

# Tecnotree

Empowering Digitally  
Connected Communities

## Half Year Report H1 2022

1<sup>st</sup> Jan – 30<sup>th</sup> Jun



## Tecnotree Corporation Half Year Report 1<sup>st</sup> Jan – 30<sup>th</sup> Jun 2022 (Unaudited)

### Healthy Order Book and Revenue Growth

Second quarter (April – June 2022)

- Net sales EUR 18.3 (16.7) million.
- Operating result EUR 5.1 (7.6) million.
- Result for the period EUR 4.0 (5.3) million.
- Cash flow after investments EUR -2.1 (1.8) million.
- Earnings per share EUR 0.01 (0.02).
- Order book at the end of the period EUR 72.8 (55.0) million.

First half (January - June 2022)

- Net sales EUR 31.6 (27.9) million.
- Operating result EUR 7.1 (10.6) million.
- Result for the period EUR 5.0 (7.7) million.
- Cash flow after investments EUR -4.2 (3.5) million
- Earnings per share EUR 0.02 (0.03).

Key figures, MEUR	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	<b>18.3</b>	16.7	<b>31.6</b>	27.9	64.2
Operating result	<b>5.1</b>	7.6	<b>7.1</b>	10.6	23.7
Result before taxes	<b>5.9</b>	6.2	<b>7.4</b>	9.1	21.4
Result for the period	<b>4.0</b>	5.3	<b>5.0</b>	7.7	18.3
Earnings per share, basic, EUR	<b>0.01</b>	0.02	<b>0.02</b>	0.03	0.06
Order book			<b>72.8</b>	55.0	53.5
Cash flow after investments	<b>-2.1</b>	1.8	<b>-4.2</b>	3.5	4.0
Change in cash and cash equivalents	<b>-2.1</b>	1.0	<b>-3.6</b>	2.6	9.5
Cash and cash equivalents			<b>13.9</b>	10.7	17.6
Equity ratio %			<b>81.7</b>	49.4	85.2
Net gearing %			<b>-18.7</b>	6.9	-26.0
Personnel at end of period			<b>778</b>	688	750

\*Unless otherwise stated, all figures presented below are for the financial period 1-6/2022 and the figures for comparison are for the corresponding period in 1-6/2021.

## Prospects 2022

In the second half of 2022, Tecnotree expects its revenue to be higher compared to the first half of 2022. The full year revenue in 2022 is expected to be 5 to 10% higher compared to 2021 and the full year EBIT in 2022 is expected to be lower compared to 2021. The lower EBIT is on account of the business requirement to fulfil the high order book, investments in new initiatives (Tecnotree Moments, Fintech and SaaS) coupled with headwinds caused by high inflation and adverse currency movement.

### **CEO Padma Ravichander: Witnessing strong traction but being cost cautious**

Tecnotree witnessed surge in demand for its products and solutions through the first half of the year resulting in the highest ever order book position of EUR 72.8 million being 32% higher than in the end of the first half last year. MEA and APAC region witnessed 35% increase in order book followed by Europe and Americas with a 16% increase. We continued to receive large orders from large tier 1 telecom groups for which we need to invest to deliver these orders expeditiously. This will ensure long term recurring revenue from these new customers such as STC, Zain, Ooredoo as our engagements have a long-term aspect embedded like MTN and Claro with whom we have more than a decade long relationship and recurring revenues.

Despite challenging economic and political environment, our revenue grew by 13% in the first half. Further, as a product company, we witnessed 33% growth in our license revenue and 19% growth in our delivery revenue which entails strong trust in the Company and provides credible references to our potential customers. We registered the recurring revenue of 36% of the total revenue in the first half as against 42% last year.

Despite the growth in revenue, we continued to face rising cost and operational challenges led by external factors leading to thinner first half net result margin of 16% compared to 28% last year. Further, one of the reasons for cost increase is also the new deployments in tier 1 clients which requires greater initial investment to understand their current environments and at the same time we are also expected to increase our onsite presence and support to earn their trust and confidence. This also makes our BSS Stack richer and capable of serving multiple markets and customers.

With the uncertainties the world is witnessing, we are adopting a balanced approach of controlling our costs and at the same time focusing on monetizing on all opportunities to increase our order intake and meeting our deployment commitments.

We continue to work with the inherent risks of currency fluctuations, high wage inflation and supply chain pressures and are taking all efforts to mitigate its impact. Additionally, we continue our investments on new initiatives – Tecnotree Moments, Tecnotree DiWa (Digital Wallet) and SaaS and are hoping to see encouraging response in the next few quarters.

#### **Order intake**

New orders recorded during the second quarter totaled to EUR 27.1 million compared to

EUR 24.4 million last year. Order book in the end of the second quarter was EUR 72.8 million being 35% higher compared to EUR 55.0 million last year.

## Revenue

Revenue in the second quarter was EUR 18.3 million showing 9% growth compared to last year. Correspondently, revenue in the first half was EUR 31.6 million and 13% higher than last year. The growth in revenue came from MEA & APAC segment.

## Profitability

Tecnotree's operating result in the second quarter was EUR 5.1 million and declined by EUR 2.4 million compared to EUR 7.6 million last year. Operating result in the first half was EUR 7.1 million and declined by EUR 3.5 million (-33%) compared to EUR 10.6 million last year.

Tecnotree's result for the period in the second quarter was EUR 4.0 million and declined by EUR 1.4 million compared to EUR 5.3 million last year. Result for the period in the first half was EUR 5.0 million and declined by EUR 2.8 million (-36%) compared to EUR 7.7 million last year.

## Financial situation

Cash and cash equivalents at the end of the second quarter were EUR 13.9 million compared to EUR 10.7 million last year. Tecnotree's financial situation continues strong and it is debt free.

## Other business updates

With Tecnotree Moments platform and its Fintech offerings, we hope to synergize new partnerships with communication and 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

Tecnotree's net sales for the review period were EUR 31.6 (27.9) million, 13.2% higher compared to last year. Net sales from sale of third-party hardware and software were EUR 2.2 (1.9) million, own licenses EUR 7.6 (5.7) million, delivery EUR 10.2 (8.6) million and maintenance and management services EUR 11.5 (11.6) million.

Net sales for the second quarter were EUR 18.3 million (16.7), 9.5% higher compared to last year. Net sales from sale of third-party hardware and software were EUR 1.3 (1.0) million, own licenses EUR 3.2 (4.2) million, delivery EUR 8.3 (5.7) million and maintenance and management services EUR 5.5 (5.9) million.

The order book at the end review period stood at EUR 72.8 (55.0) million showing 32.4% growth compared to last year.

Nature of goods and services offered, MEUR	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Sale of third party hardware and software	1.3	1.0	2.2	1.9	0.6
Own licenses	3.2	4.2	7.6	5.7	16.4
Delivery	8.3	5.7	10.2	8.6	23.5
Maintenance and management services	5.5	5.9	11.5	11.6	23.7
<b>Net sales total</b>	<b>18.3</b>	16.7	<b>31.6</b>	27.9	64.2

Methods used to recognise revenue, MEUR	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Point in time:					
Third party hardware and software	1.3	1.0	2.2	1.9	0.6
Own license	3.2	4.2	7.6	5.7	16.4
Overtime:					
Delivery	8.3	5.7	10.2	8.6	23.5
Maintenance and management services	5.5	5.9	11.5	11.6	23.7
<b>Net sales total</b>	<b>18.3</b>	16.7	<b>31.6</b>	27.9	64.2

Recognition of revenue by operating segment, MEUR	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Europe & Americas:					
Third party hardware and software	0.8	0.9	0.8	1.8	0.6
Own license	0.2	0.6	0.2	0.6	0.7
Delivery	1.0	0.7	1.0	0.9	2.3
Maintenance and management services	2.1	1.9	3.8	3.4	7.4
<b>Net sales total</b>	<b>4.1</b>	4.1	<b>5.8</b>	6.6	11.1
MEA & APAC:					
Third party hardware and software	0.6	0.0	1.5	0.1	-
Own license	2.9	3.6	7.4	5.2	15.7
Delivery	6.0	5.1	7.9	7.8	21.2
Maintenance and management services	4.7	4.0	9.0	8.2	16.3
<b>Net sales total</b>	<b>14.2</b>	12.6	<b>25.8</b>	21.3	53.2

Order book by operating segment, MEUR	1-6/2022	1-6/2021	1-12/2021
Europe and Americas	7.4	6.4	5.1
MEA & APAC	65.4	48.6	48.4
<b>Order book total</b>	<b>72.8</b>	55.0	53.5

## Result analysis

The operating result for the review period was EUR 7.1 (10.6) million and the result EUR 5.0 million (7.7). The operating result for the second quarter was EUR 5.1 (7.6) million and the result EUR 4.0 million (5.3). Earnings per share were EUR 0.02 (0.03).

Capitalization of product development expenses during the review period was EUR 2.8 (2.3) million and EUR 1.1 (1.3) million in the second quarter. Amortizations on total capitalized development costs during the review period were EUR 1.7 (0.6) million and EUR 0.8 (0.3) million in the second quarter.

Financial items without currency differences in financial items for the review period were EUR 0.4 (0.0) million and EUR 0.3 (0.0) million in the second quarter. Exchange rate differences in the financial items in the review period were EUR -0.1 (-1.6) million and EUR 0.4 (-1.4) 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.

<b>Income statement, key figures, MEUR</b>	<b>4-6/2022</b>	4-6/2021	<b>1-6/2022</b>	1-6/2021	1-12/2021
Net sales	<b>18.3</b>	16.7	<b>31.6</b>	27.9	64.2
Other operating income	<b>0.0</b>	0.0	<b>0.1</b>	0.1	0.1
Operating costs excluding	<b>-13.2</b>	-9.1	<b>-24.5</b>	-17.3	-40.6
<b>Operating result</b>	<b>5.1</b>	7.6	<b>7.1</b>	10.6	23.7
Financial items without currency differences	<b>0.3</b>	0.0	<b>0.4</b>	0.0	0.2
Exchange rate gains and losses in financial items	<b>0.4</b>	-1.4	<b>-0.1</b>	-1.6	-2.5
Income taxes	<b>-1.9</b>	-0.9	<b>-2.5</b>	-1.4	-3.1
<b>Result for the period</b>	<b>4.0</b>	5.3	<b>5.0</b>	7.7	18.3

Financial income and expenses during the review period totalled a net profit of EUR 0.3 million (net loss of EUR 1.5 million), including following items:

<b>Financial income and expenses, MEUR</b>	<b>4-6/2022</b>	4-6/2021	<b>1-6/2022</b>	1-6/2021	1-12/2021
Interest income	<b>0.4</b>	0.1	<b>0.6</b>	0.2	0.4
Exchange rate gains	<b>1.2</b>	-0.4	<b>1.8</b>	0.1	0.3
Other financial income	<b>-0.0</b>	0.0	<b>-0.0</b>	0.0	0.0
<b>Financial income, total</b>	<b>1.6</b>	-0.2	<b>2.4</b>	0.4	0.7
Interest expenses	<b>-0.0</b>	-0.1	<b>-0.0</b>	-0.2	-0.2
Exchange rate losses	<b>-0.8</b>	-1.0	<b>-1.9</b>	-1.7	-2.7
Other financial expenses	<b>-0.2</b>	-0.0	<b>-0.2</b>	-0.0	-0.0
<b>Financial expenses, total</b>	<b>-0.9</b>	-1.1	<b>-2.1</b>	-1.9	-3.0
<b>Financial items, total</b>	<b>0.7</b>	-1.4	<b>0.3</b>	-1.5	-2.3

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

<b>Taxes in income statement, MEUR</b>	<b>4-6/2022</b>	4-6/2021	<b>1-6/2022</b>	1-6/2021	1-12/2021
Withholding taxes paid abroad	<b>-1.0</b>	-0.5	<b>-1.9</b>	-0.9	-2.0
Change in withholding tax accrual	<b>-0.5</b>	0.0	<b>-0.0</b>	0.0	0.1
Income taxes on the results of Group companies	<b>-0.4</b>	-0.2	<b>-0.4</b>	-0.3	-0.8
Other items	<b>-0.0</b>	-0.1	<b>-0.1</b>	-0.2	-0.4
<b>Taxes in income statement, total</b>	<b>-1.9</b>	-0.9	<b>-2.5</b>	-1.4	-3.1

## Financing, cash flow and balance sheet

Tecnotree's working capital increased during the review period by EUR 7.8 (Increased 9.2) million

<b>Change in working capital, MEUR</b> (increase-/decrease +)	<b>4-6/2022</b>	4-6/2021	<b>1-6/2022</b>	1-6/2021	1-12/2021
Current receivables, increase (-) /decrease (+)	<b>-8.7</b>	-6.9	<b>-8.1</b>	-8.9	-14.5
Inventories, increase (-) /decrease (+)	<b>0.0</b>	-0.0	<b>0.0</b>	-0.1	0.0
Current liabilities, increase (+) /decrease (-)	<b>1.5</b>	2.3	<b>0.2</b>	-0.3	-1.4
<b>Change in working capital, total</b>	<b>-7.2</b>	-4.6	<b>-7.8</b>	-9.2	-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 June 2022, Tecnotree's cash and cash equivalents totalled EUR 13.9 (December 2021: 17.6) million. Cash flow after investments in the review period was negative EUR 4.2 (positive 3.5) million.

The balance sheet total on 30 June 2022 stood at EUR 91.0 (31 December 2021: 79.4) million. Interest-bearing liabilities were EUR 0.0 (31 December 2021: 0.0) million.

Tecnotree's investments during the review period were EUR 3.2 (2.7) million.

During the review period, total equity was affected by translation differences of EUR 0.4 (0.1) 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 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 2022 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.

# Tecnotree

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).



# Tecnotree

## Europe & Americas

Net sales for the review period decreased by 12.0% from previous year being EUR 5.8 (6.6) million.

Order book at the end of the review period increased by 16.0% from previous year and stood at EUR 7.4 (6.4) million.

## Middle-East and Africa & Asia Pacific

The net sales for the review period increased by 21.0% from previous year being EUR 25.8 (21.3) million.

The order book at the end of the review period increased by 34.5% from previous year and stood at EUR 65.4 (48.6) million.

## Personnel

At the end of June 2022, Tecnotree employed 778 (31 December 2021: 750) persons, of whom 42 (31 December 2021: 42) worked in Finland and 736 (31 December 2021: 708) globally. The company employed on average 762 (684) people during the review period. Personnel by country were as follows:

<b>Personnel</b>	<b>1-6/2022</b>	<b>1-6/2021</b>	<b>1-12/2021</b>
Personnel, at end of period	<b>778</b>	688	750
Finland	<b>42</b>	44	42
Brazil	<b>7</b>	8	8
Argentina	<b>40</b>	39	36
India	<b>553</b>	473	541
United Arab Emirates	<b>22</b>	17	20
Other countries	<b>114</b>	107	103
Personnel, average	<b>762</b>	684	703
Personnel expenses (MEUR)	<b>-12.0</b>	-9.7	-22.1

## Share and price analysis

At the end of June 2022, the shareholders' equity of Tecnotree Group stood at EUR 74.4 (31 December 2021: 67.7) 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 12,862,849 own shares. Equity per share was EUR 0.23 (31 December 2021: EUR 0.21).

A total of 132,190,413 Tecnotree shares (EUR 119,296,926) were traded on the Helsinki Exchanges during the period 1 January – 30 June 2022, representing 37.4% of the total number of shares.

The highest share price quoted in the period was EUR 1.52 and the lowest EUR 0.74. The average quoted price was EUR 1.08 and the closing price on 30 June 2022 was EUR 0.82. The market capitalisation of the share stock at the end of the period was EUR 261.2 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 30 July 2021 as follows:

- The Board of Directors resolved to propose to the Extraordinary General Meeting to carry out a directed share issue of 30.577.778 new shares to support the debt repayment capability and strengthen the working capital of the Company. The Extraordinary General Meeting resolved on 30 July 2021 in accordance with the proposal of the Board of Directors to authorize the Board of Directors to decide on a directed share issue.

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.

## Risks and uncertainty factors

The risks and uncertainty factors for Tecnotree are explained in the 2021 Board of Directors' Report and in the notes to the Financial Statements.

### **Risks and uncertainties in the near future**

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

## 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.

## 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](http://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.

<b>Consolidated income statement, MEUR</b>	<b>4-6/ 2022</b>	4-6/ 2021	<b>1-6/ 2022</b>	1-6/ 2021	1-12/ 2021
Net sales	<b>18.3</b>	16.7	<b>31.6</b>	27.9	64.2
Other operating income	<b>0.0</b>	0.0	<b>0.1</b>	0.1	0.1
Materials and services	<b>-1.4</b>	-0.5	<b>-2.3</b>	-0.8	-2.3
Employee benefit expenses	<b>-6.2</b>	-5.3	<b>-12.0</b>	-9.7	-22.1
Depreciation, amortisation, and impairment charges	<b>-0.9</b>	-0.3	<b>-1.9</b>	-0.7	-1.6
Other operating expenses	<b>-4.5</b>	-3.0	<b>-8.3</b>	-6.2	-14.6
<b>Operating result</b>	<b>5.1</b>	7.6	<b>7.1</b>	10.6	23.7
Financial income	<b>1.6</b>	-0.2	<b>2.4</b>	0.4	0.7
Financial expenses	<b>-0.9</b>	-1.1	<b>-2.1</b>	-1.9	-3.0
<b>Result before taxes</b>	<b>5.9</b>	6.2	<b>7.4</b>	9.1	21.4
Income taxes	<b>-1.9</b>	-0.9	<b>-2.5</b>	-1.4	-3.1
<b>Result for the period</b>	<b>4.0</b>	5.3	<b>5.0</b>	7.7	18.3
Allocated to:					
Equity holders of parent company	<b>4.0</b>	5.3	<b>5.0</b>	7.7	18.3
Non-controlling interest	<b>-0.0</b>	0.0	<b>-0.0</b>	-0.0	0.0
EPS calculated on the profit attributable to equity holders of parent company:					
Earnings per share, basic, EUR	<b>0.01</b>	0.02	<b>0.02</b>	0.03	0.06
Earnings per share, diluted, EUR	<b>0.01</b>	0.02	<b>0.02</b>	0.03	0.06
<b>Consolidated statement of comprehensive income, MEUR</b>					
<b>Result for the period</b>	<b>4.0</b>	5.3	<b>5.0</b>	7.7	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
Revaluation	<b>-0.0</b>		<b>0.1</b>		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 operations	<b>0.6</b>	-0.0	<b>0.4</b>	<b>-0.0</b>	1.1
					-0.4
Other comprehensive income, net of tax	<b>0.6</b>	-0.0	0.5	-0.0	0.7
<b>Total comprehensive income for the period</b>	<b>4.6</b>	5.3	<b>5.5</b>	7.7	19.0
Allocated to:					
Equity holders of parent company	<b>4.6</b>	5.3	<b>5.5</b>	7.7	19.0
Non-controlling interest	<b>0.0</b>	0.0	<b>0.0</b>	0.0	0.0

## Consolidated balance sheet, MEUR

	30.6.2022	30.6.2021	31.12.2021
<b>Non-current assets</b>			
Intangible assets	11.3	7.4	9.9
Tangible assets	0.3	0.3	0.3
Deferred tax assets	0.6	0.5	0.6
Other non-current trade and other receivables	1.9	1.1	2.3
<b>Current assets</b>			
Inventories	0.0	0.1	0.0
Trade receivables	34.0	25.9	27.8
Other receivables	28.9	16.3	20.8
Cash and cash equivalents	13.9	10.7	17.6
<b>Assets total</b>	<b>91.0</b>	<b>62.2</b>	<b>79.4</b>
<b>Shareholders' equity</b>			
	<b>74.4</b>	<b>30.8</b>	<b>67.7</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	0.0	11.5	0.0
Other non-current liabilities	2.7	6.7	2.7
<b>Current liabilities</b>			
Current interest-bearing liabilities	0.0	1.2	0.0
Trade payables and other liabilities	13.9	11.8	8.9
<b>Equity and liabilities total</b>	<b>91.0</b>	<b>62.2</b>	<b>79.4</b>

## Consolidated condensed cash flow statement, MEUR

	4-6/ 2022	4-6/ 2021	1-6/ 2022	1-6/ 2021	1-12/ 2021
<b>Cash flow from operating activities</b>					
Result for the period	4.0	5.3	5.0	7.7	18.3
Adjustments of the result	2.2	4.8	3.5	10.4	12.6
Changes in working capital	-7.2	-4.6	-7.8	-9.2	-15.9
Financial income and expenses	1.1	-1.1	0.4	-1.1	-1.4
Income taxes paid	-1.0	-0.9	-2.1	-1.6	-3.7
<b>Net cash flow from operating activities</b>	<b>-0.9</b>	<b>-3.4</b>	<b>-1.0</b>	<b>6.2</b>	<b>9.9</b>
<b>Cash flow from investing activities</b>					
Capital expenditure on non-current tangible and intangible assets	-1.2	-1.6	-3.2	-2.7	-5.9
<b>Net cash flow from investing activities</b>	<b>-1.2</b>	<b>-1.6</b>	<b>-3.2</b>	<b>-2.7</b>	<b>-5.9</b>
<b>Cash flow from financing activities</b>					
Repayments of borrowings	0.0	-0.8	0.0	-0.8	-16.7
Proceeds from share issue	0.0	0.0	0.1	0.0	22.3
Other financial costs	0.0	-0.0	-0.1	-0.0	-0.2
<b>Net cash flow from financing activities</b>	<b>0.0</b>	<b>-0.8</b>	<b>0.0</b>	<b>-0.8</b>	<b>5.5</b>
Increase (+) and decrease (-) in cash and cash equivalents	-2.1	1.0	-4.2	2.7	9.5
Cash and cash equivalents at beg. of period	15.6	10.0	17.6	8.0	8.0

Impact of changes in exchange rates	<b>0.5</b>	-0.3	<b>0.6</b>	-0.1	0.1
<b>Cash and cash equivalents at end of period</b>	<b>13.9</b>	10.7	<b>13.9</b>	10.7	17.6

## Calculation of changes in shareholders' equity, MEUR

	A	B	C	D	E	F	G	H	I
<b>Shareholders' equity 1st Jan 2022</b>	<b>1.3</b>	<b>0.8</b>	<b>10.7</b>	<b>27.5</b>	<b>2.1</b>	<b>46.3</b>	<b>67.5</b>	<b>0.2</b>	<b>67.7</b>
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
Stock options exercised				0.1			0.1		0.1
Share based payments						0.6	0.6		0.6
Revaluation reserve					0.1		0.1		0.1
Argentina hyperinflation						0.4	0.4		0.4
Other changes					0.0	-0.0	-0.0	0.0	-0.0
<b>Shareholders' equity 30th Jun 2022</b>	<b>1.3</b>	<b>0.8</b>	<b>10.3</b>	<b>27.6</b>	<b>2.2</b>	<b>52.4</b>	<b>74.2</b>	<b>0.2</b>	<b>74.4</b>
	A	B	C	D	E	F	G	H	I
Shareholders' equity 1st Jan 2021	1.3	0.8	11.4	5.1	2.1	21.7	19.7	0.2	19.9
Result for the period						7.7	7.7	0.0	7.7
Other comprehensive income, net of tax			-0.0				-0.0		-0.0
Total comprehensive income for the period	1.3	0.8	11.5	5.1	2.1	7.7	7.7	0.0	7.7
Share issue						3.2	3.2		3.2
Share based payments					0.0		0.0		0.0
Other changes					0.0	-0.0	-0.0	0.0	-0.0
<b>Shareholders' equity 30th Jun 2021</b>	<b>1.3</b>	<b>0.8</b>	<b>11.5</b>	<b>5.1</b>	<b>2.1</b>	<b>32.6</b>	<b>30.6</b>	<b>0.2</b>	<b>30.8</b>

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 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.

<b>Operating segments, MEUR</b>	<b>1-6/2022</b>	1-6/2021	1-12/2021
Net sales			
Europe & Americas	<b>5.4</b>	6.6	12.5
MEA & APAC	<b>26.2</b>	21.3	51.7
<b>Total</b>	<b>31.6</b>	27.9	64.2
Result			
Europe & Americas	<b>2.8</b>	4.0	5.6
MEA & APAC	<b>7.4</b>	10.4	25.7
<b>Total</b>	<b>10.2</b>	14.3	31.3
Non-allocated items	<b>-3.1</b>	-3.7	-7.6
<b>Operating result</b>	<b>7.1</b>	10.6	23.7

## 3. Interest-bearing liabilities

At the end of the review period, the company had no interest-bearing liabilities (31 December 2021: 0.0) million.

<b>Interest-bearing liabilities, MEUR</b>	<b>30.6.2022</b>	30.6.2021	31.12.2021
Loans, 1 Jan	<b>0.0</b>	0.0	13.3

Repayments of loans	0.0	-12.8	-13.3
<b>Loans, end of period</b>	<b>0.0</b>	12.8	0.0
Finance lease liabilities, 1 Jan	0.0	0.0	0.2
Finance lease liabilities, additions	0.0	0.0	0.0
Finance lease liabilities, decreases	0.0	0.0	-0.2
<b>Finance lease liabilities, end of period</b>	<b>0.0</b>	0.0	0.0
<b>Interest-bearing liabilities total</b>	<b>0.0</b>	12.8	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

<b>Consolidated contingent liabilities, MEUR</b>	<b>30.6.2022</b>	30.6.2021	31.12.2021
On own behalf			
Corporate mortgages	0.0	45.3	45.3
Pledged deposits	0.8	1.0	1.3
Other liabilities			
Disputed income tax liabilities in India	0.0	1.7	0.0
<b>Operating leases, MEUR</b>	<b>30.6.2022</b>	30.6.2021	31.12.2021
Minimum rents payable based on other leases that cannot be cancelled:			
Other operating leases			
Less than one year	0.1	0.3	0.2
Between one and five years	0.1	0.0	0.0



## 6. Key figures

<b>Consolidated key financial figures</b>	<b>1-6/2022</b>	1-6/2021	1-12/2021
Return on investment, %	<b>21.5</b>	57.2	48.3
Return on equity, %	<b>14.0</b>	61.1	31.9
Equity ratio, %	<b>81.7</b>	49.4	85.2
Net gearing, %	<b>-18.7</b>	6.9	-26.0
Investments, MEUR	<b>3.2</b>	2.7	5.9
% of net sales	<b>10.1</b>	9.7	9.2
Research and development, MEUR	<b>3.0</b>	2.0	5.7
% of net sales	<b>9.6</b>	7.3	8.8
Order book, MEUR	<b>72.8</b>	55.0	53.5
Personnel, average	<b>762</b>	684	703
Personnel, at end of period	<b>778</b>	688	750

<b>Consolidated key figure per share</b>	<b>1-6/2022</b>	1-6/2021	1-12/2021
Earnings per share, basic, EUR	<b>0.02</b>	0.03	0.06
Earnings per share, diluted, EUR	<b>0.02</b>	0.03	0.06
Equity per share, EUR	<b>0.23</b>	0.11	0.21
Number of shares at end of period, x 1,000	<b>318.956</b>	282.628	318.956
Number of shares on average, x 1,000	<b>318.956</b>	278.336	292.528
Share price, EUR			
Average	<b>1.08</b>	0.72	1.02
Lowest	<b>0.74</b>	0.51	0.51
Highest	<b>1.51</b>	0.93	1.71
Share price at end of period, EUR	<b>0.82</b>	0.88	1.47
Market capitalisation of issued stock at end of period, MEUR	<b>261.2</b>	249.3	469.5
Share turnover, million shares	<b>119.3</b>	129.8	293.5
Share turnover, % of total	<b>37.4</b>	45.9	92.03
Share turnover, MEUR	<b>132.2</b>	96.9	312.3
Price/earnings ratio (P/E)	<b>52.6</b>	31.7	23.5

<b>Quarterly key figures</b>	<b>Q2/22</b>	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Net sales, MEUR	<b>18,3</b>	13,3	18,1	18,2	16,7	11,2
Net sales, change %	<b>9,5</b>	18,7	27,2	24,5	18,5	13,7
Adjusted operating result <sup>1</sup>	<b>5,1</b>	2,0	5,9	7,1	7,6	3,1
% of net sales	<b>28,1</b>	15,1	32,8	39,0	45,3	27,3
Operating result, MEUR	<b>5,1</b>	2,0	5,9	7,1	7,6	3,1
% of net sales	<b>28,1</b>	15,1	32,8	39,0	45,3	27,3
Adjusted result for the period, MEUR <sup>2</sup>	<b>6,4</b>	1,0	5,2	5,4	5,3	2,4
Result for the period, MEUR	<b>4,0</b>	1,0	5,2	5,4	5,3	2,4

Personnel at end of period	<b>778</b>	756	750	715	688	679
Earnings per share, basic, EUR	<b>0,01</b>	0,00	0,02	0,02	0,02	0,01
Earnings per share, diluted, EUR	<b>0,01</b>	0,00	0,02	0,02	0,02	0,01
Equity per share, EUR	<b>0,23</b>	0,21	0,21	0,19	0,11	0,09
Net interest-bearing liabilities, MEUR	<b>-13,9</b>	-15,6	-17,6	-13,9	2,1	3,3
Order book, MEUR	<b>72,8</b>	64,0	53,5	58,6	55,0	47,3

<sup>1</sup> Adjusted operating result = operating result before one-time items.

<sup>2</sup> Adjusted result for the period = result for the period before one-time items.

