

Q1

2022



## Strong organic growth of 5%

- Growth driven by TietoEvry Create, up by 15%, and TietoEvry Banking, up by 8%
- Healthy profitability – adjusted operating margin 11.6%
- High attention to employee safety in Ukraine – limited business and customer impact to date
- Six specialized businesses established to drive growth and expansion

# Contents

|  |           |  |           |
|--|-----------|--|-----------|
| <b>Key figures</b>                                 | <b>3</b>  | <b>Financial calendar 2022</b>                   | <b>13</b> |
| <b>Full-year outlook for 2022</b>                  | <b>3</b>  |  |           |
| <b>CEO's comment</b>                               | <b>4</b>  | <b>Consolidated interim financial statements</b> | <b>14</b> |
| <b>Tietoenvy's quarter in brief</b>                | <b>5</b>  | Income statement                                 | 15        |
| <b>IT market development</b>                       | <b>6</b>  | Statement of other comprehensive income          | 15        |
| <b>Company strategy</b>                            | <b>6</b>  | Statement of financial position                  | 16        |
| <b>Performance in 2022</b>                         | <b>7</b>  | Statement of changes in shareholders' equity     | 17        |
| <b>Financial performance in January–March</b>      | <b>8</b>  | Statement of cash flows                          | 18        |
| <b>Financial position at the end of the period</b> | <b>10</b> | Notes to the interim financial statements        | 19        |
| <b>Order backlog</b>                               | <b>10</b> | Segment information                              | 20        |
| <b>Major agreements in January–March</b>           | <b>10</b> | Derivatives                                      | 24        |
| <b>Personnel</b>                                   | <b>11</b> | Number of shares                                 | 25        |
| <b>Shareholders' Meeting</b>                       | <b>11</b> |  |           |
| <b>Auditors</b>                                    | <b>12</b> | <b>Alternative performance measures</b>          | <b>25</b> |
| <b>Shares</b>                                      | <b>12</b> | <b>Quarterly figures</b>                         | <b>28</b> |
| <b>Significant risks and uncertainties</b>         | <b>12</b> | <b>Quarterly figures by segments</b>             | <b>30</b> |
| <b>Full-year outlook for 2022 unchanged</b>        | <b>13</b> | <b>Major shareholders</b>                        | <b>32</b> |
| <b>Events after the period</b>                     | <b>13</b> |  |           |

# Key figures in the first quarter

Revenue, EUR million

**730.9** (711.5)

Organic growth<sup>1)</sup>

**4.5%** (-5.6%)

Order backlog, EUR million

**3 468** (3 217)

Adjusted<sup>2)</sup> operating profit  
(EBITA<sup>3)</sup>), EUR million

**84.6 / 11.6%**

(82.1)

(11.5%)

Operating profit (EBIT),  
EUR million

**46.1 / 6.3%**

(56.7)

(8.0%)

Adjustment<sup>2)</sup> items,  
EUR million

**-26.6** (-13.6)

Net debt/EBITDA

**1.1** (2.3)

<sup>1)</sup> Adjusted for currency effects and impact from acquisitions and divestments.

<sup>2)</sup> Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

<sup>3)</sup> Profit before interests, taxes and amortization of acquisition-related intangible assets. For reconciliation, see section [Alternative performance measures](#).

## Full-year outlook for 2022 unchanged

Tietoevry expects its organic<sup>1)</sup> growth to be 2% to 4% (revenue in 2021: EUR 2 823.4 million). The company estimates its full-year adjusted operating margin<sup>2)</sup> (adjusted EBITA) to be 13.1–13.6% (13.0% in 2021).

<sup>1)</sup> Adjusted for currency effects, acquisitions and divestments.

<sup>2)</sup> Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

# CEO's comment

Comment regarding the interim report by Kimmo Alkio, President and CEO:



"I am pleased with the first-quarter performance and progress in strategy execution. Growth increased to 5% and adjusted operating margin was 11.6%. Tietoevry Create delivered strong 15% growth by focusing on cloud native consulting and software engineering services, especially in international markets. Of our software-driven businesses, Tietoevry Banking continued to deliver healthy 8% growth.

Our new strategy based on specialized end-to-end businesses has gone live as planned and drives increased customer value and growth opportunities. In order to drive competitiveness and efficiency, several measures are being carried out across businesses. In February, Tietoevry Connect announced a cost savings and delivery optimization programme to support its profitability improvement objectives.

We stay strong together and live by our values as Tietoevry during the ongoing tragedy in Ukraine. We prioritize employee safety and are doing our best to support our 2 200 Ukrainian colleagues and their families. Currently the majority of our colleagues have relocated to safer areas in Ukraine and adjacent countries. I continue to be impressed by the working morale of our Ukrainian colleagues and how they are maintaining high customer focus in these difficult times.

Market demand continues to be driven by high adoption of new cloud and data-driven technologies as well as industry-specific software. The active market and our strong first quarter provide a solid foundation for the full year."

# Tietoevry's quarter in brief

## New operating structure adopted

Tietoevry has established six specialized end-to-end businesses and the new structure took effect on 1 January. The businesses form the reportable segments as from this report and are described in the section [Segment information](#). Restated figures for 2021 were published on 26 April and are available on the company's website.

## Strong organic growth 5%

First-quarter organic growth totalled 5%. Tietoevry Create saw strong growth with revenue organically<sup>1)</sup> up by 15% with both the Nordic and international markets contributing to growth. Strong growth continued also in Tietoevry Banking, up by 8%, and in Tietoevry Care, with revenue up by 5%. In Tietoevry Connect, revenue was down by 1% due to continued price erosion and volume decline in traditional infrastructure services.

<sup>1)</sup> Adjusted for currency effects and impact from acquisitions and divestments

## Healthy profitability

Profitability remained solid at 11.6% (11.5). In Tietoevry Care, adjusted operating margin improved to 29.3% (25.2). Margins remained healthy at 14.3% (14.3) and 15.7% (15.5) at Tietoevry Create and Tietoevry Industry, respectively. During the quarter, Tietoevry Connect initiated an efficiency programme to drive profit improvement. Personnel attrition rates remained high but continued to stabilize in the first quarter. Salary inflation has remained high and the company estimates full-year salary inflation to be 4% (prior estimate 3%).

## High attention on Ukraine

Tietoevry has around 2 200 employees in Ukraine, contributing approximately 3% to Group revenue. Almost all revenue comes from international customers outside Ukraine. The company has made significant efforts to ensure the wellbeing of its employees, as well as the continuity of customer deliveries. The majority of the employees have been relocated to relatively safer parts of Ukraine or adjacent countries. The impact on revenue and customer deliveries remained limited in the first quarter.

## Significant wins

### Worldline extended its partnership with Tietoevry Banking

Worldline and Tietoevry Banking have extended their strategic partnership for card acquiring processing services. The three-year agreement with contract value of EUR 17 million includes all of Worldline's authorization processing services in the Nordic market. The agreement includes an option for additional two years.

### Tietoevry Create successful in Kammarkollegiet's extensive procurement process in Sweden

Kammarkollegiet, a central procurement function for governmental agencies in Sweden, and Tietoevry Create signed a frame agreement, securing two out of the five tender areas, Security in IT and IT projects, and IT consultancy solutions. Tietoevry has been awarded two additional areas while appeal processes related to these areas are ongoing. These are part of one of the most extensive procurement initiatives in Sweden, providing access to purchases from all governmental agencies in Sweden.

### S Group chose Tietoevry Transform as its partner to speed up IT modernization

In February, S Group, one of the largest retail groups in Finland, chose Tietoevry Transform as its partner to speed up modernization of IT functions and to support changes in its operating model. The co-operation will increase automation and the utilization of data in S Group's business operations. The five-year agreement covers co-operation in the management and development of services for next-generation applications.

### New frame agreement following Tietoevry's participation in Riksbanken's E-krona Pilot

The Swedish Central Bank (Riksbanken) chose Tietoevry as one of three vendors for a two-year frame agreement on banking and finance consultancy services that will be provided in collaboration by Tietoevry Banking and Tietoevry Create. The frame agreement, following Tietoevry's participation in Riksbanken's E-krona Pilot, covers areas such payments, financial infrastructure, financial standards and securities settlements.

# IT market development

The rapidly changing market provides significant growth opportunities for Tietoevry. Creating superior experiences enabled by hyperconnected data continues to be a strong driver for investments across industries. Customers are considering how to utilize the benefits of data even faster to be able to launch highly advanced digital experiences supported by real-time and personalized services.

Cloud technologies are at the core of customers' efficiency, agility and innovation. Investments are clearly geared towards cloud native development, data engineering and advanced analytics, adopting software-as-a-service as well as modernizing applications and infrastructure to cloud. Active programmes are ongoing with customers modernizing their business processes, applications and infrastructure to become cloud-enabled and reap the benefits from data.

## Strategy driving growth and expansion through specialization

Tietoevry announced a new strategy in 2021, driving growth and expansion through specialization. Investments will be focused on businesses where the company sees competitive advantages and sustainable growth:

- cloud-native services
- data and software engineering
- scalable software businesses, including their global expansion potential.

In the areas of traditional managed application and infrastructure services, the company sees new partnerships as potential means to build scale and pursue joint investments.

### Six specialized businesses established

To capture the momentum of the cloud-native and software market, Tietoevry has established six specialized end-to-end businesses. These businesses have full operational responsibility, including go-to-market, service portfolio, delivery capabilities, investments and partnerships. Reflecting the distinct market dynamics of each, the individual businesses have optionality to build scale and prioritize investments. The businesses forming the reportable segments as from the first quarter of 2022 are:

The overall addressable market for Tietoevry is anticipated to grow by around 3% during 2022, impacted by an estimated decline of 5–10% in traditional managed services. The market for software and cloud-native services is anticipated to grow by around 10%. This polarized market is calling for specialization reflecting a distinctive competitive advantage in each service segment in order to capture the identified opportunities.

**Tietoevry Create** accelerates customers' digital agenda to create competitive products and data-driven businesses utilizing design, data and cloud technologies. This is a global business with software and data engineering at its core.

**Tietoevry Banking** is a provider of scalable Banking-as-a-Service platform and leading software products to drive digital transformation and efficiency for financial institutions.

**Tietoevry Care** provides modular and interoperable software re-inventing Nordic health and social care for enhanced care personnel and citizen experience.

**Tietoevry Industry** is a portfolio of distinct competitive software and data solutions across a wide variety of industry domains. These domains include the public sector, pulp & paper and utilities.

**Tietoevry Transform** drives enterprise-wide transformation across customers' business processes, applications and infrastructure. Deep customer knowledge, global cloud & data competencies and automated operations form its foundation.

**Tietoevry Connect** is a multi-cloud platform provider with a full range of infrastructure choices at scale – ensuring security, resilience and compliance for the customer's business.

Scalable common functions, such as Finance, Strategy and HR, continue to support the businesses in driving portfolio development, performance management and efficiency across the company.

## Investment priorities to support scale in distinct businesses

The following investment priorities will drive competitiveness and value creation in each business:

- Invest to expand in Tietoevry Create, Tietoevry Care and Tietoevry Banking – invest to accelerate products, services and capabilities; prioritize M&A.
- Partner to scale in Tietoevry Transform and Tietoevry Connect – invest in capabilities to drive scale and automated managed services; seek partners to jointly invest and build scale.
- Focus for value in Tietoevry Industry – optimize investments in selected businesses and develop portfolio to increase focus.

## Long-term financial targets

The financial targets announced in December 2020 have been maintained while the new strategy supports potential for enhanced performance. The targets include:

- Growth accelerating to 5% by 2023
- Adjusted EBITA 15% by 2023
- Net debt/EBITDA below 2 by the end of 2022
- One-time items around 1% of revenue post 2021
- Dividends increased annually.

In 2022, one-time costs are expected to be around 2.0% (previous estimate 1.5% to 2.0%) of revenue.

## Performance in 2022

Strong order backlog and a healthy market are anticipated to contribute to growth ambitions for 2022. Tietoevry estimates its full-year organic growth<sup>1)</sup> to be 2% to 4%.

### Salary inflation impacting the speed of performance improvement

Personnel attrition and salary inflation are anticipated to remain at a high level, impacting the speed of performance improvement, especially in the first half of 2022. Salary inflation has remained high and the company estimates full-year salary inflation to be 4% (prior estimate 3%). It is offset by a number of actions including price increases, further offshoring, management of the competence pyramid and overall cost efficiency across businesses.

### Performance acceleration in Tietoevry Connect is anticipated to contribute to second-half performance

In order to drive growth and competitiveness, several measures are being carried out across businesses. Tietoevry will accelerate performance in Tietoevry Connect to drive cloud growth and achieve further profit improvement. The company initiated consultation processes with labour unions in February. In Finland, these negotiations were concluded on 31 March 2022. The personnel reductions will be implemented gradually as from April. In Sweden and Norway, the process continues. The cost savings programme is expected to impact up to 600 roles and the targeted annual savings of around EUR 50 million mainly relate to personnel and external purchases. The efficiency programme is expected to contribute to the company's performance in the second half of the year.

### Adjustment items

In 2022, one-time costs are expected to be around 2.0% (previous estimate 1.5% to 2.0%) of revenue, primarily driven by the efficiency programme in Tietoevry Connect, measures to drive competitiveness and efficiency in Tietoevry Banking as well as exit costs related to Russia and costs associated with ensuring employee wellbeing and business continuity in Ukraine. One-time costs also include the remaining integration costs, mainly related to the brand and identity programme.

<sup>1)</sup> Adjusted for currency effects, acquisitions and divestments.

# Financial performance in January–March

|  | 1–3/2022 | 1–3/2021 |
|--|----------|----------|
| Revenue, EUR million   | 730.9    | 711.5    |
| Change, %  | 2.7      | -4.4     |
| Operating profit (EBIT), EUR million                                       | 46.1     | 56.7     |
| Operating margin (EBIT), %   | 6.3      | 8.0      |
| Adjusted <sup>1)</sup> operating profit (EBITA <sup>2)</sup> , EUR million | 84.6     | 82.1     |
| Adjusted <sup>1)</sup> operating margin (EBITA <sup>2)</sup> , %           | 11.6     | 11.5     |
| Profit after taxes, EUR million  | 32.9     | 37.0     |
| EPS, EUR   | 0.28     | 0.31     |
| Net cash flow from operations, EUR million                                 | 62.0     | 94.8     |
| Return on equity, 12-month rolling, %                                      | 17.5     | 6.3      |
| Return on capital employed, 12-month rolling, %                            | 13.8     | 5.7      |
| Capital expenditure, EUR million   | 21.1     | 21.6     |
| Order backlog  | 3 468    | 3 217    |
| Interest-bearing net debt, EUR million                                     | 586.2    | 825.7    |
| Personnel on 31 March  | 24 356   | 23 724   |

First-quarter revenue was up by 2.7% to EUR 730.9 (711.5) million. Growth was driven by consulting business and software businesses, especially banking and health and social care. Divestments had a negative impact of EUR 14 million. First-quarter operating profit (EBIT) amounted to EUR 46.1 (56.7) million, representing a margin of 6.3 (8.0). Operating profit includes EUR -26.6 (-13.6) million in adjustment items, mainly related to the company's efficiency programme and integration costs. Adjusted<sup>1)</sup> operating profit (EBITA) stood at EUR 84.6 (82.1) million, or 11.6% (11.5) of revenue. Further details on adjustment items are available in the [Alternative Performance Measures](#) paragraph.

Depreciation and amortization amounted to EUR 42.2 (43.8) million, including EUR 16.9 (18.4) million in depreciation of right of use assets (IFRS 16 impact) and EUR 11.9 (11.8) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 4.4 (8.3) million. Net interest expenses were EUR 4.5 (5.8) million and net gains from foreign exchange transactions EUR 0.6 (losses 1.8) million. Other financial income and expenses amounted to EUR -0.5 (-0.7) million.

Earnings per share (EPS) totalled EUR 0.28 (0.31). Adjusted<sup>1)</sup> earnings per share amounted to EUR 0.53 (0.48).

<sup>1)</sup> Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

<sup>2)</sup> Profit before interests, taxes and amortization of acquisition-related intangible assets.

## Financial performance by segment

|                                      | Revenue, EUR million |              | Growth, % | Organic growth, % <sup>3)</sup> | Adjusted <sup>1)</sup> operating profit <sup>2)</sup> , EUR million | Adjusted <sup>1)</sup> operating profit <sup>2)</sup> , EUR million | Adjusted <sup>1)</sup> operating margin <sup>2)</sup> , % | Adjusted <sup>1)</sup> operating margin <sup>2)</sup> , % |
|--------------------------------------|----------------------|--------------|-----------|---------------------------------|---|---|---|---|
|                                      | 1–3/2022             | 1–3/2021     |           |                                 | 1–3/2022  | 1–3/2021  | 1–3/2022  | 1–3/2021  |
| Tietoevry Create                     | 218.1                | 188.4        | 16        | 15                              | 31.3  | 26.9  | 14.3  | 14.3  |
| Tietoevry Banking                    | 125.0                | 113.5        | 10        | 8                               | 12.3  | 11.6  | 9.9   | 10.2  |
| Tietoevry Care                       | 56.6                 | 54.4         | 4         | 5                               | 16.6  | 13.7  | 29.3  | 25.2  |
| Tietoevry Industry                   | 71.0                 | 82.9         | -14       | 3                               | 11.2  | 12.8  | 15.7  | 15.5  |
| Tietoevry Transform                  | 121.2                | 121.4        | -0        | 0                               | 10.3  | 13.1  | 8.5   | 10.8  |
| Tietoevry Connect                    | 224.2                | 227.3        | -1        | -1                              | 9.2   | 10.1  | 4.1   | 4.5   |
| Eliminations and non-allocated costs | -85.1                | -76.4        | —         | —                               | -6.3  | -6.1  | —   | —   |
| <b>Group total</b>                   | <b>730.9</b>         | <b>711.5</b> | <b>3</b>  | <b>5</b>                        | <b>84.6</b>   | <b>82.1</b>   | <b>11.6</b>   | <b>11.5</b>   |

<sup>1)</sup> Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

<sup>2)</sup> Profit before interests, taxes and amortization of acquisition-related intangible assets.

<sup>3)</sup> Adjusted for currency effects and impact from acquisitions and divestments.

For a comprehensive set of segment figures, see the [tables section](#).

In Tietoevry **Create**, revenue was organically up by 15%. The market for cloud native, and data and software engineering services remained active. Create saw continued high growth in Norway and International with the new Nanjing R&D centre contributing to growth. The company paid utmost attention to employee safety and business continuity in Ukraine, and the impact of the war on business in the first quarter was limited. Adjusted operating margin remained at the previous year's level despite increased salary inflation. In the second quarter, adjusted operating margin is anticipated to be above the level of the corresponding quarter of 2021.

In Tietoevry **Banking**, revenue was organically up by 8%. Healthy growth was driven by the Cards, Financial Crime Prevention and Credit businesses. Healthy demand for Banking as a Service platform continues while the earlier announced decision by a large customer to exit the Finnish market had a negative impact of 3% on Tietoevry Banking's growth in the first quarter. In the second quarter, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2021. In March, Tietoevry Banking initiated measures to drive competitiveness and efficiency, focused on SG&A rationalization. The programme is anticipated to contribute to second-half performance.

In Tietoevry **Care**, revenue was organically up by 5%. Growth in healthcare and welfare software continued, with revenue up by 10%. Profitability was at a healthy level – while Tietoevry Care will see increased investments for the year, focusing on software modernization and reinforced go-to-market. Adjusted operating margin improved to 29.3% (25.2). In the second quarter, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2021.

In Tietoevry **Industry**, growth was impacted by the divestment of the oil & gas software business. Organically, revenue was up by 3%. Organic growth was driven by Data Platform Services and Pulp and Paper software. Profitability remained solid and in the second quarter, adjusted operating margin is anticipated to be at the level of the corresponding quarter of 2021.

In Tietoevry **Transform**, revenue remained organically at the previous year's level. In Retail & Financial Services and Telecom & Consumer, revenue declined with annual price discounts, taking effect in the first quarter. The quarter ended with order backlog up by 7% and strong book-to-bill. Profitability was impacted by the combination of flat growth and high inflation. In the second quarter, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2021.

In Tietoevry **Connect**, revenue was organically down by 1%. Cloud platforms and security services grew by 16% and traditional infrastructure services' revenue was down by 8%. Profitability was impacted by lower volumes and annual price discounts, taking effect in January. Efficiency measures are anticipated to contribute to second-half performance. In the second quarter, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2021.

Reportable segments are described in the [tables section](#).

## Cash flow and investments

First-quarter net cash flow from operations amounted to EUR 62.0 (94.8) million, including an increase of EUR 3.3 (decrease of 0.1) million in net working capital.

Payments for restructuring amounted to EUR 3.9 (13.0) million.

Capital expenditure totalled EUR 21.1 (21.6) million, mainly consisting of business-related software licenses, investments in data centres and the capitalized costs for the development of software. In the first quarter, capitalized costs for industry-specific software amounted to EUR 10.0 (13.1) million. Capital expenditure represented 2.9% (3.0) of revenue.

# Financial position at the end of the period

The equity ratio was 48.1% (42.9). Gearing decreased to 34.0% (52.7). Interest-bearing net debt totalled EUR 586.2 (825.7) million, including EUR 761.4 (927.3) million in interest-bearing debt, EUR 198.9 (240.4) million in lease liabilities, EUR 3.9 (5.0) million in finance lease receivables, EUR 27.7 (29.5) million in other interest-bearing receivables and EUR 342.5 (307.5) million in cash and cash equivalents.

Interest-bearing long-term liabilities amounted to EUR 871.8 (1 056.1) million at the end of March. The company has two bonds outstanding, EUR 100 million maturing in September 2024 and EUR 300 million in June 2025. Additionally, interest-bearing long-term liabilities primarily consist of a syndicated term loan, a loan from the European Investment Bank and lease liabilities of EUR 141.4 million.

Interest-bearing short-term liabilities amounted to EUR 88.6 (111.5) million, mainly related to leasing liabilities. The committed revolving credit facility of EUR 250 million expiring in September 2024 was not in use at the end of March.

## Order backlog

Tietoevry's order backlog amounted to EUR 3 468 (3 217) million at the end of March. Of the backlog, 46% (43) is expected to be invoiced during 2022. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

The significance of traditional measures for the order backlog is impacted by the shift from traditional large outsourcing agreements towards agile methods and consumption-based business models. Additionally, traditional development programmes are cut into smaller projects.

## Major agreements in January–March

Tietoevry has signed a number of new agreements during the period with customers across all the businesses. However, according to the terms and conditions of these agreements, Tietoevry is not able to disclose most of the contracts.

In February, S Group, one of the largest retail groups in Finland, chose Tietoevry Transform as its partner to speed up the modernization of its IT functions and to support changes in its operating model. This co-operation will increase automation and the utilization of data in S Group's business operations. The five-year agreement covers co-operation in the management and development of services for next-generation applications.

In February, International Card Services and Tietoevry Connect prolonged the contract for the infrastructure carrying Tietoevry Banking cards software for a minimum of five additional years with an option of two more years. The agreement covers transformation of a private cloud infrastructure to a top of class

hybrid cloud solution and the enablement of cloud transformation (One Cloud Platinum) including PCI/DSS compliance. The contract value is EUR 24 million.

In February, Kammarkollegiet, a central procurement function for governmental agencies in Sweden, and Tietoevry Create signed a frame agreement, securing two out of the five tender areas: Security in IT and IT projects, and IT consultancy solutions. Tietoevry has also been awarded two additional areas while appeal processes related to these areas are ongoing. These are part of one of the most extensive procurement initiatives in Sweden, providing access to purchases from all governmental agencies in Sweden.

In February, Huddinge municipality signed an agreement with Tietoevry on a delivery of a digital student administration system handling administrative processes for preschools, compulsory schools and upper secondary schools. The solution will be

delivered as a cloud service including consulting and system support. The total value of the ten-year agreement is estimated to be SEK 20 million.

In February, the Swedish Central Bank (Riksbanken) chose Tietoevry as one of three vendors for a two-year frame agreement on banking and finance consultancy services that will be provided in collaboration by Tietoevry Banking and Tietoevry Create. The frame agreement, following Tietoevry's participation in Riksbankens E-krona Pilot, covers areas such as payments, financial infrastructure, financial standards and securities settlements.

In March, Butterfield Bank chose Tietoevry Banking to provide a state-of-the-art credit card processing platform as well as card production and personalisation services based on sustainable payment cards produced from recycled ocean plastic. Tietoevry Banking's credit ledger will enable Butterfield Bank to reimagine credit cards for the digital era. Deployed as software-as-a-service (SaaS), Tietoevry's credit ledger offers end-to-end credit card transaction processing, dispute handling, financial crime prevention, customer support and mobile and wallet-based payments.

In March, Worldline and Tietoevry Banking extended their strategic partnership for card acquiring processing services. The three-year agreement with contract value of EUR 17 million includes all of Worldline's authorization processing services in the Nordic market. The agreement includes an option for additional two years.

In March, Tietoevry Create and Sydved extended their partnership to create a data platform for the forest industry under the working title "Forest Data Market". This initiative's main goal is to help the forest industry become truly data driven by establishing a data platform containing business information. The platform will be flexible and adapted to the forest industry's common business processes, and customers will be able to combine data sources to gain valuable insights.

## Personnel

The number of full-time employees amounted to 24 356 (23 724) at the end of March. The number of full-time employees in the global delivery centres totalled 12 331 (11 395), or 50.6% (48.0) of all personnel.

The 12-month rolling employee turnover stood at 16.5% (9.9) at the end of March. Group-level salary inflation is expected to be around 4% on average in 2022. It is offset by a number of actions including price increases, further offshoring, management of the competence pyramid and overall cost efficiency across businesses.

## Shareholders' Meeting

The Annual General Meeting held on 24 March 2022 approved the financial statements 2021 and discharged the company's officers from liability for the financial year 2021. The meeting also approved the Remuneration Report. The Annual General Meeting decided on a total dividend of EUR 1.40 per share. The payment will be made in two instalments as follows:

- The first dividend instalment of EUR 0.70 per share was paid to shareholders who on the record date for the first dividend instalment on 28 March 2022 were recorded in the shareholders' register held by Euroclear Finland Oy or the registers of Euroclear Sweden AB or Verdipapirsentralen ASA (VPS).
- The second dividend instalment of EUR 0.70 per share shall be paid to shareholders who on the record date for the second dividend instalment on 26 September 2022 are recorded in the shareholders' registers.

The meeting re-elected the Board's current members Timo Ahopelto, Tomas Franzén, Liselotte Hägertz Engstam, Harri-Pekka Kaukonen, Angela Mazza Teufer, Katharina Mosheim, Niko Pakalén and Endre Rangnes. Tomas Franzén was re-elected as the Chairperson of the Board of Directors.

# Auditors

The AGM 2022 elected the firm of authorized public accountants Deloitte Oy as the company's auditor for the financial year 2022. Deloitte Oy notified the company that Authorized Public Accountant Jukka Vattulainen acts as principal auditor.

# Shares

On 31 March, the number of shares totalled 118 425 771. In February, Tietoevry purchased a total of 145 000 own shares. Related to the company's share-based reward plans, a total of 140 119 shares held by Tietoevry were transferred to the participants of the plan during the quarter.

At the end of the quarter, the number of shares in the company's or its subsidiaries' possession totalled 12 468, representing 0.01% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 118 413 303.

Tietoevry received a flagging announcement from Silchester during the quarter. Silchester International Investors LLP announced that its holding has increased to 5 939 679 shares, representing 5.02% of the total number of shares.

# Significant risks and uncertainties

Consolidated revenue and operating profit are sensitive to volatility in exchange rates, especially that of the Swedish Krona and Norwegian Krone. Sales in Sweden and Norway represent around two thirds of the Group's sales.

Due to the ongoing Covid-19 pandemic, the market outlook in Tietoevry's main markets involves uncertainties. The pandemic may lead to an economic downturn while sensitivity to macroeconomic uncertainty varies by business. The company's portfolio comprises services based on multi-year agreements in infrastructure and application services as well as in industry-specific software businesses. The consulting business has shorter contractual periods and is likely to be more affected during times of economic uncertainty. Tietoevry operates in multiple countries, balancing workforce availability. The company has taken several measures to secure the health and safety of employees and ensure critical services to customers. Tietoevry is well prepared for future ways of working, a combination of working remotely and from the office, and has already launched Hybrid Working Guidelines globally.

To address the war in Ukraine, the company has taken actions to ensure the safety of its employees in the country and business continuity for its clients. However, the geopolitical situation remains unstable and might result in a weaker economic outlook in the company's main markets. While there are some early signals

of postponements of new projects, customers have increased their focus on cybersecurity and continuity of operations.

The active global talent market has increased personnel attrition. While the company has accelerated new hirings globally, higher attrition levels may impact performance.

In light of the global supply shortage of semi-conductors and associated technology products, software and service companies such as Tietoevry may experience delays in deliveries.

New disruptive technologies, such as cloud computing, drive customer demand towards standardized and less labour-intensive solutions where automation plays an important role. These changes may result in accelerated volume reductions in traditional infrastructure services and the need for restructuring.

The company's development is relatively sensitive to changes in the demand from large customers, as Tietoevry's top 10 customers currently account for around 18% of its revenue, with Tietoevry Transform having the highest customer concentration in the company.

Typical risks faced by the IT service industry relate to partnerships with external vendors. A potential failure in deliveries by partners could lead to quality and financial consequences.

Risks in the IT services industry include the development and implementation of new technologies and software. In Tietoevry's case, implementations relate to both own software development, the scope of related project deliveries and integration of third-party software. Additional technology licence fees and failures to meet both the agreed quality and schedule of deliveries could pose potential risks.

Risks related to cybersecurity breaches or malicious attacks could seriously affect Tietoevry's ability to provide its services and have an adverse impact on the company's financials and reputation.

The new EU General Data Protection Regulation took effect in May 2018. The company continues to develop its GDPR practices across businesses and functions, and with its customers. In light of the overall regulatory development of GDPR, there continues to be uncertainty with regards to how the authorities will interpret the regulation and Schrems II judgement by the Court of Justice of the European Union – and impose fines in cases involving personal data breaches.

Companies around the world are facing new risks arising from tax audits and some countries may introduce new regulation. Additionally, changes in the tax authorities' interpretations could have unfavourable impacts on taxpayers.

## Full-year outlook for 2022 unchanged

Tietoevry expects its organic<sup>1)</sup> growth to be 2% to 4% (revenue in 2021: EUR 2 823.4 million). The company estimates its full-year adjusted operating margin<sup>2)</sup> (adjusted EBITA) to be 13.1–13.6% (13.0% in 2021).

<sup>1)</sup> Adjusted for currency effects, acquisitions and divestments.

<sup>2)</sup> Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

## Events after the period

### Exit from Russia completed

Following its announcement on 3 March that it will discontinue operations in Russia, Tietoevry has sold its Russian operations through a local management buy-out. With this transaction, completed on 18 April, Tietoevry ends all its local operations in Russia and transitions all its responsibilities including employees, customers, suppliers, legal and regulatory to the new owners. The exit from Russia does not have material impact on the Group's full-year outlook.

## Financial calendar 2022

|            |                                     |
|------------|-------------------------------------|
| 22 July    | Interim report 2/2022 (8.00 am EET) |
| 27 October | Interim report 3/2022 (8.00 am EET) |



## Consolidated interim financial statements

## Income statement

|   | 2022        | 2021        | Change     | 2021         |
|---|-------------|-------------|------------|--------------|
| EUR million   | 1-3         | 1-3         | %          | 1-12         |
| Revenue   | 730.9       | 711.5       | 3          | 2 823.4      |
| Other operating income  | 5.3         | 3.2         | 66         | 125.1        |
| Materials and services <sup>1)</sup>  | -131.7      | -130.5      | 1          | -513.5       |
| Employee benefit expenses   | -428.2      | -403.2      | 6          | -1 527.0     |
| Depreciation and amortization   | -42.2       | -43.8       | -4         | -170.1       |
| Impairment losses   | —           | -1.3        | > 100      | -5.3         |
| Other operating expenses <sup>1)</sup>  | -88.3       | -79.6       | 11         | -352.0       |
| Share of results in joint ventures  | 0.2         | 0.5         | -55        | 1.5          |
| <b>Operating profit (EBIT)</b>  | <b>46.1</b> | <b>56.7</b> | <b>-19</b> | <b>382.0</b> |
| Interest and other financial income   | 0.8         | 0.4         | > 100      | 1.9          |
| Interest and other financial expenses   | -5.8        | -6.9        | -16        | -25.3        |
| Net foreign exchange gains/losses   | 0.6         | -1.8        | > 100      | -4.8         |
| <b>Profit before taxes</b>  | <b>41.7</b> | <b>48.4</b> | <b>-14</b> | <b>353.8</b> |
| Income taxes  | -8.8        | -11.3       | -23        | -62.2        |
| <b>Net profit for the period</b>  | <b>32.9</b> | <b>37.0</b> | <b>-11</b> | <b>291.6</b> |
| <b>Net profit for the period attributable to</b>                                      |             |             |            |              |
| Owners of the Parent company  | 32.9        | 37.0        | -11        | 291.6        |
| Non-controlling interest  | —           | 0.0         | —          | 0.0          |
|   | <b>32.9</b> | <b>37.0</b> | <b>-11</b> | <b>291.6</b> |
| <b>Earnings per share attributable to owners of the Parent company, EUR per share</b> |             |             |            |              |
| Basic   | 0.28        | 0.31        | -11        | 2.46         |
| Diluted   | 0.28        | 0.31        | -11        | 2.46         |

<sup>1)</sup> Tietoevry has clarified its accounting policy for costs related to shared platforms in infrastructure services. These costs are recognized in other operating expenses when they are not directly linked to any specific customer. Due to the clarification, Tietoevry has reclassified costs between Materials and Services and Other operating expenses in the comparative periods.

## Statement of other comprehensive income

|  | 2022        | 2021         | Change     | 2021         |
|--|-------------|--------------|------------|--------------|
| EUR million  | 1-3         | 1-3          | %          | 1-12         |
| Net profit for the period  | 32.9        | 37.0         | -11        | 291.6        |
| Items that may be reclassified subsequently to profit or loss      |             |              |            |              |
| Translation differences  | 37.9        | 64.6         | -41        | 60.2         |
| Items that will not be reclassified subsequently to profit or loss |             |              |            |              |
| Remeasurements of the defined benefit plans, net of tax            | 0.8         | 1.8          | -56        | -1.6         |
| <b>Total comprehensive income</b>                                  | <b>71.6</b> | <b>103.5</b> | <b>-31</b> | <b>350.3</b> |
| <b>Total comprehensive income attributable to</b>                  |             |              |            |              |
| Owners of the Parent company                                       | 71.6        | 103.5        | -31        | 350.3        |
| Non-controlling interest   | —           | 0.0          | —          | 0.0          |
|  | <b>71.6</b> | <b>103.5</b> | <b>-31</b> | <b>350.3</b> |

## Statement of financial position

### Assets

|  | 2022           | 2021           | Change    | 2021           |
|--|----------------|----------------|-----------|----------------|
| EUR million                              | 31 Mar         | 31 Mar         | %         | 31 Dec         |
| Goodwill                                 | 1 978.3        | 1 950.3        | 1         | 1 943.7        |
| Other intangible assets                  | 392.5          | 397.3          | -1        | 387.9          |
| Property, plant and equipment            | 87.0           | 94.3           | -8        | 87.4           |
| Right-of-use assets                      | 188.8          | 227.0          | -17       | 192.4          |
| Interests in joint ventures              | 17.2           | 19.4           | -11       | 16.7           |
| Deferred tax assets                      | 12.3           | 26.2           | -53       | 19.1           |
| Defined benefit plan assets              | 1.0            | —              | > 100     | 0.7            |
| Finance lease receivables                | 1.7            | 2.6            | -34       | 2.7            |
| Other financial assets at amortized cost | 14.2           | 15.1           | -6        | 15.7           |
| Other financial assets at fair value     | 0.6            | 0.6            | 0         | 0.6            |
| Other non-current receivables            | 33.1           | 30.3           | 9         | 35.4           |
| <b>Total non-current assets</b>          | <b>2 726.7</b> | <b>2 763.0</b> | <b>-1</b> | <b>2 702.3</b> |
| Inventories                              | 7.2            | 4.7            | 53        | 7.2            |
| Trade and other receivables              | 552.5          | 536.8          | 3         | 517.0          |
| Financial assets at fair value           | 29.1           | 30.5           | -4        | 23.3           |
| Finance lease receivables                | 2.2            | 2.4            | -10       | 2.9            |
| Current tax assets                       | 13.8           | 12.4           | 11        | 10.8           |
| Cash and cash equivalents <sup>1)</sup>  | 342.5          | 307.5          | 11        | 323.8          |
| <b>Total current assets</b>              | <b>947.4</b>   | <b>894.5</b>   | <b>6</b>  | <b>884.9</b>   |
| Assets held for sale                     | —              | 88.1           | —         | —              |
| <b>Total assets</b>                      | <b>3 674.2</b> | <b>3 745.5</b> | <b>-2</b> | <b>3 587.2</b> |

<sup>1)</sup> Cash and cash equivalents includes restricted cash of EUR 22.3 million held within bank accounts in Russia and Ukraine.

### Equity and Liabilities

|  | 2022           | 2021           | Change     | 2021           |
|--|----------------|----------------|------------|----------------|
| EUR million  | 31 Mar         | 31 Mar         | %          | 31 Dec         |
| Share capital, share issue premiums and other reserves     | 117.8          | 118.1          | 0          | 118.0          |
| Invested unrestricted equity reserve                       | 1 203.5        | 1 203.5        | 0          | 1 203.5        |
| Retained earnings  | 403.7          | 246.2          | 64         | 499.6          |
| <b>Equity attributable to owners of the Parent company</b> | <b>1 725.0</b> | <b>1 567.7</b> | <b>10</b>  | <b>1 821.1</b> |
| Non-controlling interest                                   | —              | 0.0            | —          | —              |
| <b>Total equity</b>  | <b>1 725.0</b> | <b>1 567.7</b> | <b>10</b>  | <b>1 821.1</b> |
| Loans  | 730.4          | 888.5          | -18        | 731.6          |
| Lease liabilities  | 141.4          | 167.6          | -16        | 144.0          |
| Deferred tax liabilities                                   | 3.2            | 13.9           | -77        | 9.1            |
| Provisions   | 4.6            | 4.0            | 17         | 2.8            |
| Defined benefit obligations                                | 31.9           | 36.2           | -12        | 38.7           |
| Other non-current liabilities                              | 32.9           | 36.1           | -9         | 34.7           |
| <b>Total non-current liabilities</b>                       | <b>944.4</b>   | <b>1 146.3</b> | <b>-18</b> | <b>960.8</b>   |
| Trade and other payables                                   | 865.8          | 869.6          | 0          | 672.3          |
| Financial liabilities at fair value                        | 1.1            | 2.6            | -56        | 0.8            |
| Current tax liabilities                                    | 15.5           | 8.3            | 87         | 18.5           |
| Loans  | 31.1           | 38.8           | -20        | 31.5           |
| Lease liabilities  | 57.5           | 72.7           | -21        | 62.5           |
| Provisions   | 33.7           | 30.7           | 10         | 19.6           |
| <b>Total current liabilities</b>                           | <b>1 004.8</b> | <b>1 022.7</b> | <b>-2</b>  | <b>805.3</b>   |
| Liabilities attributable to assets held for sale           | —              | 8.8            | —          | —              |
| <b>Total equity and liabilities</b>                        | <b>3 674.2</b> | <b>3 745.5</b> | <b>-2</b>  | <b>3 587.2</b> |

## Statement of changes in shareholders' equity

| EUR million   | Owners of the Parent company |  |               |                                      |  |                      |                | Non-control-<br>ling<br>interest | Total<br>equity |
|---|------------------------------|--|---------------|--------------------------------------|--|----------------------|----------------|----------------------------------|-----------------|
|   | Share<br>capital             | Share<br>premium<br>and<br>other<br>reserves | Own<br>shares | Trans-<br>lation<br>differ-<br>ences | Invested<br>unre-<br>stricted<br>equity<br>reserve | Retained<br>earnings | Total          |                                  |                 |
| <b>31 Dec 2021</b>                                      | <b>76.6</b>                  | <b>41.5</b>                                  | <b>-0.2</b>   | <b>-66.0</b>                         | <b>1 203.5</b>                                     | <b>565.8</b>         | <b>1 821.1</b> | <b>—</b>                         | <b>1 821.1</b>  |
| <b>Comprehensive income</b>                             |                              |  |               |                                      |  |                      |                |                                  |                 |
| Net profit for the period                               | —                            | —  | —             | —                                    | —  | 32.9                 | 32.9           | —                                | 32.9            |
| <b>Other comprehensive income, net of tax</b>           |                              |  |               |                                      |  |                      |                |                                  |                 |
| Remeasurements of the defined benefit plans, net of tax | —                            | —  | —             | —                                    | —  | 0.8                  | 0.8            | —                                | 0.8             |
| Translation differences                                 | —                            | -0.2   | —             | 40.0                                 | —  | -1.9                 | 37.9           | —                                | 37.9            |
| <b>Total comprehensive income</b>                       | <b>—</b>                     | <b>-0.2</b>                                  | <b>—</b>      | <b>40.0</b>                          | <b>—</b>   | <b>31.8</b>          | <b>71.6</b>    | <b>—</b>                         | <b>71.6</b>     |
| <b>Transactions with owners</b>                         |                              |  |               |                                      |  |                      |                |                                  |                 |
| <b>Contributions and distributions</b>                  |                              |  |               |                                      |  |                      |                |                                  |                 |
| Share-based incentive plans                             | —                            | —  | 3.6           | —                                    | —  | -1.8                 | 1.8            | —                                | 1.8             |
| Dividends   | —                            | —  | —             | —                                    | —  | -165.8               | -165.8         | —                                | -165.8          |
| Repurchase of own shares                                | —                            | —  | -3.7          | —                                    | —  | —                    | -3.7           | —                                | -3.7            |
| <b>Total transactions with owners</b>                   | <b>—</b>                     | <b>—</b>                                     | <b>-0.1</b>   | <b>—</b>                             | <b>—</b>   | <b>-167.6</b>        | <b>-167.7</b>  | <b>—</b>                         | <b>-167.7</b>   |
| <b>31 Mar 2022</b>                                      | <b>76.6</b>                  | <b>41.2</b>                                  | <b>-0.3</b>   | <b>-26.1</b>                         | <b>1 203.5</b>                                     | <b>430.0</b>         | <b>1 725.0</b> | <b>—</b>                         | <b>1 725.0</b>  |

| EUR million   | Owners of the Parent company |  |               |                                      |  |                      |                | Non-control-<br>ling<br>interest | Total<br>equity |
|---|------------------------------|--|---------------|--------------------------------------|--|----------------------|----------------|----------------------------------|-----------------|
|   | Share<br>capital             | Share<br>premium<br>and<br>other<br>reserves | Own<br>shares | Trans-<br>lation<br>differ-<br>ences | Invested<br>unre-<br>stricted<br>equity<br>reserve | Retained<br>earnings | Total          |                                  |                 |
| <b>31 Dec 2020</b>                                      | <b>76.6</b>                  | <b>42.1</b>                                  | <b>-0.3</b>   | <b>-133.8</b>                        | <b>1 203.5</b>                                     | <b>438.2</b>         | <b>1 626.2</b> | <b>0.0</b>                       | <b>1 626.2</b>  |
| <b>Comprehensive income</b>                             |                              |  |               |                                      |  |                      |                |                                  |                 |
| Net profit for the period                               | —                            | —  | —             | —                                    | —  | 37.0                 | 37.0           | 0.0                              | 37.0            |
| <b>Other comprehensive income, net of tax</b>           |                              |  |               |                                      |  |                      |                |                                  |                 |
| Remeasurements of the defined benefit plans, net of tax | —                            | —  | —             | —                                    | —  | 1.8                  | 1.8            | —                                | 1.8             |
| Translation differences                                 | —                            | -0.6   | —             | 69.0                                 | —  | -3.8                 | 64.6           | —                                | 64.6            |
| <b>Total comprehensive income</b>                       | <b>—</b>                     | <b>-0.6</b>                                  | <b>—</b>      | <b>69.0</b>                          | <b>—</b>   | <b>35.0</b>          | <b>103.5</b>   | <b>0.0</b>                       | <b>103.5</b>    |
| <b>Transactions with owners</b>                         |                              |  |               |                                      |  |                      |                |                                  |                 |
| <b>Contributions and distributions</b>                  |                              |  |               |                                      |  |                      |                |                                  |                 |
| Share-based incentive plans                             | —                            | —  | 3.9           | —                                    | —  | -5.6                 | -1.7           | —                                | -1.7            |
| Dividends   | —                            | —  | —             | —                                    | —  | -156.3               | -156.3         | —                                | -156.3          |
| Repurchase of own shares                                | —                            | —  | -3.8          | —                                    | —  | —                    | -3.8           | —                                | -3.8            |
| <b>Total transactions with owners</b>                   | <b>—</b>                     | <b>—</b>                                     | <b>0.1</b>    | <b>—</b>                             | <b>—</b>   | <b>-161.9</b>        | <b>-161.8</b>  | <b>—</b>                         | <b>-161.8</b>   |
| <b>31 Mar 2021</b>                                      | <b>76.6</b>                  | <b>41.5</b>                                  | <b>-0.2</b>   | <b>-64.8</b>                         | <b>1 203.5</b>                                     | <b>311.2</b>         | <b>1 567.7</b> | <b>0.0</b>                       | <b>1 567.7</b>  |

## Statement of cash flows

|  | 2022         | 2021         | 2021          |
|--|--------------|--------------|---------------|
| EUR million  | 1-3          | 1-3          | 1-12          |
| <b>Cash flow from operating activities</b>   |              |              |               |
| Net profit for the period  | 32.9         | 37.0         | 291.6         |
| Adjustments  |              |              |               |
| Depreciation, amortization and impairment losses   | 42.2         | 45.2         | 175.5         |
| Profit/loss on sale of property, plant and equipment, subsidiaries and business operations | -0.1         | —            | -104.1        |
| Share of results in joint ventures   | -0.2         | -0.5         | -1.5          |
| Other adjustments  | -5.5         | -0.6         | 0.2           |
| Net financial expenses   | 4.4          | 8.3          | 28.1          |
| Income taxes   | 8.8          | 11.3         | 62.2          |
| Change in net working capital  | -3.3         | 0.1          | -26.9         |
| <b>Cash generated from operating activities before interests and taxes</b>                 | <b>79.2</b>  | <b>100.9</b> | <b>425.2</b>  |
| Net financial expenses paid  | -4.5         | -0.7         | -19.2         |
| Dividends received   | —            | —            | 2.1           |
| Income taxes paid  | -12.7        | -5.3         | -40.6         |
| <b>Cash flow from operating activities</b>   | <b>62.0</b>  | <b>94.8</b>  | <b>367.5</b>  |
| <b>Cash flow from investing activities</b>   |              |              |               |
| Capital expenditure  | -20.8        | -21.6        | -80.8         |
| Disposal of subsidiaries and business operations, net of cash disposed                     | 2.1          | —            | 179.5         |
| Proceeds from sale of property, plant and equipment  | 0.1          | 0.0          | 0.8           |
| Change in loan receivables   | 0.8          | 0.9          | 0.3           |
| <b>Cash flow from investing activities</b>   | <b>-17.8</b> | <b>-20.7</b> | <b>99.8</b>   |
| <b>Cash flow from financing activities</b>   |              |              |               |
| Dividends paid   | —            | —            | -156.3        |
| Repurchase of own shares   | -3.7         | -3.8         | -3.8          |
| Repayments of lease liabilities  | -18.7        | -17.8        | -73.1         |
| Other short-term financing, net  | 0.0          | -0.5         | -19.7         |
| Repayments of long-term borrowings   | —            | —            | -145.8        |
| <b>Cash flow from financing activities</b>   | <b>-22.4</b> | <b>-22.0</b> | <b>-398.8</b> |
| <b>Change in cash and cash equivalents</b>   | <b>21.8</b>  | <b>52.1</b>  | <b>68.5</b>   |
| Cash and cash equivalents at the beginning of period                                       | 323.8        | 252.3        | 252.3         |
| Foreign exchange differences   | -3.1         | 4.4          | 3.0           |
| Cash classified as assets held for sale  | —            | -1.2         | —             |
| Change in cash and cash equivalents  | 21.8         | 52.1         | 68.5          |
| <b>Cash and cash equivalents at the end of period<sup>1)</sup></b>                         | <b>342.5</b> | <b>307.5</b> | <b>323.8</b>  |

<sup>1)</sup> Cash and cash equivalents includes restricted cash of EUR 22.3 million held within bank accounts in Russia and Ukraine.

# Notes to the interim financial statements

The accounting policies adopted are consistent with those used in the annual financial statements for the year ended on 31 December 2021. Changes to IFRSs which have been effective from 1 January 2022 have had no material impact on the Group's financial statements. This interim report is unaudited.

All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

Revenue and profitability of Tietoevry are subject to seasonal variations. Usually, the third-quarter sales are affected by vacation period and the reversal of vacation accruals has a positive effect on profitability. Typically, the fourth-quarter sales and margins are positively affected by higher licence sales for Tietoevry's industry-specific software.

## New reporting structure

Tietoevry has established six specialized end-to-end businesses which form the reportable segments as from 1 January 2022. More information in [Segment information](#).

## Critical accounting estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed at the reporting date. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates. The areas requiring the exercise and judgement where a different opinion could result in significant changes to reported results are the same as reported in the 2021 consolidated financial statements.

## Events after the end of the reporting period

Following its announcement on 3 March that it will discontinue operations in Russia, Tietoevry has sold its Russian operations through a local management buy-out. With this transaction, completed on 18 April, Tietoevry ends all its local operations in Russia and transitions all its responsibilities including employees, customers, suppliers, legal and regulatory to the new owners. The exit from Russia does not have material impact on the Group's full-year outlook.

# Segment information

Tietoevry Group comprises six operating segments: Tietoevry Create, Tietoevry Banking, Tietoevry Care, Tietoevry Industry, Tietoevry Transform and Tietoevry Connect. The operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Management, which has been identified as Tietoevry's chief operating decision maker being responsible for allocating resources and assessing performance of the operating segments as well as deciding on strategy.

The Group Executive Management assesses the profitability of segments principally on the basis of adjusted operating profit (EBITA). Operating profit (EBIT) is, however, also an essential measure and is disclosed in this segment note as it is most consistent with the result reported in accordance with IFRS. Transactions between the segments are made on market-term basis.

Eliminations include internal revenues between operating segments and Group function sales of internal services to the businesses.

Non-allocated costs relate to Global management and Support functions and are shown separately in the operating profit (EBIT).

## Tietoevry Create

Tietoevry Create is a leading accelerator for digital innovation and cloud-native development, providing business advisory and design, data engineering and specialized software R&D services across a range of industry sectors. It is a high-growth, market-leading vendor in the Nordics and expanding in international markets, which currently represent over 40% of Tietoevry Create revenue. Tietoevry Create has almost 9 000 employees in competence centres in Europe, India and China – they leverage their expertise and the latest technologies to support clients from nearly 20 countries.

## Tietoevry Banking

Tietoevry Banking is modernizing the financial sector in the Nordics and globally with modular, pre-integrated Banking-as-a-Service and a full suite of market-leading, scalable software and services within domains such as payments, cards, wealth management, financial crime prevention and credit. Built by unmatched industry expertise, the solutions help accelerate growth through digital customer engagement, real-time operational efficiency and regulatory compliance. Tietoevry Banking's team consists of around 3 500 specialists.

## Tietoevry Care

Tietoevry Care offers modular, open and interoperable software for customers in the health and social care sectors to enhance the care experience across the Nordics. Using advanced analytics and embedded AI, it provides decision support and process automation. Demand for software and services in healthcare segments such as hospitals, primary and secondary care, as well as elderly, home and family care is increasing rapidly on the back of the growing demand for better care outcomes, improved citizen experience, higher staff satisfaction and increased efficiency. Tietoevry Care employs over 1 300 specialists.

## Tietoevry Industry

Tietoevry Industry provides industry-specific software and data platform services for customers looking to enhance their critical processes – with software increasingly delivered as a service. Product areas include software for case management, pulp & paper, education, and energy and utilities. Furthermore, data platform services deliver data in processes such as billing & invoicing and industry messaging. Its team consists of close to 1 700 specialists with extensive industry knowledge and in-depth expertise of utilizing data to create insights and add value across core business and operational processes.

## Tietoevry Transform

Tietoevry Transform drives enterprise-wide transformation for customers across their business processes and applications by means of automation, cloud and data capabilities. It helps customers improve enterprise agility and reduce time to market. Its team of over 3 000 experts provides full stack IT services across modernizing existing IT infrastructure, the renewal of core business applications, next-generation services as well as data and AI services for selected large and mid-sized customers in both public and private enterprises in the Nordics.

## Tietoevry Connect

Tietoevry Connect is a Nordic multi-cloud platform provider with a full range of infrastructure choices at scale – aiming to ensure resilience, security and compliance for customers’ business. Its business comprises cloud platforms and security services, traditional infrastructure services, end-user services and hardware/software reselling. It is the leading provider of managed services in the Nordics, and the partner of choice for businesses looking to drive and achieve cloud adoption at scale. Its team of 5 000 experts delivers services to customer operations in more than 90 countries.

### Revenue by segment

|                     | 2022         | 2021         | Change   | 2021           |
|---------------------|--------------|--------------|----------|----------------|
| EUR million         | 1–3          | 1–3          | %        | 1–12           |
| Tietoevry Create    | 218.1        | 188.4        | 16       | 756.3          |
| Tietoevry Banking   | 125.0        | 113.5        | 10       | 475.8          |
| Tietoevry Care      | 56.6         | 54.4         | 4        | 221.9          |
| Tietoevry Industry  | 71.0         | 82.9         | -14      | 303.4          |
| Tietoevry Transform | 121.2        | 121.4        | -0       | 467.9          |
| Tietoevry Connect   | 224.2        | 227.3        | -1       | 907.5          |
| Eliminations        | -85.1        | -76.4        | > 100    | -309.5         |
| <b>Group total</b>  | <b>730.9</b> | <b>711.5</b> | <b>3</b> | <b>2 823.4</b> |

### Customer revenue from fixed-price contracts by segment

|                     | 2022        | 2021        | 2021        |
|---------------------|-------------|-------------|-------------|
| EUR million         | 1–3         | 1–3         | 1–12        |
| Tietoevry Create    | 4.4         | 4.3         | 16.0        |
| Tietoevry Banking   | 3.9         | 7.1         | 25.2        |
| Tietoevry Care      | 0.0         | 0.1         | 1.0         |
| Tietoevry Industry  | 0.8         | 1.9         | 5.0         |
| Tietoevry Transform | 3.6         | 0.8         | 7.1         |
| Tietoevry Connect   | 0.7         | 3.7         | 6.1         |
| <b>Group total</b>  | <b>13.5</b> | <b>17.8</b> | <b>60.5</b> |

Tietoevry does not have individual significant customers as defined in IFRS 8.

### Operating profit (EBIT) by segment

|                     | 2022        | 2021        | Change     | 2021         |
|---------------------|-------------|-------------|------------|--------------|
| EUR million         | 1–3         | 1–3         | %          | 1–12         |
| Tietoevry Create    | 27.1        | 24.3        | 11         | 88.6         |
| Tietoevry Banking   | 6.8         | 6.0         | 13         | 38.1         |
| Tietoevry Care      | 16.5        | 13.7        | 21         | 68.3         |
| Tietoevry Industry  | 10.7        | 11.6        | -8         | 149.8        |
| Tietoevry Transform | 10.0        | 12.9        | -22        | 40.8         |
| Tietoevry Connect   | -16.3       | 1.8         | > 100      | 38.5         |
| Non-allocated costs | -8.8        | -13.6       | 35         | -42.1        |
| <b>Group total</b>  | <b>46.1</b> | <b>56.7</b> | <b>-19</b> | <b>382.0</b> |

### Operating margin (EBIT) by segment

|                                | 2022       | 2021       | Change    | 2021        |
|--------------------------------|------------|------------|-----------|-------------|
| %                              | 1–3        | 1–3        | pp        | 1–12        |
| Tietoevry Create               | 12.4       | 12.9       | 0         | 11.7        |
| Tietoevry Banking              | 5.5        | 5.3        | 0         | 8.0         |
| Tietoevry Care                 | 29.1       | 25.1       | 4         | 30.8        |
| Tietoevry Industry             | 15.1       | 14.0       | 1         | 49.4        |
| Tietoevry Transform            | 8.3        | 10.6       | -2        | 8.7         |
| Tietoevry Connect              | -7.3       | 0.8        | -8        | 4.2         |
| <b>Operating margin (EBIT)</b> | <b>6.3</b> | <b>8.0</b> | <b>-2</b> | <b>13.5</b> |

## Personnel by segment

|                     | End of period |               |          |            | Average <sup>1)</sup> |               |
|---------------------|---------------|---------------|----------|------------|-----------------------|---------------|
|                     | 2022          | 2021          | Change   | Share      | 2021                  | 2022          |
|                     | 1-3           | 1-3           | %        | %          | 1-12                  | 1-3           |
| Tietoevry Create    | 8 706         | 7 933         | 10       | 36         | 8 653                 | 8 743         |
| Tietoevry Banking   | 3 549         | 3 374         | 5        | 15         | 3 495                 | 3 502         |
| Tietoevry Care      | 1 381         | 1 305         | 6        | 6          | 1 346                 | 1 365         |
| Tietoevry Industry  | 1 638         | 2 135         | -23      | 7          | 1 819                 | 1 789         |
| Tietoevry Transform | 3 379         | 3 213         | 5        | 14         | 3 395                 | 3 364         |
| Tietoevry Connect   | 4 999         | 5 054         | -1       | 21         | 4 994                 | 4 975         |
| Group functions     | 705           | 709           | -1       | 3          | 687                   | 704           |
| <b>Group total</b>  | <b>24 356</b> | <b>23 724</b> | <b>3</b> | <b>100</b> | <b>24 389</b>         | <b>24 442</b> |

<sup>1)</sup> 2021 comparative information for the average number of personnel by segment is not available due to the implementation of the group's new organization structure as of 1 January 2022.

## Personnel by country

|                    | End of period |               |          |            | Average       |               |
|--------------------|---------------|---------------|----------|------------|---------------|---------------|
|                    | 2022          | 2021          | Change   | Share      | 2021          | 2021          |
|                    | 1-3           | 1-3           | %        | %          | 1-12          | 1-3           |
| Sweden             | 4 219         | 4 327         | -2       | 17         | 4 286         | 4 234         |
| Norway             | 4 196         | 4 474         | -6       | 17         | 4 274         | 4 482         |
| Finland            | 3 114         | 3 011         | 3        | 13         | 3 130         | 3 027         |
| India              | 4 555         | 4 278         | 6        | 19         | 4 592         | 4 218         |
| Czech Republic     | 2 581         | 2 469         | 5        | 11         | 2 505         | 2 457         |
| Ukraine            | 2 152         | 1 932         | 11       | 9          | 2 123         | 2 151         |
| Latvia             | 1 023         | 967           | 6        | 4          | 999           | 1 010         |
| China              | 887           | 433           | > 100    | 4          | 842           | 871           |
| Poland             | 687           | 753           | -9       | 3          | 710           | 672           |
| Other              | 942           | 1 081         | -13      | 4          | 928           | 948           |
| <b>Group total</b> | <b>24 356</b> | <b>23 724</b> | <b>3</b> | <b>100</b> | <b>24 389</b> | <b>23 656</b> |
| Onshore countries  | 12 025        | 12 329        | -2       | 49         | 12 192        | 12 118        |
| Offshore countries | 12 331        | 11 395        | 8        | 51         | 12 197        | 11 282        |
| <b>Group total</b> | <b>24 356</b> | <b>23 724</b> | <b>3</b> | <b>100</b> | <b>24 389</b> | <b>23 656</b> |

## Non-current assets by country

| EUR million                     | 2022         | 2021         | Change    | 2021         |
|---------------------------------|--------------|--------------|-----------|--------------|
|                                 | 31 Mar       | 31 Mar       | %         | 31 Dec       |
| Finland                         | 91.3         | 96.5         | -5        | 85.2         |
| Sweden                          | 109.1        | 134.4        | -19       | 117.6        |
| Norway                          | 437.3        | 447.3        | -2        | 433.5        |
| Other                           | 30.8         | 40.4         | -24       | 31.3         |
| <b>Total non-current assets</b> | <b>668.4</b> | <b>718.6</b> | <b>-7</b> | <b>667.7</b> |

Non-current assets include property, plant and equipment, right-of-use assets and intangible assets excluding goodwill.

## Depreciation by segment

|                     | 2022        | 2021        | Change     | 2021         |
|---------------------|-------------|-------------|------------|--------------|
| EUR million         | 1-3         | 1-3         | %          | 1-12         |
| Tietoevry Create    | 1.7         | 2.1         | -20        | 8.0          |
| Tietoevry Banking   | 1.2         | 1.0         | 20         | 4.1          |
| Tietoevry Care      | 0.2         | 0.2         | 17         | 0.7          |
| Tietoevry Industry  | 0.1         | 0.2         | -33        | 1.0          |
| Tietoevry Transform | 0.3         | 0.1         | > 100      | 0.5          |
| Tietoevry Connect   | 10.2        | 11.2        | -8         | 43.4         |
| Group functions     | 12.0        | 14.1        | -15        | 53.5         |
| <b>Group total</b>  | <b>25.7</b> | <b>28.9</b> | <b>-11</b> | <b>111.2</b> |

## Amortization of other intangible assets by segment

|                     | 2022       | 2021       | Change    | 2021        |
|---------------------|------------|------------|-----------|-------------|
| EUR million         | 1-3        | 1-3        | %         | 1-12        |
| Tietoevry Create    | 0.1        | 0.1        | 5         | 0.3         |
| Tietoevry Banking   | 0.7        | 0.8        | -21       | 3.3         |
| Tietoevry Care      | 0.4        | 0.2        | > 100     | 0.9         |
| Tietoevry Industry  | 0.1        | 0.3        | -74       | 1.1         |
| Tietoevry Transform | 0.0        | 0.0        | 0         | 0.1         |
| Tietoevry Connect   | 3.2        | 1.3        | > 100     | 4.1         |
| Group functions     | 0.1        | 0.5        | -71       | 1.8         |
| <b>Group total</b>  | <b>4.6</b> | <b>3.2</b> | <b>45</b> | <b>11.6</b> |

## Amortization of acquisition-related intangible assets by segment

|                     | 2022        | 2021        | Change   | 2021        |
|---------------------|-------------|-------------|----------|-------------|
| EUR million         | 1-3         | 1-3         | %        | 1-12        |
| Tietoevry Create    | 2.6         | 2.6         | -1       | 10.5        |
| Tietoevry Banking   | 5.5         | 5.4         | 2        | 21.7        |
| Tietoevry Care      | 0.0         | 0.0         | 0        | 0.2         |
| Tietoevry Industry  | 1.6         | 1.6         | -3       | 6.3         |
| Tietoevry Transform | —           | —           | —        | —           |
| Tietoevry Connect   | 2.2         | 2.2         | 2        | 8.7         |
| Group functions     | —           | —           | —        | —           |
| <b>Group total</b>  | <b>11.9</b> | <b>11.8</b> | <b>1</b> | <b>47.3</b> |

# Derivatives

## Nominal amounts of derivatives

Includes the gross amount of all nominal values for contracts that have not yet been settled or closed. The amount of nominal value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by other contracts.

|   | 2022         | 2021         |
|---|--------------|--------------|
| EUR million   | 31 Mar       | 31 Dec       |
| Forward contracts outside hedge accounting at fair value through profit or loss | 355.6        | 479.7        |
| <b>Foreign exchange forward contracts</b>                                       | <b>355.6</b> | <b>479.7</b> |

## Fair values of derivatives

|   | 31 Mar 2022                |                            |                 | 31 Dec 2021                |                            |                 |
|---|----------------------------|----------------------------|-----------------|----------------------------|----------------------------|-----------------|
| EUR million   | Gross positive fair values | Gross negative fair values | Net fair values | Gross positive fair values | Gross negative fair values | Net fair values |
| Forward contracts outside hedge accounting at fair value through profit or loss | 5.0                        | -1.1                       | 3.9             | 4.2                        | -0.8                       | 3.3             |
| <b>Foreign exchange forward contracts</b>                                       | <b>5.0</b>                 | <b>-1.1</b>                | <b>3.9</b>      | <b>4.2</b>                 | <b>-0.8</b>                | <b>3.3</b>      |

Derivatives are used for economic hedging purposes only.

Foreign exchange derivatives' fair values are calculated according to foreign exchange and interest rates on the closing date. All outstanding derivative contracts will expire within 12 months after the reporting date.

## Fair value measurement of financial assets and liabilities

There have been no changes in fair value methodology and input levels: foreign exchange forward contracts are valued based on Level 2 inputs and Other financial assets at fair value through profit or loss' (EUR 0.6 million on 31 Mar 2022) fair value measurement is based on their initial value. The fair market value cannot be reliably estimated, due to lack of proper market for the assets.

Trade receivables to be sold under non-recourse factoring agreements (EUR 24.1 million on 31 Mar 2022) are classified as Financial assets at fair value through profit or loss. The company estimates that the carrying amount approximates the fair value due to their short-term nature.

# Number of shares

|  | 2022        | 2021        | 2021        |
|--|-------------|-------------|-------------|
|  | 1-3         | 1-3         | 1-12        |
| <b>Outstanding shares, end of period</b>       |             |             |             |
| Basic  | 118 413 303 | 118 418 184 | 118 418 184 |
| Effect of dilutive share-based incentive plans | 332 919     | 285 404     | 276 585     |
| Diluted  | 118 746 222 | 118 703 588 | 118 694 769 |
| <b>Outstanding shares, average</b>             |             |             |             |
| Basic  | 118 382 294 | 118 377 785 | 118 408 223 |
| Effect of dilutive share-based incentive plans | 332 919     | 285 404     | 276 585     |
| Diluted  | 118 715 213 | 118 663 189 | 118 684 808 |
| <b>Company's possession of its own shares</b>  |             |             |             |
| End of period                                  | 12 468      | 7 587       | 7 587       |
| Average  | 43 477      | 47 986      | 17 548      |

## Alternative performance measures (APMs)

Tietoevry presents certain financial measures, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. Tietoevry believes that alternative performance measures provide meaningful supplemental information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS and increase the understanding of the profitability of Tietoevry's operations. In addition, they are seen as useful indicators of the Group's financial position and ability to obtain funding. Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures.

### Adjusted operating profit (EBITA) by segment

|                     | 2022        | 2021        | Change   | 2021         |
|---------------------|-------------|-------------|----------|--------------|
| EUR million         | 1-3         | 1-3         | %        | 1-12         |
| Tietoevry Create    | 31.3        | 26.9        | 16       | 99.6         |
| Tietoevry Banking   | 12.3        | 11.6        | 7        | 60.3         |
| Tietoevry Care      | 16.6        | 13.7        | 21       | 69.6         |
| Tietoevry Industry  | 11.2        | 12.8        | -13      | 50.8         |
| Tietoevry Transform | 10.3        | 13.1        | -21      | 43.9         |
| Tietoevry Connect   | 9.2         | 10.1        | -9       | 66.3         |
| Non-allocated costs | -6.3        | -6.1        | > 100    | -22.8        |
| <b>Group total</b>  | <b>84.6</b> | <b>82.1</b> | <b>3</b> | <b>367.8</b> |

### Adjusted operating margin (EBITA) by segment

|  | 2022        | 2021        | Change   | 2021        |
|--|-------------|-------------|----------|-------------|
| %  | 1-3         | 1-3         | pp       | 1-12        |
| Tietoevry Create                         | 14.3        | 14.3        | 0        | 13.2        |
| Tietoevry Banking                        | 9.9         | 10.2        | 0        | 12.7        |
| Tietoevry Care                           | 29.3        | 25.2        | 4        | 31.4        |
| Tietoevry Industry                       | 15.7        | 15.5        | 0        | 16.7        |
| Tietoevry Transform                      | 8.5         | 10.8        | -2       | 9.4         |
| Tietoevry Connect                        | 4.1         | 4.5         | 0        | 7.3         |
| <b>Adjusted operating margin (EBITA)</b> | <b>11.6</b> | <b>11.5</b> | <b>0</b> | <b>13.0</b> |

## Reconciliation of adjusted operating profit (EBITA)

|  | 2022        | 2021        | 2021         |
|--|-------------|-------------|--------------|
| EUR million  | 1-3         | 1-3         | 1-12         |
| Operating profit (EBIT)  | 46.1        | 56.7        | 382.0        |
| + Amortization of intangible assets recognized at fair value from acquisitions | 11.9        | 11.8        | 47.3         |
| <b>Adjustment items:</b>   |             |             |              |
| + Restructuring costs  | —           | —           | 7.1          |
| - Capital gains  | -0.2        | —           | -104.0       |
| +/- M&A related items  | 0.3         | 2.1         | 1.0          |
| + Tietoevry Connect performance acceleration programme                         | 22.6        | —           | —            |
| + War in Ukraine   | 0.8         | —           | —            |
| + Tietoevry integration  | 1.9         | 6.1         | 25.8         |
| + Kyndryl (IBM) partner agreement and SmartUtilities                           | —           | 4.2         | 3.2          |
| +/- Other items <sup>1)</sup>  | 1.2         | 1.1         | 5.4          |
| <b>Adjusted operating profit (EBITA)</b>                                       | <b>84.6</b> | <b>82.1</b> | <b>367.8</b> |

<sup>1)</sup>Including costs related to new strategy implementation

## Other key figures

|   | 2022  | 2021  | 2021  |
|---|-------|-------|-------|
|   | 1-3   | 1-3   | 1-12  |
| Adjusted earnings per share, EUR                | 0.53  | 0.48  | 2.20  |
| Equity per share, EUR                           | 14.57 | 13.24 | 15.38 |
| Return on equity, 12-month rolling, %           | 17.5  | 6.3   | 16.9  |
| Return on capital employed, 12-month rolling, % | 13.8  | 5.7   | 13.7  |
| Equity ratio, %                                 | 48.1  | 42.9  | 51.6  |
| Interest-bearing net debt, EUR million          | 586.2 | 825.7 | 610.6 |
| Gearing, %                                      | 34.0  | 52.7  | 33.5  |
| Net debt/EBITDA                                 | 1.1   | 2.3   | 1.1   |
| Capital expenditure, EUR million                | 21.1  | 21.6  | 80.8  |

## Calculation of alternative performance measures

|   |   |  |
|---|---|--|
| Adjusted earnings per share                     | = | $\frac{\text{Net profit for the period excluding adjustment items, amortization of acquisition-related intangible assets and related tax impact per country}}{\text{Weighted average number of shares}}$ |
| Adjustment items                                | = | Restructuring costs + capital gains/losses + impairment charges + other items affecting comparability  |
| Operating profit (EBIT)                         | = | Net profit + interests + taxes   |
| Operating margin (EBIT), %                      | = | $\frac{\text{Operating profit (EBIT)}}{\text{Revenue}}$  |
| Adjusted operating profit (EBITA)               | = | Operating profit (EBITA) + adjustment items  |
| Adjusted operating margin (EBITA), %            | = | $\frac{\text{Adjusted operating profit (EBITA)}}{\text{Revenue}}$  |
| Equity per share                                | = | $\frac{\text{Total equity}}{\text{Number of shares at the year-end}}$  |
| Capital expenditure                             | = | Acquisitions of intangible assets and property, plant and equipment  |
| Acquisitions                                    | = | Acquisitions of subsidiaries and business operations, net of cash acquired   |
| Return on equity, 12-month rolling, %           | = | $\frac{\text{Profit before taxes and non-controlling interests – income taxes}}{\text{Total equity (12-month average)}} * 100$   |
| Return on capital employed, 12-month rolling, % | = | $\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total assets – non-interest-bearing liabilities (12-month average)}} * 100$   |
| Equity ratio, %                                 | = | $\frac{\text{Total equity}}{\text{Total assets – advance payments}} * 100$   |
| Interest-bearing net debt                       | = | Interest-bearing liabilities – interest-bearing receivables – cash and cash equivalents  |
| Net debt/EBITDA                                 | = | $\frac{\text{Interest-bearing net debt}}{\text{EBITDA (12-month average)}}$  |
| Gearing, %                                      | = | $\frac{\text{Interest-bearing net debt}}{\text{Total equity}} * 100$   |

# Quarterly figures

## Key figures

|   | 2022  | 2021  | 2021  | 2021  | 2021  |
|---|-------|-------|-------|-------|-------|
|   | 1-3   | 10-12 | 7-9   | 4-6   | 1-3   |
| Earnings per share, EUR                         |       |       |       |       |       |
| Basic   | 0.28  | 0.75  | 0.41  | 0.99  | 0.31  |
| Diluted   | 0.28  | 0.75  | 0.41  | 0.99  | 0.31  |
| Adjusted earnings per share, EUR                | 0.53  | 0.64  | 0.55  | 0.52  | 0.48  |
| Equity per share, EUR                           | 14.57 | 15.38 | 14.42 | 14.06 | 13.24 |
| Return on equity, 12-month rolling, %           | 17.5  | 16.9  | 16.2  | 14.2  | 6.3   |
| Return on capital employed, 12-month rolling, % | 13.8  | 13.7  | 13.1  | 11.2  | 5.7   |
| Equity ratio, %                                 | 48.1  | 51.6  | 49.6  | 48.3  | 42.9  |
| Interest-bearing net debt, EUR million          | 586.2 | 610.6 | 702.3 | 772.1 | 825.7 |
| Gearing, %                                      | 34.0  | 33.5  | 41.1  | 46.4  | 52.7  |
| Net debt/EBITDA                                 | 1.1   | 1.1   | 1.4   | 1.6   | 2.3   |
| Capital expenditure, EUR million                | 21.1  | 25.0  | 15.7  | 18.5  | 21.6  |

## Income statement

|  | 2022        | 2021         | 2021        | 2021         | 2021        |
|--|-------------|--------------|-------------|--------------|-------------|
| EUR million                                      | 1-3         | 10-12        | 7-9         | 4-6          | 1-3         |
| Revenue  | 730.9       | 742.0        | 648.1       | 721.7        | 711.5       |
| Other operating income                           | 5.3         | 41.2         | 6.0         | 74.6         | 3.2         |
| Materials and services <sup>1)</sup>             | -131.7      | -140.9       | -110.6      | -131.4       | -130.5      |
| Employee benefit expenses                        | -428.2      | -390.3       | -337.2      | -396.3       | -403.2      |
| Depreciation, amortization and impairment losses | -42.2       | -45.7        | -41.8       | -42.8        | -45.2       |
| Other operating expenses <sup>1)</sup>           | -88.3       | -93.6        | -92.7       | -86.1        | -79.6       |
| Share of results in joint ventures               | 0.2         | 0.6          | 0.3         | 0.0          | 0.5         |
| <b>Operating profit (EBIT)</b>                   | <b>46.1</b> | <b>113.4</b> | <b>72.2</b> | <b>139.7</b> | <b>56.7</b> |
| Financial income and expenses                    | -4.4        | -5.9         | -7.7        | -6.2         | -8.3        |
| <b>Profit before taxes</b>                       | <b>41.7</b> | <b>107.4</b> | <b>64.5</b> | <b>133.5</b> | <b>48.4</b> |
| Income taxes                                     | -8.8        | -18.5        | -16.4       | -15.9        | -11.3       |
| <b>Net profit for the period</b>                 | <b>32.9</b> | <b>88.9</b>  | <b>48.1</b> | <b>117.6</b> | <b>37.0</b> |

<sup>1)</sup> Tietoevry has clarified its accounting policy for costs related to shared platforms in infrastructure services. These costs are recognized in other operating expenses when they are not directly linked to any specific customer. Due to the clarification, Tietoevry has reclassified costs between Materials and Services and Other operating expenses in the comparative periods.

## Statement of Financial Position

|  | 2022           | 2021           | 2021           | 2021           | 2021           |
|--|----------------|----------------|----------------|----------------|----------------|
| EUR million                                      | 31 Mar         | 31 Dec         | 30 Sep         | 30 Jun         | 31 Mar         |
| Goodwill   | 1 978.3        | 1 943.7        | 1 931.7        | 1 935.1        | 1 950.3        |
| Other intangible assets                          | 392.5          | 387.9          | 384.2          | 388.1          | 397.3          |
| Property, plant and equipment                    | 87.0           | 87.4           | 87.4           | 89.3           | 94.3           |
| Right-of-use assets                              | 188.8          | 192.4          | 199.1          | 209.9          | 227.0          |
| Interests in joint ventures                      | 17.2           | 16.7           | 15.9           | 18.4           | 19.4           |
| Other non-current assets                         | 62.8           | 74.2           | 67.2           | 75.2           | 74.8           |
| <b>Total non-current assets</b>                  | <b>2 726.7</b> | <b>2 702.3</b> | <b>2 685.5</b> | <b>2 715.9</b> | <b>2 763.0</b> |
| Trade receivables and other current assets       | 604.9          | 561.1          | 580.8          | 619.0          | 586.9          |
| Cash and cash equivalents                        | 342.5          | 323.8          | 241.1          | 186.3          | 307.5          |
| <b>Total current assets</b>                      | <b>947.4</b>   | <b>884.9</b>   | <b>822.0</b>   | <b>805.3</b>   | <b>894.5</b>   |
| Assets held for sale                             | —              | —              | —              | —              | 88.1           |
| <b>Total assets</b>                              | <b>3 674.2</b> | <b>3 587.2</b> | <b>3 507.4</b> | <b>3 521.2</b> | <b>3 745.5</b> |
| <b>Total equity</b>                              | <b>1 725.0</b> | <b>1 821.1</b> | <b>1 707.7</b> | <b>1 665.2</b> | <b>1 567.7</b> |
| Non-current loans                                | 871.8          | 875.6          | 881.9          | 888.2          | 1 056.1        |
| Other non-current liabilities                    | 72.7           | 85.2           | 85.2           | 88.9           | 90.2           |
| <b>Total non-current liabilities</b>             | <b>944.4</b>   | <b>960.8</b>   | <b>967.1</b>   | <b>977.1</b>   | <b>1 146.3</b> |
| Trade payables and other current liabilities     | 882.5          | 691.6          | 710.5          | 751.1          | 880.5          |
| Provisions                                       | 33.7           | 19.6           | 26.1           | 25.3           | 30.7           |
| Current loans                                    | 88.6           | 94.0           | 96.0           | 102.5          | 111.5          |
| <b>Total current liabilities</b>                 | <b>1 004.8</b> | <b>805.3</b>   | <b>832.6</b>   | <b>878.9</b>   | <b>1 022.7</b> |
| Liabilities attributable to assets held for sale | —              | —              | —              | —              | 8.8            |
| <b>Total equity and liabilities</b>              | <b>3 674.2</b> | <b>3 587.2</b> | <b>3 507.4</b> | <b>3 521.2</b> | <b>3 745.5</b> |

## Statement of cash flows

|  | 2022         | 2021          | 2021         | 2021          | 2021         |
|--|--------------|---------------|--------------|---------------|--------------|
| EUR million  | 1–3          | 10–12         | 7–9          | 4–6           | 1–3          |
| <b>Cash flow from operating activities</b>                                 |              |               |              |               |              |
| Net profit for the period  | 32.9         | 88.9          | 48.1         | 117.6         | 37.0         |
| Adjustments  | 49.6         | 36.7          | 67.2         | -7.3          | 63.7         |
| Change in net working capital  | -3.3         | 68.5          | -11.6        | -83.9         | 0.1          |
| <b>Cash generated from operating activities before interests and taxes</b> | <b>79.2</b>  | <b>194.1</b>  | <b>103.8</b> | <b>26.4</b>   | <b>100.9</b> |
| Net financial expenses paid  | -4.5         | -4.5          | -4.7         | -9.3          | -2.0         |
| Dividends received   | —            | —             | —            | 2.1           | —            |
| Income taxes paid  | -12.7        | -20.3         | -7.0         | -8.0          | -5.3         |
| <b>Cash flow from operating activities</b>                                 | <b>62.0</b>  | <b>169.3</b>  | <b>92.1</b>  | <b>11.2</b>   | <b>94.8</b>  |
| <b>Cash flow from investing activities</b>                                 | <b>-17.8</b> | <b>14.0</b>   | <b>-17.7</b> | <b>124.3</b>  | <b>-20.7</b> |
| <b>Cash flow from financing activities</b>                                 | <b>-22.4</b> | <b>-102.1</b> | <b>-21.9</b> | <b>-252.8</b> | <b>-22.0</b> |
| <b>Change in cash and cash equivalents</b>                                 | <b>21.8</b>  | <b>81.2</b>   | <b>52.5</b>  | <b>-117.3</b> | <b>52.1</b>  |
| Cash and cash equivalents at the beginning of period                       | 323.8        | 241.1         | 186.3        | 307.5         | 252.3        |
| Foreign exchange differences   | -3.1         | 1.4           | 2.4          | -4.0          | 4.4          |
| Cash classified as assets held for sale                                    | —            | —             | —            | —             | -1.2         |
| Change in cash and cash equivalents  | 21.8         | 81.2          | 52.5         | -117.3        | 52.1         |
| <b>Cash and cash equivalents at the end of period</b>                      | <b>342.5</b> | <b>323.8</b>  | <b>241.1</b> | <b>186.3</b>  | <b>307.5</b> |

# Quarterly figures by segments

The tables below include previous quarters' reported figures restated in accordance with the new segment structure.

## Revenue by segment

|                     | 2022         | 2021         | 2021         | 2021         | 2021         |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| EUR million         | 1–3          | 10–12        | 7–9          | 4–6          | 1–3          |
| Tietoevry Create    | 218.1        | 207.3        | 172.3        | 188.4        | 188.4        |
| Tietoevry Banking   | 125.0        | 130.3        | 111.8        | 120.2        | 113.5        |
| Tietoevry Care      | 56.6         | 57.1         | 48.9         | 61.5         | 54.4         |
| Tietoevry Industry  | 71.0         | 74.6         | 67.4         | 78.5         | 82.9         |
| Tietoevry Transform | 121.2        | 122.3        | 105.1        | 119.1        | 121.4        |
| Tietoevry Connect   | 224.2        | 233.3        | 215.5        | 231.4        | 227.3        |
| Eliminations        | -85.1        | -82.9        | -72.9        | -77.3        | -76.4        |
| <b>Group total</b>  | <b>730.9</b> | <b>742.0</b> | <b>648.1</b> | <b>721.7</b> | <b>711.5</b> |

## Operating profit (EBIT) by segment

|                     | 2022        | 2021         | 2021        | 2021         | 2021        |
|---------------------|-------------|--------------|-------------|--------------|-------------|
| EUR million         | 1–3         | 10–12        | 7–9         | 4–6          | 1–3         |
| Tietoevry Create    | 27.1        | 24.9         | 19.0        | 20.2         | 24.3        |
| Tietoevry Banking   | 6.8         | 12.2         | 11.2        | 8.6          | 6.0         |
| Tietoevry Care      | 16.5        | 18.8         | 16.9        | 19.0         | 13.7        |
| Tietoevry Industry  | 10.7        | 47.4         | 11.8        | 79.0         | 11.6        |
| Tietoevry Transform | 10.0        | 8.8          | 7.8         | 11.3         | 12.9        |
| Tietoevry Connect   | -16.3       | 17.3         | 10.1        | 9.4          | 1.8         |
| Non-allocated costs | -8.8        | -16.0        | -4.7        | -7.9         | -13.6       |
| <b>Group total</b>  | <b>46.1</b> | <b>113.4</b> | <b>72.2</b> | <b>139.7</b> | <b>56.7</b> |

## Operating margin (EBIT) by segment

|                                | 2022       | 2021        | 2021        | 2021        | 2021       |
|--------------------------------|------------|-------------|-------------|-------------|------------|
| %                              | 1–3        | 10–12       | 7–9         | 4–6         | 1–3        |
| Tietoevry Create               | 12.4       | 12.0        | 11.1        | 10.7        | 12.9       |
| Tietoevry Banking              | 5.5        | 9.4         | 10.0        | 7.2         | 5.3        |
| Tietoevry Care                 | 29.1       | 32.9        | 34.6        | 30.9        | 25.1       |
| Tietoevry Industry             | 15.1       | 63.5        | 17.5        | 100.7       | 14.0       |
| Tietoevry Transform            | 8.3        | 7.2         | 7.4         | 9.5         | 10.6       |
| Tietoevry Connect              | -7.3       | 7.4         | 4.7         | 4.0         | 0.8        |
| <b>Operating margin (EBIT)</b> | <b>6.3</b> | <b>15.3</b> | <b>11.1</b> | <b>19.4</b> | <b>8.0</b> |

## Adjusted operating profit (EBITA) by segment

|                     | 2022        | 2021         | 2021        | 2021        | 2021        |
|---------------------|-------------|--------------|-------------|-------------|-------------|
| EUR million         | 1–3         | 10–12        | 7–9         | 4–6         | 1–3         |
| Tietoevry Create    | 31.3        | 27.9         | 21.8        | 23.1        | 26.9        |
| Tietoevry Banking   | 12.3        | 17.7         | 16.6        | 14.4        | 11.6        |
| Tietoevry Care      | 16.6        | 19.0         | 17.4        | 19.5        | 13.7        |
| Tietoevry Industry  | 11.2        | 13.2         | 13.7        | 11.0        | 12.8        |
| Tietoevry Transform | 10.3        | 9.6          | 9.3         | 11.9        | 13.1        |
| Tietoevry Connect   | 9.2         | 22.1         | 18.5        | 15.6        | 10.1        |
| Non-allocated costs | -6.3        | -6.2         | -3.3        | -7.2        | -6.1        |
| <b>Group total</b>  | <b>84.6</b> | <b>103.3</b> | <b>94.0</b> | <b>88.3</b> | <b>82.1</b> |

## Adjusted operating margin (EBITA) by segment

|  | 2022        | 2021        | 2021        | 2021        | 2021        |
|--|-------------|-------------|-------------|-------------|-------------|
| %  | 1–3         | 10–12       | 7–9         | 4–6         | 1–3         |
| Tietoevry Create                         | 14.3        | 13.4        | 12.7        | 12.2        | 14.3        |
| Tietoevry Banking                        | 9.9         | 13.6        | 14.9        | 12.0        | 10.2        |
| Tietoevry Care                           | 29.3        | 33.4        | 35.5        | 31.7        | 25.2        |
| Tietoevry Industry                       | 15.7        | 17.7        | 20.3        | 14.1        | 15.5        |
| Tietoevry Transform                      | 8.5         | 7.9         | 8.8         | 10.0        | 10.8        |
| Tietoevry Connect                        | 4.1         | 9.5         | 8.6         | 6.7         | 4.5         |
| <b>Adjusted operating margin (EBITA)</b> | <b>11.6</b> | <b>13.9</b> | <b>14.5</b> | <b>12.2</b> | <b>11.5</b> |

## Depreciation by segment

|                     | 2022        | 2021        | 2021        | 2021        | 2021        |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| EUR million         | 1–3         | 10–12       | 7–9         | 4–6         | 1–3         |
| Tietoevry Create    | 1.7         | 1.8         | 1.9         | 2.1         | 2.1         |
| Tietoevry Banking   | 1.2         | 1.1         | 1.0         | 1.0         | 1.0         |
| Tietoevry Care      | 0.2         | 0.2         | 0.2         | 0.2         | 0.2         |
| Tietoevry Industry  | 0.1         | 0.2         | 0.2         | 0.3         | 0.2         |
| Tietoevry Transform | 0.3         | 0.2         | 0.1         | 0.1         | 0.1         |
| Tietoevry Connect   | 10.2        | 10.5        | 10.8        | 11.0        | 11.2        |
| Group functions     | 12.0        | 12.8        | 13.1        | 13.5        | 14.1        |
| <b>Group total</b>  | <b>25.7</b> | <b>26.9</b> | <b>27.3</b> | <b>28.2</b> | <b>28.9</b> |

## Amortization of other intangible assets by segment

|                     | 2022       | 2021       | 2021       | 2021       | 2021       |
|---------------------|------------|------------|------------|------------|------------|
| EUR million         | 1–3        | 10–12      | 7–9        | 4–6        | 1–3        |
| Tietoevry Create    | 0.1        | 0.1        | 0.1        | 0.1        | 0.1        |
| Tietoevry Banking   | 0.7        | 0.8        | 0.8        | 0.8        | 0.8        |
| Tietoevry Care      | 0.4        | 0.4        | 0.2        | 0.2        | 0.2        |
| Tietoevry Industry  | 0.1        | 0.2        | 0.3        | 0.3        | 0.3        |
| Tietoevry Transform | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Tietoevry Connect   | 3.2        | 1.0        | 0.9        | 0.9        | 1.3        |
| Group functions     | 0.1        | 0.6        | 0.4        | 0.4        | 0.5        |
| <b>Group total</b>  | <b>4.6</b> | <b>3.1</b> | <b>2.6</b> | <b>2.7</b> | <b>3.2</b> |

## Amortization of acquisition-related intangible assets by segment

|                     | 2022        | 2021        | 2021        | 2021        | 2021        |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| EUR million         | 1–3         | 10–12       | 7–9         | 4–6         | 1–3         |
| Tietoevry Create    | 2.6         | 2.6         | 2.6         | 2.6         | 2.6         |
| Tietoevry Banking   | 5.5         | 5.5         | 5.3         | 5.4         | 5.4         |
| Tietoevry Care      | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Tietoevry Industry  | 1.6         | 1.6         | 1.7         | 1.5         | 1.6         |
| Tietoevry Transform | —           | —           | —           | —           | —           |
| Tietoevry Connect   | 2.2         | 2.2         | 2.2         | 2.2         | 2.2         |
| Group functions     | —           | —           | —           | —           | —           |
| <b>Group total</b>  | <b>11.9</b> | <b>12.0</b> | <b>11.8</b> | <b>11.8</b> | <b>11.8</b> |

# Major shareholders on 31 Mar 2022

|  | Shares             | %            |
|--|--------------------|--------------|
| 1 Solidium Oy  | 12 857 918         | 10.9         |
| 2 Cevian Capital Partners Ltd <sup>1)</sup>            | 9 381 731          | 7.9          |
| 3 Incentive Investment Funds ICAV <sup>2)</sup>        | 6 041 221          | 5.1          |
| 4 Silchester International Investors LLP <sup>3)</sup> | 5 939 679          | 5.0          |
| 5 Ilmarinen Mutual Pension Insurance Company           | 2 406 095          | 2.0          |
| 6 Elo Mutual Pension Insurance Company                 | 1 167 301          | 1.0          |
| 7 Svenska litteratursällskapet i Finland r.f.          | 979 845            | 0.8          |
| 8 Nordea funds   | 903 174            | 0.8          |
| 9 The State Pension fund                               | 858 000            | 0.8          |
| 10 Swedbank Robur fonder                               | 725 000            | 0.7          |
| <b>Top 10 shareholders total</b>                       | <b>41 259 964</b>  | <b>34.8</b>  |
| - of which nominee registered                          | 21 362 631         | 18.0         |
| Nominee registered other                               | 48 649 552         | 41.1         |
| Others   | 28 516 255         | 24.1         |
| <b>Total</b>   | <b>118 425 771</b> | <b>100.0</b> |

Based on the ownership records of Euroclear Finland Oy, Euroclear Sweden AB and Norwegian Central Securities Depository (VPS).

<sup>1)</sup> Based on the ownership records of Euroclear Finland Oy, Cevian Capital Partners Ltd's holding on 23 March 2022 was 9 381 731 shares, representing 7.9% of shares and voting rights.

<sup>2)</sup> On 21 September, Incentive AS announced that the holding of Incentive Investment Funds ICAV in Tietoevry Corporation was 6 041 221 shares, representing 5.1% of the shares.

<sup>3)</sup> On 10 February 2022, Silchester International Investors LLP has announced that its holding has increased to 5 939 679 shares, representing 5.02% of the total number of shares

## For further information, please contact:

Tomi Hyryläinen, Chief Financial Officer, tel. +358 50 555 0363, tomi.hyrylainen (at) tietoevry.com

Tanja Lounevirta, Head of Financial Communications, tel. +358 50 321 7510, tanja.lounevirta (at) tietoevry.com

**A teleconference for analysts and media** will be held on Thursday 5 May 2022 at 10.00 a.m. EEST (09.00 a.m. CEST, 08.00 a.m. UK time). Kimmo Alkio, President and CEO, and Tomi Hyryläinen, CFO, will present the results online in English. [The presentation](#) can be followed on [Tietoevry's website](#).

#### Teleconference numbers

Finland: +358 981 710 310  
Sweden: +46 856 642 651  
Norway: +47 235 002 43  
United Kingdom: +44 333 300 0804  
United States: +1 631 913 1422  
PIN: 43022105#

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the press and analyst conference. The teleconference is recorded and it will be available on demand later during the day.

Tietoevry publishes its financial information in English and Finnish.

#### Tietoevry Corporation

DISTRIBUTION  
Nasdaq Helsinki  
Nasdaq Stockholm  
Oslo Børs  
Principal Media

**Tietoevry** creates purposeful technology that reinvents the world for good. We are a leading technology company with a strong Nordic heritage and global capabilities. Based on our core values of openness, trust and diversity, we work with our customers to develop digital futures where businesses, societies, and humanity thrive.

Our 24 000 experts globally specialize in cloud, data, and software, serving thousands of enterprise and public-sector customers in more than 90 countries. Tietoevry's annual turnover is approximately EUR 3 billion and the company's shares are listed on the NASDAQ exchange in Helsinki and Stockholm, as well as on Oslo Børs. [www.tietoevry.com](http://www.tietoevry.com)

#### Tietoevry Corporation

Business ID: 0101138-5  
Keilahdentie 2-4  
PO Box 2  
FI-02101 ESPOO, FINLAND  
Tel +358 207 2010  
Registered office: Espoo  
E-mail: [ir \(at\) tietoevry.com](mailto:ir@tietoevry.com)  
[www.tietoevry.com](http://www.tietoevry.com)

