



# Tecnotree

Empowering Digitally  
Connected  
Communities

# Financial Report

Full Year 2025



# Tecnotree Corporation Full Year Results to 31st Dec 2025 (unaudited)

## Net sales growth, operating result and positive free cash flow in line with guidance

### Full year Results

- Net sales of EUR 72.4 million (71.6) +1.2% YoY, in constant currency EUR 77.4 million, +8.2% YoY, in line with guidance.
- Operating result of EUR 25.6 million (23.8), +7.5% YoY; in constant currency, EUR 25.7 million (23.8), +7.9% YoY.
- Operating margin of 35.3% (33.2%), +210bp margin expansion YoY, in line with guidance; in constant currency 33.2% (33.2%).
- Foreign exchange losses EUR 3.8 million (2.5).
- Net result for the period EUR 10.2 million (8.3) +22.7% YoY. Net result was impacted by an exceptional charge of EUR 6.2 million (comprising a provision on receivables of EUR 3.1 million related to sale of business assets and EUR 3.1 million write-off on accounts receivable).
- Gross cash flow from operations EUR 21.5 million (21.3).
- Positive free cash flow EUR 4.6 million (-1.8), in line with guidance.
- Earnings per share EUR 0.6 (0.5).
- Order book at the end of the period EUR 107.5 million (79.6), +35.1% YoY.

### Q4 Results

- Net sales of EUR 19.5 million (17.6) +11.1% YoY; in constant currency, EUR 20.8 million (17.6), +18.6% YoY.
- Operating result of EUR 12.3 million (10.9), +13.6% YoY; in constant currency EUR 15.9 million (10.9); +46.5% YoY
- Operating margin of 63.1% (61.7%), +140bp margin expansion YoY; in constant currency 76.4% (61.7%); +1470bp margin expansion YoY
- Foreign exchange gain EUR 0.1 million (-0.3).
- Net result for the quarter was EUR 4.2 million (0.5) +699.6% YoY.
- Gross cash flow from operations EUR 6.7 million (8.4).
- Positive free cash flow EUR 1.4 million (0.4).
- Earnings per share EUR 0.25 (0.03).

| <b>Key figures, MEUR</b>                    | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|---|-------------------|------------|------------------|-----------|
| Net sales                                   | <b>19.5</b>       | 17.6       | <b>72.4</b>      | 71.6      |
| Operating result (EBIT)                     | <b>12.3</b>       | 10.9       | <b>25.6</b>      | 23.8      |
| Result before taxes                         | <b>7.0</b>        | 3.0        | <b>15.4</b>      | 12.8      |
| Adjusted result for the period <sup>1</sup> | <b>10.4</b>       | 4.9        | <b>16.4</b>      | 15.6      |
| One-time items                              | <b>-6.2</b>       | -4.4       | <b>-6.2</b>      | -7.3      |
| Result for the period                       | <b>4.2</b>        | 0.5        | <b>10.2</b>      | 8.3       |
| Earnings per share, basic, EUR              | <b>0.25</b>       | 0.03       | <b>0.60</b>      | 0.50      |
| Order book                                  | <b>107.5</b>      | 79.6       | <b>107.5</b>     | 79.6      |
| Gross cash flow from operating activities   | <b>6.7</b>        | 8.4        | <b>21.5</b>      | 21.3      |
| Free cash flow                              | <b>1.4</b>        | 0.4        | <b>4.6</b>       | -1.8      |
| Change in cash and cash equivalents         | <b>-1.9</b>       | -0.3       | <b>2.1</b>       | -4.1      |
| Cash and cash equivalents                   | <b>18.9</b>       | 16.8       | <b>18.9</b>      | 16.8      |
| Equity ratio % (Equity/Total Liabilities)   |                   |            | <b>67.4</b>      | 66.7      |
| Debt Equity ratio % (Debt/Equity)           |                   |            | <b>5.3</b>       | 4.2       |
| Personnel at end of period                  |                   |            | <b>704</b>       | 758       |

1) Adjusted result for the period = underlying results before one-time items. One-time expenses included provision of EUR 3.1 million receivable from sale of business assets and EUR 3.1m write-off on accounts receivable.

Unless otherwise stated, all figures presented below are for the financial period 1-12/2025 and the figures for comparison are for the corresponding period in 1-12/2024.

## Guidance for 2026

- Net sales are expected to grow by low to mid single digit percentage in constant currency terms.
- Free cash flow guidance of > EUR 5 million for the full year.

## Assumptions for 2026

- The Free Cash Flow guidance for 2026 is based on the company's current market outlook and exchange rate assumptions, especially devaluation of US dollar against the EUR.

## From CEO's Desk:

### **Tecnotree enters 2026 with positive free cash flow, a healthy order book and having delivered on 2025 key metrics**

Tecnotree delivered full-year net sales of EUR 72.4 million (71.6), representing growth of 1.2% YoY in reported terms and 8.2% in constant currency, in line with our guidance. Reported growth was impacted by U.S. dollar devaluation during the year.

Operating result improved to EUR 25.6 million (23.8), with the operating margin expanding by 210 basis points to 35.3% (33.2%), achieving the guidance. The improvement was driven by revenue mix, cost optimization measures, and utilizing AI-driven operational and delivery efficiencies. The company attained the targeted operating expenses reduction initiated in Q2 2024. Net result for the full year was EUR 10.2 million (8.3), a 22.7% increase YoY.

The Q4 result included one-time items totaling EUR 6.2 million, comprising a EUR 3.1 million provision for receivables from the sale of business assets and a EUR 3.1 million write-off on accounts receivable, continuing compliance to standard accounting processes and prudent caution.

Gartner's 2025 Magic Quadrant recognition of Tecnotree as a Visionary for AI in CSP operations, coupled with industry-leading TM Forum Open API certifications, validates our market leadership position in AI in telecom.

The order book at year-end reached EUR 107.5 million (79.6), an increase of 35.0% YoY and for the first time, the backlog exceeded EUR 100 million.

The company delivered positive free cash flow for every quarter of the year, culminating in full-year free cash flow of EUR 4.6 million (-1.8).

With more disciplined collections, cash and cash equivalents at year-end stood at EUR 18.9 million (16.8) and DSO days reduced by 17% to 146 (176).

In 2025, we reduced our frontier country foreign exchange exposure to 17% of net sales, from 27% in the previous year. Our strategic focus on Tier 1 accounts and growth in mature and dollar-denominated markets contributed to this reduction in our frontier exposure to 17%

Annual recurring revenue (ARR) increased to 45.7% of total net sales (43.4% in 2024), driven by growth in our Development and Operations (DevOps) business model as more customers transitioned to support contracts post transformation completion.

Headcount efficiency improved, with total personnel reducing to 704 (758) while delivering higher revenue, demonstrating the productivity gains from AI/ML tooling.

Capitalized development investments (capex) represented 13.4% of net sales (18.2%), slightly above the 12% guidance target due to investments required for delivery of large transformation projects secured during the year.

Net sales growth remained modest in reported terms and continues to be influenced by foreign exchange volatility and milestone-based revenue recognition from our clients. The company operates in a competitive telecom market environment, with continued focus on operational execution, revenue predictability, and cash generation. I would like to thank our customers, shareholders, and my Tecnotree colleagues for their continued support and trust as we build a stronger, more resilient Tecnotree.

**Q4 2025 Highlights** – Net sales growth, operating result and positive free cash flow as per guidance

- **Net sales increased YoY.**

*Net sales in the fourth quarter were EUR 19.5 million (17.6), representing an increase of 11.1% YoY in reported terms. Revenue mix during the year increasingly reflected managed services and delivery phases of large transformation programs*

- **Operating result improved compared to the prior year.**

*Operating result increased to EUR 12.3 million (10.9), with an operating margin of 63.1% (61.7%).*

- **Positive free cash flow maintained.**

*Free cash flow for the quarter was EUR 1.4 million (0.4), reflecting continued cash generation during the period.*

- **Limited foreign exchange impact during the quarter.**

*Foreign exchange resulted in a gain of EUR 0.1 million (-0.3), indicating a reduced currency impact compared to earlier periods.*

- **Net result higher YoY.**

*Net result for the quarter amounted to EUR 4.2 million (0.5).*

## FY 2025 Financial Performance

Net sales for the full year were EUR 72.4 million (71.6) being 1.2% higher compared to last year. Net sales from licenses were EUR 14.5 million (15.2), delivery EUR 24.8 million (25.3) and maintenance and management services EUR 33.1 million (31.1).

Net sales in the fourth quarter were EUR 19.5 million (17.6) being 11.1% higher compared to last year. Net sales from sale licenses were EUR 4.1 million (4.9), delivery EUR 7.4 million (4.8) and maintenance and management services EUR 8.0 million (7.9). The order book at the year stood at EUR 107.5 million (79.6) showing 35.0% increase compared to last year.

| <b>Nature of goods and services offered, MEUR</b> | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|---|-------------------|------------|------------------|-----------|
| Licenses  | 4.1               | 4.9        | 14.5             | 15.2      |
| Delivery  | 7.4               | 4.8        | 24.8             | 25.3      |
| Maintenance and management services               | 8.0               | 7.9        | 33.1             | 31.1      |
| <b>Net sales total</b>                            | <b>19.5</b>       | 17.6       | <b>72.4</b>      | 71.6      |

| <b>Methods used to recognise revenue, MEUR</b> | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|--|-------------------|------------|------------------|-----------|
| Point in time:                                 |                   |            |                  |           |
| Licenses                                       | 4.1               | 4.9        | 14.5             | 15.2      |
| Overtime:                                      |                   |            |                  |           |
| Delivery                                       | 7.4               | 4.8        | 24.8             | 25.3      |
| Maintenance and management services            | 8.0               | 7.9        | 33.1             | 31.1      |
| <b>Net sales total</b>                         | <b>19.5</b>       | 17.6       | <b>72.4</b>      | 71.6      |

| <b>Recognition of revenue by operating segment, MEUR</b> | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|--|-------------------|------------|------------------|-----------|
| Europe & Americas:                                       |                   |            |                  |           |
| Licenses   | 0.0               | 2.6        | 5.7              | 2.8       |
| Delivery   | 1.5               | 2.5        | 3.4              | 6.6       |
| Maintenance and management services                      | 2.7               | 1.0        | 8.6              | 7.3       |
| <b>Net sales total</b>                                   | <b>4.2</b>        | 6.1        | <b>17.7</b>      | 16.7      |
| MEA & APAC:  |                   |            |                  |           |
| Licenses   | 4.0               | 2.2        | 8.8              | 12.4      |
| Delivery   | 5.9               | 2.3        | 21.4             | 18.7      |
| Maintenance and management services                      | 5.4               | 6.9        | 24.5             | 23.8      |
| <b>Net sales total</b>                                   | <b>15.3</b>       | 11.5       | <b>54.7</b>      | 54.8      |

| <b>Order book by operating segment, MEUR</b> | <b>1-12/2025</b> | 1-12/2024 |
|--|------------------|-----------|
| Europe & Americas                            | 24.8             | 13.2      |
| MEA & APAC                                   | 82.6             | 66.4      |
| <b>Order book total</b>                      | <b>107.5</b>     | 79.6      |

## Result analysis

The operating result (EBIT) for the full year was EUR 25.6 million (23.8) and adjusted result EUR 16.4 million (10.4). The result for the full year after one-time items was EUR 10.2 million (8.3). The operating result for the fourth quarter was EUR 12.3 million (10.9) and adjusted result EUR 10.4 million (4.9). The result for the fourth quarter after one-time items was EUR 4.2 million (0.5).

Exchange rate differences in the financial items for the full year were EUR -3.8 million (-2.5) and EUR 0.1 million (-0.3) in the fourth quarter. It is important to examine Tecnotree's result without the impact of exchange rates, which is why this is shown separately in the table below.

Investments in Product Engineering and third-party software for the full year were EUR 9.7 million (13.0) and EUR 3.4 million (2.6) in the fourth quarter. The increase in product development expenses in the fourth quarter was due to the new large deal the company announced in the second quarter. Amortizations on total capitalized development costs for the full year were EUR 4.3 million (5.2) and EUR 1.0 million (0.6) in the fourth quarter.

| <b>Income statement, key figures, MEUR</b>        | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|---|-------------------|------------|------------------|-----------|
| Net sales   | <b>19.5</b>       | 17.6       | <b>72.4</b>      | 71.6      |
| Other operating income                            | <b>0.1</b>        | 0.0        | <b>0.1</b>       | 0.1       |
| Operating costs                                   | <b>-7.3</b>       | -6.8       | <b>-46.9</b>     | -47.8     |
| <b>Operating result</b>                           | <b>12.3</b>       | 10.9       | <b>25.6</b>      | 23.8      |
| Financial items without currency differences      | <b>0.7</b>        | -3.1       | <b>-0.2</b>      | -1.2      |
| Exchange rate gains and losses in financial items | <b>0.1</b>        | -0.3       | <b>-3.8</b>      | -2.5      |
| Income taxes                                      | <b>-2.8</b>       | -2.5       | <b>-5.2</b>      | -4.5      |
| <b>Adjusted result for the period</b>             | <b>10.4</b>       | 4.9        | <b>16.4</b>      | 15.6      |
| One-time items                                    | <b>-6.2</b>       | -4.4       | <b>-6.2</b>      | -7.3      |
| <b>Result for the period</b>                      | <b>4.2</b>        | 0.5        | <b>10.2</b>      | 8.3       |

Financial income and expenses for the full year totalled to EUR -10.1 million (-11.0), including following items. Other financial expenses included provision of EUR 3.1 million receivable from sale of business assets and EUR 3.1m write-off on accounts receivable.

| <b>Financial income and expenses, MEUR</b> | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|--|-------------------|------------|------------------|-----------|
| Interest income                            | <b>0.0</b>        | 0.0        | <b>0.1</b>       | 0.3       |
| Exchange rate gains                        | <b>0.3</b>        | 0.3        | <b>3.5</b>       | 3.8       |
| Other financial income                     | <b>-0.0</b>       | -0.0       | <b>-0.0</b>      | 0.1       |
| <b>Financial income, total</b>             | <b>0.3</b>        | 0.4        | <b>3.6</b>       | 4.2       |
| Interest expenses                          | <b>-0.3</b>       | -0.2       | <b>-0.8</b>      | -0.7      |
| Exchange rate losses                       | <b>-0.3</b>       | -0.7       | <b>-7.3</b>      | -6.4      |
| Other financial expenses                   | <b>-5.2</b>       | -7.4       | <b>-5.6</b>      | -8.2      |
| <b>Financial expenses, total</b>           | <b>-5.7</b>       | -8.2       | <b>-13.7</b>     | -15.2     |
| <b>Financial items, total</b>              | <b>-5.3</b>       | -7.8       | <b>-10.1</b>     | -11.0     |

Taxes for the full year totalled to EUR 5.2 million (4.5) and EUR 2.8 million (2.5) in the fourth quarter, including following items:

| <b>Taxes in income statement, MEUR</b>         | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|--|-------------------|------------|------------------|-----------|
| Withholding taxes paid abroad                  | <b>-0.5</b>       | -0.9       | <b>-2.2</b>      | -2.6      |
| Change in withholding tax accrual              | <b>-1.0</b>       | -0.5       | <b>-1.0</b>      | -0.5      |
| Income taxes on the results of Group companies | <b>-1.3</b>       | -1.0       | <b>-2.0</b>      | -0.8      |
| Other items                                    | <b>-0.0</b>       | -0.1       | <b>-0.1</b>      | -0.7      |
| <b>Taxes in income statement, total</b>        | <b>-2.8</b>       | -2.5       | <b>-5.2</b>      | -4.5      |

## Financing, cash flow and balance sheet

During the year 2025, working capital increased by EUR 2.9 million (1.6) and EUR 1.9 million (1.3) million in the fourth quarter.

| <b>Change in working capital, MEUR</b>          | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|---|-------------------|------------|------------------|-----------|
| Current receivables, increase (-) /decrease (+) | <b>-8.8</b>       | -1.4       | <b>-4.3</b>      | -5.5      |
| Current liabilities, increase (+) /decrease (-) | <b>7.0</b>        | 0.1        | <b>1.4</b>       | 3.9       |
| <b>Change in working capital, total</b>         | <b>-1.9</b>       | -1.3       | <b>-2.9</b>      | -1.6      |

Project revenue is recognized in other receivables. When the agreement allows the customer to be invoiced, the receivables are regrouped in trade receivables.

At the end of December 2025, Tecnotree's cash and cash equivalents totalled to EUR 18.9 million (16.8). Interest-bearing liabilities were EUR 5.4 million (3.9).

During the year 2025, total equity was affected by translation differences of EUR -3.7 million (-2.5).

## Business description

### TECNOTREE: AI-FIRST, FULL-STACK BSS POWERING DIGITALLY CONNECTED COMMUNITIES

Tecnotree is a full stack digital business management solution provider for digital service providers, with over 40 years of deep domain knowledge, proven delivery and transformation capability across the globe. Our AI-native, open-source technology-based products and solutions comprise the full range (order-to-cash) of business process and subscription management services for telecom and other digital service providers.

Tecnotree's cutting-edge products enable communication service providers to expand their footprint and transform their business into that of a digital service provider, thus helping expand and increase their value to their subscriber base.

Beyond traditional connectivity, Tecnotree is enabling AI-powered Value-Added Services (VAS) that modernize voice, messaging, and customer engagement. Its advanced CPaaS capabilities drive Rich Communication Services (RCS), A2P messaging, and omnichannel digital experiences, helping operators enhance customer interactions while increasing service monetization.

Recognized by Gartner and TM Forum as a leader in AI-driven CSP transformation, Tecnotree is accelerating predictable, scalable, and sustainable growth for 90+ operators and over 1 billion subscribers worldwide. With an SI-ready architecture, Tecnotree enables seamless expansion across Tier 1 telcos, digital-first economies, and high-growth markets, ensuring telecom operators can power the digital experiences of tomorrow, drive financial inclusion, and create lasting value for investors, businesses, and consumers alike.

## Segment information

The operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Europe & Americas (Europe and North, Central and South America) and MEA & APAC (the Middle East and Africa, Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Net sales and the result for the operating segments are presented based on the location of customers. The result for the operating segments includes the costs that can be allocated to the segments, being costs of sales and marketing, customer service and delivery functions as well as product development.

### Geographical areas

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

### Europe & Americas

Net sales for the full year increased by 5.8% from previous year being EUR 17.7 million (16.7). Order book at the end of December 2025 increased by 88.1% from previous year and stood at EUR 24.8 million (13.2).

### Middle-East and Africa & Asia Pacific

The net sales for the full year decreased by 0.3% from previous year being EUR 54.7 million (54.8). The order book at the end of December 2025 increased by 24.4% from previous year and stood at EUR 82.6 million (66.4).

## Personnel

At the end of December 2025, Tecnotree employed 704 (758) persons, of whom 21 (22) worked in Finland and 683 (736) globally. Personnel by country were as follows:

| Personnel                   | 31.12.2025 | 31.12.2024 |
|-----------------------------|------------|------------|
| Personnel, at end of period | 704        | 758        |
| Finland                     | 21         | 22         |
| India                       | 604        | 660        |
| United Arab Emirates        | 25         | 33         |
| Other countries             | 54         | 43         |
| Personnel, average          | 711        | 842        |
| Personnel expenses (MEUR)   | -19.3      | -19.7      |

## Share and price analysis

At the end of December 2025, the shareholders' equity of Tecnotree Group stood at EUR 101.5 million (92.6) and the share capital was EUR 1.3 million (1.3). The total number of shares was 17,053,250 and the company held 486,557 of its own treasury shares. Equity per share was EUR 5.95 (5.43).

A total of 4,382,248 Tecnotree shares (EUR 17,804,872) were traded on the Helsinki Exchanges during the period 1 January – 31 December 2025, representing 25.70% of the total number of shares.

The highest share price quoted in the period was EUR 5.45 and the lowest EUR 2.50. The average quoted price was EUR 4.10 and the closing price on 31 December 2025 was EUR 4.31. The market capitalization of the share stock at the end of the period was EUR 73.5 million.

## Current authorizations

At the end of the December 2025, the Board of Directors had one valid mandate.

- **The Annual General Meeting held on 15 April 2024 authorized the Board of Directors to decide on the issuance of shares and other special rights entitling to shares**

The Board of Directors is authorized to decide to issue in total a maximum of 2,500,000 shares through issuance of shares or special rights entitling to shares under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act either against payment or for free in one or more transactions during the effective period of the authorization. The Board of Directors may issue either new shares or treasury shares held by the company.

Shares and special rights entitling to shares may be issued in proportion to their current shareholdings in the company or in deviation of the shareholders' pre-emption right (directed share issue). The Board of Directors may also decide on a free share issue to the company itself. The authorization may be used to finance or carry out acquisitions or other arrangements, strengthen or develop the company's capital structure, diversify the shareholder base, for the purpose of the company's equity-based incentive plans or payment of Board fees or for other purposes decided by the Board of Directors. The Board of Directors will decide on all terms and conditions of the issuance of shares and special rights entitling to shares under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act.

The authorization is valid for a period of five (5) years from the date of the Annual General Meeting.

The Board of Directors has exercised this authorization on 12 June 2024 as follows:

- Tecnotree's Board of Directors resolved to issue, without consideration 700,000 Tecnotree shares to Tecnotree to be later used to fulfil the company's obligations under the LTI Plan 4.
- Tecnotree's Board of Directors has resolved to issue, without consideration 400,000 Tecnotree shares to Tecnotree to be later used to fulfil the company's obligations for the settlement of Additional RSUs.

## Risks and short-term uncertainty factors

Tecnotree's risks and uncertainties in the near future relate to development of net sales, projects delivery timelines, trade receivables and to changes in foreign exchange rates.

## **Risks and uncertainty factors relating to business operations**

Tecnotree focuses on R&D led, product-based solutions for Communication and Digital Service Providers in emerging markets. This involves risks, such as the time to develop new products, the timely market introduction of products, the competitive situations as well as the company's ability to respond to customer and market demand. The company has also noted the impact of inflation on its cost and is taking appropriate measures to mitigate the same.

## **Dependence on key customers**

Tecnotree's two largest customers accounted for 66% of net sales in 2025 (47%). The relationship between the company and its major customers is one of interdependence, which offers business opportunities but also poses risks. However, these relationships have been existing for over 20 years.

## **Carrying out customer projects, profitability, forecasting**

Certain commitments are associated with the project delivery and maintenance agreements made by the company, and unforeseen costs may arise in the future from these agreements. The company aims to limit these commitments with limitation of liability clauses in customer contracts. In addition, the company has a current global liability insurance to cover any liabilities that may materialize in connection with customer projects in accordance with the insurance agreement.

Carrying out projects involves risks. They are contained for example in projects that require new product development, where creating new product features may prove more difficult than anticipated. Another problem with project sales arises from variations in net sales and profit during the different quarters of the year. Forecasting these variations is often difficult.

## **Risks relating to international operations, receivables and developing markets**

Project deliveries result in large accounts receivable. Most of Tecnotree's net sales come from developing countries and some of these contain political and economic challenges. There is the risk of a considerable delay in the payment of invoices in these countries and that Tecnotree will have to record credit losses. Regulation by the authorities of foreign payment transactions and international sanctions hamper operations in certain countries. Various regulations can change frequently and may be ambiguous. In many countries it is common practice to delay payment of invoices. For these reasons forecasting customer payments is often challenging and delays occur.

## **Quantitative and Qualitative Disclosures About Market Risk**

### **Foreign Currency Risk**

Our operations span across regions where Euro is not readily available or where local currencies experience significant volatility or inflation. Given the nature of our international presence, we have adopted a conservative approach to manage our foreign currency exposure. A significant portion of our net sales is denominated in U.S. dollars, and the exchange rate fluctuations of the Indian Rupee have a notable impact

on our net result due to the substantial costs associated with our large workforce in India and other expenses denominated in rupees.

To mitigate the risk associated with currency fluctuations, we have implemented a comprehensive foreign exchange risk management policy. This policy involves:

1. Regular Assessment: Conducting frequent evaluations of our currency exposure in each operating country, focusing on both transactional and translational risks.
2. Diversification of Currency Holdings: Maintaining a diversified portfolio of currency holdings to spread the risk associated with any single currency.
3. Dynamic Adjustments: Adjusting our hedging strategies in real-time based on changes in currency volatility and market forecasts.
4. Liquidity Management: Ensuring sufficient liquidity in various currencies to meet operational needs without relying heavily on local currency markets.

Further we will be actively pursuing entering into foreign exchange contracts to hedge a larger portion of our exposure in non- Euro currencies. This includes forward contracts, options, and swaps in currencies of countries where we have significant operations and where the currency is prone to volatility or inflation.

Intra-group receivables and liabilities can result in exchange rate differences in the consolidated income statement, as our Group companies usually have different functional currencies.

## Interest Rate Risk

Our exposure to interest rate risk primarily arises from our cash reserves and borrowings. We invest our short-term interest-bearing investments in highly liquid and low-risk instruments, with a focus on diversification to mitigate the impact of interest rate fluctuations.

Our borrowing strategy is designed to be flexible, allowing us to respond quickly to changes in interest rates and economic conditions in the countries where we operate. Our borrowings are in multiple currencies, including INR and USD, and any exchange rate fluctuations will affect us.

## Taxation

Operating in developing markets often involves problems relating to taxation. Local tax legislation can change rapidly and may be subject to conflicting interpretations. It is possible for the tax authorities in different countries to demand taxation of the same revenue. Withholding taxes are often imposed on sales of systems and services and obtaining credit for this in the country receiving the revenue is not a clear case. In Finland, Tecnotree has a large amount of tax-deductible costs from previous fiscal periods, which can be capitalized in taxation. As a rule, Tecnotree applies the cost-plus method in its transfer pricing. This clarifies the taxable result recorded in different countries.

## Webcast for investors and media

Tecnotree webcast of results is **Thursday, 26 February 2026 at 10.00 a.m.**

**EET (Helsinki)**. Shareholders and potential investors are invited to pre-register a zoom account and join the online presentation via this link: <https://zoom.us/j/99841237231>.

The event will be recorded, and the presentation materials will be made available on the company's website [investors.tecnotree.com](https://investors.tecnotree.com).

## **Annual General Meeting**

Tecnotree's Annual General Meeting 2026 is planned to be held on Tuesday, 7 April 2026. The plan is to offer a Hybrid meeting in Helsinki, Finland, similar to last year.

## **Financial Information for 2026**

As announced in stock release December 29, 2025. During the financial year 2026, Tecnotree's financial reports will be published for the periods January 1–March 31, January 1–June 30, and January 1–September 30. The Business Review for January–March will be published on April 28 2026, the Half-Year Financial Report for January–June on August 4 2026, and the Business Review for January–September on October 28 2026.

This Year-End Report for the financial year 2025 (unaudited) is published on February 25, 2026.

## **Events after end of the period**

### **Public Tender Offer for the Shares and Equity Securities of Tecnotree Corporation**

On 27 January 2026, Tecnotree Corporation announced that Resilience Investment Holdings Ltd, acting on behalf of a consortium comprising Helios Investment Partners, Fitzroy Investments Limited and Padma Ravichander (the "Consortium"), has made a voluntary recommended public all-cash tender offer for all issued and outstanding shares and certain other equity securities of Tecnotree Corporation.

More information from the public tender of can be found from [https://investors.tecnotree.com/en/tender\\_offer](https://investors.tecnotree.com/en/tender_offer)

Tecnotree Corporation  
Board of Directors

### **Further information**

Padma Ravichander, CEO, tel +97 156 414 1420  
Indiresh Vivekananda, CFO, tel +97 156 410 8357  
[www.tecnotree.com](https://www.tecnotree.com)

## Table section (unaudited)

The financial figures in the income statement, balance sheet and key indicators are presented in million euros. The figures shown here have been calculated using exact values.

| <b>Consolidated income statement, MEUR</b>        | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|---|-------------------|------------|------------------|-----------|
| Net sales   | <b>19.5</b>       | 17.6       | <b>72.4</b>      | 71.6      |
| Other operating income                            | <b>0.1</b>        | 0.0        | <b>0.1</b>       | 0.1       |
| Materials and services                            | <b>1.0</b>        | 1.3        | <b>-1.8</b>      | -2.5      |
| Employee benefit expenses                         | <b>-5.3</b>       | -5.4       | <b>-19.3</b>     | -19.7     |
| Depreciation, amortisation and impairment charges | <b>-1.7</b>       | -1.0       | <b>-6.2</b>      | -6.9      |
| Other operating expenses                          | <b>-1.3</b>       | -1.7       | <b>-19.6</b>     | -18.6     |
| <b>Operating result</b>                           | <b>12.3</b>       | 10.9       | <b>25.6</b>      | 23.8      |
| Financial income                                  | <b>0.3</b>        | 0.4        | <b>3.6</b>       | 4.2       |
| Financial expenses                                | <b>-5.7</b>       | -8.2       | <b>-13.7</b>     | -15.2     |
| <b>Result before taxes</b>                        | <b>7.0</b>        | 3.0        | <b>15.4</b>      | 12.8      |
| Income taxes                                      | <b>-2.8</b>       | -2.5       | <b>-5.2</b>      | -4.5      |
| <b>Result for the period</b>                      | <b>4.2</b>        | 0.5        | <b>10.2</b>      | 8.3       |

Allocated to:

|                                  |             |      |             |      |
|----------------------------------|-------------|------|-------------|------|
| Equity holders of parent company | <b>3.7</b>  | 3.7  | <b>10.2</b> | 8.3  |
| Non-controlling interest         | <b>-0.0</b> | -0.0 | <b>0.0</b>  | -0.0 |

EPS calculated on the profit attributable to equity holders of parent company:

|                                  |             |      |             |      |
|----------------------------------|-------------|------|-------------|------|
| Earnings per share, basic, EUR   | <b>0.25</b> | 0.03 | <b>0.60</b> | 0.50 |
| Earnings per share, diluted, EUR | <b>0.19</b> | 0.02 | <b>0.45</b> | 0.38 |

## **Consolidated statement of comprehensive income, MEUR**

|   | <b>10-12/2025</b> | 10-12/2024 | <b>1-12/2025</b> | 1-12/2024 |
|---|-------------------|------------|------------------|-----------|
| <b>Result for the period</b>  | <b>4.2</b>        | 0.5        | <b>10.2</b>      | 8.3       |
| Other comprehensive income  |                   |            |                  |           |
| Items that will not be reclassified subsequently to profit or loss: |                   |            |                  |           |
| Remeasurement items on net defined benefit liability                | <b>-0.0</b>       | 0.0        | <b>-0.0</b>      | 0.1       |
| Revaluation   | <b>0.0</b>        | -0.0       | <b>0.0</b>       | -0.0      |
| Items that may be reclassified subsequently to profit or loss:      |                   |            |                  |           |
| Translation differences from foreign operations                     | <b>-0.4</b>       | 3.4        | <b>-5.0</b>      | -3.4      |
| Taxes on translation differences                                    | 0.1               | -0.8       | 1.2              | 0.8       |
| Other comprehensive income, net of tax                              | <b>-0.3</b>       | 2.6        | <b>-3.7</b>      | -2.5      |
| <b>Total comprehensive income for the period</b>                    | <b>3.9</b>        | 3.1        | <b>6.4</b>       | 5.8       |
| Allocated to:   |                   |            |                  |           |
| Equity holders of parent company                                    | <b>3.9</b>        | 3.1        | <b>6.4</b>       | 5.8       |
| Non-controlling interest  | <b>-0.0</b>       | 0.0        | <b>-0.0</b>      | 0.0       |

| <b>Consolidated balance sheet, MEUR</b>       | <b>31.12.2025</b> | <b>31.12.2024</b> |
|---|-------------------|-------------------|
| <b>Non-current assets</b>                     |                   |                   |
| Intangible assets                             | <b>49.4</b>       | 43.1              |
| Tangible assets                               | <b>0.0</b>        | 0.1               |
| Deferred tax assets                           | <b>0.0</b>        | 0.0               |
| Other non-current trade and other receivables | <b>1.3</b>        | 2.2               |
| <b>Current assets</b>                         |                   |                   |
| Trade receivables                             | <b>29.3</b>       | 34.5              |
| Other receivables                             | <b>51.6</b>       | 42.0              |
| Cash and cash equivalents                     | <b>18.9</b>       | 16.8              |
| <b>Assets total</b>                           | <b>150.6</b>      | 138.9             |
| <b>Shareholders' equity</b>                   |                   |                   |
|   | <b>101.5</b>      | 92.6              |
| <b>Compulsory convertible debentures</b>      |                   |                   |
|   | <b>23.1</b>       | 23.1              |
| <b>Non-current liabilities</b>                |                   |                   |
| Non-current interest-bearing liabilities      | <b>1.9</b>        | 0.0               |
| Other non-current liabilities                 | <b>4.1</b>        | 4.2               |
| <b>Current liabilities</b>                    |                   |                   |
| Current interest-bearing liabilities          | <b>3.5</b>        | 3.9               |
| Trade payables and other liabilities          | <b>16.5</b>       | 15.1              |
| <b>Equity and liabilities total</b>           | <b>150.6</b>      | 138.9             |

| <b>Consolidated condensed cash flow statement,<br/>MEUR</b>       | <b>10-12/<br/>2025</b> | 10-12<br>/2024 | <b>1-12<br/>/2025</b> | 1-12<br>/2024 |
|---|------------------------|----------------|-----------------------|---------------|
| <b>Cash flow from operating activities</b>                        |                        |                |                       |               |
| Result for the period   | <b>4.2</b>             | 0.5            | <b>10.2</b>           | 8.3           |
| Adjustments of the result   | <b>4.4</b>             | 7.2            | <b>14.2</b>           | 14.6          |
| Changes in working capital  | <b>-1.9</b>            | 0.7            | <b>-2.9</b>           | -1.6          |
| <b>Gross cash flow from operations</b>                            | <b>6.7</b>             | 8.4            | <b>21.5</b>           | 21.3          |
| Financial income and expenses                                     | <b>-1.3</b>            | -3.0           | <b>-3.6</b>           | -6.1          |
| Income taxes paid   | <b>-0.7</b>            | -2.2           | <b>-3.1</b>           | -4.0          |
| <b>Net cash flow from operating activities</b>                    | <b>4.8</b>             | 3.3            | <b>14.8</b>           | 11.2          |
| <b>Cash flow from investing activities</b>                        |                        |                |                       |               |
| Utilized from CCD   | <b>0.0</b>             | 2.9            | <b>1.1</b>            | 13.0          |
| Investment on tangible and intangible assets                      | <b>-3.4</b>            | -2.5           | <b>-10.2</b>          | -11.0         |
| Investments on third party software                               | <b>0.0</b>             | -0.3           | <b>0.0</b>            | -2.0          |
| <b>Net cash flow from investing activities</b>                    | <b>-3.4</b>            | -0.0           | <b>-9.1</b>           | 0.0           |
| <b>Cash flow from financing activities</b>                        |                        |                |                       |               |
| Compulsory convertible debentures (CCD)                           | <b>0.0</b>             | 0.0            | <b>0.0</b>            | 2.0           |
| CCDs Utilized for Investment activity                             | <b>0.0</b>             | -2.9           | <b>-1.1</b>           | -13.0         |
| Repayments of borrowings  | <b>-3.2</b>            | -0.1           | <b>-4.2</b>           | -1.8          |
| Payment of dividends  | <b>-0.0</b>            | 0.0            | <b>-0.2</b>           | -0.2          |
| New loans   | <b>0.0</b>             | 0.0            | <b>3.5</b>            | 0.0           |
| <b>Net cash flow from financing activities</b>                    | <b>-3.2</b>            | -2.9           | <b>-1.9</b>           | -12.9         |
| Translation Difference  | <b>-0.0</b>            | -0.6           | <b>-1.7</b>           | -2.3          |
| <b>Increase (+) and decrease (-) in cash and cash equivalents</b> | <b>-1.9</b>            | -0.3           | <b>2.1</b>            | -4.1          |
| Cash and cash equivalents at beg. of period                       | <b>20.8</b>            | 17.0           | <b>16.8</b>           | 20.8          |
| <b>Cash and cash equivalents at end of period</b>                 | <b>18.9</b>            | 16.8           | <b>18.9</b>           | 16.8          |

**Calculation of changes in shareholders' equity, MEUR**

|   | A          | B          | C            | D           | E          | F           | G            | H          | I            |
|---|------------|------------|--------------|-------------|------------|-------------|--------------|------------|--------------|
| <b>Shareholders' equity 1st Jan 2025</b>  | <b>1.3</b> | <b>0.8</b> | <b>-22.5</b> | <b>27.6</b> | <b>1.8</b> | <b>83.2</b> | <b>92.4</b>  | <b>0.2</b> | <b>92.6</b>  |
|   |            |            |              |             |            |             |              |            | 0.0          |
| Result for the period                     |            |            |              |             |            | 10.2        | 10.2         | 0.0        | 10.2         |
| Other comprehensive income, net of tax    |            |            | -3.7         |             |            | -0.0        | -3.6         |            | -3.6         |
| Total comprehensive income for the period |            |            | -3.7         |             |            | 10.3        | 6.4          | 0.0        | 6.4          |
| Dividend payout                           |            |            |              |             |            | -0.2        | -0.2         |            | -0.2         |
| Share based payments                      |            |            |              |             |            | 2.7         | 2.7          | 0.0        | 2.7          |
| Other changes                             |            |            |              |             | 0.2        | -0.2        | -0.1         | -0.0       | -0.2         |
| <b>Shareholders' equity 31st Dec 2025</b> | <b>1.3</b> | <b>0.8</b> | <b>-26.2</b> | <b>27.6</b> | <b>2.0</b> | <b>95.7</b> | <b>101.3</b> | <b>0.2</b> | <b>101.5</b> |
|   | A          | B          | C            | D           | E          | F           | G            | H          | I            |
| Shareholders' equity 1st Jan 2024         | 1.3        | 0.8        | -19.9        | 27.6        | 2.1        | 74.4        | 86.3         | 0.2        | 86.5         |
| Result for the period                     |            |            |              |             |            | 8.3         | 8.3          | -0.0       | 8.3          |
| Other comprehensive income, net of tax    |            |            | -2.5         |             |            | 0.1         | -2.5         |            | -2.5         |
| Total comprehensive income for the period |            |            |              |             |            |             | 5.8          | -0.0       | 5.8          |
| Dividend payout                           |            |            |              |             |            | -0.2        | -0.2         |            | -0.2         |
| Share based payments                      |            |            |              |             |            | 0.7         | 0.7          |            | 0.7          |
| Other changes                             |            |            |              |             | -0.2       | -0.1        | -0.3         | 0.0        | -0.3         |
| Shareholders' equity 31st Dec 2024        | 1.3        | 0.8        | -22.5        | 27.6        | 1.8        | 83.2        | 92.4         | 0.2        | 92.6         |

A = Share capital

B = Share premium fund

C = Translation differences

D = Invested non-restricted equity reserve

E = Other reserves

F = Retained earnings

G = Total equity attributable to equity holders of parent company

H = Non-controlling interest

I = Total shareholders' equity

**1. Accounting principles for the financial report**

This full year report has been prepared in accordance with the international financial reporting standard IAS 34 Interim Financial Reporting. The formulas for calculating the key figures presented and the accounting principles for the financial report are the same as the principles published in the 2024 Annual Report.

**2. Segment information**

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

Net sales and the result for the operating segments are presented based on the location of customers. The result for the operating segments includes the costs that can be allocated to the segments, being costs of sales and marketing, customer service and delivery functions, administration, product management, as well as product development.

| <b>Operating segments, MEUR</b> | <b>1-12/2025</b> | <b>1-12/2024</b> |
|---------------------------------|------------------|------------------|
| Net sales                       |                  |                  |
| Europe & Americas               | <b>17.7</b>      | 16.7             |
| MEA & APAC                      | <b>54.7</b>      | 54.8             |
| <b>Total</b>                    | <b>72.4</b>      | 71.6             |
| Result                          |                  |                  |
| Europe & Americas               | <b>11.0</b>      | 8.0              |
| MEA & APAC                      | <b>17.6</b>      | 18.7             |
| <b>Total</b>                    | <b>28.6</b>      | 26.7             |
| Non-allocated items             | <b>-3.0</b>      | -2.9             |
| <b>Operating result</b>         | <b>25.6</b>      | 23.8             |

### 3. Interest-bearing liabilities

Interest-bearing liabilities at the end of the review period were EUR 5.4 million (3.9).

| <b>Interest-bearing liabilities, MEUR</b>  | <b>31.12.2025</b> | <b>31.12.2024</b> |
|--|-------------------|-------------------|
| Loans, 1 Jan                               | <b>3.9</b>        | 5.7               |
| New loans                                  | <b>3.5</b>        | 0.0               |
| Repayments of loans                        | <b>-4.2</b>       | -1.8              |
| Exchange rate changes                      | <b>-0.4</b>       | 0.0               |
| Leasing liabilities                        | <b>2.6</b>        | 0.0               |
| <b>Loans, end of period</b>                | <b>5.4</b>        | 3.9               |
| Non-current interest-bearing liabilities   | <b>1.9</b>        | 0.0               |
| Current interest-bearing liabilities       | <b>3.5</b>        | 3.9               |
| <b>Interest-bearing liabilities, total</b> | <b>5.4</b>        | 3.9               |

### 4. Related party transactions

Tecnotree's related parties include the subsidiaries, the members of the Board of Directors and the Management Board, the CEO and the close family members of the preceding persons, and those entities in which these people have control.

Except for regularly paid salaries and fees as well as ordinary intra-group transactions, Tecnotree has not entered into any significant transactions with related parties during the review period.

## 5. Contingent liabilities

| <b>Consolidated contingent liabilities, MEUR</b>                      | <b>31.12.2025</b> | 31.12.2024 |
|---|-------------------|------------|
| On own behalf   |                   |            |
| Pledged deposits  | <b>0.8</b>        | 2.1        |
| Other contingent liabilities  |                   |            |
| Litigation  | <b>0.3</b>        | 0.0        |
| India income tax liability  | <b>2.3</b>        | 3.9        |
| <b>Operating leases, MEUR</b>   | <b>31.12.2025</b> | 31.12.2024 |
| Minimum rents payable based on other leases that cannot be cancelled: |                   |            |
| Other operating leases  |                   |            |
| Less than one year  | <b>0.7</b>        | 0.4        |
| Between one and five years  | <b>2.3</b>        | 0.9        |

## 6. Key figures

| <b>Consolidated key financial figures</b> | <b>1-12/2025</b> | 1-12/2024 |
|---|------------------|-----------|
| Return on investment, %                   | <b>16.3</b>      | 14.6      |
| Return on equity, %                       | <b>10.5</b>      | 9.3       |
| Equity ratio, %                           | <b>67.4</b>      | 66.7      |
| Debt/Equity ratio, %                      | <b>5.3</b>       | 4.2       |
| Investments, MEUR                         | <b>10.2</b>      | 16.3      |
| % of net sales                            | <b>14.1</b>      | 22.8      |
| Order book, MEUR                          | <b>107.5</b>     | 79.6      |
| Personnel, at end of period               | <b>704</b>       | 758       |

| <b>Consolidated key figure per share</b>                     | <b>1-12/2025</b> | <b>1-12/2024</b> |
|--|------------------|------------------|
| Earnings per share, basic, EUR                               | <b>0.60</b>      | 0.50             |
| Earnings per share, diluted, EUR                             | <b>0.45</b>      | 0.38             |
| Equity per share, EUR  | <b>5.95</b>      | 5.43             |
| Number of shares at end of period, x 1,000                   | <b>17 053</b>    | 17 053           |
| Number of shares on average, x 1,000                         | <b>17 053</b>    | 16 531           |
| Share price, EUR   |                  |                  |
| Average  | <b>4.10</b>      | 3.01             |
| Lowest   | <b>2.50</b>      | 2.32             |
| Highest  | <b>5.45</b>      | 7.95             |
| Share price at end of period, EUR                            | <b>4.31</b>      | 2.61             |
| Market capitalisation of issued stock at end of period, MEUR | <b>73.5</b>      | 44.5             |
| Share turnover, million shares                               | <b>4.4</b>       | 37.4             |
| Share turnover, % of total                                   | <b>25.7</b>      | 11.7             |
| Share turnover, MEUR   | <b>17.8</b>      | 20.9             |
| Price/earnings ratio (P/E)                                   | <b>7.2</b>       | 5.2              |

| <b>Quarterly key figures (MEUR)</b> | <b>Q4/25</b> | <b>Q3/25</b> | <b>Q2/25</b> | <b>Q1/25</b> | <b>Q4/24</b> | <b>Q3/24</b> | <b>Q2/24</b> | <b>Q1/24</b> |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net sales                           | <b>19.5</b>  | 18.6         | 17.3         | 16.9         | 17.6         | 19.0         | 18.7         | 16.3         |
| Net sales, change %                 | <b>11.1</b>  | -2.1         | -7.2         | 3.7          | -20.7        | -11.0        | -3.1         | 4.7          |
| Operating result                    | <b>12.3</b>  | 3.6          | 5.1          | 4.5          | 10.9         | 5.0          | 3.5          | 4.4          |
| % of net sales                      | <b>63.1</b>  | 19.5         | 29.2         | 26.9         | 61.7         | 26.3         | 18.8         | 27.2         |
| Result for the period               | <b>4.2</b>   | 3.4          | 1.0          | 1.5          | 0.5          | 4.1          | 2.1          | 1.6          |
| Personnel at end of period          | <b>704</b>   | 695          | 691          | 726          | 758          | 810          | 852          | 892          |
| Earnings per share, basic, EUR      | <b>0.25</b>  | 0.20         | 0.06         | 0.09         | 0.03         | 0.24         | 0.12         | 0.10         |
| Equity per share, EUR               | <b>5.95</b>  | 5.64         | 5.46         | 5.47         | 5.43         | 5.25         | 5.13         | 0.27         |
| Net interest-bearing liabilities    | <b>-13.5</b> | -14.6        | -13.8        | -13.5        | -12.9        | -13.0        | -12.2        | -11.2        |
| Order book                          | <b>107.5</b> | 105.5        | 105.7        | 70.3         | 79.6         | 75.1         | 72.6         | 74.8         |



# Tecnotree

Empowering Digitally  
Connected Communities