

Tecnotree

Empowering Digitally
Connected Communities

Half Year Report
H1 2021

1.1.2021 – 30.6.2021



Tecnotree Corporation Half Year Report 1st Jan – 30th Jun 2021 (Unaudited)

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

STRONG GROWTH IN REVENUE AND ORDER BOOK CONTINUES

Second quarter (April – June 2021)

- Net sales were EUR 16.7 (14.1) million.
- The adjusted operating result was EUR 7.6 (5.8) million and the operating result was EUR 7.6 (6.3) million.
- The adjusted result was EUR 5.3 (3.8) million and the result was EUR 5.3 (4.2) million.
- The order book at the end of the period stood at EUR 55.0 (31 December 2020: 32.1) million.
- Cash flow after investments was EUR 1.8 (2.3) million.
- Earnings per share were EUR 0.02 (0.02).

First half (January - June 2021)

- Net sales were EUR 27.9 (24.0) million.
- The adjusted operating result was EUR 10.6 (8.1) and the operating result was EUR 10.6 (7.4) million.
- The adjusted result was EUR 7.7 (5.5) million and the result was EUR 7.7 (4.8) million.
- Cash flow after investments was EUR 3.5 (3.5) million and the company's cash and cash equivalents were EUR 10.7 (31 December 2020: 8.0) million.
- Earnings per share were EUR 0.03 (0.02).

Key figures, MEUR	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Net sales	16.7	14.1	27.9	24.0	52.8
Adjusted operating result ¹	7.6	5.8	10.6	8.1	19.3
Operating result	7.6	6.3	10.6	7.4	18.6
Result before taxes	6.2	5.4	9.1	6.4	15.9
Adjusted result for the period ²	5.3	3.8	7.7	5.5	14.2
Result for the period	5.3	4.2	7.7	4.8	13.6
Earnings per share, basic, EUR	0.02	0.02	0.03	0.02	0.05
Order book			55.0	39.4	32.1
Cash flow after investments	1.8	2.3	3.5	3.5	7.0
Change in cash and cash equivalents	1.0	1.4	2.6	2.4	4.7

Cash and cash equivalents	10.7	5.8	8.0
Equity ratio %	49.4	25.5	39.3
Net gearing %	6.9	-	27.1
Personnel at end of period	688	622	659

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 1-6/2021 and the figures for comparison are for the corresponding period in 1-6/2020.

CEO Padma Ravichander: Robust first half despite COVID-19 challenges

Tecnotree has achieved compelling growth across key performance metrics during the first half of 2021. Tecnotree's Digital BSS Suite continues to generate healthy excitement across markets, leading to a record order book in the last 8 years. Tecnotree, despite the Covid impact, continues to cautiously invest in enhancing its products and delivery capabilities, tap new sales channels, improve its competitive position while remaining highly efficient to deliver a strong financial result.

While the world continues to combat COVID-19 related challenges, Tecnotree too has faced similar challenges, especially in its largest development center i.e. India, owing to the second wave caused by the delta variant. Although Tecnotree is taking necessary actions and mitigation steps, we believe that if a significant third wave occurs, this could affect deliveries in the second half of this year and thereby may affect revenue. We are also taking all precautions and providing all possible assistance and safeguards to all our employees globally, to reduce its overall impact.

Revenue

Revenue in the second quarter was EUR 16.7 million and EUR 27.9 million during the first half of the year, witnessing 16.5% growth from last year.

Middle East and Africa region continued performing by constituting 72.0% of the total second quarter revenue and demonstrating 26.3% growth compared to last year. Also, LATAM region

performed well and recorded 28.2% growth in the second quarter from last year. Overall revenue growth continues to be on a robust growth trajectory.

Profitability

Operating profit in the second quarter was EUR 7.6 million compared to EUR 6.3 million last year, witnessing 20.1% growth with the same 45% profit margin level as last year. Operating profit in the first half was EUR 10.6 million being EUR 3.2 million or 42.8% higher compared to last year. Correspondingly, net profit was EUR 7.7 million being EUR 2.9 million or 59.6% higher. Earnings per share (EPS) in the first half was 0.03 euros compared to 0.02 euros last year; 58% higher compared to last year.

Order intake

Robust order intake in the second quarter and the total value of new orders received during the first half of the year reached EUR 50.7 million, outperforming previous year by 33.9%. During the second quarter Tecnotree announced two major wins, digital BSS transformation contract by a large telecom Operator in the Middle East region and digital transformation contract for five MTN African operations. The total order book at the end of the period was EUR 55.0 million; highest in the last 8 years.

Financial situation

Tecnotree continued to strengthen its financial position during the first half of the year through operating cash flow by recording EUR 3.5 million positive net cash flow after investments. Cash and cash equivalents in the end of the period were at a solid EUR 10.7 million.

Other business updates

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

Throughout 2021 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.

Sales and net sales

Tecnotree's net sales for the review period were EUR 27.9 (24.0) million, 16.5% higher compared to last year. Revenue from goods and services were EUR 16.0 (10.4) million and revenue from maintenance and support were EUR 11.6 (13.7) million. The net sales were impacted by EUR 0.3 million positive exchange rate differences (EUR 0.1 million negative).

Order book at the end of the financial period stood at EUR 55.0 million

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

Specification of net sales, MEUR	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Revenue from maintenance and support	5.9	7.1	11.6	13.7	24.7
Revenue from goods and services	10.8	7.2	16.0	10.4	28.2
Currency exchange gains and losses	0.0	-0.2	0.3	-0.1	-0.2
Total	16.7	14.1	27.9	24.0	52.8

Net sales by market area, MEUR	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Europe & Americas	4.1	3.2	6.6	5.9	11.0
MEA & APAC	12.6	10.9	21.3	18.1	41.8
Total	16.7	14.1	27.9	24.0	52.8

Consolidated order book, MEUR	30.6. 2021	30.6. 2020	31.12. 2020
Europe & Americas	6.4	7.6	4.0
MEA & APAC	48.6	31.9	28.1
Total	55.0	39.4	32.1

Result analysis

Tecnotree’s net sales for the financial period were EUR 27.9 (24.0). The adjusted operating result was 10.6 (8.1) million and the operating result EUR 10.6 (7.4) million. The adjusted result for the period was EUR 7.7 million (5.5) and the result for the financial period was EUR 7.7 million (4.8)

Tecnotree’s second quarter net sales were EUR 16.7 (14.1) million. The adjusted operating result was 7.6 (5.8) million and the operating result EUR 7.6 (6.3) million. The adjusted result was EUR 5.3 (3.8) and the result for the second quarter was EUR 5.3 million (4.2).

Capitalization of product development expenses during the period was EUR 2.3 (1.8) million and EUR 1.3 (0.6) million in the second quarter. Amortizations on total capitalized development costs during the period were EUR 0.6 (0.5) million and EUR 0.3 (0.3) million in the second quarter.

Financial items without currency differences in financial items for the financial period were EUR 0.0 (-0.2) million and in the second quarter were EUR 0.0 (-0.1) million. Exchange rate differences for the financial period were EUR -1.6 (-0.9) million and in the second quarter were EUR -1.4 (-0.8) 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/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
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Net sales	16.7	14.1	27.9	24.0	52.8
Other operating income	0.0	0.5	0.1	1.2	0.9
Operating costs excluding one-time items	-9.1	-8.8	-17.3	-16.4	-34.5
Adjusted operating result	7.6	5.8	10.6	8.1	19.3
One-time items	0.0	0.5	0.0	-0.7	-0.7
Operating result	7.6	6.3	10.6	7.4	18.6
Financial items without currency differences	0.0	-0.1	0.0	-0.2	-0.2
Exchange rate gains and losses in financial items	-1.4	-0.8	-1.6	-0.9	-2.5
Income taxes	-0.9	-1.2	-1.4	-1.5	-2.3
Adjusted result for the period	5.3	3.8	7.7	5.5	14.2
One-time items	0.0	0.5	0.0	-0.7	-0.7
Result for the period	5.3	4.2	7.7	4.8	13.6

Financial income and expenses during the review period totalled a net loss of EUR 1.5 million (net loss of EUR 1.1 million), including following items:

Financial income and expenses, MEUR	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Interest income	0.1	0.0	0.2	0.1	0.4
Exchange rate gains	-0.4	1.2	0.1	1.8	3.2
Other financial income	0.0	0.0	0.0	0.0	0.0
Financial income, total	-0.2	1.3	0.4	1.9	3.6
Interest expenses	-0.1	-0.1	-0.2	-0.3	-0.5
Exchange rate losses	-1.0	-2.0	-1.7	-2.6	-5.7
Other financial expenses	-0.0	-0.1	-0.0	-0.1	-0.1
Financial expenses, total	-1.1	-2.2	-1.9	-3.0	-6.3
Financial items, total	-1.4	-0.9	-1.5	-1.1	-2.7

Taxes for the period totalled EUR 1.4 (1.5) million, including following items:

Taxes in income statement, MEUR	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Withholding taxes paid abroad	-0.5	-0.8	-0.9	-1.1	-2.2
Change in withholding tax accrual	0.0	-0.1	0.0	0.1	0.6
Income taxes on the results of Group companies	-0.2	-0.2	-0.3	-0.2	-0.3
Other items	-0.1	-0.1	-0.2	-0.3	-0.4
Taxes in income statement, total	-0.9	-1.2	-1.4	-1.5	-2.3

Earnings per share in the reporting period were EUR 0.03 (0.02) and equity per share at the end of the period was EUR 0.11 (31 December 2020: EUR 0.07).

Financing, cash flow and balance sheet

Tecnotree's working capital increased during the review period by EUR 9.2 (Increased 3.4) million

Change in working capital, MEUR (increase - / decrease +)	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Current receivables, increase (-) /decrease (+)	-6.9	-2.5	-8.9	-5.4	-8.6
Inventories, increase (-) /decrease (+)	-0.0	0.0	-0.1	0.0	0.0
Current liabilities, increase (+) /decrease (-)	2.3	-1.0	-0.3	2.1	0.5
Change in working capital, total	-4.6	-3.5	-9.2	-3.4	-8.1

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 10.7 (31 December 2020: 8.0) million. Cash flow after investments for the review period was EUR 3.5 (3.5) million.

The balance sheet total on 30 June 2021 stood at EUR 62.2 (31 December 2020: 50.6) million. Tecnotree's investments during the review period was EUR 2.7 (1.9). Interest-bearing liabilities were EUR 12.8 (31 December 2020: 13.4) million. During the review period, total equity was affected by translation differences of EUR -0.0 (0.1) million.

Business description

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

In 2021 and beyond, Tecnotree will continue to complete its digital products and services offerings to ensure that its customers' digital transformation journeys are fulfilled and successful with Tecnotree's digital BSS Suite 5. Tecnotree will expand its footprint within the current geographies and customers and it will also explore new markets and adjacent market opportunities.

Tecnotree also hopes 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 their customers and subscribers.

Tecnotree

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. Tecnotree has an especially strong footprint in developing markets such as Latin America, Africa and the Middle East, serving more than 800 million subscribers worldwide and supporting more than 65 operators/CSPs worldwide.

Tecnotree operates globally and has development and operational support centres in LATAM, Europe, Middle East, Africa, and Asia.

Segment information

The operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Europe & Americas (Europe and North, Central and South America) and MEA & APAC (the Middle East and Africa, Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision maker, as referred to in IFRS 8, is the Group's management board.

Net sales and the result for the operating segments are presented based on the location of customers. The result for the operating segments includes the costs that can be allocated to the segments, being costs of sales and marketing, customer service and delivery functions as well as product development. Costs for product management and administration, depreciations, taxes and financial items are not allocated to the segments.

Geographical areas

Tecnotree Group operates in the following geographical areas: Europe & Americas (Europe and North, Central and South America) and MEA & APAC (the Middle East and Africa, Asia Pacific).

Europe & Americas

The net sales for the review period increased by 12.3% from previous year being EUR 6.6 (5.9) million.

The order book at the end of the review period decreased by 15.9% from previous year and stood at EUR 6.4 (7.6) million.

Middle-East and Africa & Asia Pacific

The net sales for the review period increased by 17.9% from previous year being EUR 21.3 (18.1) million.

The order book at the end of the review period increased by 52.6% from previous year and stood at EUR 48.6 (31.9) million.

Personnel

At the end of June 2021, Tecnotree employed 688 (31 December 2020: 659) persons, of whom 44 (31 December 2020: 40) worked in Finland and 644 (31 December 2020: 619) globally. The company employed on average 684 (618) people during the review period. Personnel by country were as follows:

Personnel	1-6/2021	1-6/2020	1-12/2020
Personnel, at end of period	688	622	659
Finland	44	39	40
Brazil	8	9	8
Argentina	39	42	41
India	473	406	464
United Arab Emirates	17	17	15
Other countries	107	109	91
Personnel, average	684	618	637
Personnel expenses (MEUR)	-9.7	-8.7	-18.2

Share and price analysis

At the end of the period, the shareholders' equity of Tecnotree Group stood at EUR 30.8 (31 December 2020: 19.9) million and the share capital was EUR 1.3 million (31 December 2020: 1.3). The total number of shares was 282,628,428. The company hold 14,894,316 own shares. Equity per share was EUR 0.11 (31 December 2020: EUR 0.07).

A total of 129,804,233 Tecnotree shares (EUR 96,945,299) were traded on the Helsinki Exchanges during the period 1 January – 30 June 2021, representing 45.9% of the total number of shares.

The highest share price quoted in the period was EUR 0.93 and the lowest EUR 0.51. The average quoted price was EUR 0.72 and the closing price on 30 June 2021 was EUR 0.88. The market capitalisation of the share stock at the end of the period was EUR 249.3 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 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.

The Board of Directors has exercised this authorization on 26 February 2020 as follows:

- Tecnotree's Board of Directors has resolved to issue, without consideration, 8.0 million Tecnotree shares to Tecnotree to be later used to fulfil the company's obligations under the LTI-2 Plan.

Risks and uncertainty factors

The risks and uncertainty factors for Tecnotree are explained in the 2020 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, to changes in foreign exchange rates, and uncertainties related to new Covid-19 wave including its potential to impact project delivery timelines.

Events after end of the period

09-07-2021 Tecnotree announced that it reached understanding to settle all legal claims with Viking Acquisitions Corporation

09-07-2021 Tecnotree announced that it received 22 Mn Euro investment offer and plans directed share issue

09-07-2021 Tecnotree announced the notice of the Extraordinary General Meeting

09-07-2021 Tecnotree announced that the Board of Directors decided on a new stock option plan

30-07-2021 Tecnotree announced the resolutions of the Extraordinary General Meeting

04-08-2021 Tecnotree announced the result of directed share issue

Prospects 2021

Tecnotree continues to see encouraging interest in its products and services despite the ongoing pandemic and the new wave. Tecnotree is sensitive to the risks that this could potentially cause to its customers' operations and to the well-being of its employees and therefore would refrain from giving any guidance.

Tecnotree Corporation

Board of Directors

Further information

Padma Ravichander, CEO, tel +97 156 414 1420

Priyesh Ranjan, CFO, tel +971 50 955 1188

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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/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Net sales	16.7	14.1	27.9	24.0	52.8
Other operating income	0.0	0.5	0.1	0.6	0.9
Materials and services	-0.5	-0.6	-0.8	-1.1	-2.7
Employee benefit expenses	-5.3	-4.2	-9.7	-8.7	-18.2
Depreciation, amortisation and impairment charges	-0.3	-0.5	-0.7	-0.9	-1.7
Other operating expenses	-3.0	-3.0	-6.2	-6.4	-12.4
Operating result	7.6	6.3	10.6	7.4	18.6
Financial income	-0.2	1.3	0.4	1.9	3.6
Financial expenses	-1.1	-2.2	-1.9	-3.0	-6.3
Result before taxes	6.2	5.4	9.1	6.4	15.9
Income taxes	-0.9	-1.2	-1.4	-1.5	-2.3
Result for the period	5.3	4.2	7.7	4.8	13.6
Allocated to:					
Equity holders of parent company	5.3	4.2	7.7	4.8	13.6
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	0.02	0.03	0.02	0.05
Earnings per share, diluted, EUR	0.02	0.02	0.03	0.02	0.05
Consolidated statement of comprehensive income, MEUR	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Result for the period	5.3	4.2	7.7	4.8	13.6
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.	-0.0	0.7	-0.0	0.1	-0.7
					0.2
Other comprehensive income, net of tax	-0.0	0.7	-0.0	0.1	-0.5
Total comprehensive income for the period	5.3	5.0	7.7	4.9	13.1
Allocated to:					
Equity holders of parent company	5.3	5.0	7.7	4.9	13.1
Non-controlling interest	-0.0	-0.0	-0.0	-0.0	-0.0

Consolidate balance sheet, MEUR

30.6.2021 30.6.2020 31.12.2020

	30.6.2021	30.6.2020	31.12.2020
Assets			
Other intangible assets	7.4	4.4	5.3
Tangible assets	0.3	0.1	0.3
Deferred tax assets	0.5	0.5	0.5
Other non-current trade and other receivables	0.9	0.8	1.0
Right-of-use assets	0.2	1.8	0.2
Current assets			
Inventories	0.1	0.0	0.0
Trade receivables	25.9	12.0	13.5
Other receivables	16.3	17.6	21.8
Cash and cash equivalents	10.7	5.8	8.0
Total assets	62.2	43.0	50.6
Shareholders' equity			
	30.8	11.0	19.9
Non-current liabilities			
Non-current interest-bearing liabilities	11.5	12.9	12.4
Other non-current liabilities	6.6	6.4	6.1
Lease liability (non-current)	0.1	1.1	0.2
Current liabilities			
Current interest-bearing liabilities	1.2	0.8	1.0
Lease liability (current)	0.1	0.7	0.1
Trade payables and other liabilities	11.8	10.1	10.9
Equity and liabilities, total	62.2	43.0	50.6

Calculation of changes in shareholders' equity, MEUR

	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
Shareholders' equity 30th Jun 2021	1.3	0.8	11.5	5.1	2.1	32.6	30.6	0.2	30.8
Shareholders' equity 1st 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	-	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	-	-0.1
Shareholders' equity 30th Jun 2020	1.3	0.8	10.9	5.1	2.1	12.2	10.8	0.2	11.0

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/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Cash flow from operating activities					
Result for the period	5.3	4.2	7.7	4.8	13.6
Adjustments of the result	4.8	4.4	10.4	7.6	11.6
Changes in working capital	-4.6	-3.5	-9.2	-3.4	-8.1
Financial income and expenses	-1.1	-1.4	-1.1	-1.9	-3.2
Income taxes paid	-0.9	-0.7	-1.6	-1.8	-3.2
Net cash flow from operating activities	3.4	3.0	6.2	5.3	10.6
Cash flow from investing activities					
Capital expenditure on non-current tangible and intangible assets	-1.6	-0.6	-2.7	-1.9	-3.6
Net cash flow from investing activities	-1.6	-0.6	-2.7	-1.9	-3.6
Cash flow from financing activities					
Repayments of borrowings	-0.8	-0.9	-0.8	-0.9	-1.8
Proceeds from share issue	0.0	0.0	0.0	0.1	0.1
Other financial costs	-0.0	0.0	-0.0	0.0	0.0
Net cash flow from financing activities	-0.8	-0.9	-0.8	-0.8	-1.7
Increase (+) and decrease (-) in cash and cash equivalents	1.0	1.4	2.7	2.7	5.3
Cash and cash equivalents at beg. of period	10.0	4.5	8.0	3.4	3.4
Impact of changes in exchange rates	-0.3	-0.2	-0.1	-0.3	-0.6
Cash and cash equivalents at end of period	10.7	5.8	10.7	5.8	8.0

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 2020 Annual Report.

2. Segment information

The operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Europe & Americas (Europe and North, Central and South America) and MEA & APAC (the Middle East and Africa, Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision-maker, as referred to in IFRS 8, is the Group's management board.

Net sales and the result for the operating segments are presented based on the location of customers. The result for the operating segments includes the costs that can be allocated to the segments, being costs of sales and marketing, customer service and delivery functions, administration, product management, as well as product development. Costs for depreciation, taxes and financial items are not allocated to the segments.

Operating segments, MEUR	1-6/2021	1-6/2020	1-12/2020
Net sales			
Europe & Americas	6.6	5.9	11.0
MEA & APAC	21.3	18.1	41.8
Total	27.9	24.0	52.8
Result			
Europe & Americas	4.0	2.1	3.9
MEA & APAC	10.4	7.9	27.0
Total	14.3	10.0	30.9
Non-allocated items	-3.7	-1.9	-11.6
Operating result before one-time items	10.6	8.1	19.3
One-time items	0.0	-0.7	-0.7
Operating result	10.6	7.4	18.6

3. Interest-bearing liabilities

At the end of the review period, the company had interest-bearing liabilities of EUR 12.8 (31 December 2020: 13.4) million.

Interest-bearing liabilities, MEUR	30.6.2021	30.6.2020	31.12.2020
Restructuring debts, 1 Jan	13.3	13.3	13.7
Repayment of restructuring debt	-0.5	-0.2	-0.5
Restructuring debts, end of period	12.8	13.5	13.3
Finance lease liabilities, 1 Jan	0.2	0.2	0.3
Finance lease liabilities, additions	0.0	0.0	0.0
Finance lease liabilities, decreases	-0.2	0.1	-0.1
Finance lease liabilities, end of period	0.0	0.2	0.2
Interest-bearing liabilities total	12.8	13.7	13.4

Non-interest bearing liabilities

At the end of the review period, the company had non-interest bearing restructuring debt EUR 3.1 (31 December 2020: 3.5) 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	30.6.2021	30.6.2020	31.12.2020
On own behalf			
Corporate mortgages	45.3	45.3	45.3
Pledged deposits	1.0	0.5	1.3
Other liabilities			
Disputed income tax liabilities in India	1.7	1.7	1.6
Operating leases, MEUR	30.6.2021	30.6.2020	31.12.2020
Minimum rents payable based on other leases that cannot be cancelled:			
Other operating leases			
Less than one year	0.3	0.3	1.1
Between one and five years	0.0	0.4	0.8

6. Key figures

Consolidated key financial figures	1-6/2021	1-6/2020	1-12/2020
Return on investment, %	57.2	88.3	87.3
Return on equity, %	61.1	132.6	115.3
Equity ratio, %	49.4	25.5	39.3
Net gearing, %	6.9	72.2	27.1
Investments, MEUR	2.7	1.9	3.6
% of net sales	9.7	7.8	6.9
Research and development, MEUR	2.0	1.2	3.6
% of net sales	7.3	4.9	6.9
Order book, MEUR	55.0	39.4	32.1
Personnel, average	684	618	637
Personnel, at end of period	688	622	659

Consolidated key figure per share	1-6/2021	1-6/2020	1-12/2020
Earnings per share, basic, EUR	0.03	0.02	0.05
Earnings per share, diluted, EUR	0.03	0.02	0.05
Equity per share, EUR	0.11	0.04	0.07
Number of shares at end of period, x 1,000	282.628	274.628	274.628
Number of shares on average, x 1,000	278.336	265.746	270.293
Share price, EUR			
Average	0.72	0.24	0.34
Lowest	0.51	0.11	0.11
Highest	0.93	0.30	0.90
Share price at end of period, EUR	0.88	0.24	0.70
Market capitalisation of issued stock at end of period, MEUR	249.3	64.8	193.3
Share turnover, million shares	129.8	26.1	82.2
Share turnover, % of total	45.9	9.5	29.9
Share turnover, MEUR	96.9	5.3	35.5
Price/earnings ratio (P/E)	31.7	13.6	13.9

Quarterly key figures	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Net sales, MEUR	16.7	11.2	14.2	14.7	14.1	9.8
Net sales, change %	18.5	13.7	0.8	18.4	28.5	3.4
Adjusted operating result ¹	7.6	3.1	4.3	6.9	5.8	2.3
% of net sales	45.3	27.3	30.5	46.8	41.5	23.0
Operating result, MEUR	7.6	3.1	4.3	6.9	6.3	1.1
% of net sales	45.3	27.3	30.5	46.8	44.7	11.6
Adjusted result for the period, MEUR ²	5.3	2.4	4.3	4.4	3.8	1.7
Result for the period, MEUR	5.3	2.4	4.3	4.4	4.2	0.6
Personnel at end of period	688	679	659	653	622	616

Earnings per share, basic, EUR	0.02	0.01	0.02	0.02	0.02	0.00
Earnings per share, diluted, EUR	0.02	0.01	0.02	0.02	0.02	0.00
Equity per share, EUR	0.11	0.09	0.07	0.06	0.04	0.02
Net interest-bearing liabilities, MEUR	2.1	3.3	5.4	6.9	7.9	9.4
Order book, MEUR	55.0	47.3	32.1	26.7	39.4	35.5

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

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

