

Tecnotree

Empowering Digitally
Connected Communities

Half Year Report H1 2020

1.1.2020 – 30.6.2020



TECNOTREE CORPORATION HALF YEAR REPORT 1 JAN – 30 JUN 2020 (UNAUDITED)

Tecnotree is the only full stack digital business management solution provider for digital service providers, with over 40 years of deep domain knowledge, proven delivery and transformation capability across the globe. Our open source technology based agile products and solutions comprise the full range (order-to-cash) of business process and subscription management for telecom and other digital service providers. Tecnotree products and platforms service over 800 million subscribers worldwide.

OUTSTANDING HALF YEAR RESULTS IN THE NEW NORMAL

Second quarter

- Second quarter net sales were EUR 14.1 (11.0) million.
- The adjusted operating result for the quarter was EUR 5.8 (3.6) million and operating result EUR 6.3 (3.6) million.
- The adjusted result for the quarter was EUR 3.8 (1.4) million and result EUR 4.2 (1.4) million.
- The order book at the end of the period stood at EUR 39.4 (31 December 2019: 25.5) million.
- Second quarter cash flow after investments was EUR 2.3 (-0.8) million.
- Earnings per share were EUR 0.02 (0.01).

January-June 2020

- Net sales for the review period were EUR 24.0 (20.5) million.
- The adjusted operating result was EUR 8.1 (4.6) and the operating result EUR 7.4 (6.0) million.
- The adjusted result for the period was EUR 5.5 (1.3) million and the result EUR 4.8 (2.8) million.
- Cash flow after investments for the review period was EUR 3.5 (-0.7) million and the company's cash and cash equivalents were EUR 5.8 (31 December 2019: 3.4) million.
- Earnings per share were EUR 0.02 (0.01).

KEY FIGURES	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Net sales, MEUR	14.1	11.0	24.0	20.5	47.0
Adjusted operating result, MEUR ¹	5.8	3.6	8.1	4.6	13.0
Operating result, MEUR	6.3	3.6	7.4	6.0	14.4
Result before taxes, MEUR	5.4	2.4	6.4	4.8	11.8
Adjusted result for the period, MEUR ²	3.8	1.4	5.5	1.3	6.3
Result for the period, MEUR	4.2	1.4	4.8	2.8	7.7
Earnings per share, basic, EUR	0.02	0.01	0.02	0.01	0.03

Order book, MEUR			39.4	33.2	25.5
Cash flow after investments, MEUR	2.3	-0.8	3.5	-0.7	0.1
Change in cash and cash equivalents, MEUR	1.4	-0.6	2.4	-0.8	-0.8
Cash and cash equivalents, MEUR			5.8	3.3	3.4
Equity ratio %			25.5	-3.0	9.9
Net gearing %			-	-	292.2
Personnel at end of period			622	515	600

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

2 Adjusted result for the period = 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 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 1-6/2020 and the figures for comparison are for the corresponding period in 1-6/2019.

CEO Padma Ravichander: Outstanding performance in the New Normal!

Outstanding performance in the first half of 2020 demonstrated our robust capability and determination to help our customers through this challenging period of COVID-19 crisis. I'm extremely proud that the teams across all regions and functions at Tecnotree continued their strong collaboration and enthusiasm, even when forced to adapt to new ways of working in a short period of time while the world around us is rapidly changing. Continuous increase in customer confidence, competitive Tecnotree Digital BSS suite 5 product offering and efficiency in deliveries lead to significant improvements in results in the first half of 2020.

Revenue

The revenue in the second quarter was EUR 14.1 million being 28% higher than the same quarter last year. The revenue in the first half was EUR 24.0 million being 17% higher than last year. The growth in revenue came mainly from Middle-East and Africa region but also Asia Pacific witnessed relatively strong increase in revenue.

Profitability

Profitability in the second quarter was record high with operating margin (EBIT) of 45%

leading to EUR 6.0 million operating result. The adjusted operating margin in the first half was EUR 8.1 million with 34% margin compared to EUR 4.6 million with 23% margin last year. Net profit in the first half was EUR 4.8 million. Earnings per share (EPS) in the first half was 0.02 euros compared to 0.01 euros and equity per share was 0.04 euros compared 0.00 euros last year.

Order intake

New orders received during the first half of the year were up by 16% and EUR 5.3 million more compared to last year. In the end of the second half Tecnotree was awarded a digital transformation project by a new Tier-1 operator customer in the Middle-East and Africa region worth USD 11 million. Order backlog in end of the reporting period was EUR 39.4 million and up by 30% compared to last year.

Financial situation

Financial situation of the company is on solid ground. Efficient collection of receivables, actions taken on operating cost side and effective tax planning lead to positive EUR 3.5 million operating cash flow after investments in the first half. Cash and cash equivalents in the end of period was EUR 5.8 million.

Tecnotree share witnessed increased market interest in the first half, which was shown as increase in both share turnover and market valuation. In the end of the period Tecnotree's market capitalization was EUR 64.8 million, being EUR 22.7 million higher compared to year-end 2019.

Other business updates

Tecnotree continues robust growth in its business across global markets by increasing the presence of our brand and taking advantage of the onset of 5G implementations and the digital transformation requirements of our customers. We hope to synergize new partnerships with other internet of things (IOT) providers, to increase our competitive edge, our reach to new markets and to strengthen our customer base globally, so that our customers may benefit from the full range of the Tecnotree Digital BSS Suite 5 products and our high quality digital Deployment, Operational and Managed Services capabilities

SALES AND NET SALES

Tecnotree's net sales for the review period were EUR 24.0 (20.5) million, 16.8 % higher than a year ago. Revenue from goods and services were EUR 10.4 (6.8) million and revenue from maintenance and support were EUR 13.7 (13.8) million. The net sales was impacted by EUR 0.1 million of negative exchange rate differences (EUR 0.1 million negative).

Order book at the end of the financial period stood at EUR 39.4 (31.12.2019: 25.5) million

Further information about sales and net sales is given below in the section "Geographical areas".

SPECIFICATION OF NET SALES, MEUR	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Revenue from maintenance and support	7.1	7.1	13.7	13.8	29.2
Revenue from goods and services	7.2	4.0	10.4	6.8	17.9
Currency exchange gains and losses	-0.2	-0.1	-0.1	-0.1	-0.2
TOTAL	14.1	11.0	24.0	20.5	47.0

NET SALES BY MARKET AREA, MEUR	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Europe & Americas	3.2	3.3	5.9	6.6	14.9
MEA & APAC	10.9	7.6	18.1	13.9	32.1
TOTAL	14.1	11.0	24.0	20.5	47.0

CONSOLIDATED ORDER BOOK, MEUR	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Europe & Americas	7.6	8.7	5.6	5.6	5.6
MEA & APAC	31.9	24.5	19.9	19.9	19.9
TOTAL	39.4	33.2	30.6	30.6	31.12

RESULT ANALYSIS

Tecnotree's net sales for the financial period were EUR 24.0 (20.5). The adjusted operating result was 8.1 (4.6) million and the operating result EUR 7.4 (6.0) million. The adjusted result for the period was EUR 5.5 million (1.4) and the result for the financial period was EUR 4.8 million (2.8)

Tecnotree's second quarter net sales were EUR 14.1 (11.0) million. The adjusted operating result was 5.8 (3.6) million and the operating result EUR 6.3 (3.6) million. The adjusted result was EUR 3.8 (1.4) and the result for the second quarter was EUR 4.2 million (1.4).

Capitalized product development expenses during the period were EUR 1.8 million and EUR 0.6 million in the second quarter. Amortizations on capitalized development costs during the period were EUR 0.5 million and EUR 0.3 million in the second quarter.

Financial items without currency differences and other one-time costs in financial items for the financial period were EUR -0.2 (-0.3) million and in the second quarter EUR -0.1 (-0.2) million. Exchange rate differences for the financial period were EUR -0.9 (-1.0) million and in the second quarter EUR -0.8 (-1.1) million in the financial items. 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/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Net sales	14.1	11.0	24.0	20.5	47.0
Other operating income	0.5	0.1	1.2	0.2	0.2
Operating costs excluding one-time costs	-8.8	-7.4	-16.4	-17.5	-34.3
Adjusted operating result	5.8	3.6	8.1	4.6	13.0

One-time cost(-)/income(+)	0.5	0.0	-0.7	1.4	1.4
OPERATING RESULT	6.3	3.6	7.4	6.0	14.4
Financial items without currency differences	-0.1	-0.2	-0.2	-0.3	-0.3
Exchange rate gains and losses in financial items	-0.8	-1.1	-0.9	-1.0	-2.3
Income taxes	-1.2	-0.9	-1.5	-2.0	-4.0
Adjusted result for the period	3.8	1.4	5.5	1.3	6.3
One-time costs	0.5	0.0	-0.7	1.4	1.4
RESULT FOR THE PERIOD	4.2	1.4	4.8	2.8	7.6

Financial income and expenses during the review period totalled a net loss of EUR 1.1 million (net loss of EUR 1.3 million), including following items:

FINANCIAL INCOME AND EXPENSES, MEUR	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Interest income	0.0	0.0	0.1	0.1	0.3
Exchange rate gains	1.2	-0.2	1.8	0.0	0.2
Other financial income	0.0	0.0	0.0	0.0	0.0
FINANCIAL INCOME, TOTAL	1.3	-0.2	1.9	0.1	0.5
Interest expenses	-0.1	-0.3	-0.3	-0.4	-0.6
Exchange rate losses	-2.0	-0.9	-2.6	-1.0	-2.4
Other financial expenses	-0.1	0.0	-0.1	0.0	-0.1
FINANCIAL EXPENSES, TOTAL	-2.2	-1.1	-3.0	-1.4	-3.1
FINANCIAL ITEMS, TOTAL	-0.9	-1.3	-1.1	-1.3	-2.6

Taxes for the period totalled EUR 1.5 (1.9) million, including following items:

TAXES IN INCOME STATEMENT, MEUR	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Withholding taxes paid abroad	-0.8	-0.6	-1.1	-1.5	-2.9
Change in withholding tax accrual	-0.1	-0.2	0.1	-0.2	-0.4
Income taxes on the results of Group companies	-0.2	-0.1	-0.2	-0.3	-0.3
Other items	-0.1	0.0	-0.3	-0.0	-0.4
TAXES IN INCOME STATEMENT, TOTAL	-1.2	-0.9	-1.5	-1.9	-4.0

Earnings per share in the reporting period were EUR 0.02 (0.01) and equity per share at the end of the period was EUR 0.04 (31 December 2019: EUR 0.01).

FINANCING, CASH FLOW AND BALANCE SHEET

Tecnotree's working capital increase during the review period by EUR 3.4 (Increased 3.2) million:

CHANGE IN WORKING CAPITAL, MEUR (increase - / decrease +)	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Current receivables, increase (-) /decrease (+)	-2.5	-2.8	-5.4	-7.3	-6.4
Inventories, increase (-) /decrease (+)	0.0	-0.1	0.0	0.1	0.1

Current liabilities, increase (+) /decrease (-)	-1.0	1.3	2.1	4.0	-0.2
CHANGE IN WORKING CAPITAL, TOTAL	-3.5	-1.5	-3.4	-3.2	-6.4

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

Tecnotree's cash and cash equivalents totalled EUR 5.8 (31 December 2019: 3.4) million. Cash flow after investments for the review period was EUR 3.5 million (0.7 million negative).

The balance sheet total on 30 June 2020 stood at EUR 43.0 (31 December 2019: 36.8) million. Tecnotree's investments during the review period was EUR 1.9 (0.0). Interest-bearing liabilities were EUR 13.7 (31 December 2019: 14.0) million. During the review period, total equity was affected by translation differences of EUR 0.1 (-0.1) million.

BUSINESS DESCRIPTION

Tecnotree is a full stack digital business management solution provider for digital service providers, with over 40 years of deep domain knowledge, proven delivery and transformation capability across the globe. Our open source technology based agile products and solutions comprise the full range (order-to-cash) of business process and subscription management for telecom and other digital service providers.

In 2020 and beyond, we will continue to complete our digital products and services offerings to ensure that our customers' digital transformation journeys are fulfilled and successful with Tecnotree's digital suite. We will expand our footprint within the current geographies and customers and we will also explore new markets, adjacent market opportunities and establish a community of services providers and IOT partners to increase revenue and monetization capabilities for our customers within their geographies.

Our cloud enabled micro-services based interoperable products and digital platforms helps our customers to create a "digital marketplace and Digital communities" of their offerings, and an ecosystem of partner products and services that fosters true business value for their customers and subscribers.

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 our product licenses, professional services for customization of our products, and maintenance and support services on our products to a global customer base. Tecnotree has an especially strong footprint in developing markets such as Americas, 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

The net sales for the review period decreased by 10.9 percent from the previous year being EUR 5.9 (6.6) million.

The order book at the end of the review period decreased by 13.4 percent from the previous year and stood at EUR 7.6 (8.7) million.

Middle-East and Africa & Asia Pacific

The net sales for the review period increased by 30.0 percent from the previous year being EUR 18.1 (13.9) million.

The order book at the end of the review period increased by 30.3 percent from the previous year and stood at EUR 31.9 (24.5) million.

PERSONNEL

At the end of June 2020, Tecnotree employed 622 (31 December 2019: 600) persons, of whom 39 (31 December 2019: 40) worked in Finland and 583 (31 December 2019: 560)

globally. The company employed on average 618 (525) people during the review period. Personnel by country were as follows:

PERSONNEL	1-6/2020	1-6/2019	1-12/2019
Personnel, at end of period	622	515	600
Finland	39	38	40
Brazil	9	10	9
Argentina	42	42	41
India	406	331	412
United Arab Emirates	17	15	13
Other countries	109	79	85
Personnel, average	618	525	554
Personnel expenses (MEUR)	-8.7	-8.5	-16.0

SHARE AND PRICE ANALYSIS

At the end of the period, the shareholders' equity of Tecnotree Group stood at EUR 11.0 (31 December 2019: 3.6) million and the share capital was EUR 1.3 million (31 December 2019: 1.3). The total number of shares was 274,628,428. The company hold 12,759,168 own shares. Equity per share was EUR 0.04 (31 December 2019: EUR 0.01).

A total of 26,070,049 Tecnotree shares (EUR 5,309,273) were traded on the Helsinki Exchanges during the period 1 January – 30 June 2020, representing 9.5 percent of the total number of shares.

The highest share price quoted in the period was EUR 0.30 and the lowest EUR 0.11. The average quoted price was EUR 0.21 and the closing price on 30 June 2020 was EUR 0.24. The market capitalisation of the share stock at the end of the period was EUR 64.8 million.

CURRENT AUTHORISATIONS

Due to the coronavirus pandemic, Tecnotree will convene the year 2020 Annual General at a later stage before end of September.

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 has resolved to issue without consideration 14.5 million 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 has resolved to carry out a directed share issue of 12.500.000 shares to the company's CEO.

RISKS AND UNCERTAINTY FACTORS

The risks and uncertainty factors for Tecnotree are explained in the 2019 Board of Directors' Report and in the notes to the Financial Statements.

Risks and uncertainties in the near future

Tecnotree's risk and uncertainties in the near term are driven mostly by the unfolding economic issues around the COVID 19 Pandemic and our ability to continue to satisfy our customer requirements in these difficult economic conditions. We will remain cautious during the upcoming period and focus on development of sales and on time cash collections. We will closely monitor our capability to execute our delivery commitments as we work-from-home and manage long distance-based service delivery.

EVENTS AFTER THE END OF THE PERIOD

No significant events after the period

PROSPECTS IN 2020

While we are witnessing strong growth in our business despite the current pandemic, we are sensitive to the risks associated with the Covid-19 and its potential economic impact and therefore would refrain from giving a 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)

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	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
NET SALES	14.1	11.0	24.0	20.5	47.0
Other operating income	0.5	0.1	0.6	1.6	1.6
Materials and services	-0.6	-0.3	-1.1	-1.1	-2.0
Employee benefit expenses	-4.2	-4.1	-8.7	-8.5	-16.0
Depreciation, amortisation and impairment charges	-0.5	-0.3	-0.9	-0.5	-1.0
Other operating expenses	-3.0	-2.7	-6.4	-6.0	-15.2
OPERATING RESULT	6.3	3.6	7.4	6.0	14.4
Financial income	1.3	-0.2	1.9	0.1	0.5
Financial expenses	-2.2	-1.1	-3.0	-1.4	-3.1
RESULT BEFORE TAXES	5.4	2.4	6.4	4.8	11.8
Income taxes	-1.2	-0.9	-1.5	-2.0	-4.0
RESULT FOR THE PERIOD	4.2	1.4	4.8	2.8	7.7
Allocated to:					
Equity holders of parent company	4.2	1.4	4.8	2.8	7.7
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	0.02	0.01	0.02	0.01	0.03
Earnings per share, diluted, EUR	0.02	0.01	0.02	0.01	0.03
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MEUR	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
RESULT FOR THE PERIOD	4.2	1.4	4.8	2.8	7.7
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement items on net defined benefit liability					-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.	0.7	-0.4	0.1	-0.1	-0.8
Other comprehensive income, net of tax	0.7	-0.4	0.1	-0.1	-0.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5.0	1.0	4.9	2.6	6.9
Allocated to:					
Equity holders of parent company	5.0	1.0	4.9	2.7	7.2
Non-controlling interest	-0.0	-0.0	-0.0	-0.0	-0.0

CONSOLIDATED BALANCE SHEET **30.6.2020** 30.6.2019 31.12.2019

CONSOLIDATED BALANCE SHEET			
	30.6.2020	30.6.2019	31.12.2019
Assets			
Other intangible assets	4.4	0.2	3.0
Tangible assets	0.1	0.3	0.2
Deferred tax assets	0.5	0.6	0.6
Other non-current trade and other receivables	0.8	0.7	0.8
Right-of-use assets	1.8	2.2	2.2
Current assets			
Inventories	0.0	0.1	0.0
Trade receivables	12.0	14.5	15.2
Other receivables	17.6	11.7	11.5
Cash and cash equivalents	5.8	3.3	3.4
TOTAL ASSETS	43.0	33.4	36.8
Shareholders' equity	11.0	-1.0	3.6
Non-current liabilities			
Non-current interest-bearing liabilities	12.9	13.8	13.5
Other non-current liabilities	6.4	7.5	6.8
Lease liability (non-current)	1.1	1.6	1.5
Current liabilities			
Current interest-bearing liabilities	0.8	0.6	0.5
Lease liability (current)	0.7	0.6	0.7
Trade payables and other liabilities	10.1	10.5	10.2
EQUITY AND LIABILITIES, TOTAL	43.0	33.4	36.8

CALCULATION OF CHANGES IN
SHAREHOLDERS' EQUITY, MEUR

MEUR	A	B	C	D	E	F	G	H	I
SHAREHOLDERS' EQUITY 1 JAN 2020	1.3	0.8	11.0	5.0	2.0	5.2	3.4	0.2	3.6
Result for the period						4.8	4.8	-0.0	4.8
Other comprehensive income, net of tax			0.1				0.1		0.1
Total compr. income for the period	0.0	0.0	0.1	0.0	0.0	4.8	4.9	-0.0	4.9
Share issue				0.1		1.1	1.3		1.3
Share based payments						1.3	1.3		1.3
Other changes					0.1	-0.2	-0.0	-0.0	-0.1
SHAREHOLDERS' EQUITY 30 JUN 2020	1.3	0.8	10.9	5.1	2.1	12.2	10.8	0.2	11.0
MEUR	A	B	C	D	E	F	G	H	I
SHAREHOLDERS' EQUITY 1 JAN 2019	1.3	0.8	10.4	2.1	2.0	-2.6	-6.7	0.2	-6.5

Result for the period		2.8	2.8	-0.0	2.8
Other comprehensive income, net of tax	-0.1		-0.1		-0.1
Total compr. income for the period	10.6	2.6	0.2	2.8	0.0
Share issue	2.9		2.9		2.9
Other changes		-0.0	-0.0	-0.0	0.0
SHAREHOLDERS' EQUITY 30 JUN					
2019	1.3	0.8	10.6	5.0	2.0
				0.2	-1.2
				0.2	-1.0

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

CONSOLIDATED CONDENSED CASH FLOW STATEMENT, MEUR	4-6/ 2020	4-6/ 2019	1-6/ 2020	1-6/ 2019	1-12/ 2019
Cash flow from operating activities					
Result for the period	4.2	1.4	4.8	2.8	7.7
Adjustments of the result	4.4	2.7	7.6	2.1	5.3
Changes in working capital	-3.5	-1.5	-3.4	-3.2	-6.4
Financial income and expenses	-1.4	-2.7	-1.9	-2.8	-1.6
Income taxes paid	-0.7	-0.7	-1.8	-1.9	-3.8
Net cash flow from operating activities	3.0	-0.8	5.3	-3.1	1.1
Cash flow from investing activities					
Capital expenditure on non-current tangible and intangible assets	-0.6	-0.0	-1.9	-0.0	-3.4
Proceeds from sale of tangible and intangible non-current assets	0.0	-0.0	0.0	2.4	2.4
Net cash flow from investing activities	-0.6	-0.0	-1.9	2.4	-0.9
Cash flow from financing activities					
Repayments of borrowings	-0.9	-0.6	-0.9	-3.0	-3.6
Proceeds from share issue	0.0	0.9	0.1	2.9	2.9
Other financial costs	0.0	-0.0	0.0	-0.0	-0.0
Net cash flow from financing activities	-0.9	0.2	-0.8	-0.1	-0.7
Increase (+) and decrease (-) in cash and cash equivalents	1.4	-0.6	2.7	-0.8	-0.6

Cash and cash equivalents at beg. of period	3.4	3.9	3.4	4.2	4.2
Impact of changes in exchange rates	-0.2	0.0	-0.3	0.0	-0.2
Cash and cash equivalents at end of period	5.8	3.3	5.8	3.3	3.4

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 2019 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	1-6/2020	1-6/2019	1-12/2019
NET SALES, MEUR			
Europe & Americas	5.9	6.6	14.9
MEA & APAC	18.1	13.9	32.1
TOTAL	24.0	20.5	47.0
RESULT, MEUR			
Europe & Americas	2.1	2.2	4.6
MEA & APAC	7.9	6.3	13.0
TOTAL	10.0	8.5	17.6
Non-allocated items	-1.9	-3.9	-4.6
OPERATING RESULT BEFORE ONE-TIME COSTS	8.1	4.6	13.0
One-time cost(-)/income(+)	-0.7	1.4	1.4
OPERATING RESULT	7.4	6.0	14.4

3. INTEREST-BEARING LIABILITIES

At the end of the review period, the company had interest-bearing liabilities of EUR 13.7 (31 December 2019: 14.0) million.

INTEREST-BEARING LIABILITIES, MEUR	30.6.2020	30.6.2019	31.12.2019
Restructuring debts, 1 Jan	13.7	16.6	16.6
Repayment of restructuring debt	0.2	2.6	0.0
Restructuring debts, end of period	13.5	14.0	13.7
Finance lease liabilities, 1 Jan	0.3	0.4	0.4
Finance lease liabilities, additions	0.0	0.0	0.0
Finance lease liabilities, decreases	-0.1	0.0	-0.1
Finance lease liabilities, end of period	0.2	0.4	0.3
Interest-bearing liabilities total	13.7	14.3	13.7

Non-interest bearing liabilities

At the end of the review period, the company had non-interest bearing restructuring debt EUR 4.1 (31 December 2019: 4.8) million.

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 any significant transactions with related parties during the review period or previous year.

5. CONTINGENT LIABILITIES

CONSOLIDATED CONTINGENT LIABILITIES, MEUR	30.6.2020	30.6.2019	31.12.2019
On own behalf			
Real estate mortgages	0.0	0.0	0.0
Corporate mortgages	45.3	45.3	45.3
Pledged deposits	0.5	0.5	1.0
Other liabilities			
Disputed income tax liabilities in India	1.7	1.8	1.8
OTHER OPERATING LEASES, MEUR	30.6.2020	30.6.2019	31.12.2019

Minimum rents payable based on other leases that cannot be cancelled:

Other operating leases			
Less than one year	0.3	0.8	0.6
Between one and five years	0.4	0.8	0.7

6. KEY FIGURES

CONSOLIDATED KEY FINANCIAL FIGURES	1-6/2020	1-6/2019	1-12/2019
Return on investment, %	88.3	-	105.4
Return on equity, %	132.6	-	-
Equity ratio, %	25.5	-3.0	9.9
Net gearing, %	-	-	292.2
Investments, MEUR	1.9	0.0	3.4
% of net sales	7.8	0.1	7.1
Research and development, MEUR	1.2	1.6	3.3
% of net sales	4.9	7.6	7.0
Order book, MEUR	39.4	33.2	25.5
Personnel, average	618	525	554
Personnel, at end of period	622	515	600

CONSOLIDATED KEY FIGURES PER SHARE	1-6/2020	1-6/2019	1-12/2019
Earnings per share, basic, EUR	0.02	0.01	0.03
Earnings per share, diluted, EUR	0.02	0.01	0.03
Equity per share, EUR	0.04	0.00	0.01
Number of shares at end of period, x 1,000	274.628	247.628	247.628
Number of shares on average, x 1,000	265.746	222.560	235.295
Share price, EUR			
Average	0.24	0.07	0.09
Lowest	0.11	0.05	0.05
Highest	0.30	0.08	0.24
Share price at end of period, EUR	0.24	0.07	0.17
Market capitalisation of issued stock at end of period, MEUR	64.8	16.6	42.1
Share turnover, million shares	26.1	2.5	18.3
Share turnover, % of total	9.5	1.0	7.4
Share turnover, MEUR	5.3	0.3	2.1
Price/earnings ratio (P/E)	13.6	5.4	5.2

QUARTERLY KEY FIGURES	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Net sales, MEUR	14.1	9.8	14.1	12.4	11.0	9.5
Net sales, change %	28.5	3.4	16.2	-0.1	12.0	25.9
Adjusted operating result ¹	5.8	2.3	4.1	4.3	3.6	1.0
% of net sales	41.5	23.0	28.7	34.6	33.2	10.2
Operating result, MEUR	6.3	1.1	4.1	4.3	3.6	2.4
% of net sales	44.7	11.6	28.7	34.6	33.2	25.1
Adjusted result for the period, MEUR ²	3.8	1.7	2.8	2.1	1.4	-0.1
Result for the period, MEUR	4.2	0.6	2.8	2.1	1.4	1.3
Personnel at end of period	622	616	600	586	515	529
Earnings per share, basic, EUR	0.02	0.00	0.01	0.01	0.01	0.01
Earnings per share, diluted, EUR	0.02	0.00	0.01	0.01	0.01	0.01
Equity per share, EUR	0.04	0.02	0.01	0.01	0.00	-0.01
Net interest-bearing liabilities, MEUR	7.9	9.4	10.6	9.0	11.0	10.7
Order book, MEUR	39.4	35.5	25.5	26.3	33.2	22.8

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

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

