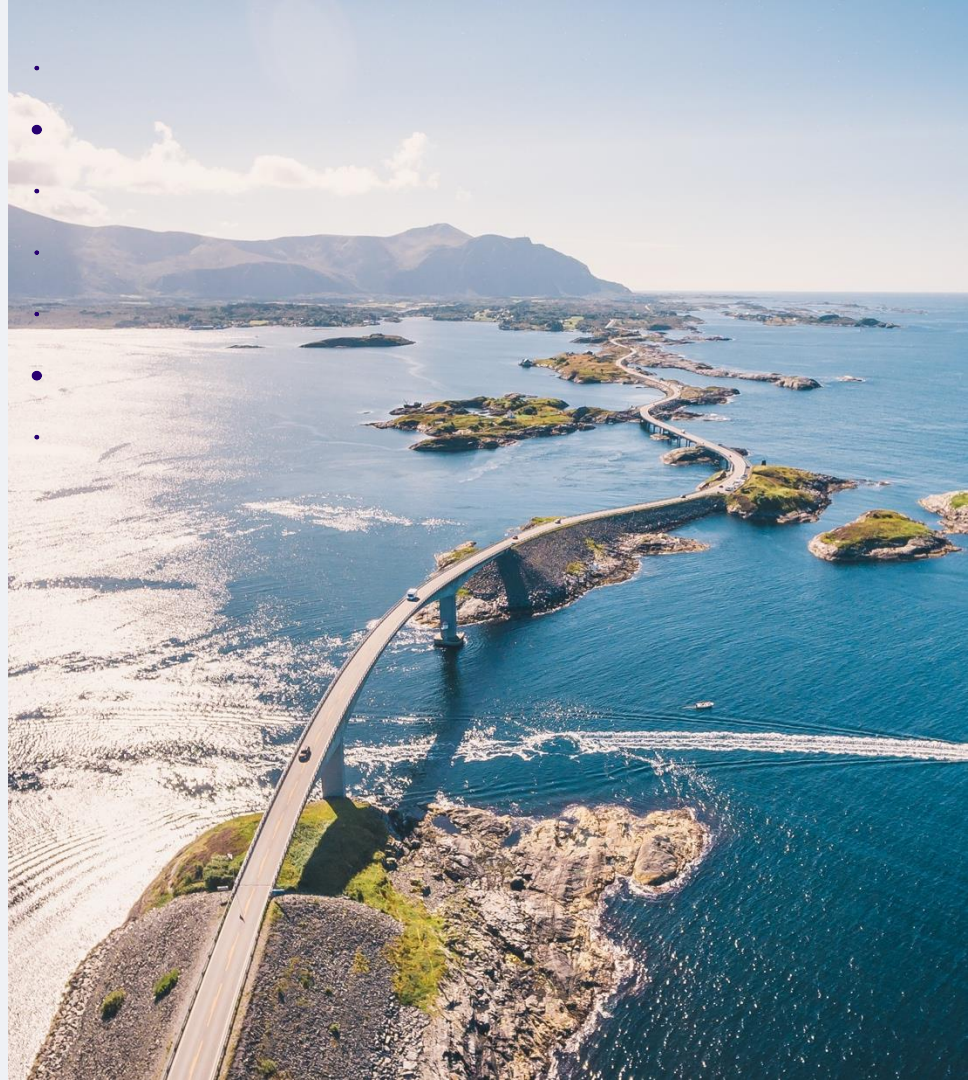


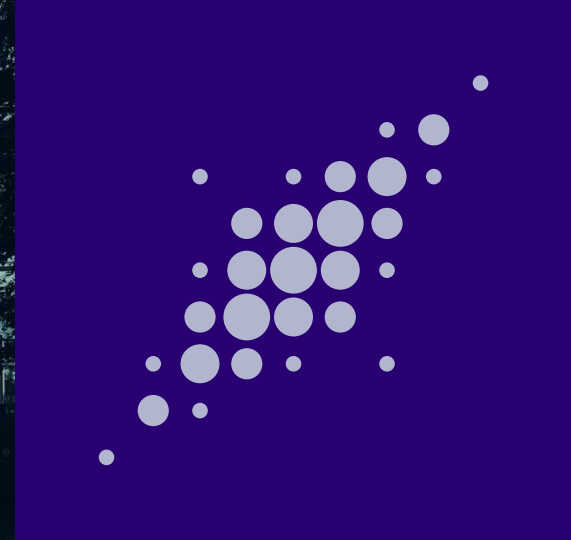
Q2 2024

Steady performance
in a mixed market

Kimmo Alkio, President and CEO
Tomi Hyryläinen, CFO



Steady performance in a mixed market



Organic growth of
1%
driven by software
businesses

Improved
profitability of
11%
supported by
TietoEVRY Tech
Services

Strong customer
wins and order
intake –
book-to-bill
1.3

Strategic review
of TietoEVRY
Tech Services
progressing –
active sales
process ongoing

Continued mixed market environment



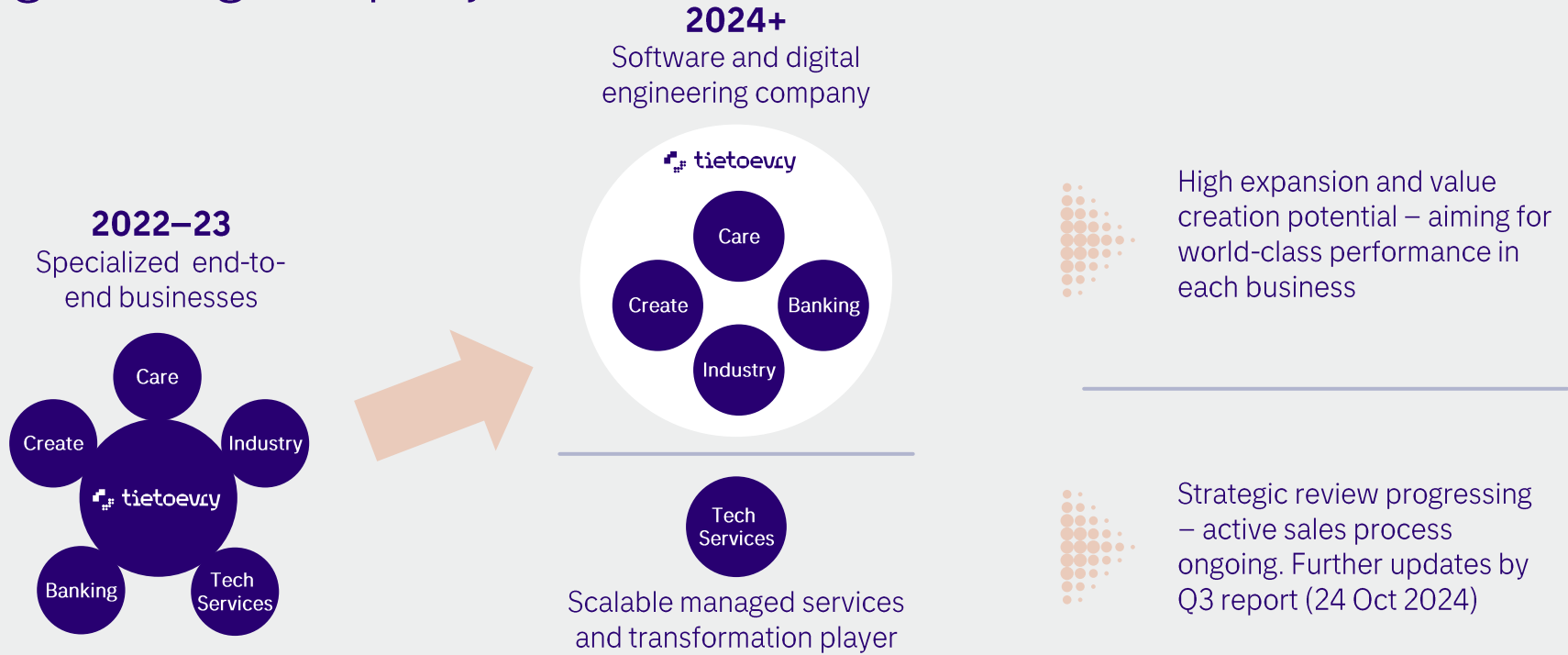
Soft IT services market expected to continue in H2 – while software market more stable

Customer attention focuses on resilience – impacting digital engineering investments

Continued instability in the geopolitical environment

AI and cloud continue to be top investment drivers for businesses and societies

Repositioning Tietoevry as a leading software and digital engineering company



..... MULTI-YEAR STRATEGIC TRANSFORMATION

Exciting contract wins visible as strong Q2'24 order intake



Handelsbanken

Handelsbanken Norway extends agreement for 5 years with **Tietoenvy Banking**. Central to the new agreement is the migration to a new and modern core banking solution that is modular and based on high-level APIs that make it easy and efficient to integrate with new solutions that support Handelsbanken's channel strategy.

BUSINESS FINLAND

Tietoenvy Create selected to develop Business Finland's omni-channel digital commerce. The scope covers client's all digital service platforms and websites.

KAROLINSKA UNIVERSITY HOSPITAL

Tietoenvy Care wins a significant contract to implement its Lifecare Open Platform solution at Karolinska University Hospital in Sweden. The platform enables improved management of patient data and care processes, and more efficient and patient-centered care with less administration.

NAV

Tietoenvy Industry will enhance Norwegian Labour and Welfare Administration (NAV) digitization and automation of NAV's information and document processes. Public 360° Online with AI embedded will simplify information management for both administration and operational activities.

geldmaat

Geldmaat extends strategic partnership with **Tietoenvy Banking** for 5 years for use of ATM SaaS solutions. The service is currently serving approximately 4 250 ATMs and cash recyclers in the Dutch market.

Gjensidige

Tietoenvy Tech Services' renewed partnership covers modernization and securing Gjensidige's technology roadmap to support the insurance company's growth ambitions.

varha

The wellbeing services county of Southwest Finland with 500,000 residents chooses **Tietoenvy Care's** Lifecare solution to enhance social care services, helping care workers in their daily work. The services cover e.g. the provision of care for families with children, the elderly, people with disabilities and child protection.

REGION SKÅNE

Through an extension of 3 years, **Tietoenvy Tech Services** will have full responsibility for delivering modern, continuously developed end user IT-services to Region Skåne's 37 000 employees.

Continued focus on climate action, ethical conduct and social impact – Tietoevry’s sustainability pledge



FINANCIAL TIMES

TIME

statista



Cabinet of Ministers
Republic of Latvia



United Nations



Tietoevry was recognized as one of Europe’s Climate Leaders 2024 in a listing by the Financial Times and as one of the World’s Most Sustainable Companies by Time Magazine - both compiled in partnership with Statista

The Unified Portal for Draft Legal Acts, created by Tietoevry Create with the State Chancellery of Latvia, won the 2024 United Nations Public Service Award for Innovation in Public Institutions. It promotes public participation in decision-making and ensures transparency in legal act development and government decisions

Diversity and inclusion in focus: long-term partnerships with Pride in Finland, Norway and Sweden, and support to activities in other operating countries



The best platinum level ranking retained on global Ecovadis Sustainability ranking



The best A-class results retained on Carbon Disclosure Project (CDP)

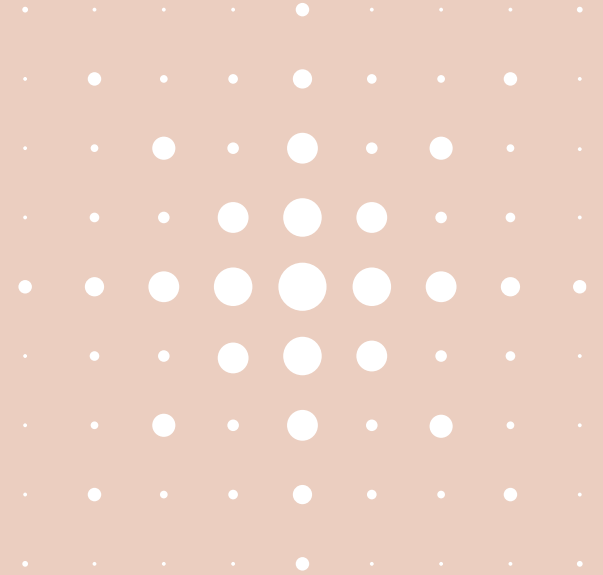


SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

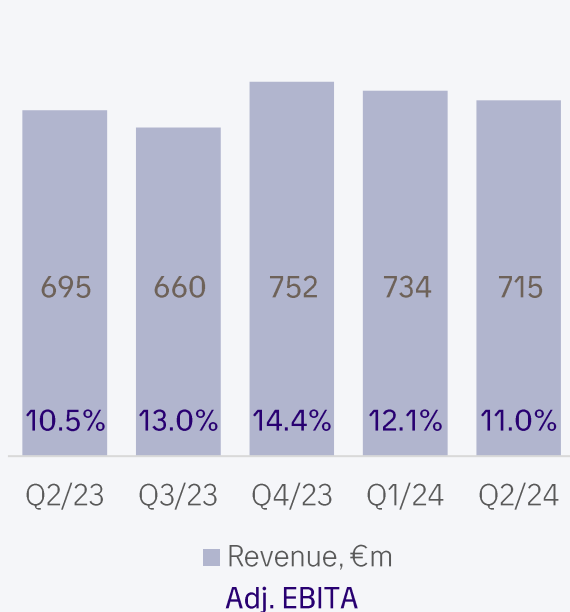
Commitment to Science Based Targets – limiting the global warming below 1.5 degrees

Business highlights



Tietoevry Group

Steady performance in a mixed market



Organic growth¹

1%

(3%)



Cash flow from operations

€68m

(€11m)



Adj. EBITA²

11.0%

(10.5%)

€78m (73)



Order backlog

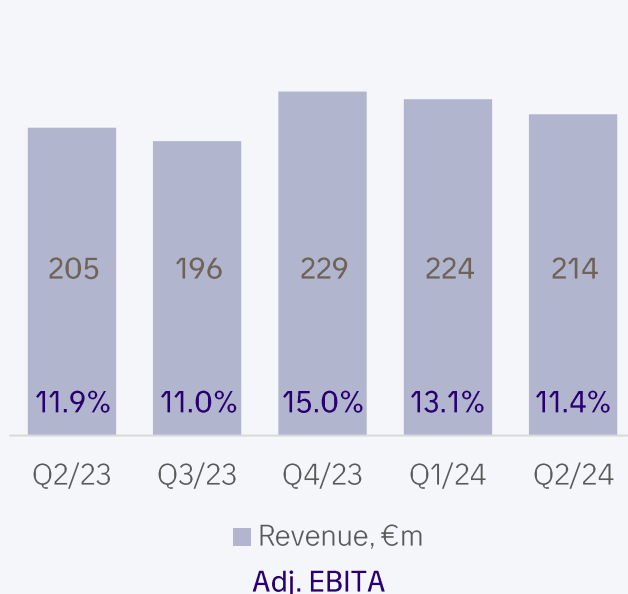
+2%¹

€3,440m (3,350)



Tietoevry Create

New operating model implemented enabling global scale



Organic growth

-2%

(5%)

Adj. EBITA

11.4%

(11.9%)

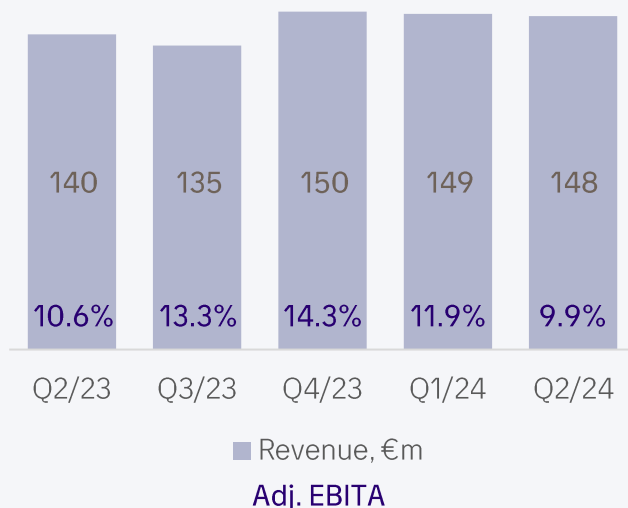
€24m (24)

Highlights

- Mixed revenue development with growth in Finland and International (including the US), decline in Sweden
- Capacity adjustments initiated in line with continued soft market environment
- New operating model launched to drive growth and scale
 - unified customer engagement in all markets
 - integrated delivery operations
 - increased speed in services and technology innovation
- Accelerated activity in AI centric projects e.g. AI driven network automation in telecom
- Cosimo De Carlo appointed as Managing Director effective 1 September 2024

Tietoevry Banking

Strong order intake



Organic growth

5%

(11%)

Adj. EBITA

9.9%

(10.5%)

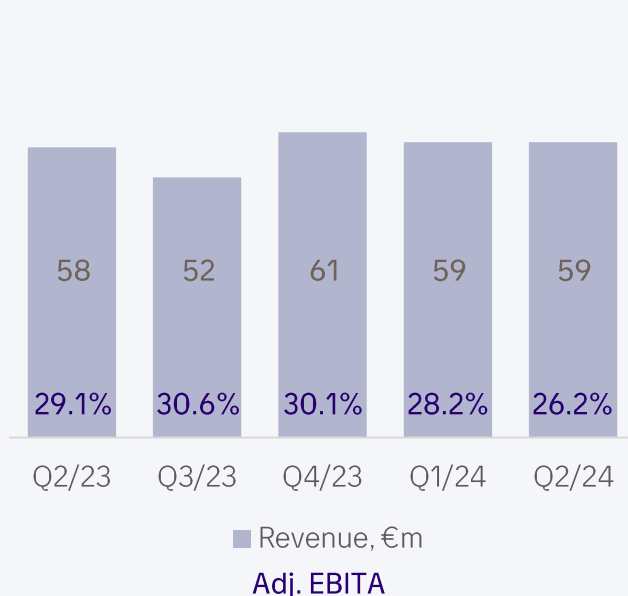
€15m (15)

Highlights

- Solid growth in Cards, Financial Crime Prevention, Credit and Wealth
- Significant contracts signed, especially in Banking as a Service – very strong book-to-bill and record-high order backlog
- Profitability impacted by high technology costs and increased depreciation of capitalized R&D by ~€2m

Tietoevry Care

Landmark win in Sweden with Lifecare Open Platform



Organic growth

1%

(7%)

Adj. EBITA

26.2%

(29.1%)

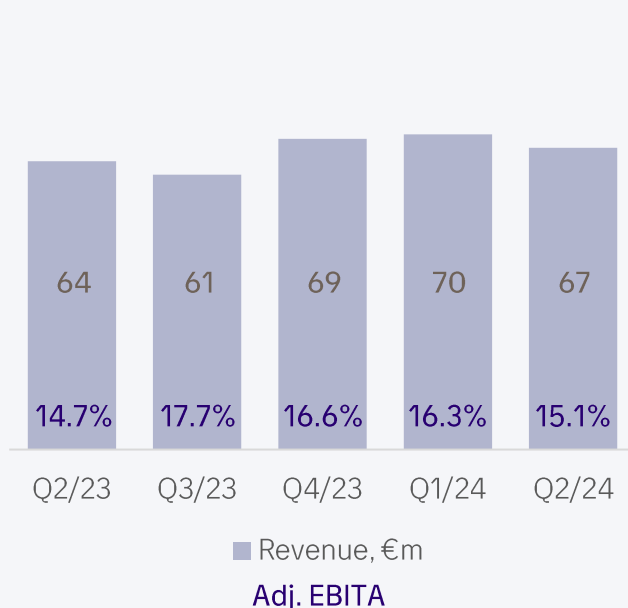
€15m (17)

Highlights

- Growth continued to be impacted by health and social care reform in Finland – impact anticipated to be lower in H2'24
- Key wins confirming competitiveness – Landmark win with Karolinska University Hospital
- Investments in sales and Lifecare localization to Norway impacting profitability
- Activity around AI driven software continued high – GenAI apps in pilot, deployments in H2'24

Tietoevry Industry

Consistent healthy performance



Organic growth

5%

(4%)

Adj. EBITA

15.1%

(14.7%)

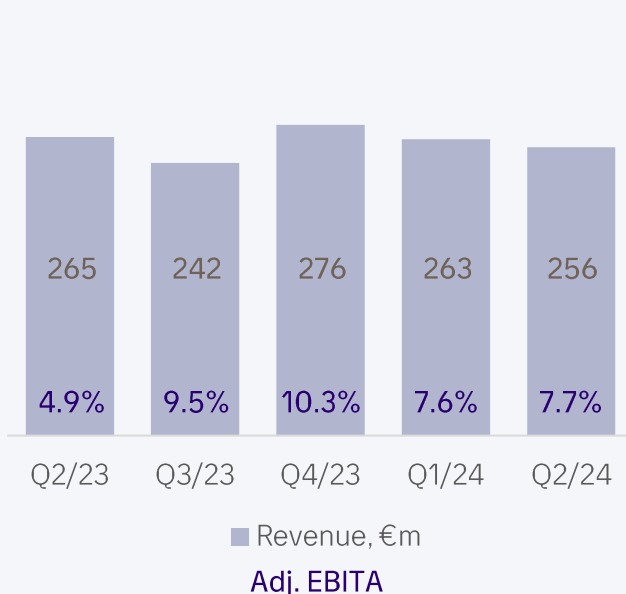
€10m (9)

Highlights

- Strong growth in Data Platforms
- New release of case management solution Public 360° Online with embedded AI – significant win of Norwegian Labour and Welfare Administration
- Healthy profitability

Tietoevry Tech Services

Profitability improvement continued – solid order intake



Organic growth

-4%

(-5%)

Adj. EBITA

7.7%

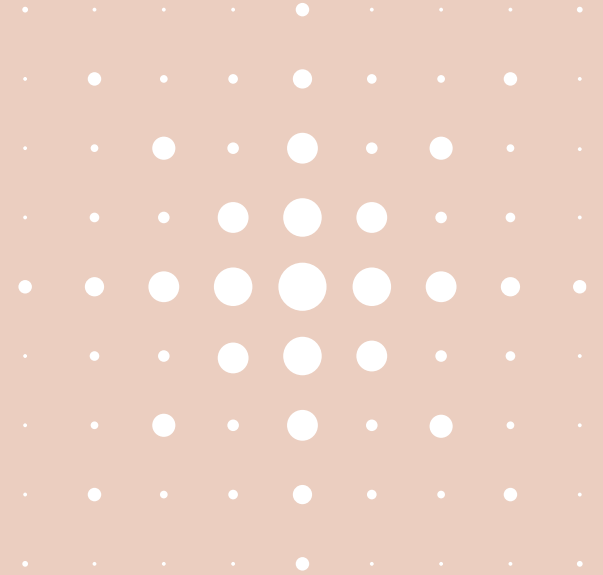
(4.9%)

€20m (13)

Highlights

- Growth impacted by continued market softness and volatility in HW/SW sales
 - Cloud platforms & Security +17%
 - Data & Application Services +1%
 - Traditional infrastructure -5%
 - End-user Services -16%
- Solid order intake and healthy book-to-bill
- Profitability improvement driven by continued efficiency management

CFO report



Q2 return to growth with improved profitability

Q2'24 highlights

- Organic growth of 1% in a continued soft macroeconomic environment. Growth adjusted for working days -0.7%
- Strong order intake with 1.3 book-to-bill
- Healthy profitability of 11% supported by Tietoevry Tech Services profitability improvement
- One-time items mainly impacted by strategic reviews and performance improvement programmes
 - Strategic review one-time items incurred year-to-date 0.4% of revenue
 - Other one-time items expected to be ~1.5% of revenue (excluding potential capital gains)
- Corporate income taxes have been recorded using estimated effective tax rate for the full year 23.1%
- Healthy operational cash flow of €68m

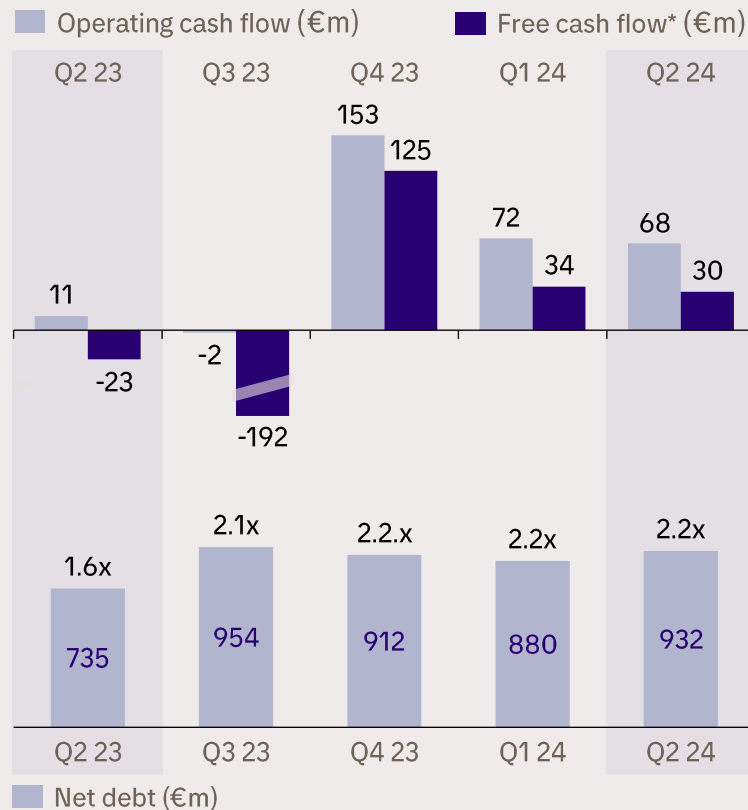
	Q2'24	Q2'23
Revenue and growth		
Revenue	715	695
Organic growth, %	1%	3%
Acquisitions & divestments, %	2%	0%
Foreign exchange rates, %	0%	-8%
Total growth, %	3%	-6%
Org. growth adj. for working days, %	-1%	4%
Order backlog	3 440	3 350
Profitability		
Adj. EBITA	78	73
Adj. EBITA margin	11.0%	10.5%
One-time items	20	22
EBIT	48	41
EBIT margin	6.7%	5.9%
Cash flow and leverage		
Operative cash flow	68	11
Free cash flow	30	-23
Net debt	932	735
Leverage (net debt/EBITDA)	2.2x	1.6x
CAPEX	25	19

All numbers in €m

Healthy Q2 cash generation of €68 million

- Cash flow from operations €68m (11)
 - Net working capital decrease of €1m – seasonal headwind in working capital, offset by decrease in accounts receivable
- Free cash flow* of €30m (-23)
- Overall cash generation foundation remains healthy

- Interest bearing net debt €932m – dividend of €87M paid in April
- Net debt/EBITDA 2.2x (1.6x) at end of Q2'24 – leverage target level 1.0x - 2.0x

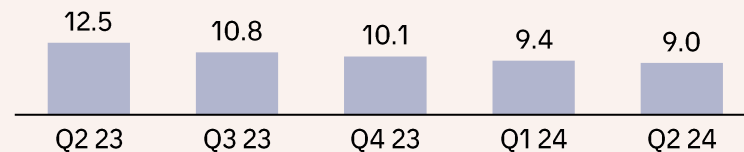


* Operating cash flow less cash flow from investing activities less payments of lease liabilities

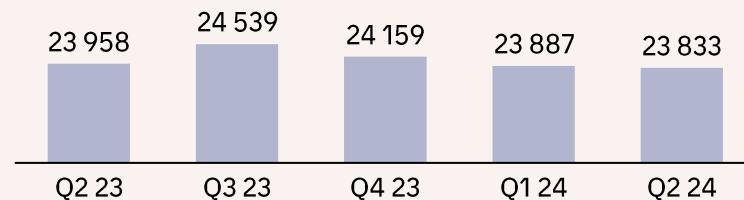
Stable attrition – efficiency measures initiated in Q2

- LTM attrition decreased to 9.0%. Quarterly attrition stable from Q1'24 to Q2'24.
- Stable personnel capacity from Q1'24 to Q2'24
- Efficiency measures initiated to address current market environment
 - On 8th May 2024 Tietoevry Tech Services announced efficiency measures impacting up to 110 roles
 - On 2nd July 2024 Tietoevry Create announced efficiency measures impacting up to 400 roles
 - Ongoing efficiency measures in Banking, Care and Industry
- Group-level salary inflation expected to be around 4.5% in 2024 (5% in 2023)

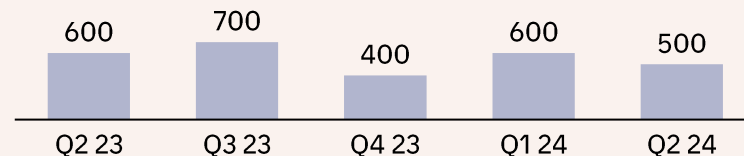
Attrition
% last twelve months
(voluntary)



Personnel
End of period



New hires
In quarter

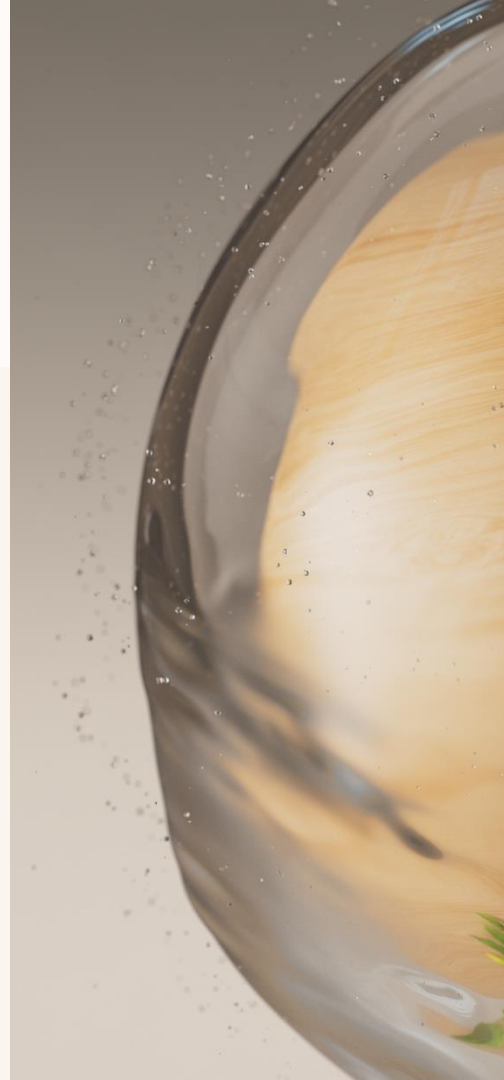


Increased visibility to financial impact of ransomware attack

On the night of January 19–20 one of Tietoevry's data centers in Sweden was partially hit by a ransomware attack. Tietoevry sincerely regrets the challenges this criminal attack has caused to our customers, and to many entities and individuals as consequence

Update on financial impact of ransomware attack

- Revenue impact of approx. €1.8m in Q1'24 and Q2'24, arising from services not rendered and contractual service level credits
 - assessment substantially completed
- Incremental operating costs to restore services of approx. €1.2m, incurred and reported as one-time items in Q1'24 and Q2'24
 - no further incremental costs for restoration expected
- We have received certain claims for damages from customers, which are being evaluated. Our assessment of the maximum aggregate contractual limit of liabilities for direct damages is below €10m.
- Cybersecurity insurance in place covering the scope of this type of incident, including service level credits, restoration costs and claims for direct damages.
- We expect the resolution of customer claims and the subsequent conclusion with the insurance provider to take several quarters.



Performance drivers – Q3'24

Growth drivers



- Continued soft economic environment impacting demand in Tietoevry Create and Tietoevry Tech Services
- Continued good momentum in Banking and Industry
- Accelerated growth in Care – while healthcare reform in Finland continues to impact demand

Profit drivers



- Efficiency measures initiated are expected to begin contributing to profit in Q3'24
- Seasonally stronger Q3 – vacation period having positive impact on profitability

Other drivers



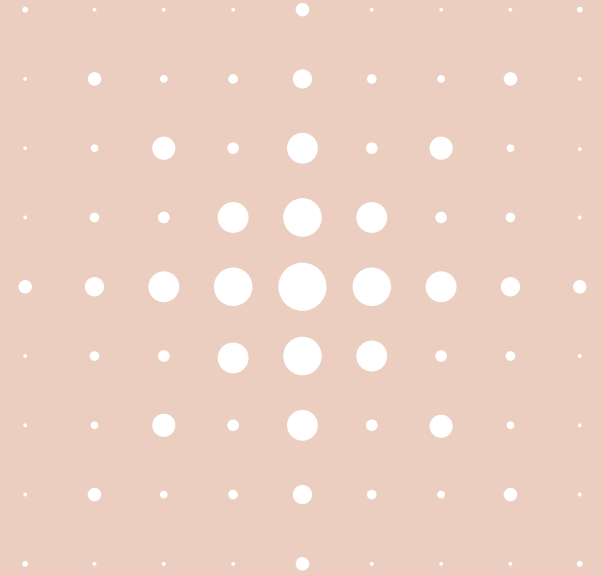
- Positive FX impact on revenue €9m
- 1.5 working days more in Q3'24 – reduced impact on organic growth due to vacation period

Q3 profitability outlook

Business	Q3'23 adj. EBITA %	Profitability outlook
Tietoevry Create	11.1%	At or below Q3'23 level
Tietoevry Banking	13.3%	At or above Q3'23 level
Tietoevry Care	30.6%	At or below Q3'23 level
Tietoevry Industry	17.7%	At Q3'23 level
Tietoevry Tech Services	9.5%	At or above Q3'23 level

2023 business financials have been recast due to minor changes between segments

Our way forward



Way forward – Advancing specialization and AI driven value



Active strategic transformation towards software and digital engineering future

High focus on resilience in the current market environment

Conclude Tech Services strategic review

Be at the forefront of delivering value from AI