

Tecnotree

Empowering Digitally
Connected Communities

Financial Report for Q4
and Full Year 2020



TECNOTREE CORPORATION FULL YEAR REPORT 1 JAN – 31 DEC 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 products and solutions comprise the full range (order-to-cash) of business process and subscription management services for telecom and other digital service providers. Tecnotree products and platforms service over 800 million subscribers worldwide.

STRONG EARNINGS AND CASH FLOW

Fourth quarter 2020

- Fourth quarter net sales was EUR 14.2 (14.1) million.
- The adjusted operating result for the quarter was EUR 4.3 (4.1) million and the operating result 4.3 (4.1) million.
- The adjusted result for the quarter was EUR 4.3 (2.8) million and the result EUR 4.3 (2.8) million
- The order book at the end of the period stood at EUR 32.1 (25.5) million.
- Fourth quarter cash flow after investments was EUR 2.3 (-1.3) million.
- Earnings per share were EUR 0.02 (0.01).

Jan-Dec 2020

- Net sales for the financial period were EUR 52.8 (47.0) million.
- The adjusted operating result was EUR 19.3 (13.0) and the operating result 18.6 (14.4) million.
- The adjusted result for the period was EUR 14.2 (6.3) million and the result EUR 13.6 (7.7) million.
- Cash flow after investments for the financial period was EUR 7.0 million (0.1) and the company's cash and cash equivalents were EUR 8.0 (3.4) million.
- Earnings per share were EUR 0.05 (0.03).

KEY FIGURES	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Net sales, MEUR	14,2	14,1	52,8	47,0
Adjusted operating result, MEUR ¹	4,3	4,1	19,3	13,0
Operating result, MEUR	4,3	4,1	18,6	14,4
Result before taxes, MEUR	4,2	3,4	15,9	11,8
Adjusted result for the period, MEUR ²	4,3	2,8	14,2	6,3
Result for the period, MEUR	4,3	2,8	13,6	7,7
Earnings per share, basic, EUR	0,02	0,01	0,05	0,03
Order book, MEUR			32,1	25,5
Cash flow after investments, MEUR	2,3	-1,3	7,0	0,1
Change in cash and cash equivalents, MEUR	1,2	-1,9	4,7	-0,8

Cash and cash equivalents, MEUR	8,0	3,4
Equity ratio %	39,3	9,9
Net gearing %	27,1	292,2
Personnel at end of period	659	600

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

² Adjusted result for the period = result for the period 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 1-12/2020 and the figures for comparison are for the corresponding period in 1-12/2019.

CEO Padma Ravichander: An exceptional year 2020 ended on a high note

Year 2020 turned out to be an unprecedented year due to Covid-19. The pandemic reshaped the world and also forced the telecommunication industry to reposition itself in a changed market environment. While the slowdown of the global economy was evident, we at Tecnotree, persistently continued to serve our customers and enhance the product offering, leading to new record high profit levels and highest order book position in last five years and overall a strong financial position. The net profit margin was a record 25.7 % and the EBIT margin 35.3 %, being at a remarkably satisfactory level. This performance in 2020 helped Tecnotree establish a strong footing, as we start the new year 2021.

Revenue

Full year revenue was EUR 52.8 million, 12.4 % higher than last year. Middle-East and Africa region represented 74.6 % of the total revenue and witnessed 27.5 % growth from last year. Asia and Pacific region demonstrated very promising development and outlook by doubling the revenue from last year from EUR 1.2 million to EUR 2.4 million. Europe and Americas regions faced decline in revenue, mainly due to the implications of COVID-19, however their outlook for 2021 seems positive. It is worthwhile to note that the Company was able to demonstrate this growth despite the headwind caused by unfavorable EUR/USD exchange rate movement.

Profitability

Operating profit and net profit improved in all four quarters of 2020 compared to same quarters last year. The full year improvement in operating profit was EUR 4.3 million and in net profit EUR 5.9 million. The fourth quarter net profit was EUR 4.3 million being 54% higher than the same quarter last year. Earnings per share (EPS) was 0.02 euros in the fourth quarter and 0.05 euros for the full year 2020.

Order intake

Value of new orders recorded during financial period amounted to EUR 59.5 million, providing a solid EUR 32.1 million year-end order book compared to EUR 25.5 million in end of 2019. The full year order intake was 16% higher compared to previous year. During the fourth quarter, Tecnotree recorded an order intake of EUR 19.7 million.

Financial situation

Net cash flow after investments in the fourth quarter was EUR 2.3 million positive and for the full year EUR 7.0 million positive. Cash and cash equivalents in the end of the year were EUR 8.0 million. Liquidity wise the company is well-positioned to meet its operating expense, investment and debt repayment requirements.

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. In 2020, Tecnotree released a range of new products and solutions, including a Fintech offering, Tecnotree Surge platform for Dual speed transformation and a 5G convergent charging platform, BSS Edge. We also acquired new customers for our product suites in all geographies including Latin America (Altice), Middle East (STC) and APAC (TRAI).

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

Tecnotree's net sales for the financial period were EUR 52.8 (47.0) million, 12.4 % higher than a year ago. Revenue from goods and services increased by EUR 10.3 million and revenue from maintenance and support decreased by EUR 4.5 million. The net sales was impacted by EUR -0.2 (-0.2) exchange rate differences.

The order book represents the total value of confirmed customer orders not yet recognized as revenue and stood at EUR 32.1 (25.5) million in the end of the financial period.

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

SPECIFICATION OF NET SALES, MEUR	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Revenue from maintenance and support (IFRS 15)	5,4	7,4	24,7	29,2
Revenue from goods and services (IFRS 15)	8,6	7,1	28,2	17,9
Currency exchange gains and losses	0,2	-0,4	-0,2	-0,2
TOTAL	14,2	14,1	52,8	47,0

NET SALES BY MARKET AREA, MEUR	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Europe & Americas	3,4	3,9	11,0	14,9
MEA & APAC	10,8	10,2	41,8	32,1
TOTAL	14,2	14,1	52,8	47,0

CONSOLIDATED ORDER BOOK, MEUR	31.12. 2020	31.12. 2019
Europe & Americas	4,0	5,6
MEA & APAC	28,1	19,9
TOTAL	32,1	25,5

RESULT ANALYSIS

The adjusted operating result was 19.3 (13.0) million and the operating result EUR 18.6 (14.4) million in the financial period. The adjusted result was EUR 14.2 million (6.3) and the result EUR 13.6 million (7.7).

The fourth quarter adjusted operating result was 4.3 (4.1) million and the operating result EUR 4.3 (4.1) million. The adjusted result was EUR 4.3 (2.8) and the result EUR 4.3 million (2.8).

Capitalized product development expenses in the financial period were EUR 3.4 (2.9) million and EUR 0.7 (0.8) million in the fourth quarter. Amortizations on capitalized development costs during in the financial period were EUR 0.9 (0.0) million and EUR 0.3 (0.0) million in the fourth quarter.

Financial items without currency differences in financial items in the financial period were EUR -0.2 (-0.3) million and EUR 0.1 (0.1) million in the fourth quarter. Exchange rate differences in financial items in the financial period were EUR -2.5 (-2.3) million and EUR -0.3 (-0.8) 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 above.

INCOME STATEMENT, KEY FIGURES, MEUR	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Net sales	14,2	14,1	52,8	47,0
Other operating income	0,9	0,0	0,9	0,2
Operating costs excluding one-time costs	-9,9	-10,1	-34,5	-34,3
Adjusted operating result	4,3	4,1	19,3	13,0
One-time costs-/income+	0,0	0,0	-0,7	1,4

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

Financial income and expenses (net) during the financial period totalled a net loss of EUR 2.7 million (net loss of EUR 2.6 million), including following items:

FINANCIAL INCOME AND EXPENSES, MEUR	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Interest income	0,2	0,2	0,4	0,3
Exchange rate gains	0,8	0,1	3,2	0,2
Other financial income	0,0	0,0	0,0	0,0
FINANCIAL INCOME, TOTAL	1,0	0,2	3,6	0,5
Interest expenses	-0,1	-0,0	-0,5	-0,6
Exchange rate losses	-1,1	-0,8	-5,7	-2,4
Other financial expenses	-0,0	-0,1	-0,1	-0,1
FINANCIAL EXPENSES, TOTAL	-1,2	-0,9	-6,3	-3,1
FINANCIAL ITEMS, TOTAL	-0,2	-0,7	-2,7	-2,6

Taxes for the period totalled EUR 2.3 (4.0) million, including following items:

TAXES IN INCOME STATEMENT, MEUR	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Withholding taxes paid abroad	-0,4	-0,5	-2,2	-2,9
Change in withholding tax accrual	0,5	-0,1	0,6	-0,4
Income taxes on the results of Group companies	0,1	0,1	-0,3	-0,3
Other items	-0,1	-0,0	-0,4	-0,4
TAXES IN INCOME STATEMENT, TOTAL	0,1	-0,5	-2,3	-4,0

Earnings per share in the reporting period were EUR 0.05 (0.03) and equity per share at the end of the period was EUR 0.07 (0.01)

FINANCING, CASH FLOW AND BALANCE SHEET

Tecnotree's working capital increased during the period by EUR 8.1 (increased EUR 6.4) million:

CHANGE IN WORKING CAPITAL, MEUR (increase - / decrease +)	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Change in trade and other receivables	1,3	3,6	-8,6	-6,4
Change in inventories	-0,0	0,1	0,0	0,1
Change in trade and other payables	-2,8	-5,9	0,5	-0,2
CHANGE IN WORKING CAPITAL, TOTAL	-1,5	-2,3	-8,1	-6,4

Project revenue is recognized 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 8.0 (3.4) million. Cash flow after investments for the financial period ended up EUR 7.0 (0.1) million positive. The change in cash and cash equivalents for the financial period was EUR 4.7 million positive.

The balance sheet total on 31 December 2020 stood at EUR 50.6 (36.8) million. Tecnotree's investments during the financial period were EUR 3.6 (3.4) million or 6.9% (7.1%) of net sales. Interest-bearing liabilities were EUR 13.4 (14.0). The equity ratio was 39.3% (9.9%). During the period, total equity was affected by negative translation differences of EUR 0.5 million (-0.5).

RISKS AND SHORT-TERM UNCERTAINTY FACTORS

Tecnotree's risks and uncertainties in the near future relate to the continuing effects of the COVID -19 pandemic, in several geographies we serve and hence the 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 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.

Dependence on key customers

Tecnotree's largest customers are much bigger businesses than the company itself and the two largest customers accounted for 76% of net sales in 2020 (80%). The relationship between the company and its major customers is one of interdependence, which offers business opportunities but also poses risks.

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 solid. The company reduced its debt under debt restructuring payment programme by EUR 1.8 million during the period and ended the year with EUR 8.0 million in cash and cash equivalents. However the aforementioned risks continue to put pressure on cash management.

LIQUIDITY RISK 2020, Me	Balance sheet value	Cash flow	Overdue	0 - 3 months	3-12 months	1-3 years	Over 3 years
Guaranteed restructuring debts from financial institutions, interest-bearing	13,3	13,3		0,0	1,0	5,1	7,2
Interest payments on the loans	0,0	0,9		0,0	0,3	0,6	0,0
Trade payables	1,6	1,6	0,7	0,9	0,0	0,0	0,0
Non-interest bearing liabilities	3,5	3,5		0,0	0,7	1,4	1,4
Total	18,3	19,2	0,7	0,9	1,9	7,1	8,6

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. When the Group makes a loss, however, the consequence is that it has to pay tax in countries where it has subsidiaries. In many cases, withholding taxes have to be paid for dividends too.

BUSINESS DESCRIPTION

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 products and solutions comprise the full range (order-to-cash) of business process and subscription management services for telecom and other digital service providers.

In 2021 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 BSS Suite 5. We will expand our footprint within the current geographies and customers and we will also explore new markets and adjacent market opportunities.

We also 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.

We plan to achieve this with our cloud enabled micro-services based interoperable products and digital platforms that will help our 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 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 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, product management as well as product development. Costs for 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 in the market area declined from last year and was 11.0 million (14.9)

The year-end order book in the area stood at EUR 4.0 million (5.6).

Middle-East and Africa & Asia Pacific

The net sales in the market area increased from last year and was 41.8 million (32.1)

The year-end order book in the area grew from last year and stood at EUR 28.1 million (19.9).

PERSONNEL

At the end of December 2020 Tecnotree employed 659 (600) persons, of whom 40 (40) worked in Finland and 619 (560) elsewhere. The company employed on average 637 (554) people during the financial period. Personnel by country were as follows:

PERSONNEL	1-12/2020	1-12/2019
Personnel, at end of period	659	600
Finland	40	40
Brazil	8	9
Argentina	41	41
India	464	412
United Arab Emirates	15	13
Other countries	91	85
Personnel, average	637	554
Personnel expenses (MEUR)	-18,2	-16,0

Tecnotree continued to make substantial investments in personnel by increasing the manpower by 10% in 2020.

SHARE AND PRICE ANALYSIS

At the end of December 2020 the shareholders' equity of Tecnotree Group stood at EUR 19.9 million (3.6) and the share capital was EUR 1.3 (1.3) million. The total number of shares was 274.628.428 (247.628.428). At the end of the period the company hold 10.941.667 own shares. Equity per share was EUR 0.07 (EUR 0.01).

A total of 82.172.144 Tecnotree shares (EUR 35.538.637) were traded on the Helsinki Exchanges during the period 1 January – 31 December 2020, representing 29.9 % of the total number of shares.

The highest share price quoted in the period was EUR 0.90 and the lowest EUR 0.11. The average quoted price was EUR 0.34 and the closing price on 31 December 2020 was EUR 0.70. The market capitalisation of the share stock at the end of the period was EUR 193.3 (42.1) million.

CURRENT AUTHORISATIONS

Due to the coronavirus pandemic, Tecnotree convened the year 2020 Annual General at a later stage on 10 September 2020.

The Board of Directors has two valid mandates authorized by the Annual General Meeting held on 15 May 2019.

1) The Board of Directors has authorization 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 has authorization 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:

The 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 has resolved to carry out a directed share issue of 12.5 million shares to the company's CEO.

RESTRUCTURING PROCEEDINGS

The District Court of Espoo has confirmed by a decision on 15 November 2016 the amended restructuring programme drafted by the administrator Jari Salminen as the payment program of the company.

The Company has followed the provisions of the payment programme and has paid the payments to the creditors as stated in the payment programme.

The total amount of the restructuring debts taken into account in the payment programme was approximately 73.9 million euros. The amount of intragroup restructuring debts that was fully cut was approximately 36.7 million euros. The amount of normal unsecured restructuring debts was approximately 13.2 million euros that was cut off by 50 percent. The amount of the secured restructuring debts was approximately 23.8 million euros out of which approximately 7.9 million euros was secured by business mortgage.

On December 31.12.2020 balance of the secured restructuring debts was 13.3 million euros and normal unsecured restructuring debt was 3.5 million euros. Payments under the payment program will end on 30 June 2025.

The restructuring programme includes a provision regarding a duty to make supplementary payments on the unsecured restructuring debts if the actual cash flow of Tecnotree Oyj exceeds the projected cash flow during the payment program. No supplementary payments have fallen due.

The District Court has appointed Attorney-at-Law Jari Salminen to supervise the implementation of the restructuring programme. The supervisor monitors the progress of the payment programme and gives reports to the creditors.

EVENTS AFTER THE END OF THE PERIOD

No significant events after the period

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

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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/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
NET SALES	14,2	14,1	52,8	47,0
Other operating income	0,0	0,0	0,9	1,6
Materials and services	-0,8	-0,6	-2,7	-2,0
Employee benefit expenses	-5,1	-4,6	-18,2	-16,0
Depreciation, amortisation and impairment charges	-0,3	-0,2	-1,7	-1,0
Other operating expenses	-3,7	-4,6	-12,4	-15,2
OPERATING RESULT	4,3	4,1	18,6	14,4
Financial income	1,0	0,2	3,6	0,5
Financial expenses	-1,2	-0,9	-6,3	-3,1
RESULT BEFORE TAXES	4,2	3,4	15,9	11,8
Income taxes	0,1	-0,6	-2,3	-4,0
RESULT FOR THE PERIOD	4,3	2,8	13,6	7,7
Allocated to:				
Equity holders of parent company	4,3	2,8	13,6	7,7
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	0,02	0,01	0,05	0,03
Earnings per share, diluted, EUR	0,02	0,01	0,05	0,03
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MEUR	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
RESULT FOR THE PERIOD	4,3	2,8	13,6	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	-0,0	-0,0	-0,0
Tax on items that will not be reclassified subsequently to profit or loss	0,0	0,0	0,0	0,0
Items that may be reclassified subsequently to profit or loss:				
Translation differences from foreign oper.	-0,7	-0,8	-0,7	-0,8
Tax relating to translation differences	0,2	0,2	0,2	0,3
Other comprehensive income, net of tax	-0,5	-0,5	-0,5	-0,5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,8	2,3	13,1	7,2
Allocated to:				

Equity holders of parent company	3,8	2,3	13,1	7,2
Non-controlling interest	-0,0	-0,0	-0,0	-0,0

CONSOLIDATED BALANCE SHEET	31.12.2020	31.12.2019
Assets		
Other intangible assets	5,3	3,0
Tangible assets	0,3	0,2
Deferred tax assets	0,5	0,6
Other non-current trade and other receivables	1,0	0,8
Right-of-use assets	0,2	
Current assets		
Inventories	0,0	0,0
Trade receivables	13,5	15,2
Other receivables	21,8	11,5
Cash and cash equivalents	8,0	3,4
TOTAL ASSETS	50,6	36,8
Shareholders' equity		
	19,9	3,6
Non-current liabilities		
Non-current interest-bearing liabilities	12,4	13,5
Other non-current liabilities	6,1	6,8
Lease liability (non-current)	0,2	
Current liabilities		
Current interest-bearing liabilities	1,0	0,5
Lease liability (current)	0,1	
Trade payables and other liabilities	10,9	10,2
EQUITY AND LIABILITIES, TOTAL	50,6	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	-	5,0	2,0	5,2	3,4	0,2	3,6
Result for the period						13,6	13,6	0,0	13,6
Other comprehensive income, net of tax:									
Remeasurement items						-0,2	-0,2		-0,2
Translation differences			-0,5				-0,5		-0,5
Total compr. income for the period			-0,5			13,4	12,9	0,0	12,9
Share issue				0,1		1,1	1,3		1,3
Share based payments						2,1	2,1	0,0	2,1
Revaluation reserve					0,1		0,1		

Argentina Hyperinflation						0,1	0,1		0,1	
Other changes						0,0	-0,2	-0,2	-0,0	-0,2
SHAREHOLDERS' EQUITY 31 DEC 2020	1,3	0,8	11,4	5,1	2,1	21,7	19,7	0,2	19,9	
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						7,6	7,6	-0,0	7,6	
Other comprehensive income, net of tax:										
Remeasurement items						-0,1	-0,1		-0,1	
Translation differences			-0,5				-0,5		-0,5	
Total compr. income for the period			-0,5			7,5	7,0	-0,0	7,0	
Share issue				2,9			2,9		2,9	
Share issue expenses						-0,1	-0,1		-0,1	
Argentina Hyperinflation						0,2	0,2		0,2	
Other changes					0,0	0,2	0,2	-0,0	0,2	

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	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Cash flow from operating activities				
Result for the period	4,3	2,8	13,6	7,7
Adjustments of the result	1,2	-0,3	11,6	5,3
Changes in working capital	-1,5	-2,3	-8,1	-6,4
Financial income and expenses	-0,2	0,3	-3,2	-1,6
Income taxes paid	-0,6	-0,6	-3,2	-3,8
Net cash flow from operating activities	3,2	-0,1	10,6	1,1
Cash flow from investing activities				
Capital expenditure on non-current tangible and intangible assets	-0,9	-1,2	-3,6	-3,4
Proceeds from sale of tangible and intangible non-current assets	0,0	-0,0	0,0	2,4

Net cash flow from investing activities	-0,9	-1,2	-3,6	-0,9
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Cash flow from financing activities				
Repayments of loans	-0,9	-0,6	-1,8	-3,6
Proceeds from share issue	0,0	0,0	0,1	2,9
Other financial costs	0,0	0,0	0,0	-0,0
Net cash flow from financing activities	-0,9	-0,6	-1,7	-0,7
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Increase (+) and decrease (-) in cash and cash equivalents	1,4	-1,9	5,3	-0,6
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Cash and cash equivalents at beg. of period	6,8	5,4	3,4	4,2
Impact of changes in exchange rates	-0,2	-0,1	-0,6	-0,2
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Cash and cash equivalents at end of period	8,0	3,4	8,0	3,4

1. ACCOUNTING PRINCIPLES FOR THE 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 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 administration, depreciation, taxes and financial items are not allocated to the segments.

OPERATING SEGMENTS	1-12/2020	1-12/2019
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NET SALES, MEUR		
Europe & Americas	11,0	14,9
MEA & APAC	41,8	32,1
TOTAL	52,8	47,0
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RESULT, MEUR		

Europe & Americas	3,9	7,0
MEA & APAC	27,0	14,9
TOTAL	30,9	21,9
Non-allocated items	-11,6	-8,9
OPERATING RESULT BEFORE R&D CAPITALISATION & AMORTISATION AND ONE-TIME COSTS	19,3	13,0
One-time costs	-0,7	1,4
OPERATING RESULT	18,6	14,4

3. INTEREST-BEARING LIABILITIES

At the end of the review period, the company had interest-bearing liabilities of EUR 13.4 (14.0) million.

INTEREST-BEARING LIABILITIES, MEUR	31.12.2020	31.12.2019
Loans, 1 Jan	13,7	16,6
Raised loans	0,0	0,0
Repayments of loans	-0,5	-2,9
Loans, end of period	13,3	13,7
Finance lease liabilities, 1 Jan	0,3	0,4
Finance lease liabilities, additions	0,0	0,0
Finance lease liabilities, decreases	-0,1	-0,1
Finance lease liabilities, end of period	0,2	0,3
Interest-bearing liabilities total	13,4	14,0

Non-interest bearing liabilities

At the end of the review period, the company had non-interest bearing restructuring debt EUR 3.5 (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	31.12.2020	31.12.2019
On own behalf		
Corporate mortgages	45,3	45,3
Pledged deposits	1,3	1,0
Other liabilities		
Disputed income tax liabilities in India	1,6	1,8
OTHER OPERATING LEASES, MEUR	31.12.2020	31.12.2019
Minimum rents payable based on other leases that cannot be cancelled:		
Other operating leases		
Less than one year	1,1	0,6
Between one and five years	0,8	0,7

6. KEY FIGURES

CONSOLIDATED KEY FINANCIAL FIGURES	1-12/2020	1-12/2019
Return on investment, %	87,3	105,4
Return on equity, %	96,8	-
Equity ratio, %	39,3	9,9
Net gearing, %	27,1	292,2
Investments, MEUR	3,6	3,4
% of net sales	6,9	7,1
Research and development, MEUR	0,0	3,3
% of net sales	0,0	7,0
Order book, MEUR	32,1	25,5
Personnel, average	637	554
Personnel, at end of period	659	600

CONSOLIDATED KEY FIGURES PER SHARE	1-12/2020	1-12/2019
Earnings per share, basic, EUR	0,05	0,03
Earnings per share, diluted, EUR	0,05	0,03
Equity per share, EUR	0,07	0,01
Number of shares at end of period, x 1,000	274 628	247 628
Number of shares on average, x 1,000	270 293	235 295
Share price, EUR		
Average	0,34	0,09
Lowest	0,11	0,05

Highest	0,90	0,24
Share price at end of period, EUR	0,70	0,17
Market capitalisation of issued stock at end of period, MEUR	193,3	42,1
Share turnover, million shares	82,2	18,3
Share turnover, % of total	29,9	7,4
Share turnover, MEUR	35,5	2,1
Price/earnings ratio (P/E)	13,9	5,2

QUARTERLY KEY FIGURES	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Net sales, MEUR	14,2	14,7	14,1	9,8	14,1	12,4	11,0	9,5
Net sales, change %	0,8	18,4	28,5	3,4	16,2	-0,1	12,0	25,9
Adjusted operating result ¹	4,3	6,9	5,8	2,3	4,1	4,3	3,6	1,0
% of net sales	30,5	46,8	41,5	23,0	28,7	34,6	33,2	10,2
Operating result, MEUR	4,3	6,9	6,3	1,1	4,1	4,3	3,6	2,4
% of net sales	30,5	46,8	44,7	11,6	28,7	34,6	33,2	25,1
Adjusted result for the period, MEUR ²	4,3	4,4	3,8	1,7	2,8	2,1	1,4	-0,1
Result for the period, MEUR	4,3	4,4	4,2	0,6	2,8	2,1	1,4	1,3
Personnel at end of period	659	653	622	616	600	586	515	529
Earnings per share, basic, EUR	0,02	0,02	0,02	0,00	0,01	0,01	0,01	0,01
Earnings per share, diluted, EUR	0,02	0,02	0,02	0,00	0,01	0,01	0,01	0,01
Equity per share, EUR	0,07	0,06	0,04	0,02	0,01	0,01	0,00	-0,01
Net interest-bearing liabilities, MEUR	5,4	6,9	7,9	9,4	10,6	9,0	11,0	10,7
Order book, MEUR	32,1	26,7	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.

