



Q4

2023

## Resilient performance in a mixed market

- Growth 1% – solid underlying performance in software businesses continued
- Healthy profitability of over 14% supported by efficiency measures
- Strategic review of Banking – demerger proposed to list the business, retaining optionality for other alternatives – sales process ongoing in parallel in light of market interest
- Strategic review of Tech Services – on track with previously announced schedule, active engagement with potential buyers
- Increased dividend of EUR 1.47 (1.45) per share proposed

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Tietoevry Transform and Tietoevry Connect have been combined to form Tietoevry Tech Services, operational as from 1 April 2023. Financials for Tietoevry Tech Services have been reported from the second quarter of 2023.

## Key figures in the fourth quarter

Revenue, EUR million	Organic growth <sup>1)</sup>	Adjusted <sup>2)</sup> operating profit (EBITA <sup>3)</sup> ), EUR million
<b>752</b> (768)	<b>1%</b> (9%)	<b>108 / 14.4%</b> (118) (15.4%)
Cash flow from operations, EUR million	Net debt/EBITDA	Order backlog
<b>153</b> (166)	<b>2.2</b> (1.5)	<b>+0%</b> <sup>4)</sup> EUR 3 236 (3 327) million

	10–12/2023	10–12/2022	1–12/2023	1–12/2022
Revenue, EUR million	752.2	767.7	2 851.4	2 928.1
Change, %	-2	3	-3	4
Organic growth <sup>1)</sup> , %	1	9	4	6
Operating profit (EBIT), EUR million	84.1	103.2	255.6	266.5
Operating margin (EBIT), %	11.2	13.4	9.0	9.1
Adjusted <sup>2)</sup> operating profit (EBITA <sup>3)</sup> ), EUR million	108.4	118.0	358.7	379.2
Adjusted <sup>2)</sup> operating margin (EBITA <sup>3)</sup> ), %	14.4	15.4	12.6	13.0
Net profit for the period, EUR million	55.0	74.7	172.2	188.6
EPS, EUR	0.46	0.63	1.45	1.59
Cash flow from operating activities, EUR million	152.9	166.3	266.1	276.9
Capital expenditure, EUR million	28.1	24.3	85.3	92.9
Order backlog	3 236	3 327	3 236	3 327
Interest-bearing net debt, EUR million	911.8	679.1	911.8	679.1
Personnel on 31 December	24 159	24 320	24 159	24 320

## Full-year outlook for 2024

Tietoevry expects its organic<sup>1)</sup> growth to be in the range of 0–3% (revenue in 2023: EUR 2 851.4 million).

The company estimates its full-year adjusted operating margin<sup>2)</sup> (adjusted EBITA<sup>3)</sup>) to be 12.0–13.0% (12.6% in 2023)

<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

<sup>3)</sup> Profit before interests, taxes and amortization of acquisition-related intangible assets

<sup>4)</sup> Adjusted for the impact of exchange rates, acquisitions and divestments

For reconciliation, see section [Alternative performance measures](#).

# CEO's comment

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



"In the fourth quarter, our performance remained resilient in a mixed market. Good underlying development in software businesses continued with 4% organic growth, contributing to total growth of 1% for the Group. On the other hand, weaker demand impacted TietoEVRY Create and Tech Services. Our profitability was healthy, over 14%. TietoEVRY Tech Services remained on a solid track with an improved margin, thanks to the execution of the efficiency measures initiated during the year.

We have seen continued advancement in the use of Artificial Intelligence (AI) and are taking advantage of this for the benefit of our customers and our competitiveness. From an overall demand and growth perspective, we had a strong start for the year 2023. While our growth continued throughout the year, macroeconomic uncertainty and gradually softening demand impacted our overall performance and resulted in lower growth rates. Despite continued high inflation, we were able to deliver solid performance and achieved the anticipated margin level. With this financial development, we are pleased to confirm that we are on the path to increasing our dividends.

The progress in the strategic reviews of TietoEVRY Banking and Tech Services were key achievements during the year. For TietoEVRY Banking, we have taken the next concrete step with today's announcement of its separation, enabling its independent operations and potential listing. The listing process, subject to the approval of the Extraordinary General Meeting, is expected to commence during the first half of 2024. During the process, other alternatives can be considered if they would be in the best interest of shareholders. In light of market interest, a sales process is ongoing in parallel. The strategic review of TietoEVRY Tech Services is progressing as planned with active engagement with potential buyers ongoing. We continue to drive specialization and to reposition TietoEVRY as a software and digital engineering company.

We expect 2024 to be a transformative year for our company with the finalization of the two strategic reviews. In terms of market outlook for 2024, we expect the current weak macroeconomic conditions to continue – driving industry-wide conservative growth rates and the continued need for operational resilience. The wider guidance ranges in our full-year outlook for 2024 reflect current market conditions. Once the macroeconomy becomes healthier we expect to see better growth rates – similar to the realized growth path prior to the economic downturn.

We experienced a criminal ransomware attack in one of our data centres in Sweden last month. Since the attack, our teams have been working relentlessly to restore services for our customers, who have suffered from this disruption. Work will continue in close collaboration with customers until all possible restorations have been completed and the investigation has been concluded with the authorities.

We will also continue to support our colleagues in Ukraine. Our hearts and minds remain with them as the devastating situation in the country continues. We are proud of our Ukrainian colleagues and will keep supporting our people and their families, including providing means for relocation and enhancing opportunities to continue working.

Our commitment to sustainability once again achieved the highest market recognitions in 2023. We were able to retain our platinum level in the EcoVadis sustainability rating, which was granted this time only to the top 1% performers globally. We also saw solid progress in our carbon reduction targets, verified by the Science Based Targets (SBT) initiative. 2023 also marked the final year of our sustainability plan for 2020–2023. I was pleased to see the progress we made across the key areas during the period: Ethical Conduct, Climate Action and Exciting Place to Work. We recognize the opportunities that digitalization brings for our customers and for society at large and will launch a new group-wide long-term sustainability plan during 2024.

In spite of a weaker market, the overall software and technology services industry remains very exciting with cloud and AI-enabled technologies advancing businesses and societies. I thank our employees, customers and partners for a solid year in a demanding overall market environment."

# Tietoevry's quarter in brief

## Organic growth 1% – solid development in software businesses

Organic growth was 1% in the fourth quarter, supported by solid underlying performance in software businesses. In Tietoevry Banking, revenue was organically up by 5% and in Tietoevry Industry by 6%. In Tietoevry Banking, the fourth quarter in 2022 included a positive one-time impact of 4 percentage points on growth and profitability, resulting in high comparison figure. Growth in Tietoevry Care totalled 2%, impacted by the health and social care reform in Finland, due to which customers are currently preparing for procurements, impacting the overall spending level. Macroeconomic uncertainty has resulted in continued weaker demand in Tietoevry Create, with revenue up by 1%. In managed services, the weaker demand was visible in non-critical time and material work, impacting Tech Services, with revenue down by 2%. On the Group level, the lower number of working days had a negative impact of 0.3 percentage point on growth.

## Resilient performance – healthy profitability of over 14.0%

Adjusted operating margin was 14.4%, supported by continued efficiency measures, driving profitability improvement, especially in Tietoevry Tech Services. However, overall high cost inflation continued to impact profitability. In Tietoevry Create, profitability was supported by capacity adjustment executed to adapt to lower demand. Profitability remained at a strong level in Tietoevry Care. Personnel attrition continues to decline and was 10.1% (14.4% in the fourth quarter of 2022, rolling 12 months).

## Tietoevry's Board of Directors approves a demerger plan to list Tietoevry Banking

Tietoevry's Board of Directors proposes a demerger to list the Tietoevry Banking business, while retaining optionality for other alternatives if this would be in the best interest of shareholders. The listing process, subject to the approval of the Extraordinary General Meeting, is expected to commence during the first half of 2024. In light of market interest, a sales process is ongoing in parallel. The aim of the separation is to accelerate the growth, scale and profitability of the business, and enhance its strategic and financial flexibility to drive value creation for all stakeholders. The strategic review of Tietoevry Tech Services is progressing as planned, with active engagement with potential buyers ongoing.

## Continued softness in the macroeconomic environment reflected in full-year outlook for 2024

The company anticipates its performance to remain resilient in the mixed market. Visibility to the full year is relatively low, resulting in a wide range in growth expectations. Tietoevry expects its organic growth to be in the range of 0–3% in 2024. The lower end of the range assumes that market uncertainty will continue in the second half of the year whereas the upper end would require the market to gradually pick up during the year. The company estimates its full-year adjusted operating margin to be 12.0–13.0%, partly depending on the outcome of growth.

## Significant agreements

### Tietoevry Tech Services to enhance quality and cost effectiveness in LocalTapiola through IT modernization

Tietoevry Tech Services and LocalTapiola in Finland entered into a new collaboration agreement, focusing on enhanced quality and cost effectiveness by leveraging modernization and cloud services. This new agreement builds upon and reinforces the long-standing strategic ICT partnership and supports the implementation of LocalTapiola's strategy. The contract covers a five-year period with a total value of EUR 44 million. The agreement demonstrates Tietoevry's strong customer-centric approach and ability to implement comprehensive ICT modernization that supports LocalTapiola's business needs.

### Tietoevry Create and Gassco to develop next generation of solutions handling European energy supply

Tietoevry Create and Gassco are developing the next generation of GBS, Gassco Booking System, and GMP, Gassco Maintenance Planning, as part of the Application Management agreement that Tietoevry Create has with Gassco. Gassco is responsible for transporting gas from the Norwegian continental shelf through an extensive pipeline network to Europe and these solutions are essential for handling the European energy supply.

### Several wellbeing services counties in Finland using Tietoevry Care's data platform to improve availability of care

Several wellbeing services counties in Finland started using Tietoevry Care's data platform. The platform optimizes knowledge-based management and helps to improve the availability and effectiveness of care. For example, the Western Uusimaa and the Kanta-Häme Wellbeing Services Counties are among the 12 counties currently utilizing the data platform. It helps counties to estimate the need for their services by combining data from various systems and sources into a single domain, with the latest analytics tools available for generating insights.

### Tietoevry Industry and Tolletaten extend the agreement to ensure availability of customs declarations services

Tolletaten in Norway extended its agreements with Tietoevry Industry on network delivery, utilizing Tietoevry Industry's BIX – Business Information Exchange solutions. Through the agreements, Tietoevry is supporting the handling of all customs declarations between businesses and the Norwegian customs authorities – in practice, all import and export of goods across the Norwegian border. The agreement is critical to the society and the customer has set very high requirements for uptime. In 2023, Tietoevry delivered 100% uptime.

### Tietoevry Tech Services to help AFRY obtain a cost efficient, modern and productive workplace

Tietoevry Tech Services made a new agreement with AFRY AB. The agreement, covering IT outsourcing and introducing AIOps/DigiOps for efficient platform management, ensures flexible and scalable services to support growth and helps AFRY obtain a cost-efficient, modern and productive workplace. The partnership covers management and support for IT services to AFRY's global IT organization worldwide.

# IT market development

Macroeconomic uncertainty resulted in weaker demand in the latter part of 2023, which primarily impacted digital engineering services as well as managed services and transformation. In digital engineering, the weaker demand impacted smaller customer engagements. In managed services and transformation, the weaker demand was visible in non-critical time and material work.

Tietoevry foresees that IT market softness will continue into 2024. The company expects its addressable market to grow by 0–2% during the current year. Tietoevry's business mix provides resilience, as specialized businesses comprise a significant proportion of long-term customer engagements. Demand for specialized software is expected to remain stable.

The shift to cloud native and data-driven technologies continues to be at the core of customers' drive for agility, productivity and competitiveness as well as IT security and data resilience. Cloud continues to be the foundation for business agility and data at the core of competitive products and operations. Demand for cloud native and data services, including Artificial Intelligence, is expected to remain high and to result in over 10% market growth in this area. In Tietoevry's view, Generative AI (GenAI) will provide diverse opportunities for enhancing productivity and competitiveness both among its customers and in its own operations. It is expected to have profound impact in both driving productivity and bringing enhanced software products and services to customers. To accelerate implementation, Tietoevry is actively working to discover and concretize the benefits of GenAI by running innovative use cases across industries together with customers and expanding its network of partners.

At the same time, customers' focus will be on user experience, driving new business opportunities and growth. Customers also continue to emphasize data sovereignty, security and business continuity as they adopt cloud technologies, with multi-cloud becoming a default. As customers remain cautious about their spending, outsourcing demand with embedded transformation to cloud is expected to continue, resulting in volume decline of up to 10% over time in traditional services. Service providers will be affected by customer demands for price reductions, limiting their ability to increase prices and margins in the short term.

## Specialization-based strategy for greater value to all stakeholders

Cloud and data technologies form the foundation of driving customers' priorities to be agile, competitive, innovative and secure. The software and technology services industry is continuously advancing with data-driven and AI-enabled solutions, building on the cloud foundation. Tietoevry's strategy aims to capture cloud-native and AI-enabled market opportunities through specialized software, digital engineering and managed services businesses. Each business aims to be among the best in the market and all structural (M&A and divestments) and operational actions are considered to enable that agenda. Specialization drives a best-in-class customer proposition and attracts talent. Shareholder value creation is also supported by structural actions to unlock the value of the group and individual businesses.

### Specialized businesses taking advantage of cloud, data and software market growth

Specialization forms the cornerstone of Tietoevry's strategy. The company's five specialized end-to-end businesses aim to take advantage of cloud, data and software market growth. The individual businesses have optionality to build scale and prioritize investments, reflecting the distinct market dynamics, business proposition and value potential of each. The businesses across digital engineering, software and managed services and transformation businesses are:

- **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, reinventing Nordic health and social care to enhance the 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 Tech Services** drives enterprise-wide transformation across customers' business processes, applications and infrastructure. Deep customer knowledge, global cloud & data competencies, automated operations and a multi-cloud platform provider with a full range of infrastructure choices at scale form its foundation.

The businesses have full operational responsibility, including go-to-market, service portfolio, delivery capabilities, compensation models, investments and partnerships.

### Strategic reviews to accelerate value creation

Tietoevry aims to unlock value through strategic reviews of Tietoevry Banking and Tietoevry Tech Services.

Tietoevry Banking, operating in a distinct fintech market, is expected to scale, build investment capacity and unlock value creation opportunities in an independent setup.

With the strategic review of Tietoevry Tech Services, the company seeks to drive the competitiveness of its managed services and transformation business, operating in a market going through a major transformation. The success of businesses with an outsourcing foundation relies on the scale of capabilities and infrastructure volumes needed to drive customers' continuous efficiency, agility and modernization needs.

## Repositioning Tietoevry as a leading software and digital engineering player globally

Tietoevry seeks to reposition itself as a leading software and digital engineering player globally. An active M&A agenda together with strategic reviews of Tietoevry Banking and Tietoevry Tech Services form a solid foundation for the ongoing transformation of the company.

# Financial performance in October–December

	10–12/2023	10–12/2022
Revenue, EUR million	752.2	767.7
Change, %	-2	3
Organic growth, %	1	9
Operating profit (EBIT), EUR million	84.1	103.2
Operating margin (EBIT), %	11.2	13.4
Adjusted operating profit (EBITA), EUR million	108.4	118.0
Adjusted operating margin (EBITA), %	14.4	15.4
EPS, EUR	0.46	0.63
Net cash flow from operations, EUR million	152.9	166.3
Capital expenditure, EUR million	28.1	24.3

Fourth-quarter revenue was down by 2% to EUR 752.2 (767.7) million. Exchange rates had a negative impact of EUR 43 million on revenue compared to the corresponding quarter of 2022. Net impact of acquisitions and divestments was positive EUR 17 million. Organically, revenue was up by 1%. Organic growth was driven by software businesses. Fourth-quarter operating profit (EBIT) amounted to EUR 84.1 (103.2) million, representing a margin of 11.2% (13.4). Operating profit includes EUR -13.4 (-3.5) million in adjustment items. Adjusted operating profit (EBITA) stood at EUR 108.4 (118.0) million, or 14.4% (15.4) of revenue. Further details on adjustment items are available in the [Alternative Performance Measures](#) paragraph.

Depreciation and amortization amounted to EUR 38.4 (38.7) million, including EUR 14.1 (15.9) million in depreciation of right-of-use assets and EUR 10.9 (11.3) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 13.6 (7.7) million. Net interest expenses were EUR 12.8 (5.0) million and net gains from foreign exchange transactions EUR 0.4 (losses 2.0) million. Other financial income and expenses amounted to EUR -1.2 (-0.7) million.

Earnings per share (EPS) totalled EUR 0.46 (0.63). Adjusted earnings per share amounted to EUR 0.63 (0.73).

## Cash flow and investments

Fourth-quarter net cash flow from operations amounted to EUR 152.9 (166.3) million, including a decrease of EUR 28.4 (decrease of 34.2) million in net working capital.

Capital expenditure totalled EUR 28.1 (24.3) million, mainly consisting of capitalized costs for the development of software, investments in data centres and business-related software licences. In the fourth quarter, capitalized costs for industry-specific software amounted to EUR 13.2 (11.7) million. Capital expenditure represented 3.7% (3.2) of revenue.

## Financial performance by segment

	Revenue, EUR million	Revenue, EUR million	Growth, %	Organic growth, %	Adjusted operating profit, EUR million	Adjusted operating profit, EUR million	Adjusted operating margin, %	Adjusted operating margin, %
	10–12/2023	10–12/2022			10–12/2023	10–12/2022	10–12/2023	10–12/2022
Tietoevry Create	228.5	219.8	4	1	34.2	35.2	15.0	16.0
Tietoevry Banking	149.6	156.4	-4	5	21.4	27.9	14.3	17.8
Tietoevry Care	62.3	63.0	-1	2	18.7	20.3	30.1	32.2
Tietoevry Industry	68.6	69.7	-2	6	11.4	12.6	16.6	18.1
Tietoevry Tech Services	277.0	298.1	-7	-2	28.3	30.0	10.2	10.1
Eliminations and non-allocated costs	-33.8	-39.2	—	—	-5.6	-7.9	—	—
<b>Group total</b>	<b>752.2</b>	<b>767.7</b>	<b>-2</b>	<b>1</b>	<b>108.4</b>	<b>118.0</b>	<b>14.4</b>	<b>15.4</b>

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

In **Tietoevry Create**, revenue was organically up by 1%. Revenue development was impacted by the weak market, with lower demand particularly for smaller customer engagements. The Ukrainian business was impacted by the war and growth was negative. Profitability was healthy, supported by capacity adjustments executed to adapt to lower demand. In the first quarter of 2024, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2023.

In **Tietoevry Banking**, revenue was organically up by 5%, driven by strong growth in the Cards, Wealth and Financial Crime Prevention businesses. Underlying growth was 9% as the comparison figure for the fourth quarter of 2022 included a positive one-time impact of 4 percentage points on growth and profitability. Profitability was supported by growth and cost optimization measures, partly offset by increased costs resulting from legal separation. Order intake was at a strong level. In the first quarter of 2024, adjusted operating margin is anticipated to be above the level of the corresponding quarter of 2023.

In **Tietoevry Care**, revenue was organically up by 2%, driven by continued solid growth in Welfare and Data & Analytics. In Healthcare, demand was temporarily reduced as anticipated, impacted by the health and social care reform in Finland, due to which customers are currently preparing for procurements. Continued strong profitability was driven by scalable software businesses. In Welfare in Sweden and Norway, order intake was at a strong level. In the first quarter of 2024, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2023.

In **Tietoevry Industry**, revenue was organically up by 6%. Growth was strong in the Pulp and Paper business and Data Platform Services. Profitability was supported by strong growth while it was impacted by lower year-end licence sales. In the first quarter of 2024, adjusted operating margin is anticipated to be at the level of the corresponding quarter of 2023.

In **Tietoevry Tech Services**, revenue was organically down by 2% due to market slowdown visible in short-cycle time and material work, impacting especially Data & Application Services, with revenue down by 8%. Revenue for cloud platform & security services was up by 2% and for user experience services up by 11%, whereas negative development in traditional infrastructure services continued with revenue down by 7%. Solid profitability was supported by efficiency measures, while salary and technology cost inflation remains high. In the first quarter of 2024, adjusted operating margin is anticipated to be at the level of the corresponding quarter of 2023.

# Financial performance in January–December

	1–12/2023	1–12/2022
Revenue, EUR million	2 851.4	2 928.1
Change, %	-3	4
Organic growth, %	4	6
Operating profit (EBIT), EUR million	255.6	266.5
Operating margin (EBIT), %	9.0	9.1
Adjusted operating profit (EBITA), EUR million	358.7	379.2
Adjusted operating margin (EBITA), %	12.6	13.0
EPS, EUR	1.45	1.59
Net cash flow from operations, EUR million	266.1	276.9
Capital expenditure, EUR million	85.3	92.9

Full-year revenue decreased by 3% to EUR 2 851.4 (2 928.1) million. Exchange rates had a negative impact of EUR 206 million on revenue compared to 2022. Net impact of acquisitions and divestments was positive EUR 27 million. Organically, revenue was up by over 4%. Full-year operating profit (EBIT) amounted to EUR 255.6 (266.5) million, representing a margin of 9.0% (9.1).

Operating profit includes EUR -61.2 (-66.0) million in adjustment items. Adjusted operating profit (EBITA) stood at EUR 358.7 (379.2) million, or 12.6% (13.0) of revenue. Further details on adjustment items are available in the [Alternative Performance Measures](#) paragraph.

Depreciation and amortization amounted to EUR 152.4 (162.3) million, including EUR 59.8 (66.4) million in depreciation of right-of-use assets and EUR 41.8 (46.7) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 34.9 (23.7) million. Net interest expenses were EUR 34.1 (19.2) million and net gains from foreign exchange transactions EUR 3.1 (losses 1.4) million. Other financial income and expenses amounted to EUR -3.9 (-3.0) million.

Earnings per share (EPS) totalled EUR 1.45 (1.59). Adjusted earnings per share amounted to EUR 2.14 (2.36).

## Cash flow and investments

Full-year net cash flow from operations amounted to EUR 266.1 (276.9) million, including an increase of EUR 95.2 million (increase of EUR 82.1 million) in net working capital.

Full-year capital expenditure totalled EUR 85.3 (92.9) million, mainly consisting of capitalized costs for the development of software, investments in data centres and business-related software licences. Capitalized costs for industry-specific software amounted to EUR 44.7 (37.2) million. Capital expenditure represented 3.0% (3.2) of revenue.

## Financial performance by segment

	Revenue, EUR million	Revenue, EUR million	Growth, %	Organic growth, %	Adjusted operating profit, EUR million	Adjusted operating profit, EUR million	Adjusted operating margin, %	Adjusted operating margin, %
	1-12/2023	1-12/2022			1-12/2023	1-12/2022	1-12/2023	1-12/2022
Tietoevry Create	851.2	849.0	0	3	114.0	117.3	13.4	13.8
Tietoevry Banking	567.2	571.1	-1	10	68.9	81.3	12.1	14.2
Tietoevry Care	236.5	231.4	2	6	70.8	72.5	29.9	31.3
Tietoevry Industry	262.6	272.6	-4	5	43.4	46.0	16.5	16.9
Tietoevry Tech Services	1 074.7	1 171.4	-8	-2	85.7	88.9	8.0	7.6
Eliminations and non-allocated costs	-140.7	-167.4	—	—	-24.0	-26.8	—	—
<b>Total</b>	<b>2 851.4</b>	<b>2 928.1</b>	<b>-3</b>	<b>4</b>	<b>358.7</b>	<b>379.2</b>	<b>12.6</b>	<b>13.0</b>

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

In **Tietoevry Create**, revenue was organically up by 3%. The year started with solid development, while in the second half of the year, growth was impacted by the weaker market, particularly for smaller customer engagements, and negative development in the Ukrainian business due to the war. Profitability improved towards the year end, following decisive management actions, incl. capacity adjustments executed to adapt to lower demand.

In **Tietoevry Banking**, revenue was organically up by 10%. Strong growth was driven by the Wealth, Financial Crime Prevention, Credit, Cards and Banking as a Service businesses. Profitability was impacted by increased technology costs and higher costs resulting from legal separation related to the strategic review of the business. Profitability improved towards the year end, supported by price increases and efficiency measures, including technology cost optimization.

In **Tietoevry Care**, revenue was organically up by 6%, driven by strong growth in both Healthcare and Welfare. Demand in Healthcare was impacted in Finland in the second half of 2023 as customers were preparing for procurements related to the social and healthcare reform. Continued strong profitability was driven by scalable software businesses.

In **Tietoevry Industry**, revenue was organically up by 5%. Growth was solid in the Pulp and Paper business, case management software Public 360° and Data Platform Services. Profitability remained at a healthy level throughout the year.

In **Tietoevry Tech Services**, revenue was organically down by 2%. Its business mix is evolving towards scalable data, application and cloud services while volumes in traditional infrastructure services and low-margin hardware and software reselling are declining. Profitability improved despite negative growth and high salary and technology cost inflation, supported by efficiency measures that started to contribute towards the year end.

## Financial position at the end of the period

The equity ratio was 46.7% (51.5). Gearing was 56.6% (39.5). Interest-bearing net debt totalled EUR 911.8 (679.1) million, including EUR 951.4 (750.0) million in interest-bearing debt, EUR 211.7 (210.0) million in lease liabilities, EUR 2.2 (2.6) million in finance lease receivables, EUR 29.5 (28.6) million in other interest-bearing receivables and EUR 219.6 (249.7) million in cash and cash equivalents.

Interest-bearing long-term liabilities amounted to EUR 701.0 (795.3) million at the end of December. The company has a EUR 300 million bond outstanding, maturing in June 2025. Additionally, interest-bearing long-term liabilities primarily comprise a new five-year term loan of EUR 174 million from OP Corporate Bank plc related to the acquisition of MentorMate, a loan from the European Investment Bank and lease liabilities of EUR 161.4 million.

Interest-bearing short-term liabilities amounted to EUR 462.2 (164.7) million, mainly comprising a EUR 100 million bond, a syndicated term loan, commercial papers, leasing liabilities and the short-term part of the term loan from the European Investment Bank.

Tietoevry's sustainability-linked revolving credit facility of EUR 250 million was not in use at the end of December. The revolving credit facility matures in 2027 and has two one-year extension options. It is linked to selected sustainability targets of Tietoevry and hence supports the company's commitments to Science Based Targets.

# Order backlog

Tietoevry's order backlog amounted to EUR 3 236 (3 327) million at the end of December. Of the backlog, 54% (54) is expected to be invoiced during 2024. Adjusted for the impact of exchange rates, acquisitions and divestments, the order backlog remained at the 2022 level. 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.

# Personnel

The number of full-time employees amounted to 24 159 (24 320) at the end of December. The number of full-time employees in the global delivery centres totalled 12 789 (12 633), or 52.9% (51.9) of all personnel. The 12-month rolling employee turnover stood at 10.1% (14.4) at the end of December. Tietoevry believes that a normal attrition level is 10–12%.

Group-level salary inflation is expected to be 4–5% on average for 2024. It is offset by a number of actions, including price increases, further offshoring, automation, management of the competence pyramid and overall cost efficiency across businesses.

# Performance in 2024

Tietoevry anticipates that the business mix of the company and long-term contracts provide resilience in uncertain times while visibility to the full year is relatively low. Tietoevry expects its organic growth to be in the range of 0–3% in 2024. The lower end of the range assumes that market uncertainty will continue in the second half of the year whereas the upper end assumes that the market will gradually pick up during the year. Growth rate is anticipated to be lowest in the first quarter, impacted by continued weak economic environment, high comparable figures in Tietoevry Create and Tietoevry Banking and the negative working day impact.

## Mitigating high inflation

The company estimates its full-year adjusted operating margin to be 12.0–13.0%, partly depending on the outcome of growth. Continued high inflation is anticipated to constrain profitability improvement. The company estimates salary inflation to be 4–5% on average for 2024. Tietoevry is also impacted by overall high cost inflation, visible in items such as subcontracting, technology costs, premises, electricity and software licences. The negative impact is mitigated by a number of actions including price increases, further offshoring, automation, management of the competence pyramid and overall cost efficiency across businesses.

## Ongoing efficiency measures continue to contribute to profitability

Execution of efficiency measures in Tietoevry Tech Services, Create and Banking is expected to support profitability in 2024. In 2024, one-time costs are expected to be around 1% of revenue. Additionally, costs for strategic reviews, including transaction costs, legal separation costs, refinancing costs and costs for operational simplification and efficiency measures in Tietoevry Tech Services, are estimated to be in total 1.5–2% of Group revenue. Of these costs, 1.2 percentage points had materialized by the end of 2023.

# Major agreements in January–December

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 January, Goodyear decided to extend its partnership with Tietoevry Create. Tietoevry has been a trusted partner for Goodyear, a global tyre manufacturer, for five years and the partnership with the Proactive Solutions and Fleets Europe unit is now extended. Tietoevry will provide support in the development of state-of-the-art fleet and tyre management solutions and help to improve the efficiency, sustainability and competitiveness of Goodyear's customers, such as commercial fleet operators, by lowering downtime, costs and emissions. Goodyear will be provided with engineering and operation/operating services from multiple locations in Eastern Europe.

In January, Tietoevry Banking entered into an extended agreement with Sparebanken Vest for the delivery of payment and core banking services until the end of 2027 with the option for two additional years. The agreement also includes the delivery of services related to Financial Crime Prevention and Card solutions. Sparebanken Vest is an independent listed financial group headquartered in Bergen, Norway.

In January, Tietoevry Create and ASFINAG renewed the SAP frame agreement for another year. ASFINAG, owned by the state of Austria, focuses on planning, funding, building, maintaining and operating motorways and expressways in Austria. Tietoevry will support ASFINAG in running, maintaining and extending their internal SAP system. The continuing transition to SAP S/4 will be a focus area during 2023.

In January, Corteva, an agriscience company based in Switzerland, prolonged its co-operation agreement with Tietoevry's Group company Infopulse to scale its software development. Under the contract with an estimated revenue of over EUR 2 million, the client will work hand in hand with a dedicated team of Infopulse's engineers, subject matter experts as well as experts in digital agronomy, smart farming and e-agriculture. The planned 12-month project aims to help farmers grow their products more efficiently, cultivating sustainable agricultural practices.

In January, If Insurance decided to extend their comprehensive IT infrastructure agreement with Tietoevry Connect (currently part of Tietoevry Tech Services). The partnership builds on a long-lasting relationship, accelerating the customer's cloud modernization agenda. The new agreement extends over five years with an option for a further two years and has a total order value of SEK 1 billion. The delivery covers IT infrastructure, including workplace services for about 7 300 employees. The long-term relationship builds on trust, transparency and deliveries that meet high demands for stability and security.

In January, Arek, a service provider for pension companies in Finland, prolonged its existing six-year agreement with Tietoevry Connect. Tietoevry will continue as its IT partner in infrastructure services and enable high service availability for Arek's customers.

In February, Loomis Automatia, based in Finland, awarded Tietoevry Connect and Tietoevry Create a new five-year agreement, as a continuation to long-term collaboration. The agreement covers three areas: infrastructure services, continuous services for ATMs and payment delivery services. The procurement placed high requirements on efficiency, quality and security improvements with a view to Loomis Automatia being able to provide and develop high-quality services for Finnish customers also in the future.

In February, Tietoevry Industry concluded an agreement with the Norwegian Tax Authority on data cleansing services for private businesses. The agreement will provide Tietoevry with an opportunity to sell Norwegian population register services to private businesses – and use of the population register will help customers ensure good data quality. Tietoevry was chosen as one of four providers of data cleansing services for private companies that do not have access to a national register identifier, following a tender announced by The Norwegian Tax Authority in the autumn of 2022. Tietoevry received the highest score for service content and quality of the solution. The value of the agreement is EUR 4 million.

In March, Tietoevry Care was awarded a five-year agreement for a social care business system covering both elderly and family care in Botkyrka municipality, Sweden. Botkyrka municipality has around 95 000 citizens. The social care system solution will deliver a broad range of functionality to support the municipality's social care, and thanks to its high degree of automation and efficiency it will contribute to equal treatment of citizens involved in the processes in its scope. The social care business systems will be delivered as a service and will involve about 1 700 users in Botkyrka municipality.

In March, Kanta-Häme became the 12th wellbeing services county in Finland to use Tietoevry Care's Health Data Platform. The platform offers multiple applications supporting care personnel, such as the Patient 360° application. Patient 360° gathers data from different hospital information systems and gives doctors a holistic view on patients to provide the right care. Patient safety is a priority, and the use of this platform enhances quality of care for both healthcare staff and patients. The Health Data Platform also meets the health and social care data privacy and security requirements (CE marked).

In March, Customs Finland chose Tietoevry Industry to build their new case and document management system based on Public 360° as a joint effort between Tietoevry, Valtori (Government ICT Centre) and the customer. Public 360° offers a centralized solution for the entire lifecycle management of Customs Finland's administrative and authority-related cases and documents. The solution environment is intended for the data processing of security classified content. This contract includes a fixed three-year period.

During the first quarter, Tietoevry Transform (currently part of Tietoevry Tech Services) started a new project with Telia Finance (part of Telia Company). Telia Finance chose Tietoevry, providing services in collaboration with a partner, at the end of 2022 to support the migration and transformation of a mission-critical application serving as the company's finance engine. It is planned that the migrated solution, fit for Telia Finance's modern vision and business needs, will go live in the third quarter of 2025.

In May, Tietoevry Care was awarded a contract to deliver a social care system for Family Care in Lund municipality, the third biggest municipality in the region of Skåne and a long-term customer of Tietoevry. The four-year contract, with an option to prolong up to a total of 12 years, is based on a Software as a Service model, a change from the current on-premise model, and contains a number of new functionalities for the municipality. Previously, Tietoevry won a similar procurement for Elderly Care in Lund in 2022.

In May, Helse Midt-Norge RHF (The Central Norway Regional Health Authority) decided to extend its application operations agreement with Tietoevry Care for another 18 months to secure stable operations. The applications include Patient Administration, Open Framework, Laboratory Requisitions and Responses (RoS) and Patient Journal Intensive Care (PICIS).

In May, Tietoevry Industry and Hamar kommune made an agreement on data services. The client aims to use technology to create value from data and enable Hamar kommune to realize a smart data hub to become more insight-driven in its operations and services towards citizens. The services are provided in a partnership combining technology, design and legal services. The project involves ten other municipalities and seven intermunicipal agencies, having the option of purchasing this solution. Upon the completion of this innovation project, Tietoevry will own proprietary rights to the developed software.

In June, Tietoevry Industry and Göteborg Energi made an agreement on a new output management solution for a billing system that is being installed. The agreement includes the entire output solution, covering, among other things, digital mailboxes, EDI invoices, printed invoices – and the future invoice, Live Invoice, as an option. Göteborg Energi made high demands on solution functionalities with improved customer experience and environmental adaptations. Tietoevry provides Göteborg Energi with a cost-effective service with high delivery precision and security. The agreement is valid for four years with an option of four additional years. The value of the agreement for the first four years is close to EUR 5 million.

In June, Tietoevry Create and Offshore Norge, an employer and industry organization for companies with activities related to the Norwegian Continental Shelf (NCS), made a three-year agreement on delivering a material management software portfolio and application maintenance. Tietoevry will support the client in developing and integrating efficient supply chain and inventory management solutions for operators and suppliers across the NCS. Furthermore, the ambitions of this collaboration include ensuring a sustainable future for document sharing, equipment management and surplus handling.

In June, Tietoevry Care signed a six-year contract with the municipality of Örnsköldsvik, the second largest municipality in the Västernorrland region in Sweden with approximately 55 000 citizens. The contract covers the social care system Procapita, and Lifecare for elderly and family care. The agreement includes extensions to the current contract, and through new functions, the customer will be able to streamline processes and operations more effectively, adding value for both the staff and inhabitants of Örnsköldsvik.

In June, the wellbeing services county of Ostrobothnia in Finland chose Tietoevry Care's Lifecare as its new client and patient information system. Lifecare will be used in Ostrobothnia's social and primary healthcare and in specialized medical care. The open data model adapts to the customer's various workflows and enables the exploitation of both clinical and operational information, e.g. with the use of Artificial Intelligence. The shared client and patient information system supports the development of services in Ostrobothnia and healthcare professionals will be able to focus on caring for patients and providing seamless health and social care services.

In June, Tietoevry Tech Services won two public tenders with Oslo municipality and signed two new contracts in Norway for the company's Unit4 ERP solution. The new four-year agreements, with an option for annual extension for additional four years, have a total contract value of NOK 280 million. The client foresees that Unit4 will be an important part of its resource planning and business management.

In July, Tietoevry Create was chosen as the digitalization partner for an IT integration initiative at the Heinzl Group. Heinzl Group will take over UPM Kymmene Austria and its subsidiaries in Steyrermühl (Austria) as from 1 January 2024. The plant is planned to be developed as a centre for sustainable packaging papers and renewable energies starting from 2024. With its paper industry expertise, Tietoevry was chosen as the partner for the IT integration into the Heinzl Group and will deliver SAP implementation services.

In August, Tietoevry Create signed a four-year agreement on application maintenance and development with Flytoget (Airport Express). Tietoevry will support the client in maintaining and developing their applications, mobile apps for ticket sales and customer service.

In August, Tietoevry Banking signed a contract with The Savings Banks Group Finland to renew the customer's lending platform. Tietoevry Banking's Lending Suite, the leading credit solution in the Nordic markets, will serve as the foundation of the platform renewal. This strategic partnership is part of a broader initiative by The Savings Banks Group to invest in shaping the future of its operations and creating next-generation IT solutions. The agreement with Tietoevry Banking spans over ten years: an initial three-year setup followed by seven years of continuous services.

In August, Tietoevry Care signed an agreement with Örebro Municipality to deliver the market's most modern and comprehensive operational support system for social welfare. Örebro Municipality, with around 158 000 residents, has entered a new co-operation agreement with Tietoevry for the delivery of Lifecare, a modern and complete solution for social services. The agreement will be effective from 1 January 2024 for a period of six years, with an option for a six-year extension. The advantages for Örebro Municipality and its residents include a world-class user experience for the staff, and the system also raises the bar for what the citizens can expect in terms of services, participation and transparency.

In September, Tietoevry Tech Services signed a significant agreement for modern cloud technologies with DigiFinland to enable secure, scalable, and flexible digital development. The scope of the agreement is extensive and includes service desk, service governance, capacity and cloud services, cybersecurity services, consulting services, and an option for end-user services. The value of the agreement is EUR 21 million over the seven-year contract period.

In September, Tietoevry Tech Services signed a new three-year contract with its existing customer Haugen-Gruppen Nordic. The contract covers management and operation of server infrastructure and core applications, a network for the customer's several locations as well as cloud and security advisory services. The contract has a total value of NOK 18.5 million.

In September, the wellbeing services county of Central Finland adopted Tietoevry Care's partnership model to implement high-quality and cost-effective health and social services. The model offers customers an opportunity to influence the contents, priorities and implementation schedule of upcoming features and functionalities in Lifecare, and hence enables faster system development. In the partnership model, the development of the Lifecare client and patient information system is carried out in cooperation with the existing Finnish wellbeing services counties based on the needs of their health and social care professionals. The South Karelia, South Ostrobothnia, Kanta-Häme, Central Ostrobothnia, Kymenlaakso, Päijät-Häme and Satakunta counties have been involved in the model since 2021. The eight wellbeing services counties serve about 1.4 million people in Finland.

During 2023, several wellbeing services counties in Finland started using Tietoevry Care's data platform. The platform optimizes knowledge-based management and helps to improve the availability and effectiveness of care. For example, the Western Uusimaa and the Kanta-Häme Wellbeing Services Counties are among the 12 counties currently utilizing the data platform. It helps counties to estimate the need for their services by combining data from various systems and sources into a single domain, with the latest analytics tools available for generating insights. It optimizes the use of data to support faster decision-making, saves care professionals' time and helps to facilitate their work, as they no longer need to collect the data manually. It also provides much-needed cost savings in the dire economic situation.

Tietoevry Create and Gassco are developing the next generation of GBS, Gassco Booking System, and GMP, Gassco Maintenance Planning, as part of the Application Management agreement that Tietoevry Create has with Gassco. Gassco is responsible for transporting gas from the Norwegian continental shelf through an extensive pipeline network to Europe and these solutions are essential for handling the European energy supply. Tietoevry Create is developing, managing and extending the applications in close collaboration with the customer.

In October, the City of Stockholm prolonged the agreement with Tietoevry Industry on the Edlevo Student Administration product for the City of Stockholm's School Platform. The product was initially taken into use in 2015 with a view to enhancing administrative processes for school administrators and making administrative data available to other systems within education. The extension is valid until end of 2026.

In October, Cambio Healthcare Systems, the leading Scandinavian supplier of e-health solutions, further deepened its cooperation with Tietoevry as its IT partner in the area of application operations. Tietoevry Tech Services will supply the customer with technical teams with deep understanding of Cambio's software for operational services. Following a long-lasting partnership, the parties have reached a co-operation model in which Tietoevry Tech Services supplies infrastructure and services to Cambio, which in turn supplies healthcare information systems to nine regions in Sweden.

In October, Tietoevry Create signed a contract extension for maintenance and development of all LocalTapiola's Contact Center area solutions. The contract also includes a modernization project to introduce a number of new features for LocalTapiola's Meeting Scheduling and Video Meeting Solutions. Over 2 000 of LocalTapiola's employees currently utilize these solutions, which include voice channel, secure mail, chat, chatbot, meeting scheduling and video meeting.

In November, Tietoevry Tech Services and LocalTapiola entered into a new collaboration agreement, focusing on enhanced quality and cost effectiveness by leveraging modernization and cloud services. This new agreement builds upon and reinforces the long-standing strategic ICT partnership and supports the implementation of LocalTapiola's strategy. The contract covers a five-year period with a total value of EUR 44 million. LocalTapiola also has the option to extend the contract for two additional years. The agreement demonstrates Tietoevry's strong customer-centric approach and ability to implement comprehensive ICT modernization that supports LocalTapiola's business needs.

In November, the Wellbeing Services County of North Ostrobothnia chose Tietoevry Care to consolidate 14 separate Electronic Health records instances into one centralized solution. Furthermore, the system will be updated to the newest Lifecare version. The consolidation will enhance usability for end-users via simpler maintenance and troubleshooting. Maintaining one central system is also more cost efficient and secure. Value of the agreement is EUR 4 million.

In December, the Eco-Lighthouse Foundation signed a contract with Tietoevry Create to further develop the foundation's Eco-Lighthouse Portal. Over 10 000 businesses, ranging from small and medium-sized individual enterprises to large corporations and municipalities, are certified by Eco-Lighthouse. Eco-Lighthouse certification is recognized by authorities for public procurement and approved as environmental documentation in tender competitions. The solution supporting the foundation's work and customer interaction has been developed and maintained by Tietoevry Create. The duration of the frame agreement is three years with options to extend.

In December, the company announced that Tietoevry Banking won a Nordic Tier 1-bank contract to deliver card issuing and payments software solutions. Tietoevry Banking has a mandate to undertake a major overhaul of the card issuing and payments infrastructure. The company will deliver a market-leading SaaS solution that will enable a wide range of modern payment services including credit and debit cards for households and corporate clients and digital wallets. Specifically, Tietoevry Banking will upgrade the Card Management System for their client's entire portfolio of more than 5 million cards which are used for around 200 million transactions on a monthly basis.

In December, Norion Bank chose Tietoevry Industry to deliver a Multichannel solution across the Nordic countries and Germany. Collector Bank, currently Norion Bank (following a name change in 2023), has been Tietoevry's customer since 2015. The client's robust confidence in Tietoevry is largely attributed to effective support and the delivery teams that have worked consultatively and proactively with Norion Bank.

In December, Tolletaten extended its agreements with Tietoevry Industry on network delivery, utilizing Tietoevry Industry's BIX – Business Information Exchange solutions. Through the agreements, Tietoevry is supporting the handling of all customs declarations between businesses and the Norwegian customs authorities – in practice, all import and export of goods across the Norwegian border. The agreement is critical to the society and the customer has set very high requirements for uptime. In 2023, Tietoevry delivered 100% uptime.

In December, Tietoevry Tech Services made a new agreement with AFRY AB. The agreement, covering IT outsourcing and introducing AIOps/DigiOps for efficient platform management, ensures flexible and scalable services to support growth and helps AFRY obtain a cost-efficient, modern and productive workplace. The partnership covers management and support for IT services to AFRY's global IT organization worldwide.

In December, Gassco made several purchase orders based on the IT main agreement with Tietoevry within different consulting areas: network and security, server and datacenter, service desk, OT (Operational Technology) application operations, cloud and hardware/software deliveries. The orders were made for deliveries in 2024. After 20 years of partnership, the scope of the collaboration between Gassco and Tietoevry has expanded, proving the ability to adapt, innovate, develop and collaborate together, and providing Gassco's owner, partners and customers with increased opportunities for safe and stable operation of Norway's gas deliveries.

In December, Tietoevry Create expanded its foothold in consulting and design for social and healthcare services by winning a tender for professional services, organized by DigiFinland. The call for tenders included two areas: procurements, agreements, benefit indicators, a business model and a pricing model, as well as design, service design and joint development. The procurement was put out to tender under the Hansel IT consulting 2023–2028 DPS framework agreement. Tietoevry Create was selected as the primary partner as its proposals received the best ratings for expertise and team interviews. Tietoevry Create's extensive expertise in the design of social and healthcare services and customer-focused design played a decisive role.

# Changes in Group structure

Tietoevry established new companies in countries such as Romania and Malaysia during the year. Furthermore, new companies related to the strategic reviews of Tietoevry Banking and Tietoevry Tech Services were established in Estonia, Finland, India, Latvia, Lithuania, Norway, Poland and Sweden.

Tietoevry acquired MentorMate, LLC in the US, MentorMate Bulgaria EOOD and MentorMate Paraguay S.R.L. in July.

# Shareholders' Meeting

Tietoevry Corporation's Annual General Meeting (AGM) held on 23 March approved the financial statements 2022 and discharged the company's officers from liability for the financial year 2022. The meeting also approved the Remuneration Report and an amendment to Section 10 of the Articles of Association according to which the Board of Directors can also decide that the General Meeting will be held with the help of a data communication connection and a technical aid during the meeting. The AGM decided on a total dividend of EUR 1.45 per share, paid in two instalments.

The meeting re-elected Tomas Franzén, Liselotte Hågertz Engstam, Harri-Pekka Kaukonen, Katharina Mosheim and Endre Rangnes. Bertil Carlsén, Elisabetta Castiglioni, Gustav Moss and Petter Söderström were elected as new members. Tomas Franzén was re-elected as the Chairperson of the Board of Directors.

# Shareholders' Nomination Board

The composition of the Shareholders' Nomination Board for Tietoevry Corporation was determined based on holdings on 31 August 2023 in the Finnish, Norwegian and Swedish shareholders' registers and received evidence. The Shareholders' Nomination Board comprises the following members:

- Chairperson Annareetta Lumme-Timonen, Investment Director, Solidium
- Alexander Kopp, Investment Manager, Incentive
- Alexander Svensson, Vice President, Cevian Capital
- Mikko Lantto, Chief Technology and Development Officer, Ilmarinen
- Tomas Franzén, Chairperson of the Board of Directors, Tietoevry.

# Management

The appointment of Klaus Andersen as CEO of Tietoevry Banking took effect on 1 February. Satu Kiiskinen was appointed Managing Director of Tietoevry Tech Services, effective 1 April.

Carsten Henke was appointed as Managing Director of Tietoevry Industry, effective 1 November 2023.

# Auditors

The AGM 2023 elected the firm of authorized public accountants Deloitte Oy as the company's auditor for the financial year 2023. Deloitte Oy notified the company that Authorized Public Accountant Jukka Vattulainen acts as principal auditor.

# Shares

Tietoevry's issued and registered share capital amounts to EUR 76 555 412.00. On 31 December, the number of shares totalled 118 425 771. Tietoevry's shares have no par value and their book counter value is one euro. The company's shares are listed on NASDAQ in Helsinki and Stockholm and Oslo Børs. The company has one class of shares, with each share conferring equal dividend rights and one vote.

The company had around 65 424 registered shareholders at the end of 2023 based on the ownership records of the Finnish, Swedish and Norwegian central securities depositories. Tietoevry received the following flagging announcements during the year:

- On 10 March, Cevian Capital Partners announced that its holding has fallen below 5%.
- On 9 August, Silchester International Investors LLP announced that its holding had increased to 11 873 031 shares, representing 10.03% of the total number of shares. On 25 August, the holding had increased to 10.61%, including 5 937 483 shares held by Silchester International Investors International Value Equity Trust, representing 5.01% of the total number of shares.

On 31 December, Tietoevry had three shareholders holding 5% or more of the shares: Solidium Oy, Silchester International Investors LLP and Incentive Investment Funds.

In February, Tietoevry purchased 325 000 own shares (0.27% of the total number of shares) in trading organized by Nasdaq Helsinki Ltd. The average purchase price was EUR 29.9745 per share. Related to the company's share-based reward plans, a total of 302 789 shares held by Tietoevry (0.26% of the total number of shares) were transferred to the participants of the plan during the first quarter. At the end of the year, the number of shares in the company's or its subsidiaries' possession totalled 34 679, representing 0.03% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 118 391 092.

The members of the Board of Directors, the President and CEO and their close associates together held 0.13% of the shares and votes registered in the book-entry system on 31 December 2023. The President and CEO is also participating in the company's long-term share-based incentive plans and potential rewards will be paid partly in Tietoevry shares. As the number of additional shares related to these incentives is dependent on the company's performance, these are not included in this aggregate number.

The company's Articles of Association include a restriction on voting at the Annual General Meeting, where no-one is allowed to vote with more than one-fifth of the votes represented at the meeting. The Articles of Association are available at [www.tietoevry.com/investors](http://www.tietoevry.com/investors).

# Dividend

The distributable funds of the parent company amount to EUR 1 417.7 million, of which net profit for 2023 amounts to EUR 119.7 million. The Board of Directors proposes to the Annual General Meeting that for the financial year ended on 31 December 2023, a dividend of EUR 1.47 per share be paid from the distributable profits of the company. The Board of Directors proposes that the dividend shall be paid in two instalments:

- The first dividend instalment of EUR 0.735 per share shall be paid to shareholders who on the record date for the dividend payment on 15 March 2024 are 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 0.735 per share shall be paid to shareholders who on the record date for the dividend payment on 23 September 2024 are recorded in the shareholders' registers.

The proposed dividend payout does not endanger the solvency of the company.

# 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.

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. The geopolitical situation remains unstable and has resulted in a weaker economic outlook as well as higher inflation and energy prices in the company's main markets.

Market volatility has grown, which may result in less or postponement of investments by customers and lower-level customer engagements. 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. The company's ability to adapt, innovate, and maintain strong client relationships is crucial in navigating the challenges.

New disruptive technologies drive customer demand towards standardized and less labour-intensive solutions where automation plays an important role. These changes may result in, for example, accelerated volume reductions in traditional infrastructure services and the need for further efficiency and potential restructuring. Artificial Intelligence (AI), General AI and machine learning can be used for purposes such as support or development, and the usage of AI can involve risks, such as privacy, fairness concerns, and ethical dilemmas. Also, training AI models can consume significant amount of energy, having a negative impact on carbon emissions and energy costs.

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 20% of its revenue, with Tietoevry Banking and Tech Services 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. Tietoevry experienced a criminal malicious attack on one platform in one of its data centres in Sweden in January 2024. While the company currently anticipates that the financial impact will not be material and is partly covered by the company's insurance, typically relating to direct damages, it recognizes some risks related to customer claims, insurance coverage, costs for potential legal procedures and reputation. Tietoevry has taken every possible action to restore the impacted systems and ensure customer confidence.

Tietoevry operates in multiple jurisdictions and is required to comply with a wide range of laws and regulations enacted both at the European and international level, e.g. data protection and privacy laws, public procurement, anti-corruption, health and safety regulations, environmental regulations, labour regulations, competition regulations as well as securities markets, corporate and tax laws. Failing to comply with the regulations or implement new requirements may subject the company to regulatory interventions or penalties.

## Events after the period

On 9 January, Tietoevry announced that Christian Pedersen, Managing Director of Tietoevry Create since 2022, had decided to pursue interests outside of Tietoevry. Following this, Harri Salomaa was appointed as Acting Managing Director of Tietoevry Create effective 9 January 2024.

In February, Tietoevry's Board of Directors approved the demerger plan concerning a partial demerger of Tietoevry as part of the strategic review and separation process of Tietoevry Banking. Tietoevry Banking is proposed to be separated as a standalone company to be listed on Nasdaq Helsinki. The transaction is subject to shareholder approval at an Extraordinary General Meeting. Tietoevry's Board of Directors retains the optionality to pursue other alternatives for Tietoevry Banking before completion of the demerger, if in the best interests of Tietoevry and its shareholders. Tietoevry has secured in its preparations for the demerger sufficient financing for the demerging businesses with EUR 852 million backup and term loan facilities from certain Nordic banks.

## Financial calendar 2024

29 February      Annual Report 2023  
13 March        Annual General Meeting

### Tietoevry will publish three interim reports in 2024:

25 April        Interim report 1/2024 (9:00 a.m. EEST)  
23 July         Interim report 2/2024 (9:00 a.m. EEST)  
24 October     Interim report 3/2024 (9:00 a.m. EEST)



## Consolidated interim financial statements

## Income statement

	2023	2022	2023	2022	Change
EUR million	10–12	10–12	1–12	1–12	%
Revenue	752.2	767.7	2 851.4	2 928.1	-3
Other operating income	8.6	33.4	22.2	50.2	-56
Materials and services	-149.1	-147.0	-567.2	-570.5	-1
Employee benefit expenses	-402.9	-395.4	-1 566.0	-1 597.2	-2
Depreciation and amortization	-38.4	-38.7	-152.4	-162.3	-6
Impairment losses	-2.1	-20.2	-4.8	-20.2	-76
Other operating expenses	-84.6	-97.0	-328.9	-362.6	-9
Share of results in joint ventures	0.4	0.4	1.3	1.0	27
<b>Operating profit (EBIT)</b>	<b>84.1</b>	<b>103.2</b>	<b>255.6</b>	<b>266.5</b>	<b>-4</b>
Interest and other financial income	-2.6	1.5	23.7	3.9	> 100
Interest and other financial expenses	-11.4	-7.1	-61.7	-26.2	> 100
Net foreign exchange gains/losses	0.4	-2.0	3.1	-1.4	> 100
<b>Profit before taxes</b>	<b>70.5</b>	<b>95.5</b>	<b>220.8</b>	<b>242.8</b>	<b>-9</b>
Income taxes	-15.5	-20.8	-48.6	-54.2	-10
<b>Net profit for the period</b>	<b>55.0</b>	<b>74.7</b>	<b>172.2</b>	<b>188.6</b>	<b>-9</b>
<b>Net profit for the period attributable to</b>					
Owners of the Parent company	55.0	74.7	172.2	188.6	-9
<b>Earnings per share attributable to owners of the Parent company, EUR per share</b>					
Basic	0.46	0.63	1.45	1.59	-9
Diluted	0.46	0.63	1.45	1.59	-9

## Statement of other comprehensive income

	2023	2022	2023	2022	Change
EUR million	10–12	10–12	1–12	1–12	%
Net profit for the period	55.0	74.7	172.2	188.6	-9
Items that may be reclassified subsequently to profit or loss					
Translation differences	19.6	-7.7	-99.8	-126.7	-21
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plans, net of tax	0.1	-2.4	0.5	1.6	-68
<b>Total comprehensive income</b>	<b>74.7</b>	<b>64.6</b>	<b>72.9</b>	<b>63.5</b>	<b>15</b>
<b>Total comprehensive income attributable to</b>					
Owners of the Parent company	74.7	64.6	72.9	63.5	15

## Statement of financial position

### Assets

	2023	2022	Change
EUR million	31 Dec	31 Dec	%
Goodwill	1 907.3	1 846.5	3
Other intangible assets	339.6	336.7	1
Property, plant and equipment	88.8	97.2	-9
Right-of-use assets	195.9	201.9	-3
Interests in joint ventures	11.6	14.2	-19
Deferred tax assets	11.8	14.6	-19
Defined benefit plan assets	1.0	0.6	85
Other financial assets at amortized cost	15.1	15.0	1
Other financial assets at fair value	0.6	0.6	0
Other non-current receivables	34.7	20.6	68
<b>Total non-current assets</b>	<b>2 606.4</b>	<b>2 548.0</b>	<b>2</b>
Inventories	8.6	5.6	53
Trade and other receivables	653.6	550.2	19
Financial assets at fair value	17.5	23.6	-26
Current tax assets	12.7	16.8	-24
Cash and cash equivalents <sup>1)</sup>	219.6	249.7	-12
<b>Total current assets</b>	<b>912.0</b>	<b>845.8</b>	<b>8</b>
<b>Total assets</b>	<b>3 518.4</b>	<b>3 393.8</b>	<b>4</b>

<sup>1)</sup> Cash and cash equivalents include restricted cash of EUR 28.5 million (EUR 14.0 million as of 31 Dec 2022), including EUR 18.2 (14.0) million held within bank accounts in Ukraine, as well as EUR 10.3 million restricted for 3 working days in connection with the sale of a data centre and office building in Norway at year-end.

### Equity and liabilities

	2023	2022	Change
EUR million	31 Dec	31 Dec	%
Share capital, share issue premiums and other reserves	115.9	115.9	0
Invested unrestricted equity reserve	1 203.5	1 203.5	—
Retained earnings	293.0	399.9	-27
<b>Total equity</b>	<b>1 612.3</b>	<b>1 719.2</b>	<b>-6</b>
Loans	539.5	639.4	-16
Lease liabilities	161.4	155.9	4
Deferred tax liabilities	27.5	10.7	> 100
Provisions	2.5	2.6	-4
Defined benefit obligations	26.5	28.4	-7
Other non-current liabilities	10.8	21.0	-48
<b>Total non-current liabilities</b>	<b>768.4</b>	<b>858.0</b>	<b>-10</b>
Trade and other payables	636.0	616.7	3
Financial liabilities at fair value	4.9	2.0	> 100
Current tax liabilities	20.0	13.9	44
Loans	411.9	110.6	> 100
Lease liabilities	50.3	54.1	-7
Provisions	14.6	19.1	-24
<b>Total current liabilities</b>	<b>1 137.7</b>	<b>816.5</b>	<b>39</b>
<b>Total equity and liabilities</b>	<b>3 518.4</b>	<b>3 393.8</b>	<b>4</b>

## Statement of changes in shareholders' equity

EUR million	Owners of the Parent company						Total equity
	Share capital	Share premium and other reserves	Own shares	Cumulative translation differences	Invested unrestricted equity reserve	Retained earnings	
<b>31 Dec 2022</b>	<b>76.6</b>	<b>39.3</b>	<b>-0.3</b>	<b>-193.5</b>	<b>1 203.5</b>	<b>593.7</b>	<b>1 719.2</b>
<b>Comprehensive income</b>							
Net profit for the period	—	—	—	—	—	172.2	172.2
<b>Other comprehensive income, net of tax</b>							
Remeasurements of the defined benefit plans, net of tax	—	—	—	—	—	0.5	0.5
Translation differences	—	0.1	—	-83.3	—	-16.5	-99.8
<b>Total comprehensive income</b>	<b>—</b>	<b>0.1</b>	<b>—</b>	<b>-83.3</b>	<b>—</b>	<b>156.1</b>	<b>72.9</b>
<b>Transactions with owners</b>							
<b>Contributions and distributions</b>							
Share-based incentive plans	—	—	9.0	—	—	-7.3	1.7
Dividends	—	—	—	—	—	-171.7	-171.7
Repurchase of own shares	—	—	-9.8	—	—	—	-9.8
<b>Total transactions with owners</b>	<b>—</b>	<b>—</b>	<b>-0.8</b>	<b>—</b>	<b>—</b>	<b>-179.0</b>	<b>-179.7</b>
<b>31 Dec 2023</b>	<b>76.6</b>	<b>39.4</b>	<b>-1.1</b>	<b>-276.8</b>	<b>1 203.5</b>	<b>570.9</b>	<b>1 612.3</b>

EUR million	Owners of the Parent company						Total equity
	Share capital	Share premium and other reserves	Own shares	Cumulative translation differences	Invested unrestricted equity reserve	Retained earnings	
<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>Comprehensive income</b>							
Net profit for the period	—	—	—	—	—	188.6	188.6
<b>Other comprehensive income, net of tax</b>							
Remeasurements of the defined benefit plans, net of tax	—	—	—	—	—	1.6	1.6
Translation differences	—	-2.2	—	-127.5	—	2.9	-126.7
<b>Total comprehensive income</b>	<b>—</b>	<b>-2.2</b>	<b>—</b>	<b>-127.5</b>	<b>—</b>	<b>193.2</b>	<b>63.5</b>
<b>Transactions with owners</b>							
<b>Contributions and distributions</b>							
Share-based incentive plans	—	—	3.6	—	—	0.5	4.1
Dividends	—	—	—	—	—	-165.8	-165.8
Repurchase of own shares	—	—	-3.7	—	—	—	-3.7
<b>Total transactions with owners</b>	<b>—</b>	<b>—</b>	<b>-0.1</b>	<b>—</b>	<b>—</b>	<b>-165.3</b>	<b>-165.4</b>
<b>31 Dec 2022</b>	<b>76.6</b>	<b>39.3</b>	<b>-0.3</b>	<b>-193.5</b>	<b>1 203.5</b>	<b>593.7</b>	<b>1 719.2</b>

## Statement of cash flows

	2023	2022	2023	2022
EUR million	10–12	10–12	1–12	1–12
<b>Cash flow from operating activities</b>				
Net profit for the period	55.0	74.7	172.2	188.6
Adjustments				
Depreciation, amortization and impairment losses	40.5	58.9	157.2	182.5
Profit/loss on sale of property, plant and equipment, and business operations	-6.1	-0.4	-7.0	7.8
Share of results in joint ventures	-0.4	-0.4	-1.3	-1.0
Other adjustments	2.3	0.3	12.2	-7.5
Net financial expenses	13.6	7.7	34.9	23.7
Income taxes	15.5	20.8	48.6	54.2
Change in net working capital	28.4	34.2	-95.2	-82.1
<b>Cash generated from operating activities before interests and taxes</b>	<b>148.8</b>	<b>195.8</b>	<b>321.5</b>	<b>366.2</b>
Net financial expenses paid	3.4	-7.0	-29.1	-30.8
Dividends received	-0.1	—	1.3	1.4
Income taxes paid	0.8	-22.4	-27.7	-59.8
<b>Cash flow from operating activities</b>	<b>152.9</b>	<b>166.3</b>	<b>266.1</b>	<b>276.9</b>
<b>Cash flow from investing activities</b>				
Acquisition of business operations, net of cash acquired	2.4	—	-156.3	—
Capital expenditure	-26.9	-24.9	-84.1	-95.4
Disposal of business operations, net of cash disposed	0.0	0.3	0.4	-0.3
Proceeds from sale of property, plant and equipment	10.2	0.2	10.6	0.5
Change in loan receivables	0.4	1.2	0.1	3.2
<b>Cash flow used in investing activities</b>	<b>-13.9</b>	<b>-23.2</b>	<b>-229.3</b>	<b>-92.0</b>
<b>Cash flow from financing activities</b>				
Dividends paid	-85.8	-82.9	-171.7	-165.8
Repurchase of own shares	—	—	-9.8	-3.7
Repayments of lease liabilities	-13.7	-16.3	-58.1	-66.3
Proceeds from short-term borrowings	75.7	—	195.2	—
Repayments of short-term borrowings	-31.6	6.2	-131.3	-1.5
Proceeds from long-term borrowings	—	—	214.0	—
Repayments of long-term borrowings	-29.8	-13.1	-99.5	-13.1
<b>Cash flow used in financing activities</b>	<b>-85.2</b>	<b>-106.1</b>	<b>-61.2</b>	<b>-250.4</b>
<b>Change in cash and cash equivalents</b>	<b>53.8</b>	<b>37.0</b>	<b>-24.5</b>	<b>-65.4</b>
Cash and cash equivalents at the beginning of period	164.4	222.6	249.7	323.8
Foreign exchange differences	1.5	-10.0	-5.5	-8.6
Change in cash and cash equivalents	53.8	37.0	-24.5	-65.4
<b>Cash and cash equivalents at the end of period<sup>1)</sup></b>	<b>219.6</b>	<b>249.7</b>	<b>219.6</b>	<b>249.7</b>

<sup>1)</sup> Cash and cash equivalents include restricted cash of EUR 28.5 million (EUR 14.0 million as of 31 Dec 2022), including EUR 18.2 (14.0) million held within bank accounts in Ukraine, as well as EUR 10.3 million restricted for 3 working days in connection with the sale of a data centre and office building in Norway at year-end.

# Notes to the interim financial statements

This interim report is unaudited and it is prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended 31 December 2023. Amendments to International Financial Reporting Standards (IFRS) which have been effective from 1 January 2023 have had no material impact on the Group's financial statements.

All figures presented in this interim report have been rounded and consequently, the sum of individual figures may deviate from the sum totals presented. 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 license sales for Tietoevry's industry-specific software.

## 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 of judgement where a different opinion could result in significant changes to reported results are the same as reported in the 2023 consolidated financial statements.

## Acquisitions and divestments

On 21 July, Tietoevry announced that it had acquired MentorMate, a digital engineering company headquartered in Minneapolis, the US, from Taylor Corporation. The enterprise value of the MentorMate acquisition was EUR 161.8 million and the acquisition was financed with a new five-year term loan. The preliminary purchase price allocation results in approximately EUR 137.4 million of goodwill and EUR 22.5 million of identified intangible assets.

During the first quarter, Tietoevry sold its wood supply software business to Vela Software International Inc., which is headquartered in Toronto, Canada. Conditions to complete the divestment have been fulfilled and the transaction is closed. Revenue of the divested business amounted to approximately EUR 3.0 million in 2022 and the number of employees was approximately 30 across Sweden, Finland and India. The wood supply software business was part of Tietoevry Industry. The gain recognised on the disposal was EUR 0.9 million.

## Other operating income and impairment losses

Tietoevry Tech Services completed a sale and partial leaseback transaction in December 2023 with the sale of a data centre and office building in Norway for total consideration of EUR 11.2 million. The net liability for the partial leaseback amounts to EUR 3.6 million. Tietoevry Tech Services recognized a net gain of EUR 6.0 million on the sale in other operating income.

In December 2023, as a result of annual impairment testing, Tietoevry Create recognized a goodwill impairment loss of EUR 2.1 million for the carrying value of Tieto Esy Oy. During the first half, Tietoevry recognised impairment losses on lease agreements for office and other facilities in Finland and Czech Republic totalling EUR 2.7 million.

## Events after the end of the reporting period

On 9 January, Tietoevry announced that Christian Pedersen, Managing Director of Tietoevry Create since 2022, had decided to pursue interests outside of Tietoevry. Following this, Harri Salomaa was appointed as Acting Managing Director of Tietoevry Create effective 9 January 2024.

In February, Tietoevry's Board of Directors approved the demerger plan concerning a partial demerger of Tietoevry as part of the strategic review and separation process of Tietoevry Banking. Tietoevry Banking is proposed to be separated as a standalone company to be listed on Nasdaq Helsinki. The transaction is subject to shareholder approval at an Extraordinary General Meeting. Tietoevry's Board of Directors retains the optionality to pursue other alternatives for Tietoevry Banking before completion of the demerger, if in the best interests of Tietoevry and its shareholders. Tietoevry has secured in its preparations for the demerger sufficient financing for the demerging businesses with EUR 852 million backup and term loan facilities from certain Nordic banks.

# Segment information

Tietoevry Group is comprised of five operating segments: Tietoevry Create, Tietoevry Banking, Tietoevry Care, Tietoevry Industry, and Tietoevry Tech Services. From 1 April 2023, Tietoevry Transform and Tietoevry Connect were combined to form Tietoevry Tech Services. The financials of Tietoevry Tech Services are reported as a new segment from the second quarter of 2023. Comparative information was restated and published on 27 June 2023.

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 a market-terms 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 market-leading vendor in the Nordics and expanding in international markets. Tietoevry Create has competence centres in Europe, India, China and the Americas – 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 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 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. Tietoevry Industry has extensive industry knowledge and in-depth expertise in utilizing data to create insights and add value across core business and operational processes.

## Tietoevry Tech Services

Tietoevry Tech Services 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 application and data services, cloud platforms and security services, traditional Infrastructure services and user experience services. It drives enterprise-wide transformation for customers from modernizing existing IT infrastructure and the renewal of core business applications to next-generation services and data and AI services. Tietoevry Tech Services is the leading provider of managed services in the Nordics, and delivers services to customer operations in more than 90 countries.

## Revenue by segment

	2023	2022	Change	2023	2022	Change
EUR million	10–12	10–12	%	1–12	1–12	%
Tietoevry Create	228.5	219.8	4	851.2	849.0	0
Tietoevry Banking	149.6	156.4	-4	567.2	571.1	-1
Tietoevry Care	62.3	63.0	-1	236.5	231.4	2
Tietoevry Industry	68.6	69.7	-2	262.6	272.6	-4
Tietoevry Tech Services	277.0	298.1	-7	1 074.7	1 171.4	-8
Eliminations	-33.8	-39.2	-14	-140.7	-167.4	-16
<b>Group total</b>	<b>752.2</b>	<b>767.7</b>	<b>-2</b>	<b>2 851.4</b>	<b>2 928.1</b>	<b>-3</b>

## Customer revenue from fixed-price contracts by segment

	2023	2022	2023	2022
EUR million	10–12	10–12	1–12	1–12
Tietoevry Create	6.0	5.0	23.7	18.3
Tietoevry Banking	5.0	4.4	19.9	21.8
Tietoevry Care	0.1	2.4	3.0	3.5
Tietoevry Industry	0.9	0.5	2.6	2.5
Tietoevry Tech Services	7.1	5.0	25.0	15.6
<b>Group total</b>	<b>19.0</b>	<b>17.2</b>	<b>74.2</b>	<b>61.6</b>

## Operating profit (EBIT) by segment

	2023	2022	Change	2023	2022	Change
EUR million	10–12	10–12	%	1–12	1–12	%
Tietoevry Create	25.2	30.5	-17	94.9	91.2	4
Tietoevry Banking	15.0	18.5	-19	42.9	49.1	-13
Tietoevry Care	18.3	20.2	-9	68.9	72.2	-5
Tietoevry Industry	10.2	23.1	-56	36.9	51.9	-29
Tietoevry Tech Services	27.3	24.8	10	51.9	42.3	23
Non-allocated costs	-11.8	-13.9	-15	-39.8	-40.2	-1
<b>Group total</b>	<b>84.1</b>	<b>103.2</b>	<b>-19</b>	<b>255.6</b>	<b>266.5</b>	<b>-4</b>

## Operating margin (EBIT) by segment

	2023	2022	Change	2023	2022	Change
%	10–12	10–12	pp	1–12	1–12	pp
Tietoevry Create	11.0	13.9	-3	11.1	10.7	0
Tietoevry Banking	10.0	11.8	-2	7.6	8.6	-1
Tietoevry Care	29.3	32.1	-3	29.1	31.2	-2
Tietoevry Industry	14.8	33.2	-18	14.0	19.0	-5
Tietoevry Tech Services	9.8	8.3	2	4.8	3.6	1
<b>Operating margin (EBIT)</b>	<b>11.2</b>	<b>13.4</b>	<b>-2</b>	<b>9.0</b>	<b>9.1</b>	<b>0</b>

## Personnel by segment

	End of period			Average		
	2023	2022	Change	Share	2023	2022
	1–12	1–12	%	%	1–12	1–12
Tietoevry Create	9 618	8 989	7	40	9 248	8 871
Tietoevry Banking	3 509	3 454	2	15	3 518	3 500
Tietoevry Care	1 557	1 480	5	6	1 539	1 425
Tietoevry Industry	1 644	1 682	-2	7	1 666	1 703
Tietoevry Tech Services	7 255	8 036	-10	30	7 621	8 214
Group functions	576	678	-15	2	589	689
<b>Group total</b>	<b>24 159</b>	<b>24 320</b>	<b>-1</b>	<b>100</b>	<b>24 181</b>	<b>24 401</b>

## Personnel by country

	End of period			Average		
	2023	2022	Change	Share	2023	2022
	1–12	1–12	%	%	1–12	1–12
Sweden	3 856	4 029	-4	16	3 980	4 097
Norway	3 922	3 990	-2	16	3 951	4 102
Finland	3 015	3 134	-4	12	3 101	3 151
India	4 308	4 499	-4	18	4 390	4 601
Czech Republic	2 381	2 694	-12	10	2 497	2 631
Ukraine	1 728	2 037	-15	7	1 835	2 135
Latvia	1 070	1 072	0	4	1 091	1 041
China	1 044	1 066	-2	4	1 053	978
Poland	839	776	8	3	833	720
Bulgaria	780	32	> 100	3	350	18
Other	1 217	991	23	5	1 100	929
<b>Group total</b>	<b>24 159</b>	<b>24 320</b>	<b>-1</b>	<b>100</b>	<b>24 181</b>	<b>24 401</b>
Onshore countries	11 370	11 687	-3	47	11 586	11 869
Offshore countries	12 789	12 633	1	53	12 595	12 533
<b>Group total</b>	<b>24 159</b>	<b>24 320</b>	<b>-1</b>	<b>100</b>	<b>24 181</b>	<b>24 401</b>

## Non-current assets by country

EUR million	2023	2022	Change
	31 Dec	31 Dec	%
Finland	110.9	119.0	-7
Sweden	110.7	120.1	-8
Norway	331.4	368.4	-10
Other	71.3	28.3	> 100
<b>Total non-current assets</b>	<b>624.3</b>	<b>635.8</b>	<b>-2</b>

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

## Depreciation by segment

EUR million	2023	2022	Change	2023	2022	Change
	10–12	10–12	%	1–12	1–12	%
Tietoevry Create	1.8	1.6	19	6.6	6.7	-1
Tietoevry Banking	1.3	1.2	11	4.8	4.8	2
Tietoevry Care	0.2	0.3	-5	1.0	0.9	8
Tietoevry Industry	0.2	0.2	17	0.7	0.6	16
Tietoevry Tech Services	10.8	10.7	1	44.6	42.4	5
Group functions	9.7	11.2	-14	40.8	48.4	-16
<b>Group total</b>	<b>24.0</b>	<b>25.1</b>	<b>-4</b>	<b>98.5</b>	<b>103.8</b>	<b>-5</b>

## Amortization of other intangible assets by segment

EUR million	2023	2022	Change	2023	2022	Change
	10–12	10–12	%	1–12	1–12	%
Tietoevry Create	0.0	0.0	0	0.1	0.1	-42
Tietoevry Banking	1.1	0.7	54	3.6	2.8	30
Tietoevry Care	0.6	0.4	55	2.5	1.6	50
Tietoevry Industry	0.1	0.1	-14	0.2	0.3	-14
Tietoevry Tech Services	1.6	1.1	48	5.4	6.5	-18
Group functions	0.1	0.1	-42	0.3	0.4	-26
<b>Group total</b>	<b>3.4</b>	<b>2.4</b>	<b>45</b>	<b>12.0</b>	<b>11.7</b>	<b>3</b>

## Amortization of acquisition-related intangible assets by segment

EUR million	2023	2022	Change	2023	2022	Change
	10–12	10–12	%	1–12	1–12	%
Tietoevry Create	3.1	2.4	31	10.0	10.1	-1
Tietoevry Banking	4.7	5.2	-9	19.3	21.6	-11
Tietoevry Care	0.0	0.0	0	0.2	0.2	-7
Tietoevry Industry	1.1	1.5	-26	4.7	6.2	-24
Tietoevry Tech Services	1.9	2.1	-10	7.7	8.7	-11
Group functions	—	—	—	—	—	—
<b>Group total</b>	<b>10.9</b>	<b>11.3</b>	<b>-3</b>	<b>41.8</b>	<b>46.7</b>	<b>-10</b>

## Impairment losses

In 2023, the Group recognised impairment losses on lease agreements for office and other facilities in Finland and Czech Republic totalling EUR 2.7 million. In addition, as a result of annual impairment testing, Tietoevry Create recognized a goodwill impairment loss of EUR 2.1 million for the carrying value of Tieto Esy Oy.

In 2022, Tietoevry Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. Capitalized development work specific for this customer was written-off resulting in an impairment loss of EUR 18.7 million. In addition, Tietoevry Tech Services recognized an impairment loss of EUR 1.4 million for the joint venture Tietollmarinen, and bought the remaining 30% share of the company. Tietollmarinen has been consolidated as a 100% owned subsidiary since 31 December 2022.

For more information, see [Notes to the interim financial statements](#).

# Financial assets and liabilities

## Derivatives

The nominal values of derivatives include 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.

### Nominal values of derivatives

	2023	2022
EUR million	31 Dec	31 Dec
Forward contracts outside hedge accounting at fair value through profit or loss	523.9	406.5
Interest rate swaps	280.0	40.0

### Fair values of derivatives

EUR million	31 Dec 2023			31 Dec 2022		
	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	5.8	-4.9	0.9	3.4	-2.0	1.4
Interest rate swaps	15.5	-20.0	-4.5	2.9	-2.9	—
<b>The fair values at the reporting date</b>	<b>21.3</b>	<b>-24.9</b>	<b>-3.6</b>	<b>6.3</b>	<b>-4.9</b>	<b>1.4</b>

Derivatives are used for economic hedging purposes only.

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

The fair values of interest rate swaps are based on the values of corresponding agreements confirmed by the banks.

### Fair value measurement of financial assets and liabilities

There have been no changes in fair value methodology and input levels: foreign exchange forward contracts and interest rate swaps are valued based on Level 2 inputs and Other financial assets at fair value through profit or loss (EUR 0.6 million on 31 Dec 2023), for which 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 11.6 million on 31 Dec 2023) 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

	2023	2022	2023	2022
	10–12	10–12	1–12	1–12
<b>Outstanding shares, end of period</b>				
Basic	118 391 092	118 413 303	118 391 092	118 413 303
Effect of dilutive share-based incentive plans	227 925	204 277	271 334	203 952
Diluted	118 619 017	118 617 580	118 662 426	118 617 255
<b>Outstanding shares, average</b>				
Basic	118 391 092	118 413 303	118 375 769	118 405 657
Effect of dilutive share-based incentive plans	227 925	204 277	271 334	203 952
Diluted	118 619 017	118 617 580	118 647 103	118 609 609
<b>Company's possession of its own shares</b>				
End of period	34 679	12 468	34 679	12 468
Average	34 679	12 468	50 002	20 114

# 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

	2023	2022	Change	2023	2022	Change
EUR million	10–12	10–12	%	1–12	1–12	%
Tietoevry Create	34.2	35.2	-3	114.0	117.3	-3
Tietoevry Banking	21.4	27.9	-23	68.9	81.3	-15
Tietoevry Care	18.7	20.3	-8	70.8	72.5	-2
Tietoevry Industry	11.4	12.6	-9	43.4	46.0	-6
Tietoevry Tech Services	28.3	30.0	-6	85.7	88.9	-4
Non-allocated costs	-5.6	-7.9	-29	-24.0	-26.8	-10
<b>Group total</b>	<b>108.4</b>	<b>118.0</b>	<b>-8</b>	<b>358.7</b>	<b>379.2</b>	<b>-5</b>

## Adjusted operating margin (EBITA) by segment

	2023	2022	Change	2023	2022	Change
%	10–12	10–12	pp	1–12	1–12	pp
Tietoevry Create	15.0	16.0	-1	13.4	13.8	-0
Tietoevry Banking	14.3	17.8	-4	12.1	14.2	-2
Tietoevry Care	30.1	32.2	-2	29.9	31.3	-1
Tietoevry Industry	16.6	18.1	-1	16.5	16.9	-0
Tietoevry Tech Services	10.2	10.1	0	8.0	7.6	0
<b>Adjusted operating margin (EBITA)</b>	<b>14.4</b>	<b>15.4</b>	<b>-1</b>	<b>12.6</b>	<b>13.0</b>	<b>-0</b>

## Reconciliation of adjusted operating profit (EBITA)

	2023	2022	2023	2022
EUR million	10–12	10–12	1–12	1–12
Operating profit (EBIT)	84.1	103.2	255.6	266.5
+ Amortization of intangible assets recognized at fair value from acquisitions	10.9	11.3	41.8	46.7
<b>Adjustment items:</b>				
- Capital gains <sup>1)</sup>	-6.1	-0.3	-6.9	-1.1
+ Strategic reviews <sup>2)</sup>	8.2	2.1	32.3	2.6
+/- Other M&A related items	0.8	0.4	1.5	1.7
+ Restructuring costs	4.7	1.2	11.1	12.6
+ Tietoevry Tech Services performance improvement programme	2.6	2.2	15.1	31.0
+ War in Ukraine and exit from Russia	0.8	0.7	3.2	13.3
+ Tietoevry integration	—	4.0	—	9.2
+/- Other items <sup>3)</sup>	2.3	-6.7	4.9	-3.3
<b>Adjusted operating profit (EBITA)</b>	<b>108.4</b>	<b>118.0</b>	<b>358.7</b>	<b>379.2</b>

<sup>1)</sup> Capital gains include a gain on the sale of property, plant and equipment.

<sup>2)</sup> The costs relating to strategic reviews are expected to total around 1.5–2.0% of Group revenue, distributed mainly over 2023 and 2024.

<sup>3)</sup> Include impairment losses, insurance compensation, settlement compensation, costs related to new strategy implementation, and other minor non-recurring items. See also [Notes to the interim financial statements](#).

## Other key figures

	2023	2022	2023	2022
	10–12	10–12	1–12	1–12
Adjusted earnings per share, EUR	0.63	0.73	2.14	2.36
Equity per share, EUR	13.62	14.52	13.62	14.52
Return on equity, 12-month rolling, %	10.3	10.7	10.3	10.7
Return on capital employed, 12-month rolling, %	9.8	9.9	9.8	9.9
Equity ratio, %	46.7	51.5	46.7	51.5
Interest-bearing net debt, EUR million	911.8	679.1	911.8	679.1
Gearing, %	56.6	39.5	56.6	39.5
Net debt/EBITDA	2.2	1.5	2.2	1.5
Capital expenditure, EUR million	28.1	24.3	85.3	92.9

## 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

	2023	2023	2023	2023	2022	2022	2022	2022
	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Earnings per share, EUR								
Basic	0.46	0.37	0.21	0.41	0.63	0.50	0.18	0.28
Diluted	0.46	0.37	0.21	0.41	0.63	0.50	0.18	0.28
Adjusted earnings per share, EUR	0.63	0.53	0.43	0.57	0.73	0.63	0.46	0.53
Equity per share, EUR	13.62	12.97	11.97	12.82	14.52	13.95	13.82	14.57
Return on equity, 12-month rolling, %	10.3	12.0	13.6	12.8	10.7	12.1	11.6	17.5
Return on capital employed, 12-month rolling, %	9.8	10.7	11.9	11.5	9.9	10.6	10.4	13.8
Equity ratio, %	46.7	45.3	45.7	44.6	51.5	49.8	48.7	48.1
Interest-bearing net debt, EUR million	911.8	953.9	735.2	632.2	679.1	700.3	716.2	586.2
Gearing, %	56.6	62.1	51.9	43.5	39.5	42.4	43.8	34.0
Net debt/EBITDA	2.2	2.1	1.6	1.3	1.5	1.6	1.6	1.1
Capital expenditure, EUR million	28.1	17.7	18.9	20.7	24.3	23.6	23.9	21.1

## Income statement

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Revenue	752.2	659.7	695.2	744.3	767.7	690.4	739.1	730.9
Other operating income	8.6	1.3	5.1	7.3	33.4	7.0	4.5	5.3
Materials and services	-149.1	-129.5	-138.3	-150.3	-147.0	-135.5	-150.3	-137.7
Employee benefit expenses	-402.9	-352.1	-397.9	-413.1	-395.4	-359.7	-414.0	-428.2
Depreciation, amortization and impairment losses	-40.5	-38.6	-37.5	-40.6	-58.9	-39.8	-41.6	-42.2
Other operating expenses	-84.6	-79.4	-85.4	-79.5	-97.0	-85.2	-98.1	-82.3
Share of results in joint ventures	0.4	0.3	0.1	0.5	0.4	0.3	0.1	0.2
<b>Operating profit (EBIT)</b>	<b>84.1</b>	<b>61.6</b>	<b>41.2</b>	<b>68.7</b>	<b>103.2</b>	<b>77.5</b>	<b>39.7</b>	<b>46.1</b>
Financial income and expenses	-13.6	-6.1	-8.7	-6.5	-7.7	-2.4	-9.2	-4.4
<b>Profit before taxes</b>	<b>70.5</b>	<b>55.6</b>	<b>32.4</b>	<b>62.2</b>	<b>95.5</b>	<b>75.1</b>	<b>30.5</b>	<b>41.7</b>
Income taxes	-15.5	-12.2	-7.1	-13.7	-20.8	-16.0	-8.7	-8.8
<b>Net profit for the period</b>	<b>55.0</b>	<b>43.4</b>	<b>25.3</b>	<b>48.5</b>	<b>74.7</b>	<b>59.1</b>	<b>21.8</b>	<b>32.9</b>

## Statement of financial position

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Goodwill	1 907.3	1 894.1	1 695.9	1 745.1	1 846.5	1 843.8	1 876.5	1 978.3
Other intangible assets	339.6	337.4	305.6	314.0	336.7	353.9	365.6	392.5
Property, plant and equipment	88.8	88.4	90.4	94.7	97.2	96.3	91.5	87.0
Right-of-use assets	195.9	201.9	201.4	207.8	201.9	190.4	200.9	188.8
Interests in joint ventures	11.6	13.2	12.6	14.0	14.2	15.4	15.3	17.2
Other non-current assets	63.3	45.1	46.6	50.4	51.4	54.5	57.7	62.8
<b>Total non-current assets</b>	<b>2 606.4</b>	<b>2 580.0</b>	<b>2 352.5</b>	<b>2 426.0</b>	<b>2 548.0</b>	<b>2 554.3</b>	<b>2 607.6</b>	<b>2 726.7</b>
Trade receivables and other current assets	692.4	718.2	634.2	618.0	596.1	596.0	598.5	604.9
Cash and cash equivalents	219.6	164.4	189.6	305.6	249.7	222.6	220.3	342.5
<b>Total current assets</b>	<b>912.0</b>	<b>882.6</b>	<b>823.8</b>	<b>923.6</b>	<b>845.8</b>	<b>818.7</b>	<b>818.8</b>	<b>947.4</b>
<b>Total assets</b>	<b>3 518.4</b>	<b>3 462.6</b>	<b>3 176.3</b>	<b>3 349.5</b>	<b>3 393.8</b>	<b>3 373.0</b>	<b>3 426.4</b>	<b>3 674.2</b>
<b>Total equity</b>	<b>1 612.3</b>	<b>1 536.0</b>	<b>1 417.1</b>	<b>1 454.1</b>	<b>1 719.2</b>	<b>1 652.3</b>	<b>1 636.0</b>	<b>1 725.0</b>
Non-current loans	701.0	708.9	752.8	802.9	795.3	830.8	838.6	871.8
Other non-current liabilities	67.4	62.7	57.7	61.7	62.7	60.8	64.3	72.7
<b>Total non-current liabilities</b>	<b>768.4</b>	<b>771.6</b>	<b>810.5</b>	<b>864.6</b>	<b>858.0</b>	<b>891.7</b>	<b>902.9</b>	<b>944.4</b>
Trade payables and other current liabilities	660.9	697.9	725.8	851.0	632.7	676.3	729.0	882.5
Provisions	14.6	17.7	19.4	14.6	19.1	28.0	32.1	33.7
Current loans	462.2	439.4	203.5	165.2	164.7	124.7	126.3	88.6
<b>Total current liabilities</b>	<b>1 137.7</b>	<b>1 155.0</b>	<b>948.7</b>	<b>1 030.8</b>	<b>816.5</b>	<b>829.0</b>	<b>887.5</b>	<b>1 004.8</b>
<b>Total equity and liabilities</b>	<b>3 518.4</b>	<b>3 462.6</b>	<b>3 176.3</b>	<b>3 349.5</b>	<b>3 393.8</b>	<b>3 373.0</b>	<b>3 426.4</b>	<b>3 674.2</b>

## Statement of cash flows

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10–12	7–9	4–6	1–3	10–12	7–9	4–6	1–3
<b>Cash flow from operating activities</b>								
Net profit for the period	55.0	43.4	25.3	48.5	74.7	59.1	21.8	32.9
Adjustments	65.4	61.6	55.1	62.4	86.9	53.6	69.5	49.6
Change in net working capital	28.4	-97.1	-40.7	14.2	34.2	-56.3	-56.7	-3.3
<b>Cash generated from operating activities before interests and taxes</b>	<b>148.8</b>	<b>7.8</b>	<b>39.8</b>	<b>125.2</b>	<b>195.8</b>	<b>56.4</b>	<b>34.7</b>	<b>79.2</b>
Net financial expenses paid	3.4	-5.9	-16.8	-9.9	-7.0	-6.4	-13.0	-4.5
Dividends received	-0.1	0.1	1.3	—	—	—	1.4	—
Income taxes paid	0.8	-4.0	-12.8	-11.6	-22.4	-9.9	-14.7	-12.7
<b>Cash flow from operating activities</b>	<b>152.9</b>	<b>-2.0</b>	<b>11.5</b>	<b>103.7</b>	<b>166.3</b>	<b>40.2</b>	<b>8.4</b>	<b>62.0</b>
<b>Cash flow from investing activities</b>	<b>-13.9</b>	<b>-175.8</b>	<b>-19.6</b>	<b>-20.1</b>	<b>-23.2</b>	<b>-23.4</b>	<b>-27.6</b>	<b>-17.8</b>
<b>Cash flow from financing activities</b>	<b>-85.2</b>	<b>156.2</b>	<b>-108.0</b>	<b>-24.2</b>	<b>-106.1</b>	<b>-16.6</b>	<b>-105.3</b>	<b>-22.4</b>
<b>Change in cash and cash equivalents</b>	<b>53.8</b>	<b>-21.6</b>	<b>-116.1</b>	<b>59.4</b>	<b>37.0</b>	<b>0.1</b>	<b>-124.4</b>	<b>21.8</b>
Cash and cash equivalents at the beginning of period	164.4	189.6	305.6	249.7	222.6	220.3	342.5	323.8
Foreign exchange differences	1.5	-3.6	0.1	-3.5	-10.0	2.3	2.1	-3.1
Change in cash and cash equivalents	53.8	-21.6	-116.1	59.4	37.0	0.1	-124.4	21.8
<b>Cash and cash equivalents at the end of period</b>	<b>219.6</b>	<b>164.4</b>	<b>189.6</b>	<b>305.6</b>	<b>249.7</b>	<b>222.6</b>	<b>220.3</b>	<b>342.5</b>

# Quarterly figures by segments

## Revenue by segment

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	228.5	195.5	204.5	222.8	219.8	203.8	209.6	215.9
Tietoevry Banking	149.6	135.4	139.8	142.3	156.4	135.6	143.2	135.9
Tietoevry Care	62.3	52.3	59.1	62.8	63.0	53.6	58.2	56.6
Tietoevry Industry	68.6	61.4	63.8	68.7	69.7	64.1	68.0	70.8
Tietoevry Tech Services	277.0	242.9	265.9	288.8	298.1	272.6	301.9	298.8
Eliminations	-33.8	-27.8	-38.0	-41.1	-39.2	-39.4	-41.9	-47.0
<b>Group total</b>	<b>752.2</b>	<b>659.7</b>	<b>695.2</b>	<b>744.3</b>	<b>767.7</b>	<b>690.4</b>	<b>739.1</b>	<b>730.9</b>

## Operating profit (EBIT) by segment

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	25.2	17.2	21.3	31.2	30.5	23.9	11.7	25.1
Tietoevry Banking	15.0	10.8	8.2	8.9	18.5	14.9	5.6	10.1
Tietoevry Care	18.3	15.9	15.8	19.0	20.2	18.1	17.4	16.5
Tietoevry Industry	10.2	8.5	7.1	11.1	23.1	9.5	8.6	10.6
Tietoevry Tech Services	27.3	15.6	-2.3	11.4	24.8	16.2	8.6	-7.3
Non-allocated costs	-11.8	-6.3	-8.9	-12.8	-13.9	-5.2	-12.3	-8.8
<b>Group total</b>	<b>84.1</b>	<b>61.6</b>	<b>41.2</b>	<b>68.7</b>	<b>103.2</b>	<b>77.5</b>	<b>39.7</b>	<b>46.1</b>

## Operating margin (EBIT) by segment

	2023	2023	2023	2023	2022	2022	2022	2022
%	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	11.0	8.8	10.4	14.0	13.9	11.7	5.6	11.6
Tietoevry Banking	10.0	8.0	5.9	6.2	11.8	11.0	3.9	7.4
Tietoevry Care	29.3	30.3	26.7	30.3	32.1	33.8	29.9	29.1
Tietoevry Industry	14.8	13.9	11.1	16.1	33.2	14.8	12.7	15.0
Tietoevry Tech Services	9.8	6.4	-0.9	3.9	8.3	6.0	2.9	-2.5
<b>Operating margin (EBIT)</b>	<b>11.2</b>	<b>9.3</b>	<b>5.9</b>	<b>9.2</b>	<b>13.4</b>	<b>11.2</b>	<b>5.4</b>	<b>6.3</b>

## Adjusted operating profit (EBITA) by segment

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	34.2	21.5	24.2	34.2	35.2	27.1	25.8	29.2
Tietoevry Banking	21.4	18.0	14.8	14.7	27.9	21.2	16.6	15.6
Tietoevry Care	18.7	15.9	17.1	19.1	20.3	18.2	17.5	16.6
Tietoevry Industry	11.4	10.9	9.4	11.8	12.6	10.8	11.6	11.1
Tietoevry Tech Services	28.3	23.0	13.2	21.1	30.0	25.3	15.1	18.4
Non-allocated costs	-5.6	-3.7	-5.7	-9.0	-7.9	-4.6	-7.9	-6.3
<b>Group total</b>	<b>108.4</b>	<b>85.6</b>	<b>72.9</b>	<b>91.9</b>	<b>118.0</b>	<b>97.9</b>	<b>78.7</b>	<b>84.6</b>

### Adjusted operating margin (EBITA) by segment

	2023	2023	2023	2023	2022	2022	2022	2022
%	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	15.0	11.0	11.8	15.3	16.0	13.3	12.3	13.5
Tietoevry Banking	14.3	13.3	10.6	10.3	17.8	15.6	11.6	11.5
Tietoevry Care	30.1	30.4	28.9	30.4	32.2	33.9	30.1	29.3
Tietoevry Industry	16.6	17.7	14.7	17.2	18.1	16.8	17.1	15.6
Tietoevry Tech Services	10.2	9.5	4.9	7.3	10.1	9.3	5.0	6.2
<b>Adjusted operating margin (EBITA)</b>	<b>14.4</b>	<b>13.0</b>	<b>10.5</b>	<b>12.3</b>	<b>15.4</b>	<b>14.2</b>	<b>10.7</b>	<b>11.6</b>

### Depreciation by segment

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	1.8	1.7	1.5	1.6	1.6	1.6	1.9	1.7
Tietoevry Banking	1.3	1.3	1.1	1.1	1.2	1.2	1.2	1.2
Tietoevry Care	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2
Tietoevry Industry	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Tietoevry Tech Services	10.8	11.9	11.0	10.9	10.7	10.7	10.5	10.6
Group functions	9.7	9.5	10.2	11.4	11.2	11.7	13.5	12.0
<b>Group total</b>	<b>24.0</b>	<b>24.8</b>	<b>24.3</b>	<b>25.4</b>	<b>25.1</b>	<b>25.6</b>	<b>27.4</b>	<b>25.7</b>

### Amortization of other intangible assets by segment

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Tietoevry Banking	1.1	0.9	0.8	0.8	0.7	0.7	0.7	0.7
Tietoevry Care	0.6	0.6	0.6	0.6	0.4	0.4	0.4	0.4
Tietoevry Industry	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Tietoevry Tech Services	1.6	1.3	1.3	1.2	1.1	1.1	1.1	3.3
Group functions	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1
<b>Group total</b>	<b>3.4</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>	<b>2.4</b>	<b>2.4</b>	<b>2.3</b>	<b>4.6</b>

### Amortization of acquisition-related intangible assets by segment

	2023	2023	2023	2023	2022	2022	2022	2022
EUR million	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	3.1	2.8	2.0	2.1	2.4	2.5	2.6	2.6
Tietoevry Banking	4.7	4.8	4.7	5.0	5.2	5.4	5.4	5.5
Tietoevry Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tietoevry Industry	1.1	1.1	1.1	1.4	1.5	1.6	1.6	1.6
Tietoevry Tech Services	1.9	1.9	1.9	2.0	2.1	2.2	2.2	2.2
Group functions	—	—	—	—	—	—	—	—
<b>Group total</b>	<b>10.9</b>	<b>10.7</b>	<b>9.8</b>	<b>10.5</b>	<b>11.3</b>	<b>11.7</b>	<b>11.8</b>	<b>11.9</b>

# Major shareholders on 31 Dec 2023

	Shares	%
1 Solidium Oy	12 857 918	10.9
2 Silchester International Investors LLP <sup>1)</sup>	11 873 031	10.0
3 Incentive Investment Funds ICAV <sup>2)</sup>	6 041 221	5.1
4 Ilmarinen Mutual Pension Insurance Company	1 966 644	1.7
5 Elo Mutual Pension Insurance Company	1 738 000	1.5
6 The State Pension fund	1 400 000	1.2
7 Nordea Life Assurance Finland Ltd.	826 541	0.7
8 Stiftelsen för Åbo Akademi	597 536	0.5
9 Nordea Pro Finland Fund	592 062	0.5
10 Society of Swedish Literature in Finland	590 800	0.5
<b>Top 10 shareholders total</b>	<b>38 483 753</b>	<b>32.5</b>
- of which nominee registered	17 914 252	15.1
Nominee registered other	50 820 204	42.9
Others	29 121 814	24.6
<b>Total</b>	<b>118 425 771</b>	<b>100.0</b>

The list of shareholders above is based on the ownership records of Euroclear Finland Oy, Euroclear Sweden AB and Norwegian Central Securities Depository (VPS) and also includes shareholders with a nominee registered holding exceeding the 5% threshold in accordance with Chapter 9, Section 5 of the Finnish Securities Markets Act. Their holding information is based on the latest notification.

On 10 March, Cevian Capital Partners Ltd announced that its holding has fallen below the 5% threshold. Based on Euroclear Finland Oy, the holding of Cevian Capital Partners Ltd on 31 August 2023 was 4 690 937 shares, representing 4.0% of the total amount.

<sup>1)</sup> On 9 August 2023, Silchester International Investors LLP announced that its holding has increased to 11 873 031 shares, representing 10.03% of the total number of shares. Based on Silchester International Investors LLP's announcement on 25 August, the aggregated holding was 10.61%, including shares held by Silchester International Investors International Value Equity Trust.

<sup>2)</sup> On 21 September 2021, Incentive AS announced that the holding of Incentive Investment Funds ICAV was 6 041 221 shares, representing 5.1% of the shares.

## For further information, please contact:

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A teleconference for analysts and media will be held on Thursday 15 February 2024 at 10.00 a.m. EEST (09.00 am CET, 08.00 am. 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](#).

To take part in the questions and answers session after the presentation you will need to dial in by phone. You can access the teleconference by registering on [this link](#). After the registration you will be provided phone numbers, user ID and a conference ID to access the conference.

The event is recorded and it will be available on demand later during the day. Tietoevry publishes its financial information in English and Finnish.

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