Q1 2020

Interim report

JANUARY–MARCH

Contents

About this report

Tieto's and EVRY's merger was concluded on 5 December 2019. This report is based on the official financial figures of TietoEVRY, with EVRY being consolidated as one reporting segment of TietoEVRY as from 5 December 2019. Comparative figures have not been restated.

COMPARABLE FINANCIAL INFORMATION for illustrative purposes (**pages 2 and 5**).

This was the first full quarter for TietoEVRY as a combined company. As additional information, the report includes comparable financial information with comparison figures for the EVRY reporting segment and businesses for the full period. EVRY's financial information until 5 December 2019 is prepared in accordance with its accounting policies. There are no material differences between EVRY's and TietoEVRY's accounting policies.

TietoEVRY will adopt a new reporting structure as from the second quarter of 2020 and release comparison figures prior to the publication of the respective interim report.

Solid performance - integration on schedule

- Organic growth of 3% driven by software business and cloud services
- Adjusted operating margin improved to 10.5%, driven especially by cloud and infrastructure business
- Measures in place to mitigate potential Covid-19 impact
- Integration proceeding well and end-of-year synergy run-rate increased from EUR 30-40 million to EUR 45-55 million

Key figures for the first quarter

(Comparable financial information for illustrative purposes)

- Revenue increased organically[1)] by 2.7%
- Adjusted operating profit[2)] amounted to EUR 78.2 (74.7) million, 10.5% (10.0) of revenue

	1–3/2020	1–3/2019
Revenue, EUR million	744.2	749.2
Change, %	-0.7	—
Organic growth[1)], %	2.7	—
Adjusted[2)] operating profit (EBIT), EUR million	78.2	74.7
Adjusted[2)] operating margin (EBIT), %	10.5	10.0
Order backlog	3 353	—
Net debt/EBITDA[3)]	2.7	—

[1)] Adjusted for currency effects and impact from acquisitions and divestments

[2)] Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability.

[3)] EBITDA is 12-month average including the full period for both Tieto and EVRY. This is in line with the additional debt due to the merger being included in net debt.

Full-year outlook for 2020 withdrawn

Due to the Covid-19 pandemic, the current economic outlook in TietoEVRY's main markets involves significant uncertainties. Given the uncertainties in the market outlook, it is not possible to estimate the potential impact of the pandemic on the company's profitability. Hence the full-year guidance was withdrawn on 27 March. Further guidance will be issued as soon as visibility to the market outlook has improved and significant uncertainties are cleared.

CEO's comment

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

"The quarter was characterized by significant integration milestones and our measures to cope with the initial implications of the Covid-19 outbreak. However, we achieved a good start for 2020 and our first post-merger quarter. I thank our employees for their continued commitment and attention to delivering business-critical services for many sectors across society.

Financially, the first quarter was solid, with organic growth of 3% and margin improvement to over 10%. The main growth drivers were our cloud services, a number of software businesses and digital consulting business in Norway. Profitability improvement was supported by continued attention on the company's cost structure and strong volume development in the cloud and infrastructure business.

The TietoEVRY merger and operational integration continues to proceed well and on schedule. Very importantly, we have been able to keep our attention focused on customer engagement and pursue important digitalization projects for the benefit of our customers. During the quarter, a new aligned organization and operating model was implemented - supported by extensive leadership appointments across all businesses and functions. The integration process has achieved several important milestones in combining the two companies into one new structure. To continue our efficiency improvement, we have recently also announced new employee consultations. Given the current pace of integration and continued pursuit of a competitive cost structure, we are increasing our anticipated end-of-year outlook for cost synergies.

The Covid-19 pandemic is affecting businesses and individual lives in many ways. Our priority is to safeguard the well-being of our employees and to protect services for our customers. This enables us to best contribute to the functioning of society during this period of uncertainty. We are pleased to have had the opportunity to join a consortium of companies to support the doubling of Covid-19 testing capacity in Finland. As the pandemic creates short-term uncertainties in demand, we have already initiated a number of short-term cost-saving activities to ensure cost competitiveness and financial health. It is our strong belief that once the pandemic has been overcome, our industry will be a growth sector and TietoEVRY will play an important part in the creation of the modern data-rich Nordic societies. With this in mind, our longer-term outlook remains positive with the ambition of continued performance improvement.

During these times of uncertainty, it is of utmost importance to emphasize and rely on our strong values of openness, trust and diversity. We need to emphasize humility and care in individual interactions more than ever before to compensate for global uncertainties. We have a strong belief that with this mindset we will come out of this era of uncertainty stronger - both in terms of values and attractiveness in the market."

TietoEVRY's quarter in brief

(Comparable financial information for illustrative purposes)

Growth of 3%

Organic growth totalled 3%. Software business contributed to growth, especially in the areas of Payments, Oil&Gas and Healthcare and Welfare – as did the continued strong development of cloud services. Negative currency effects had an impact of 3 percentage points on growth.

Improved performance

Adjusted operating margin improved from the previous year's corresponding level and was 10.5%. The improvement was primarily driven by strong volume development in the cloud and infrastructure business and the efficiency improvement programme initiated in 2019.

Prepared for the impact of Covid-19

While the impact of the Covid-19 pandemic was limited in the first quarter, it is expected that customers will delay some IT investments; the greatest business impact will be felt in the digital consulting business. TietoEVRY has initiated measures to secure the health and safety of employees and ensure critical services to customers as well as to minimize the financial impact of the pandemic. The company is prepared to dynamically resize its cost base.

Drive for merger-related efficiencies

A unified organization has now been established and the next step involves the drive for merger-related efficiencies. Employee consultation processes to ensure optimized operations and reduce overlaps have been initiated. Merger-related cost synergies are ahead of schedule and the company has increased its expectations for the run-rate of cost synergies from EUR 30-40 million to EUR 45-55 million by the end of 2020.

Prominent partner for customers

Supporting development of self-services

Geldmaat extended its collaboration with TietoEVRY on the delivery of the Sealbag service across the Netherlands. The service allows customers to make self-serviced deposits and drops of notes. The notes are packed in self-locking bags and dropped in safes operated via a sealbag processing mechanism.

Business modernization for globally leading companies

Ahlstrom-Munksjö, a global leader in fibre-based materials, extended its collaboration with TietoEVRY. The company’s renewal, based on TietoEVRY's Integrated Paper Solution (TIPS), continues to drive its business modernization at over 40 plants and will convert units globally. The new system automates Ahlstrom-Munksjö’s key business processes and improves internal agility. Digitalization also enhances customer experience and enables new business models and digital business.

Cloud services for the public sector in Sweden

TietoEVRY and Statens Service Center in Sweden agreed on a new service to deliver a comprehensive HR and payroll service Primula to 35 governmental authorities.

Partnership to accelerate digital transformation

Telenor extended its agreement with TietoEVRY on IT infrastructure and cloud services for four more years. The renewed partnership will ensure that Telenor will be able to accelerate its digital transformation, and simultaneously provides a high level of focus on security, agility and stability. The areas covered by the agreement include dynamic infrastructure (IaaS), application and database operations, storage services, end-user and data centre services. TietoEVRY will also participate in Telenor’s cloud journey as well as modernization and automation of business support tools.

Comparable financial information for illustrative purposes

This section includes comparable financial information with comparison figures for the EVRY reporting segment for the full period.

Financial performance

	Revenue, EUR million 1–3/2020	Revenue, EUR million 1–3/2019	Growth, %	Organic growth, %[2]	Adjusted[1] operating profit, EUR million 1–3/2020	Adjusted[1] operating profit, EUR million 1–3/2019	Adjusted[1] operating margin, % 1–3/2020	Adjusted[1] operating margin, % 1–3/2019
Digital Experience	123.4	129.7	-5	-4	15.6	19.3	12.6	14.9
Hybrid Infra	134.7	129.0	4	6	16.0	8.9	11.8	6.9
Industry Software	117.1	112.7	4	7	12.1	14.0	10.3	12.5
Product Development Services	37.8	36.8	3	5	4.6	4.5	12.1	12.3
EVRY	331.2	340.8	-3	3	34.8	33.8	10.5	9.9
Financial Services	86.7	91.0	-5	1	7.0	9.7	8.1	10.6
Sweden	77.9	82.8	-6	-4	3.9	3.1	5.0	3.8
Norway	154.4	154.1	0	8	17.9	16.1	11.6	10.4
Other	12.2	12.9	—	—	5.9	5.0	—	—
Segments total	**744.2**	**748.9**	**-1**	**3**	**83.0**	**80.6**	**11.2**	**10.8**
Other operations	0.0	0.3	-100	—	-4.9	-5.8	—	—
Total	**744.2**	**749.2**	**-1**	**3**	**78.2**	**74.7**	**10.5**	**10.0**

[1] Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

[2] Adjusted for currency effects and impact from acquisitions and divestments

In **Digital Experience**, revenue was organically down by 4%. Revenue was impacted by one large-scale customer insourcing in application services, concluded in the first half of 2019, as well as a contract transfer to a joint venture which had a negative impact of over 1%-point on growth. Adjusted operating margin of 12.6% (14.9) was affected by the decline in sales and continued over-run in one large project.

In **Hybrid Infra**, organic revenue growth of 6% was driven by infrastructure cloud[2], up by 19%. Security Services' revenue increased by 22% during the quarter. Deceleration of the decline in traditional infrastructure services continued and revenue remained at the previous year's level. Adjusted operating margin improved clearly from the previous year's level to 11.8% (6.9), supported by strong growth and the company's efficiency measures.

[2] Infrastructure as a Service and Platform as a Service

In **Industry Software**, revenue was organically up by 7%. The Payments solutions and the solution for the oil&gas sector were the main drivers of growth, with both experiencing growth of over 20%. Good growth in healthcare and welfare solutions continued, up by around 6%. The ongoing technological renewal of SmartUtilities continued to impact profitability. Adjusted operating margin amounted to 10.3% (12.5).

In **Product Development Services**, organic revenue growth amounted to 5%. Strong volume development with the largest key customers focused on radio and 5G technologies. Good development also continued in the automotive segment with new key customers. Adjusted operating margin was at the previous year's level at 12.1% (12.3).

Organic growth for the **EVRY** reporting segment totalled 3%. The strongest development was seen in Norway, where revenue adjusted for currency impact and acquisitions was up by 8%, driven by healthy growth in digital consulting. Growth in the quarter was also supported by the trend in Fulfilment Services, which carried out a number of large customer deliveries. Financial Services' revenue was up by 1%, while revenue in Sweden was down, mainly due to lower revenues within infrastructure services. Adjusted operating margin was 10.5%, an increase from 9.9% in the first quarter of 2019. Both Norway and Sweden reported improved operating margin. Financial Services reported lower operating margin, mainly due to lower volumes within the Card Business area, impacted by the Covid-19 pandemic.

IT market development

- The current economic outlook in TietoEVRY's main markets involves uncertainties and the company anticipates that the Covid-19 pandemic will have a negative impact on the IT market in 2020.
- Digital transformation continues. Customers aim to improve agility to adapt to rapid market changes.
- Business continuity and cost optimization continue to be a driver for investments. At the same time, innovations focus on driving superior experiences to customers.

Customers' investments focus on new digital services, business continuity and cost optimization. Cloud adoption, multi-cloud management and automation are anticipated to see double-digit growth over the next few years. In parallel, spending on traditional infrastructure services continues to decline. Development of new services may be affected by lower spending on IT in the wake of the weaker macroeconomic outlook. Industry analysts currently anticipate the IT market to decline in 2020, with estimates ranging from -3% to -7%.

In the longer term, a significant part of technology spend in consulting services is driven by solutions deriving value from data. Customers will continue to build their business around design, data and cloud-native applications. Customers are aiming to enhance their operational agility to continuously adapt to the dynamic market – and to deliver superior experiences to their customers through innovation. These form the core of customers' digital agenda as rapidly developing technologies, ecosystems and advanced analytics are enabling growth and efficiency improvement. The global market for product development services continues to develop favourably as the demand for advanced software engineering is expected to increase across several industry sectors.

Strategy to further enhance competitiveness

The change towards a more personalized and real-time world is accelerating and data is the key enabler of this development. TietoEVRY will continue to invest in competence development and offerings, thereby creating digital advantage for its clients and enhancing competitiveness further.

With deep insight into strategic and business drivers, TietoEVRY provides fit-for-purpose solutions for customers to increase their business agility, growth and innovation. The company's strengths include leading customer experience capabilities as well as stable, scalable and secure multi-cloud services driving adoption of public cloud technologies while ensuring business continuity, quality and efficiency. Furthermore, standout software that helps clients modernize core processes across the financial services, healthcare, public services, manufacturing and energy sectors is an asset for TietoEVRY.

Services to accelerate customers' digital agenda

TietoEVRY has chosen to focus on services enabling customers' competitiveness and providing TietoEVRY with the strongest growth potential. The company supports clients in their digital transformation through the design of differentiating service experiences, smart use of data and hybrid cloud solutions. The related services range from consulting to implementation and running the solutions. Strategic choices include:

- Focus on Nordic companies and public sector, building on deep customer knowledge
- Services and global capabilities to accelerate customers' digital agendas – Digital Consulting, Cloud & Infrastructure, Industry Software, Financial Services Solutions and Product Development Services
- International expansion enabled by selected Industry Software products, Financial Services and Product Development Services
- Healthy investments driving future competitiveness

Investments in scalable industry software continue

In addition to capabilities in digital consulting, TietoEVRY continues to invest in scalable industry software businesses and drive international expansion of selected globally competitive businesses. With strong capabilities and leading industry software, TietoEVRY is well positioned to deliver value for customers' business-critical processes.

With its active investments in end-to-end automation covering business processes, applications and technology infrastructure, TietoEVRY is well positioned to accelerate speed and agility in customers' operations.

Operating model to ensure faster time to market

TietoEVRY's operating model is designed to drive customer value across markets and technologies. The operating model consists of Country Teams, Service Lines and Support Functions. In addition, Product Development Services, providing advanced software R&D services, operates as a separate unit, serving their customers globally.

The Country Teams comprise the full capability of TietoEVRY and drive customer experience, quality and growth in that country. Service Lines are designed to bring competitive and scalable services to our customers and make all the capabilities available for each of the countries. TietoEVRY has four distinct Service Lines:

- Digital Consulting
- Cloud & Infra
- Industry Software and
- Financial Services Solutions.

- Product Development Services is led independently of the Country Teams and Service Lines.

Integration proceeding as planned - increased target for cost synergies

The merger of Tieto and EVRY, completed on 5 December 2019, is anticipated to create one of the most competitive digital services and software companies in the Nordics. With combined revenue of close to EUR 3 billion and 24 000 professionals, the combined company is well positioned to create digital advantage for enterprises and society. The transaction is highly complementary from a geographical, offering and customer perspective.

A unified organization has now been established and the next step involves the drive for merger-related efficiencies. Planning and implementation of these efficiencies will proceed throughout the integration.

The company has set itself the target of achieving EUR 75 million in cost synergies in the following synergy areas:

- **Services and go-to-market:** EUR 30-40 million - levers include consolidated managerial, sales and administrative roles, adoption of global delivery model and common processes, rationalization of offering portfolio and scale in combined investments
- **Support functions:** EUR 20-30 million - levers include consolidated managerial and administrative roles, harmonized applications and processes, optimized use of shared service centres
- **External costs:** EUR 20-30 million - levers include efficiency related to external purchases, consolidated supplier base, consolidated facilities in common locations.

The company has increased its expectation for the run-rate of cost synergies to EUR 45-55 million at the end of 2020, up from the previous expectation of EUR 30-40 million. Non-recurring implementation costs are anticipated to materialize by 2022 and amount to EUR 120-140 million.

Performance in 2020

Due to the Covid-19 pandemic, the current economic outlook in main markets involves uncertainties and the company anticipates that performance in 2020 will be affected by the pandemic.

Prepared for the impact of Covid-19

Customers are anticipated to delay some of their IT investments while resilience is anticipated to vary by business due to different contractual structures:

- Digital consulting: primarily short-term contracts while relationships with customers are long - application services with long-term agreements represent approximately 20% of consulting revenue
- Product development services: short contracts within long-term commitments contributing to customers' core development roadmaps - stability due to TietoEVRY's role in customers' key development areas
- Infrastructure services: primarily long-term commitments of 3-5 years - fluctuations in demand in some services in the short term, e.g. increase in network capacity while some onsite installations postponed
- Industry software, incl. Financial Services Solutions: primarily long-term contractual periods of up to 5-7 years, with customer relationships lasting much longer

TietoEVRY has initiated measures to secure the health and safety of employees and ensure continuity of critical services to customers, as well as measures to minimize the financial impact of the pandemic. Savings actions include measures such as restrictions on external purchases, travelling and salary increases as well as streamlining of recruitments. Furthermore, the CEO and Group Leadership members have agreed on temporary salary cuts of 15% for a three-month period.

The company has also carried out employee consultation processes concerning temporary layoffs to be able to flexibly adjust operations. Negotiations have been concluded in Sweden, Norway, Finland and the Czech Republic. The number of affected employees amounts to approximately 400 and will be carried out partly as part-time temporary layoffs. Temporary layoff processes are iterative and the need for temporary leaves is assessed on a regular basis, subject to the magnitude and duration of weakened market conditions.

Financial impact of the Covid-19 pandemic

TietoEVRY will actively drive measures to mitigate the potential negative impact of the Covid-19 pandemic and to accelerate merger-related efficiencies.

Current market indicators imply a negative 2-5% full-year revenue impact due to the Covid-19 pandemic on TietoEVRY, depending on the IT market development. The market situation will be continuously monitored and estimations are updated in accordance with improved visibility.

Merger-related efficiencies

The company has initiated consultation processes to ensure optimized operations and reduce overlaps. It is estimated that the measures will affect globally up to 570 roles in total, including up to 260 in Sweden, 160 in Norway, 80 in Finland and 70 in other countries. The consultation processes are expected to be concluded by the end of the second quarter 2020.

The company anticipates that it will reach a run-rate of EUR 45-55 million in merger-related efficiencies by the year end. Integration costs are estimated to amount to EUR 50-60 million in 2020, up from EUR 40-50 million.

Currency impact

Consolidated revenue and operating profit are sensitive to volatility in exchange rates, especially that of the Swedish Krona and Norwegian Krona. The company currently estimates that based on March-average exchange rates, the currency impact on revenue will be around EUR 50 million in the second quarter and over EUR 150 million in the full year.

Financial performance in January–March

	1–3/2020	1–3/2019
Revenue, EUR million	744.2	408.4
Change, %	82.2	0.5
Operating profit (EBIT), EUR million	51.4	36.8
Operating margin (EBIT), %	6.9	9.0
Adjusted[1)] operating profit (EBIT), EUR million	78.2	40.9
Adjusted[1)] operating margin (EBIT), %	10.5	10.0
Profit after taxes, EUR million	36.2	27.1
EPS, EUR	0.31	0.37
Net cash flow from operations, EUR million	30.7	43.3
Return on equity, 12-month rolling, %	9.3	30.4
Return on capital employed, 12-month rolling, %	7.9	22.3
Capital expenditure, EUR million	24.6	9.4
Order backlog	3 353.0	1 717.0
Acquisitions, EUR million	—	0.7
Interest-bearing net debt, EUR million	1 041.4	273.2
Personnel on 31 March	24 344	15 275

First-quarter revenue increased by 82.2% to EUR 744.2 (408.4) million. EVRY was consolidated into TietoEVRY for the full quarter, having a positive impact of EUR 331.2 million on revenue and EUR 15.6 million on operating profit.

First-quarter operating profit (EBIT) amounted to EUR 51.4 (36.8) million, representing a margin of 6.9% (9.0). Additionally, operating profit includes EUR 26.8 (4.1) million in adjusted items, mainly related to the amortization of acquisition-related intangible assets, integration costs and other income and expenses related to the agreement with IBM. Adjusted[1)] operating profit stood at EUR 78.2 (40.9) million, or 10.5% (10.0) of net sales. Further details on first- quarter adjusted items are available in the Alternative Performance Measures paragraph. Currency changes had a negative impact of around EUR 4 million on operating profit.

Depreciation and amortization amounted to EUR 44.4 (24.2) million, including EUR 19.0 (11.4) million in depreciation of right of use assets (IFRS 16 impact) and EUR 10.2 (1.1) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 5.6 (2.7) million. Net interest expenses were EUR 5.0 (2.4) million and net gains from foreign exchange transactions EUR 0.1 (losses 0.3) million. Other financial income and expenses amounted to EUR -0.7 (-0.2) million.

Earnings per share (EPS) totalled EUR 0.31 (0.37). Adjusted[1)] earnings per share amounted to EUR 0.48 (0.41).

[1)] Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability.

Financial performance by segment

EUR million	Revenue 1–3/2020	Revenue 1–3/2019	Change %	Operating profit 1–3/2020	Operating profit 1–3/2019
Digital Experience	123.4	129.7	-5	14.6	18.0
Hybrid Infra	134.7	129.0	4	16.0	8.2
Industry Software	117.1	112.7	4	11.4	13.8
Product Development Services	37.8	36.8	3	4.6	4.5
EVRY	331.2	—	100	15.6	—
Segments total	**744.2**	**408.1**	**82**	**62.1**	**44.5**
Other operations	0.0	0.3	-100	-10.8	-7.7
Group total	**744.2**	**408.4**	**82**	**51.4**	**36.8**

Operating margin by segment

%	Operating margin 1–3/2020	Operating margin 1–3/2019	Adjusted[1)] operating margin 1–3/2020	Adjusted[1)] operating margin 1–3/2019
Digital Experience	11.8	13.9	12.6	14.9
Hybrid Infra	11.9	6.4	11.8	6.9
Industry Software	9.7	12.2	10.3	12.5
Product Development Services	12.1	12.3	12.1	12.3
EVRY	4.7	—	10.5	—
Total	**6.9**	**9.0**	**10.5**	**10.0**

[1)] Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability.

For a comprehensive set of segment figures, see the tables section.

Performance of all reporting segments is described in the Comparable financial information for illustrative purposes section.

Cash flow and financing

First-quarter net cash flow from operations amounted to EUR 30.7 (43.3) million, including an increase of EUR 40.2 (2.8) million in net working capital. Payments for restructuring amounted to EUR 5.3 (2.3) million.

First-quarter tax payments were EUR 11.7 (12.4) million.

Capital expenditure totalled EUR 24.6 (9.4) million and included EUR 16.7 (2.0) million in capitalized costs for the development of TietoEVRY's industry software. Capital expenditure represented 3.3% (2.3) of net sales.

The equity ratio was 43.1% (29.7). Gearing increased to 70.1% (67.9). Interest-bearing net debt totalled EUR 1 041.4 (273.2) million, including EUR 973.1 (303.8) million in interest-bearing debt, EUR 266.8 (157.5) million in lease liabilities, EUR 5.5 (1.3) million in finance lease receivables, EUR 21.3 (0.5) million in other interest-bearing receivables and EUR 171.7 (186.3) million in cash and cash equivalents.

Interest-bearing long-term loans amounted to EUR 787.7 (298.7) million at the end of March, consisting primarily of a EUR 100 million bond, a EUR 85 million loan from the European Investment Bank, EUR 400 million in long-term loans from financial institutions and EUR 196.5 million in lease liabilities. The bond of EUR 100 million will mature in September 2024.

Interest-bearing short-term loans amounted to EUR 452.2 (162.6) million, mainly related to bridge loans, commercial papers, leasing liabilities and joint venture cash pool balances. The syndicated revolving credit facility of EUR 250 million expiring in September 2024 was not in use at the end of March.

Order backlog

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. While this change in customer behaviour affects the order backlog levels, it is not expected to have any significant impact on TietoEVRY’s market opportunity and business outlook.

TietoEVRY's order backlog amounted to EUR 3 353 (1 717) million at the end of March. Of the backlog, 42% (47) is expected to be invoiced during 2020. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

Major agreements in January–March

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

In January, EasyUse signed an agreement with TietoEVRY within the Card business area. This is a five-year agreement for the delivery of a Prepaid closed loop service within the ferry and cruise shipping segment. The cards will be used onboard the ships and at partner merchants like hotels and shops.

In February, Telenor extended its agreement with TietoEVRY on IT infrastructure and cloud services for four more years. The renewed partnership will ensure that Telenor will be able to accelerate its digital transformation, and simultaneously provides a high level of focus on security, agility and stability. The areas covered by the agreement include dynamic infrastructure (IaaS), application and database operations, storage services, end-user and data centre services. TietoEVRY will also participate in Telenor's cloud journey as well as the modernization and automation of business support tools.

In February, Ahlstrom-Munksjö, a global leader in fibre-based materials, extended its collaboration with TietoEVRY. The company's renewal, based on the Tieto Integrated Paper Solution (TIPS), continues to drive business modernization at over 40 plants and will convert units globally. The new system automates Ahlstrom-Munksjö's key business processes and improves internal agility. Digitalization also enhances customer experience and enables new business models and digital business.

In February, Fjellinjen, a company responsible for the collection of road tolls on the Oslo toll ring and the most important financial contributor to road construction in the region, entered into an agreement with TietoEVRY on the delivery of multichannel invoice distribution and master data services. The solution will ensure more efficient invoicing and mailing processes, better control and optimized distribution processes as well as reduced print, material and postage costs by increasing the volume of digital distribution in a simple, secure and cost-effective way.

In February, Geldmaat extended its collaboration with TietoEVRY on the delivery of the Sealbag service, which allows customers to make self-serviced deposits and drops of notes. The notes are packed in self-locking bags and dropped in safes operated via a sealbag processing mechanism. TietoEVRY delivers the central platform with additional managed services according to the master service agreement with the customer. The related machines and services will be provided all across the Netherlands. This service was an option to the master service agreement, signed with the customer back in 2018.

In February, Asfinag, an Austrian publicly owned corporation that plans, finances, builds and maintains Austrian autobahns and handles their toll collection, extended its agreement with TietoEVRY on IT service delivery, containing, for example, services for SAP and software development. As the main full- service IT partner for Asfinag, Tieto will contribute to sustainable improvement and increase efficiency in the customer's processes. The extension has an estimated value of over EUR 5 million.

In March, Mayr-Melnhof extended its development partnership for the new Manufacturing Execution System for 37 plants in the Packaging division. The agreement is an extension for the delivery of the Rough and Fine Planning system agreed in 2019.

In March, Malaysian Newsprint Industries Sdn Bhd (MNI), one of the leading manufacturers and suppliers of paper across South East Asia, selected TietoEVRY as their business transformation partner. The modernization of MNI's key business processes will improve quality of paper and On Time In Full Delivery Service (OTIF). It will also enable visibility of real-time data and Key Performance Indicators (KPI). The renewal covers various key processes, for example, order to cash, advanced planning and trimming, reporting and analytics, warehouse management and logistics, invoicing and integration into the existing ERP system. The renewal is based on the Tieto Integrated Paper Solution (TIPS) for the pulp, paper, board, packaging, tissue and non-woven industries.

In March, Skatteetaten and TietoEVRY extended their collaboration related to Workspace services. Skatteetaten is planning to carry out a personnel transfer and take on 1 250 new employees, formerly employed as local tax collectors in Norwegian municipalities. TietoEVRY will supply the new employees with equipment, including laptops, PC screens and mobile phones.

In March, TietoEVRY and Statens Service Center agreed on a new service to deliver a comprehensive HR and payroll service Primula to 35 governmental authorities. At the moment, the set up in a common cloud environment in TietoEVRY's data center in Kista is ongoing. The related cloud service will support all processes within the area of HR and payroll. In addition, the contract includes a major investment by the customer in the development of the product that will meet the future needs of users. Total value of the 7-year agreement is SEK 27 million.

In March, TietoEVRY signed an agreement with Deutsche Bank for Virtual Account Management (VAM) software. Deutsche Bank will leverage TietoEVRY's VAM platform as a complementary technology solution that can seamlessly integrate with its award-winning Cash, Trade and FX platform, thus further enhance its cash management offering to the benefit of its corporate clients.

Changes in Group structure

The competition clearance from the Norwegian Competition Authority, related to the merger of Tieto and EVRY, was contingent on the divestment of case management and archiving systems for the public sector in Norway, formerly held by EVRY. The divestment was concluded in February.

Personnel

The number of full-time employees amounted to 24 344 (15 275) at the end of March. The number of full-time employees in the global delivery centres totalled 11 551 (7 769), or 47.4% (50.9) of all personnel.

In the first quarter, the number of full-time employees was up by a net amount of 21.

The 12-month rolling employee turnover stood at 12.2% (12.4) at the end of March. Group-level salary inflation is expected to decrease to less than 2% on average in 2020 as some salary increases are being postponed due to the weakened macroeconomic outlook. Furthermore, salary inflation is partly offset by price increases in some services areas, offshoring and management of the competence pyramid.

Shareholders' Meeting

The Annual General Meeting of Tieto Corporation was set to be held on 26 March. However, due to the Covid-19 pandemic and measures to ensure the safety and wellbeing of employees and other stakeholders, the Board of Directors decided to cancel the Annual General Meeting and arrange a new meeting later.

On 8 April, TietoEVRY notified shareholders that the Annual General Meeting will be held on 29 April 2020. Further information at www.tietoevry.com/agm.

Management

In January, Wiljar Nesse, Head of Financial Services decided to pursue new opportunities outside the company. Christian Segersven took on the role of Head of Financial Services, in addition to his role as Head of Industry Software.

In March, Tom Leskinen, Head of Product Development Services decided to pursue new opportunities outside TietoEVRY. He will take on his new position during August 2020.

Shares

The number of TietoEVRY shares amounted to 118 460 771 at the end of March. On 11 March, TietoEVRY assigned a total of 190 404 treasury shares to key employees as a reward payment for the 2017-2019 earnings period and partial vesting of the EVRY interim long-term incentive plans. After the transfer, the company held a total of 16 841 own shares, representing 0.01% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 118 443 930 at the end of the period.

Dividend

It is proposed to the Annual General Meeting to be held on 29 April that the Board of Directors will be authorized to decide at its discretion on the distribution of dividend in one or several instalments up to the aggregate maximum amount of EUR 1.27 per share from the distributable funds of the company for the financial year that ended on 31 December 2019 at a later stage.

Significant risks and uncertainties

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

Due to the ongoing Covid-19 pandemic, the current market outlook in TietoEVRY’s main markets involves significant uncertainties. The pandemic is expected to lead to an economic downturn while sensitivity to macroeconomic uncertainty varies by business. The company’s portfolio comprises services based on multi-year agreements in infrastructure and application services as well as in industry-specific software businesses. The digital consulting business has shorter contractual periods and is likely to be more affected during times of economic uncertainty.TietoEVRY operates in multiple countries, balancing workforce availability. The company has already taken strict measures, including savings actions and temporary layoffs, to mitigate the potential financial impact of the pandemic and to secure the health and safety of employees and ensure critical services to customers.

The merger integration and related transformation of the company will continue to affect performance in the short term and may result in temporarily lower productivity.

TietoEVRY's ability to perform its obligations to customers can be affected by a failure by any significant supplier or partner to fulfil its obligations. Such failure may expose TietoEVRY to liabilities and impact the profitability of the company. The company has, for example, outsourced certain infrastructure operations to IBM, and a potential failure in deliveries by IBM under this agreement could lead to such consequences. In June 2019, IBM submitted a brief notice of arbitration to TietoEVRY, stating that the agreement is unbalanced and should be revised by the arbitrators. In October 2019, TietoEVRY submitted notices of arbitration against IBM in relation to a claim for reimbursement of disputed payments made by the company to IBM, as well as general failure by IBM to deliver its services in accordance with the terms of the Master Services Agreement. There is contact between the parties in respect of potential solutions to the challenges.

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

The company’s development is relatively sensitive to changes in the demand from large customers as TietoEVRY’s top 10 customers currently account for around 16% of its revenue, with Product Development Services having the highest customer concentration in the company.

Typical risks faced by the IT service industry relate to the development and implementation of new technologies and software. In TietoEVRY’s case these relate to both own software development, the scope in related project deliveries and integration of third-party software. Furthermore, additional technology licence fees and both the quality and timeliness of deliveries pose potential risks – and due to the nature of the business, IT service providers are vulnerable to disturbances, such as cybersecurity breaches.

The new EU General Data Protection Regulation took effect in May 2018. TietoEVRY is well prepared for the GDPR although there is still uncertainty with regards to how the authorities will interpret the regulation and impose fines in case of personal data breaches. In addition to fulfilling its regulatory and contractual obligations, TietoEVRY can tap into opportunities by helping customers in businesses through its security and application services.

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

Risks and risk management are described in more detail in the Corporate Governance Statement 2019.

Full-year outlook for 2020 withdrawn

Due to the Covid-19 pandemic, the current economic outlook pandemic on the company's profitability. Hence the full-year in TietoEVRY's main markets involves significant guidance was withdrawn on 27 March. Further guidance will uncertainties. Given the uncertainties in the market outlook, it be issued as soon as visibility to the market outlook has is not possible to estimate the potential impact of the improved and significant uncertainties are cleared.

Events after the period

TietoEVRY is taking the next step in the integration and on 16 April, the company announced that it has initiated employee consultation processes with labour unions to ensure optimized operations and reduce overlaps. It is estimated that the measures to optimize functions and roles will affect globally up to 570 roles in total, including up to 260 in Sweden, 160 in Norway, 80 in Finland and 70 in other countries. The consultation processes will be conducted according to the legislation and practices in each country and are expected to be concluded by the end of the second quarter 2020.

Financial calendar 2020

29 April	Annual General Meeting

TietoEVRY will publish three interim reports in 2020:

28 April	Interim report 1/2020 (8:00 am EET)
24 July	Interim report 2/2020 (8:00 am EET)
27 October	Interim report 3/2020 (8:00 am EET)

Auditing

This interim report is unaudited.

Consolidated interim financial statements

tieto EVRY

Income statement

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Revenue	744.2	408.4	82	1 734.0
Other operating income	2.7	5.5	-51	16.9
Materials and services	-176.5	-59.1	> 100	-298.1
Employee benefit expenses	-397.1	-241.3	65	-989.7
Depreciation and amortization	-44.4	-24.2	83	-106.1
Impairment losses	-0.7	—	> 100	-3.1
Other operating expenses	-78.7	-54.0	46	-235.4
Share of results in joint ventures	1.9	1.4	30	5.7
Operating profit (EBIT)	**51.4**	**36.8**	**40**	**124.2**
Interest and other financial income	0.6	0.6	16	2.3
Interest and other financial expenses	-6.4	-3.0	> 100	-15.3
Net foreign exchange gains/losses	0.1	-0.3	> 100	-10.0
Profit before taxes	**45.7**	**34.1**	**34**	**101.2**
Income taxes	-9.5	-6.9	37	-22.1
Net profit for the period	**36.2**	**27.1**	**34**	**79.1**
Net profit for the period attributable to				
Owners of the Parent company	36.2	27.1	33	79.0
Non-controlling interest	0.0	0.0	—	0.0
	36.2	**27.1**	**34**	**79.1**
Earnings per share attributable to owners of the Parent company, EUR per share				
Basic	0.31	0.37	-100	1.02
Diluted	0.31	0.37	-100	1.02

Statement of other comprehensive income

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Net profit for the period	36.2	27.1	34	79.1
Items that may be reclassified subsequently to profit or loss				
Translation differences	-246.9	1.5	> 100	48.9
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the defined benefit plans, net of tax	7.2	0.2	> 100	-9.0
Total comprehensive income	**-203.5**	**28.8**	**> 100**	**119.0**
Total comprehensive income attributable to				
Owners of the Parent company	-203.5	28.8	> 100	119.0
Non-controlling interest	0.0	0.0	—	0.0
	-203.5	**28.8**	**> 100**	**119.0**

Statement of financial position

Assets

EUR million	2020 31 Mar	2019 31 Mar	Change %	2019[1)] 31 Dec
Goodwill	1 850.4	442.4	> 100	2 053.5
Other intangible assets	375.7	45.4	> 100	423.9
Property, plant and equipment	102.7	87.4	18	111.2
Right-of-use assets	259.1	156.7	65	292.1
Interests in joint ventures	19.5	15.3	28	23.1
Deferred tax assets	22.2	22.7	-2	39.3
Defined benefit plan assets	0.8	4.0	-81	0.0
Finance lease receivables	3.6	0.6	> 100	3.8
Other financial assets at amortized cost	9.7	0.5	> 100	10.3
Other financial assets at fair value	0.6	0.5	8	0.6
Other non-current receivables	27.6	15.4	79	37.6
Total non-current assets	**2 671.9**	**790.9**	**> 100**	**2 995.4**
Inventories	4.4	—	100	5.2
Trade and other receivables	632.2	419.2	51	655.5
Financial assets at fair value	28.0	5.6	> 100	13.6
Finance lease receivables	1.9	0.7	> 100	1.8
Current tax assets	18.1	9.4	92	15.7
Cash and cash equivalents	171.7	186.3	-8	164.6
Total current assets	**856.3**	**621.3**	**38**	**856.4**
Assets held for sale	—	—	-100	19.6
Total assets	**3 528.2**	**1 412.2**	**> 100**	**3 871.4**

Equity and Liabilities

EUR million	2020 31 Mar	2019 31 Mar	Change %	2019 31 Dec
Share capital, share issue premiums and other reserves	116.0	117.6	-1	117.5
Invested unrestricted equity reserve	1 203.5	12.8	> 100	1 203.5
Retained earnings	167.0	272.0	-39	370.6
Equity attributable to owners of the Parent company	**1 486.4**	**402.4**	**> 100**	**1 691.6**
Non-controlling interest	0.0	0.0	—	0.0
Total equity	**1 486.5**	**402.5**	**> 100**	**1 691.7**
Loans	591.2	184.7	> 100	591.5
Lease liabilities	196.5	114.0	72	222.9
Deferred tax liabilities	74.1	37.7	97	91.8
Provisions	3.1	2.2	41	9.1
Defined benefit obligations	28.6	7.9	> 100	41.6
Other non-current liabilities	27.7	3.1	> 100	36.7
Total non-current liabilities	**921.2**	**349.6**	**> 100**	**993.6**
Trade and other payables	637.0	484.0	32	695.1
Financial liabilities at fair value	8.5	0.4	> 100	19.0
Current tax liabilities	4.4	4.8	-8	8.0
Loans	381.9	119.1	> 100	372.6
Lease liabilities	70.3	43.5	62	75.4
Provisions	18.3	8.3	> 100	13.0
Total current liabilities	**1 120.5**	**660.1**	**70**	**1 183.1**
Liabilities attributable to assets held for sale	—	—	-100	3.1
Total equity and liabilities	**3 528.2**	**1 412.2**	**> 100**	**3 871.4**

[1)] 2019 comparative figures are restated during 2020 to reflect changes in the provisional values of assets acquired and liabilities assumed in the EVRY merger. More information in **Notes to the interim financial statements.**

Statement of changes in shareholders' equity

	Owners of the Parent company								
EUR million	**Share capital**	**Share premium and other reserves**	**Own shares**	**Trans-lation differ-ences**	**Invested unre-stricted equity reserve**	**Re-tained earnings**	**Total**	**Non-control-ling interest**	**Total equity**
31 Dec 2019	**76.6**	**40.9**	**-2.9**	**-46.0**	**1 203.5**	**419.6**	**1 691.6**	**0.0**	**1 691.7**
Comprehensive income									
Net profit for the period	—	—	—	—	—	36.2	36.2	0.0	36.2
Other comprehensive income, net of tax									
Remeasurements of the defined benefit plans, net of tax	—	—	—	—	—	7.2	7.2	—	7.2
Translation differences	—	-1.5	—	-257.2	—	11.8	-246.9	—	-246.9
Total comprehensive income	**—**	**-1.5**	**—**	**-257.2**	**—**	**55.2**	**-203.5**	**0.0**	**-203.5**
Transactions with owners									
Contributions and distributions									
Share-based incentive plans	—	—	3.4	—	—	-4.2	-0.8	—	-0.8
Repurchase of own shares	—	—	-0.9	—	—	—	-0.9	—	-0.9
Total transactions with owners	**—**	**—**	**2.5**	**—**	**—**	**-4.2**	**-1.7**	**—**	**-1.7**
31 Mar 2020	**76.6**	**39.4**	**-0.4**	**-303.2**	**1 203.5**	**470.5**	**1 486.4**	**0.0**	**1 486.5**

	Owners of the Parent company								
EUR million	**Share capital**	**Share premium and other reserves**	**Own shares**	**Trans-lation differ-ences**	**Invested unre-stricted equity reserve**	**Re-tained earnings**	**Total**	**Non-control-ling interest**	**Total equity**
31 Dec 2018	**76.6**	**41.5**	**-5.1**	**-93.3**	**12.8**	**450.0**	**482.5**	**0.0**	**482.5**
Comprehensive income									
Net profit for the period	—	—	—	—	—	27.1	27.1	0.0	27.1
Other comprehensive income, net of tax									
Remeasurements of the defined benefit plans, net of tax	—	—	—	—	—	0.2	0.2	—	0.2
Translation differences	—	-0.4	—	2.1	—	-0.2	1.5	—	1.5
Total comprehensive income	**—**	**-0.4**	**—**	**2.1**	**—**	**27.1**	**28.8**	**0.0**	**28.8**
Transactions with owners									
Contributions and distributions									
Share-based incentive plans	—	—	2.2	—	—	-3.9	-1.7	—	-1.7
Dividends	—	—	—	—	—	-107.2	-107.2	—	-107.2
Changes in ownership interests									
Acquisition of non-controlling interest without change in control	—	—	—	—	—	—	—	—	—
Total transactions with owners	**—**	**—**	**2.2**	**—**	**—**	**-111.1**	**-108.9**	**—**	**-108.9**
31 Mar 2019	**76.6**	**41.1**	**-2.9**	**-91.2**	**12.8**	**366.1**	**402.4**	**0.0**	**402.5**

Statement of cash flows

EUR million	2020 1–3	2019 1–3	2019 1–12
Cash flow from operating activities			
Net profit for the period	36.2	27.1	79.1
Adjustments			
Depreciation, amortization and impairment losses	45.1	24.2	109.2
Profit/loss on sale of property, plant and equipment, subsidiaries and business operations	—	0.0	—
Share of results in joint ventures	-1.9	-1.4	-5.7
Other adjustments	2.9	0.1	28.9
Net financial expenses	5.6	2.7	23.0
Income taxes	9.5	6.9	22.1
Change in net working capital	-40.2	-2.8	66.7
Cash generated from operating activities before interests and taxes	**57.3**	**56.9**	**323.3**
Net financial expenses paid	-19.2	-3.5	-17.2
Dividends received	4.3	2.2	3.6
Income taxes paid	-11.7	-12.4	-31.4
Cash flow from operating activities	**30.7**	**43.3**	**278.4**
Cash flow from investing activities			
Acquisition of subsidiaries and business operations, net of cash acquired	—	-0.7	-175.7
Repayment of EVRY loans	—	—	-534.2
Capital expenditure	-24.6	-9.4	-51.4
Disposal of subsidiaries and business operations, net of cash disposed	15.3	0.3	0.3
Proceeds from sale of property, plant and equipment	1.8	—	0.1
Change in loan receivables	-0.4	0.3	-1.4
Cash flow from investing activities	**-8.0**	**-9.5**	**-762.4**
Cash flow from financing activities			
Dividends paid	—	-0.1	-107.4
Repurchase of own shares	-0.9	—	—
Repayments of lease liabilities	-17.7	-14.1	-50.3
Bridge loan related to merger	—	—	300.0
Repayment of bond	—	—	-100.0
Other short-term financing, net	9.1	1.3	40.7
Proceeds from long-term borrowings	—	—	400.0
Cash flow from financing activities	**-9.4**	**-12.9**	**483.0**
Change in cash and cash equivalents	**13.4**	**20.9**	**-1.0**
Cash and cash equivalents at the beginning of period	164.6	164.6	164.6
Foreign exchange differences	-6.3	0.9	1.0
Change in cash and cash equivalents	13.4	20.9	-1.0
Cash and cash equivalents at the end of period	**171.7**	**186.3**	**164.6**

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 on 31 December 2019. Changes to IFRSs which have been effective from 1 January 2020 have had no material impact on the Group's financial statements.

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

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

Due to Covid-19 pandemic, the current economic outlook in TietoEVRY's main markets involves significant uncertainties. The financial impact was, however, limited in the first quarter.

Tieto and EVRY merged on 5 December 2019 and the consolidated financial statements of the Group include EVRY from that date onwards. Therefore, the historical financial information of Tieto does not give a comparable base for financial information of the present combined company. More information of the merger is disclosed in the annual financial statements for the year ended on 31 December 2019. As the merger was completed close to year-end 2019, the provisional amounts recognized will be adjusted within 12 months after the date of acquisition, to reflect new information obtained about facts and circumstances that existed at the date of acquisition. During the first quarter 2020 the acquired assets and liabilities were adjusted by EUR 12.3 million.

Changes in Group structure

The competition clearance for the EVRY merger from the Norwegian Competition Authority was subject to divestment of EVRY’s case management and archiving systems for the public sector in Norway. EVRY had entered into an agreement with Karbon Invest AS to divest the business and in the 2019 statement of financial position the assets and related liabilities were presented on lines "Assets held for sale" and "Liabilities attributable to assets held for sale", respectively. The transaction was completed in February 2020. The cash received amounted to EUR 15.3 million. The sold assets were mostly intangible assets.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates. The critical accounting estimates and assumptions are disclosed in the 2019 consolidated financial statements.

Events after the end of the reporting period

TietoEVRY is taking the next step in the integration and on 16 April, the company announced that it has initiated employee consultation processes with labour unions to ensure optimized operations and reduce overlaps. It is estimated that the measures to optimize functions and roles will affect globally up to 570 roles in total, including up to 260 in Sweden, 160 in Norway, 80 in Finland and 70 in other countries. The consultation processes will be conducted according to the legislation and practices in each country and are expected to be concluded by the end of the second quarter 2020.

Segment information

The reportable segments of TietoEVRY in these interim consolidated financial statements consist of Digital Experience, Hybrid Infra, Industry Software, Product Development Services and EVRY.

Digital Experience
The Digital Experience business includes consulting services, including design of service experiences, smart use of data, IT architecture consulting, business process and change management as well as system integration services and application development and management. The segment currently focuses on Finland and Sweden, and it serves customers also in Norway, Austria, the Baltic countries and Russia. Services are delivered primarily by employees based in the Nordic countries but also through delivery centres in the Baltic countries and India. The business has the largest market share in Finland.

Hybrid Infra
The Hybrid Infra business provides enterprises with life cycle management of IT infrastructure, covering a wide variety of different technologies. The hybrid infrastructure foundation is to ensure Nordic customers' business continuity and renewal and services include capacity services, hybrid cloud orchestration, and managed security services. The business has a clear geographical focus in Finland, Sweden and Norway, and the Group is positioned as the leading provider in Finland and is among top 3 providers in Sweden. Services are delivered from both onshore locations in the Nordic countries and the main offshore delivery centre in the Czech Republic.

Industry Software
Industry Software provides with industry-specific software products for business-critical processes of clients in the financial services, public and healthcare and welfare sectors as well as in the forest industry and the energy and oil and gas segments. Customers are in the Nordic countries while the Group also has industry software for its global customers in the payments segment and the oil and gas and forest sectors. Majority of the business continues to be license-based while the share of software as a service is on the rise. In the license-based business revenue comprises solution installations and license fees as well as maintenance, which is typically based on multi-year agreements.

Product Development Services
Industry Software provides with industry-specific software products for business-critical processes of clients in the financial services, public and healthcare and welfare sectors as well as in the forest industry and the energy and oil and gas segments. Customers are in the Nordic countries while the Group also has industry software for its global customers in the payments segment and the oil and gas and forest sectors. Majority of the business continues to be license-based while the share of software as a service is on the rise. In the license-based business revenue comprises solution installations and license fees as well as maintenance, which is typically based on multi-year agreements.

EVRY
The business of EVRY consist of a comprehensive portfolio of services and software designed to meet all customer needs, including advisory and consulting services, industry-specific software and the design, implementation and maintenance of customized solutions and IT operations.

Other operations consist of investments and revenue from few specific projects that aim to scale and create future business for the Group. In addition, Group level costs, e.g. costs related to Global management, Group's share of support functions and other non-allocated costs are reported under Other operations.

Customer revenue by segments

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Digital Experience	123.4	129.7	-5	483.1
Hybrid Infra	134.7	129.0	4	531.4
Industry Software	117.1	112.7	4	455.5
Product Development Services	37.8	36.8	3	142.9
EVRY	331.2	—	100	119.9
Segments total	**744.2**	**408.1**	**82**	**1 732.7**
Other operations	0.0	0.3	-100	1.4
Group total	**744.2**	**408.4**	**82**	**1 734.0**

Customer revenue by country

EUR million	2020 1–3	2019 1–3	Change %	Share %	2019 1–12	Share %
Finland	182.9	177.0	3	25	706.8	41
Sweden	238.7	158.5	51	32	639.5	37
Norway	265.1	40.1	> 100	36	245.5	14
Other	57.6	32.9	75	8	142.2	8
Group total	**744.2**	**408.4**	**82**	**100**	**1 734.0**	**100**

Customer revenue from long-term fixed-price contracts by segment

EUR million	2020 1–3	2019 1–3	2019 1–12
Digital Experience	0.5	2.1	6.8
Hybrid Infra	0.4	-1.5	0.6
Industry Software	2.8	2.1	12.9
Product Development Services	0.4	0.4	3.8
EVRY	5.0	—	3.5
Group total	**9.2**	**3.0**	**27.6**

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

Operating profit (EBIT) by segment

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Digital Experience	14.6	18.0	-19	43.5
Hybrid Infra	16.0	8.2	94	51.4
Industry Software	11.4	13.8	-17	58.1
Product Development Services	4.6	4.5	1	13.7
EVRY	15.6	—	100	-0.4
Segments total	**62.1**	**44.5**	**40**	**166.3**
Other operations	-10.8	-7.7	-39	-42.1
Group total	**51.4**	**36.8**	**40**	**124.2**

Operating margin (EBIT) by segment

%	2020 1–3	2019 1–3	Change pp	2019 1–12
Digital Experience	11.8	13.9	-2	9.0
Hybrid Infra	11.9	6.4	5	9.7
Industry Software	9.7	12.2	-3	12.8
Product Development Services	12.1	12.3	0	9.6
EVRY	4.7	—	100	-0.3
Operating margin (EBIT)	**6.9**	**9.0**	**-2**	**7.2**

Personnel by segment

	End of period					Average	
	2020	2019	Change	Share	2019	2020	2019
	1–3	1–3	%	%	1–12	1–3	1–3
Digital Experience	5 142	5 259	-2	21	5 133	5 151	5 280
Hybrid Infra	3 251	3 527	-8	13	3 192	3 249	3 527
Industry Software	4 294	4 093	5	18	4 263	4 283	4 072
Product Development Services	1 677	1 624	3	7	1 700	1 687	1 626
EVRY[1)]	9 226	—	100	38	9 276	9 173	—
Segments total	**23 590**	**14 504**	**63**	**97**	**23 563**	**23 543**	**14 506**
Other operations	754	771	-2	3	759	752	772
Group total	**24 344**	**15 275**	**59**	**100**	**24 322**	**24 295**	**15 278**

Personnel by country[1)]

	End of period					Average	
	2020	2019	Change	Share	2019	2020	2019
	1–3	1–3	%	%	1–12	1–3	1–3
Sweden	4 680	3 124	50	19	4 780	4 684	3 126
Norway	4 383	609	> 100	18	4 427	4 385	605
India	4 249	2 720	56	17	4 221	4 244	2 721
Finland	3 249	3 356	-3	13	3 261	3 262	3 384
Czech Republic	2 498	2 593	-4	10	2 482	2 495	2 567
Ukraine	2 071	—	100	9	1 961	2 010	—
Latvia	912	678	34	4	896	909	679
Poland	757	677	12	3	758	761	673
China	446	498	-10	2	452	448	501
Estonia	302	291	4	1	303	306	296
Austria	174	170	2	1	175	174	168
Lithuania	105	113	-7	0	104	104	115
Other	518	447	16	2	502	513	441
Group total	**24 344**	**15 275**	**59**	**100**	**24 322**	**24 295**	**15 278**
Onshore countries	12 793	7 507	70	53	12 940	12 810	7 531
Offshore countries	11 551	7 769	49	47	11 383	11 485	7 746
Group total	**24 344**	**15 275**	**59**	**100**	**24 322**	**24 295**	**15 278**

1) 1-12/2019 personnel figures for EVRY increased by 326 due to alignment of the definitions.

Non-current assets by country

	2020	2019	Change	2019
EUR million	**31 Mar**	**31 Mar**	**%**	**31 Dec**
Finland	124.7	131.1	-5	131.0
Sweden	106.3	89.3	19	113.9
Norway	453.1	22.7	> 100	526.4
Other	53.4	46.4	15	55.9
Total non-current assets	**737.6**	**289.5**	**> 100**	**827.3**

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

The fair value of all allocated assets recognized in the merger are included in Norway's non-current assets prior the finalization of merger accounting and allocation to reportable segments.

Depreciation by segment

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Digital Experience	1.0	0.8	29	3.6
Hybrid Infra	9.4	10.0	-6	39.3
Industry Software	0.4	0.4	20	1.6
Product Development Services	0.1	0.0	> 100	0.3
EVRY	9.3	—	100	3.1
Segments total	**20.1**	**11.1**	**81**	**47.9**
Other operations	10.0	9.9	2	40.2
Group total	**30.1**	**21.0**	**44**	**88.1**

Amortization on intangible assets recognized at fair value from acquisitions by segment

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Digital Experience	0.3	0.4	-2	1.4
Hybrid Infra	—	—	—	0.1
Industry Software	0.7	0.7	-4	2.9
Product Development Services	—	—	—	—
EVRY	9.1	—	100	3.2
Segments total	**10.2**	**1.1**	**> 100**	**7.5**
Other operations	—	—	—	—
Group total	**10.2**	**1.1**	**> 100**	**7.5**

Amortization on other intangible assets by segment

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Digital Experience	0.0	0.1	-100	0.3
Hybrid Infra	1.8	2.0	-8	8.7
Industry Software	0.2	-0.1	> 100	0.2
Product Development Services	—	—	—	—
EVRY	2.0	—	100	0.9
Segments total	**4.0**	**2.0**	**98**	**10.1**
Other operations	0.1	0.1	-34	0.4
Group total	**4.1**	**2.2**	**91**	**10.4**

Net working capital in the statement of financial position

EUR million	2020 31 Mar	2019 31 Mar	Change %	2019 31 Dec
Trade receivables	441.3	320.8	38	462.3
Other working capital receivables	237.2	117.2	> 100	237.5
Working capital receivables included in assets	**678.5**	**438.0**	**55**	**699.8**
Trade payables	169.4	96.4	76	219.2
Personnel related accruals	247.6	159.9	55	265.2
Provisions	21.3	10.6	> 100	22.1
Other working capital liabilities	251.8	117.1	> 100	263.6
Working capital liabilities included in liabilities	**690.2**	**384.0**	**80**	**770.2**
Net working capital in the statement of financial position	**-11.7**	**54.0**	**> 100**	**-70.4**

Derivatives

Nominal amounts of derivatives
Includes the gross amount of all nominal values for contracts that have not yet been settled or closed. The amount of nominal value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by other contracts. The decrease in overall level of derivatives is due to additional hedging volumes resulting from the merger with EVRY in comparative period ending 31 Dec 2019.

EUR million	2020 31 Mar	2019 31 Dec
Forward contracts outside hedge accounting at fair value through profit or loss	493.1	1 694.1
Foreign exchange forward contracts	**493.1**	**1 694.1**

Fair values of derivatives

	31 Mar 2020			31 Dec 2019		
Fair values of derivatives	**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	10.3	-8.5	1.8	4.3	-19.0	-14.7
Foreign exchange forward contracts	**10.3**	**-8.5**	**1.8**	**4.3**	**-19.0**	**-14.7**

Derivatives are used for economic hedging purposes only.

Foreign exchange derivatives' fair values are calculated according to foreign exchange and interest rates on the closing date.

Fair value measurement of financial assets and liabilities
There have been no changes in fair value methodology and input levels: foreign exchange forward contracts are valued based on Level 2 inputs and Other financial assets at fair value through profit or loss' (EUR 0.6 million on 31 Mar 2020) 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 sold under non-recourse factoring agreements (EUR 17.7 million on 31 Mar 2020) are classified as Financial assets at fair value through profit or loss. Group estimates that the carrying amount approximates the fair value due to their short-term nature.

Commitments and contingencies

EUR million	2020 31 Mar	2019 31 Dec
For TietoEVRY obligations		
Guarantees[1]		
Performance guarantees	6.4	7.0
Lease and payment guarantees	42.3	48.2
Other	0.1	—
Other TietoEVRY obligations		
Rent commitments due in 1–5 years[2]	22.7	20.3
Other	0.9	1.1
On behalf of third parties		
Guarantees[1]		
Performance guarantees	23.5	24.9

[1] In addition commitments of EUR 38.6 (41.9) million related to liabilities in the consolidated statement of financial position.
[2] Parent company has signed Provisional rent contract, where the existence of obligation will be confirmed by certain future events, not wholly within control of TietoEVRY.

TietoEVRY's ability to perform its obligations to customers can be affected by a failure by any significant supplier or partner to fulfil its obligations. Such failure may expose TietoEVRY to liabilities and impact the profitability of the company. The company has, for example, outsourced certain infrastructure operations to IBM, and a potential failure in deliveries by IBM under this agreement could lead to such consequences. In June 2019, IBM submitted a brief notice of arbitration to TietoEVRY, stating that the agreement is unbalanced and should be revised by the arbitrators. In October 2019, TietoEVRY submitted notices of arbitration against IBM in relation to a claim for reimbursement of disputed payments made by the company to IBM, as well as general failure by IBM to deliver its services in accordance with the terms of the Master Services Agreement. There is contact between the parties in respect of potential solutions to the challenges.

Number of shares

	2020 1–3	2019 1–3	2019 1–12
Outstanding shares, end of period			
Basic	118 443 930	73 937 007	118 253 526
Effect of dilutive share-based incentive plans	132 642	133 930	283 550
Diluted	118 576 572	74 070 937	118 537 076
Outstanding shares, average			
Basic	118 297 465	73 848 481	77 193 387
Effect of dilutive share-based incentive plans	132 642	133 930	283 550
Diluted	118 430 107	73 982 411	77 476 937
Company's possession of its own shares			
End of period	16 841	172 245	172 245
Average	141 767	260 771	194 073

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 (EBIT) by segment

EUR million	2020 1–3	2019 1–3	Change %	2019 1–12
Digital Experience	15.6	19.3	-19	61.0
Hybrid Infra	16.0	8.9	79	65.5
Industry Software	12.1	14.0	-14	63.0
Product Development Services	4.6	4.5	1	14.3
EVRY	34.8	—	100	14.1
Segments total	**83.0**	**46.8**	**78**	**217.9**
Other operations	-4.9	-5.8	17	-21.6
Group total	**78.2**	**40.9**	**91**	**196.4**

Adjusted operating margin (EBIT) by segment

%	2020 1–3	2019 1–3	Change pp	2019 1–12
Digital Experience	12.6	14.9	-2	12.6
Hybrid Infra	11.8	6.9	5	12.3
Industry Software	10.3	12.5	-2	13.8
Product Development Services	12.1	12.3	-0	10.0
EVRY	10.5	—	100	11.8
Adjusted operating margin (EBIT)	**10.5**	**10.0**	**0**	**11.3**

Reconciliation of adjusted operating profit

	2020 1–3	2019 1–3	2019 1–12
Operating profit (EBIT)	51.4	36.8	124.2
+ restructuring costs	1.2	3.1	27.9
+ premises related expenses	—	—	—
- capital gains	—	—	0.0
+/- M&A related items	0.0	0.4	24.8
+ IBM partner agreement	6.8	—	2.7
+ TietoEVRY integration	7.5	—	4.9
+ amortization of acquisition-related intangible assets	10.2	1.1	7.5
+/- other items	1.1	-0.4	4.2
Adjusted operating profit (EBIT)	**78.2**	**40.9**	**196.4**

Other key figures

	2020 1–3	2019 1–3	2019 1–12
Adjusted earnings per share	0.48	0.41	1.76
Equity per share, EUR	12.55	5.44	14.31
Return on equity, 12-month rolling, %	9.3	30.4	7.3
Return on capital employed, 12-month rolling, %	7.9	22.3	6.8
Equity ratio, %	43.1	29.7	44.2
Interest-bearing net debt, EUR million	1 041.4	273.2	1 070.0
Gearing, %	70.1	67.9	63.3
Net debt/EBITDA[1)]	3.9	1.1	4.6
Capital expenditure, EUR million	24.6	9.4	51.4
Acquisitions, EUR million	—	0.7	175.7

[1)] EBITDA is 12-month average. 1-12/2019 and 1-3/2020 includes EVRY from 5 Dec 2019 onwards. Net debt includes the additional debt due to the merger.

Calculation of alternative performance measures

Adjusted earnings per share	=	Net profit for the period excluding adjustments, net of tax	
		Average number of shares	
Adjustments	=	Amortization of acquisition-related intangible assets + restructuring costs + capital gains/losses + goodwill impairment charges + other items affecting comparability	
Adjusted operating profit (EBIT)	=	Operating profit + adjustments	
Adjusted operating profit	=	Adjusted operating profit (EBIT)	
margin (EBIT), %		Net sales	
Equity per share	=	Total equity	
		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,	=	Profit before taxes and non-controlling interests – income taxes	* 100
12-month rolling, %		Total equity (12-month average)	
Return on capital employed,		Profit before taxes and non-controlling interests +	
12-month rolling, %	=	interest and other financial expenses	* 100
		Total assets – non-interest-bearing liabilities (12-month average)	
Equity ratio, %	=	Total equity	* 100
		Total assets – advance payments	
Interest-bearing net debt	=	Interest-bearing liabilities – interest-bearing receivables –	
		cash and cash equivalents – securities carried as current assets	
Net debt/EBITDA	=	Interest-bearing net debt	
		EBITDA (12-month average, excluding capital gains)	
Gearing, %	=	Interest-bearing net debt	* 100
		Total equity	

Quarterly figures

Key figures

	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Earnings per share, EUR					
Basic	0.31	0.14	0.30	0.24	0.37
Diluted	0.31	0.14	0.30	0.24	0.37
Adjusted earnings per share	0.48	0.50	0.45	0.42	0.41
Equity per share, EUR	12.55	14.31	5.70	5.62	5.44
Return on equity, 12-month rolling, %	9.3	7.3	23.7	27.6	30.4
Return on capital employed,12-month rolling, %	7.9	6.8	18.5	19.2	22.3
Equity ratio, %	43.1	44.2	35.4	33.7	29.7
Interest-bearing net debt, EUR million	1 041.4	1 070.0	309.1	362.5	273.2
Gearing, %	70.1	63.3	73.3	87.3	67.9
Net debt/EBITDA[1)]	3.9	4.6	1.3	1.5	1.1
Capital expenditure, EUR million	24.6	17.9	11.6	12.5	9.4
Acquisitions, EUR million	—	175.0	0.1	—	0.7

[1)] EBITDA is 12-month average. 10-12/2019 and 1-3/2020 includes EVRY from 5 Dec 2019 onwards. Net debt includes the additional debt due to the merger.

Income statement

EUR million	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Revenue	744.2	542.8	379.6	403.2	408.4
Other operating income	2.7	3.9	2.7	4.9	5.5
Materials and services	-176.5	-109.1	-63.3	-66.6	-59.1
Employee benefit expenses	-397.1	-299.1	-204.9	-244.5	-241.3
Depreciation, amortization and impairment losses	-45.1	-34.8	-24.4	-25.8	-24.2
Other operating expenses	-78.7	-73.9	-53.0	-54.5	-54.0
Share of results in joint ventures	1.9	1.7	1.1	1.4	1.4
Operating profit (EBIT)	**51.4**	**31.5**	**37.8**	**18.1**	**36.8**
Financial income and expenses	-5.6	-12.4	-8.8	1.0	-2.7
Profit before taxes	**45.7**	**19.1**	**29.0**	**19.1**	**34.0**
Income taxes	-9.5	-7.0	-7.1	-1.0	-6.9
Net profit for the period	**36.2**	**12.0**	**21.9**	**18.0**	**27.1**

Statement of Financial Position

EUR million	2020 31 Mar	2019 31 Dec	2019 30 Sep	2019 30 Jun	2019 31 Mar
Goodwill	1 850.4	2 053.5	435.9	439.3	442.4
Other intangible assets	375.7	423.9	46.4	44.3	45.4
Property, plant and equipment	102.7	111.2	83.0	86.7	87.4
Right-of-use assets	259.1	292.1	145.1	152.5	156.7
Interests in joint ventures	19.5	23.1	16.4	15.3	15.3
Other non-current assets	64.5	91.5	43.9	44.6	43.8
Total non-current assets	**2 671.9**	**2 995.4**	**770.7**	**782.9**	**790.9**
Trade receivables and other current assets	684.6	691.8	381.8	425.7	434.9
Cash and cash equivalents	171.7	164.6	79.2	71.7	186.3
Total current assets	**856.3**	**856.4**	**461.0**	**497.4**	**621.3**
Assets held for sale	—	19.6	—	—	—
Total assets	**3 528.2**	**3 871.4**	**1 231.7**	**1 280.3**	**1 412.2**
Total equity	**1 486.5**	**1 691.7**	**421.8**	**415.3**	**402.5**
Non-current loans	787.7	814.5	287.4	293.6	298.7
Other non-current liabilities	133.5	179.1	55.2	49.9	50.9
Total non-current liabilities	**921.2**	**993.6**	**342.6**	**343.5**	**349.6**
Trade payables and other current liabilities	650.0	722.1	345.3	362.6	489.2
Provisions	18.3	13.0	15.0	13.6	8.3
Current loans	452.2	448.0	107.1	145.3	162.6
Total current liabilities	**1 120.5**	**1 183.1**	**467.3**	**521.5**	**660.1**
Liabilities attributable to assets held for sale	—	3.1	—	—	—
Total equity and liabilities	**3 528.2**	**3 871.4**	**1 231.7**	**1 280.3**	**1 412.2**

Statement of cash flows

EUR million	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Cash flow from operating activities					
Net profit for the period	36.2	12.1	21.9	18.0	27.1
Adjustments	61.3	81.0	39.7	24.2	32.5
Change in net working capital	-40.2	49.9	17.6	1.9	-2.8
Cash generated from operating activities before interests and taxes	**57.3**	**143.1**	**79.2**	**44.2**	**56.9**
Net financial expenses paid	-19.2	-7.7	-3.8	-2.3	-3.5
Dividends received	4.3	—	—	1.4	2.2
Income taxes paid	-11.7	-7.1	-5.8	-6.1	-12.4
Cash flow from operating activities	**30.7**	**128.3**	**69.6**	**37.1**	**43.3**
Cash flow from investing activities	**-8.0**	**-724.4**	**-12.9**	**-15.6**	**-9.5**
Cash flow from financing activities	**-9.4**	**681.7**	**-48.9**	**-136.9**	**-12.9**
Change in cash and cash equivalents	**13.4**	**85.7**	**7.8**	**-115.4**	**20.9**
Cash and cash equivalents at the beginning of period	164.6	79.2	71.7	186.3	164.6
Foreign exchange differences	-6.3	-0.1	-0.3	0.7	0.9
Change in cash and cash equivalents	13.4	85.7	7.8	-115.4	20.9
Cash and cash equivalents at the end of period	**171.7**	**164.6**	**79.2**	**71.7**	**186.3**

Quarterly figures by segments

Customer revenue by segment

EUR million	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Digital Experience	123.4	122.6	107.6	123.2	129.7
Hybrid Infra	134.7	137.5	131.1	133.8	129.0
Industry Software	117.1	124.6	107.0	111.2	112.7
Product Development Services	37.8	37.9	33.6	34.6	36.8
EVRY	331.2	119.9	—	—	—
Segments total	**744.2**	**542.4**	**379.4**	**402.8**	**408.1**
Other operations	0.0	0.4	0.2	0.4	0.3
Group total	**744.2**	**542.8**	**379.6**	**403.2**	**408.4**

Operating profit (EBIT) by segment

EUR million	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Digital Experience	14.6	6.7	11.8	7.1	18.0
Hybrid Infra	16.0	18.9	18.1	6.2	8.2
Industry Software	11.4	18.8	13.9	11.6	13.8
Product Development Services	4.6	3.2	3.3	2.7	4.5
EVRY	15.6	-0.4	—	—	—
Segments total	**62.1**	**47.2**	**47.0**	**27.6**	**44.5**
Other operations	-10.8	-15.7	-9.2	-9.5	-7.7
Group total	**51.4**	**31.5**	**37.8**	**18.1**	**36.8**

Operating margin (EBIT) by segment

%	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Digital Experience	11.8	5.5	10.9	5.7	13.9
Hybrid Infra	11.9	13.7	13.8	4.6	6.4
Industry Software	9.7	15.1	13.0	10.4	12.2
Product Development Services	12.1	8.5	9.7	7.8	12.3
EVRY	4.7	-0.3	—	—	—
Operating margin (EBIT)	**6.9**	**5.8**	**10.0**	**4.5**	**9.0**

Adjusted operating profit (EBIT) by segment

EUR million	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Digital Experience	15.6	15.5	15.6	10.6	19.3
Hybrid Infra	16.0	21.8	20.4	14.5	8.9
Industry Software	12.1	20.6	16.3	12.2	14.0
Product Development Services	4.6	3.8	3.2	2.7	4.5
EVRY	34.8	14.1	—	—	—
Segments total	**83.0**	**75.8**	**55.4**	**39.9**	**46.8**
Other operations	-4.9	-4.4	-5.4	-5.9	-5.8
Group total	**78.2**	**71.4**	**50.1**	**34.0**	**40.9**

Adjusted operating margin (EBIT) by segment

%	2020 1–3	2019 10–12	2019 7–9	2019 4–6	2019 1–3
Digital Experience	12.6	12.7	14.5	8.6	14.9
Hybrid Infra	11.8	15.8	15.5	10.8	6.9
Industry Software	10.3	16.5	15.2	10.9	12.5
Product Development Services	12.1	10.1	9.6	7.9	12.3
EVRY	10.5	11.8	—	—	—
Operating margin (EBIT)	**10.5**	**13.1**	**13.2**	**8.4**	**10.0**

Major shareholders on 31 Mar 2020

	Shares	%
1 Apax Guernsey (Holdco) PCC Ltd[1)]	19 872 767	16.8
2 Solidium Oy	11 857 918	10.0
3 Cevian Capital Partners Ltd	11 004 295	9.3
4 Silchester International Investors LLP[2)]	9 526 411	8.0
5 Ilmarinen Mutual Pension Insurance Company	2 917 768	2.5
6 Folketrygdfondet	2 273 328	1.9
7 Swedbank Robur fonder	2 086 087	1.8
8 Elo Mutual Pension Insurance Company	1 717 953	1.5
9 Nordea funds	929 612	0.8
10 The State Pension fund	858 000	0.7
Top 10 shareholders total	**63 044 139**	**53.2**
- of which nominee registered	29 399 178	24.8
Nominee registered other	41 224 412	34.8
Others	14 157 220	12.0
Total	**118 425 771**	**100.0**

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

[1)] On 20 December 2019, Apax Guernsey (Holco) PCC Ltd announced that its holding in TietoEVRY Corporation was 19 872 767 shares, which represents 16.8% of the shares and voting rights.
[2)] On 5 December 2019, Silchester International Investors LLP announced that its holding in TietoEVRY Corporation was 9 526 411 shares, which represents 8.0% of the shares and voting rights.

For further information, please contact:

Tomi Hyryläinen, Chief Financial Officer, tel. +358 50 555 0363, tomi.hyrylainen (at) tietoevry.com
Kjell Arne Hansen, Investor Relations, tel. +47 9504 0372, kjell.hansen (at) tietoevry.com

A teleconference for analysts and media will be held on Tuesday 28 April 2020 at **10.00 am EEST** (9.00 am CET, 8.00 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.

Teleconference numbers

Finland: +358 981 710 310
Sweden: +46 856 642 651
Norway: +47 235 002 43
United Kingdom: +44 333 300 0804
United States: +1 631 913 1422
Conference code: 54836932#

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

TietoEVRY publishes its financial information in English and Finnish.

TIETOEVRY CORPORATION

DISTRIBUTION
NASDAQ Helsinki
Oslo Börs
Principal Media

TietoEVRY creates digital advantage for businesses and society. We are a leading digital services and software company with local presence and global capabilities. Our Nordic values and heritage steer our success.

Headquartered in Finland, TietoEVRY employs around 24 000 experts globally. The company serves thousands of enterprise and public sector customers in more than 90 countries. TietoEVRY's annual turnover is approximately EUR 3 billion and its shares are listed on the NASDAQ in Helsinki and Stockholm as well as on the Oslo Börs. www.tietoevry.com

TietoEVRY Corporation
Business ID: 0101138-5

Keilahdentie 2-4
PO Box 2
FI-02101 ESPOO, FINLAND
Tel +358 207 2010
Registered office: Espoo

E-mail: ir (at) tietoevry.com
www.tietoevry.com