;
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets Current assets Inventories Trade receivables	0,01 31.3.2021 6,1 0,3 0,5 0,9 0,2	0,00 31.3.2020 4,0 0,1 0,5 0,8 2,0 0,0 16,0	0,05 31.12.2020 5,0 0,0 1,0 0,0 13,0 21,0
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets Current assets Inventories Trade receivables Other receivables Other receivables	0,01 31.3.2021 6,1 0,3 0,5 0,9 0,2 0,0 19,8 20,1	0,00 31.3.2020 4,0 0,1 0,5 0,8 2,0 0,0 16,0 12,7	0,05 31.12.2020 5,7 0,7 0,7 1,7 0,7 21,7 8,9
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets Current assets Inventories Trade receivables Other receivables Cash and cash equivalents	0,01 31.3.2021 6,1 0,3 0,5 0,9 0,2 0,0 19,8 20,1 10,0	0,00 31.3.2020 4,0 0,1 0,5 0,8 2,0 0,0 16,0 12,7 4,5	0,05 31.12.202 5, 0, 0, 1, 0, 13, 21, 8,
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets Current assets Inventories Trade receivables Other receivables Cash and cash equivalents TOTAL ASSETS Shareholders' equity Non-current liabilities	0,01 31.3.2021 6,1 0,3 0,5 0,9 0,2 0,0 19,8 20,1 10,0 57,9	0,00 31.3.2020 4,0 0,1 0,5 0,8 2,0 0,0 16,0 12,7 4,5 40,9	0,05 31.12.202 5, 0, 0, 1, 0, 13, 21, 8,
Earnings per share, basic, EUR Earnings per share, diluted, EUR CONSOLIDATED BALANCE SHEET, MEUR Assets Other intangible assets Tangible assets Deferred tax assets Other non-current trade and other receivables Right-of-use assets Current assets Inventories Trade receivables Other receivables Cash and cash equivalents TOTAL ASSETS Shareholders' equity	0,01 31.3.2021 6,1 0,3 0,5 0,9 0,2 0,0 19,8 20,1 10,0 57,9	0,00 31.3.2020 4,0 0,1 0,5 0,8 2,0 0,0 16,0 12,7 4,5 40,9	0,05 31.12.2020 5,; 0,; 0,; 1,, 0,;

6,1

6,8

6,8

Lease liability (non-current)	0,2	1,3	0,2
Current liabilities			
Current interest-bearing liabilities	1,0	0,5	1,0
Lease liability (current)	0,1	0,7	0,1
Trade payables and other liabilities	12,5	11,6	10,9
EQUITY AND LIABILITIES, TOTAL	57,9	40,9	50,6

CONSOLIDATED CONDENSED CASH FLOW STATEMENT, MEUR	1-3/ 2021	1-3/ 2020	1-12/ 2020
Cash flow from operating activities			
Result for the period	2,4	0,6	13,6
Adjustments of the result	5,7	3,2	11,6
Changes in working capital	-4,6	0,1	-8,1
Financial income and expenses	0,0	-0,5	-3,2
Income taxes paid	-0,7	-1,1	-3,2
Net cash flow from operating activities	2,8	2,4	10,6
Cash flow from investing activities			
Capital expenditure on non-current tangible and intangible			
assets	-1,1	-1,2	-3,6
Proceeds from disposal of intangible and tangible assets	0,0	0,0	0,0
Net cash flow from investing activities	-1,1	-1,2	-3,6
Cash flow from financing activities			
Repayments of borrowings	0,0	0,0	-1,8
Proceeds from share issue	0,0	0,1	0,1
Other financial expense	0,0	-0,0	0,0
Net cash flow from financing activities	0,0	0,1	-1,7
Increase (+) and decrease (-) in cash and cash equivalents	1,7	1,3	5,3
Cash and cash equivalents at beg. of period	8,0	3,4	3,4
Impact of changes in exchange rates	0,2	-0,1	-0,6
Cash and cash equivalents at end of period	10,0	4,5	8,0

KEY FIGURES

		1-
1-3/2021	1-3/2020	12/2020
40,9	37,2	87,3
42,7	49,3	96,8
43,2	15,7	39,3
13,0	146,6	27,1
1,1	1,2	3,6
9,6	12,3	6,9
1,0	0,9	3,6
8,9	9,2	6,9
	40,9 42,7 43,2 13,0 1,1 9,6 1,0	40,9 37,2 42,7 49,3 43,2 15,7 13,0 146,6 1,1 1,2 9,6 12,3 1,0 0,9

Order book, MEUR	47,3	35,5	32,1
Personnel, average	685	611	637
Personnel, at end of period	679	616	659

			1-
CONSOLIDATED KEY FIGURES PER SHARE	1-3/2021	1-3/2020	12/2020
Earnings per share, basic, EUR	0,01	0,00	0,05
Earnings per share, diluted, EUR	0,01	0,00	0,05
Equity per share, EUR	0,09	0,02	0,07
Number of shares at end of period, x 1,000	274 628	274 628	274 628
Number of shares on average, x 1,000	274 628	257 287	270 293
Share price, EUR			
Average	0,64	0,20	0,34
Lowest	0,51	0,11	0,11
Highest	0,79	0,30	0,90
Share price at end of period, EUR	0,63	0,15	0,70
Market capitalisation of issued stock at end of period,			
MEUR	174,1	41,2	193,3
Share turnover, million shares	36,6	15,5	82,2
Share turnover, % of total	13,3	5,6	29,9
Share turnover, MEUR	23,3	3,2	35,5
Price/earnings ratio (P/E)	72,1	66,5	13,9

QUARTERLY KEY FIGURES	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19
Net sales, MEUR	11,2	14,2	14,7	14,1	9,8	14,1
Net sales, change %	13,7	0,8	18,4	28,5	3,4	16,2
Adjusted operating result ¹	3,1	4,3	6,9	5,8	2,3	4,1
% of net sales	27,3	30,5	46,8	41,5	23,0	28,7
Operating result, MEUR	3,1	4,3	6,9	6,3	1,1	4,1
% of net sales	27,3	30,5	46,8	44,7	11,6	28,7
Adjusted result for the period, MEUR ²	2,4	4,3	4,4	3,8	1,7	2,8
Result for the period, MEUR	2,4	4,3	4,4	4,2	0,6	2,8
Personnel at end of period	679	659	653	622	616	600
Earnings per share, basic, EUR	0,01	0,02	0,02	0,02	0,00	0,01
Earnings per share, diluted, EUR	0,01	0,02	0,02	0,02	0,00	0,01
Equity per share, EUR	0,09	0,07	0,06	0,04	0,02	0,01
Net interest-bearing liabilities, MEUR	3,3	5,4	6,9	7,9	9,4	10,6
Order book, MEUR	47,3	32,1	26,7	39,4	35,5	25,5

¹ Adjusted operating result = operating result before one-time items.

9

² Adjusted result for the period = result for the period before one-time items.

