



FINANCIAL REVIEW

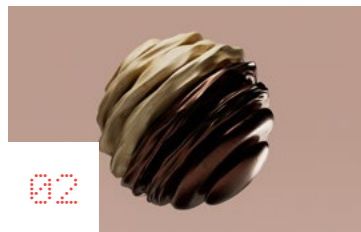


The power  
of purposeful  
technology

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# Tietoevry 2023

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# Solid performance and consistent progress with specialization

The year 2023 was a very dynamic one, impacted by the combined effects of the weaker economic environment and continued geopolitical uncertainty. At TietoEVRY we continued the firm execution of our specialization-based strategy and were able to deliver solid and resilient business performance.

During the year we saw tangible advancement of Artificial Intelligence (AI) related technologies, including Generative AI. TietoEVRY is fully embracing the phenomenon to enable the AI agenda of our customers and for our own products. We are also proud of our ESG agenda, where we continued to advance in 2023 in line with our high ambitions. Overall, 2023 can be characterized as a solid year – during which we consistently progressed with specialization and as a result, are also well positioned to capture opportunities in the data- and AI-driven world.

## Consistent progress towards our software and digital engineering future

As the technology world becomes more cloud-native and AI-enabled, there are significant opportunities for software and technology services companies.

With the specialization strategy that TietoEVRY chose in 2022, each of our software (Banking, Care and Industry), digital engineering (Create) and managed services & transformation (Tech Services) businesses pursue their distinct competitive position in the future market. We continue to believe that our pursuit of specialization is the best avenue for TietoEVRY to capture the market opportunities in the future AI-enabled world and create value for all stakeholders.

During 2023 we again took concrete steps forward in our path to becoming a software and digital engineering focused company. This focus and specialization aim to further accelerate the

competitiveness of our businesses in the market and to accelerate shareholder value. During the year solid progress was made with the strategic reviews (announced in 2022) of Banking and Tech Services, with both expected to conclude during 2024 as planned. We also took a major step in accelerating our digital engineering business Create, through the acquisition of MentorMate in the United States (as announced in July 2023). This step enhances our presence and expansion potential in the US market alongside the scale of our global digital engineering capabilities.

During the year each of our specialized businesses progressed well in advancing their market positions with end-to-end responsibility.

### Customers' resilience and advancing AI in a dynamic market in focus

The software and technology services industry is continuously advancing with data-driven and AI-enabled solutions building on the cloud foundation. The shift to cloud-native and data-driven technologies continues to be at the core of customers' drive for agility, productivity and competitiveness. This entire industry-wide transformation brings strong demand for cloud-native services, AI initiatives and software, with digital engineering as an underlying enabler.

The past year was a challenging one both in terms of macroeconomic developments and geopolitical instability. While 2023 started with strong market demand, it would consistently soften throughout

the year. For our industry, the implications of the lower growth environment tend to drive further price-erosion in traditional managed services, delayed digital engineering initiatives and a slowdown of exploratory activities with limited visibility to business impact. Demand for software businesses remained relatively stable.

The year also saw significant AI-driven technology advancements, especially with the propagation of Generative AI (GenAI). This is expected to have profound impacts on future productivity and innovation in our industry. There are multiple initiatives underway across companies including TietoEVRY embracing the possibilities, with very promising results. Adoption will accelerate as the technology matures. Naturally, as with any data-driven technology, AI and GenAI come with significant considerations for privacy, security and ethics to scale – the technology remains very exciting to pursue.

### 2023 – solid performance in a more challenging economic environment

At the beginning of 2023, TietoEVRY reported a good start to the year – with it being our sixth consecutive quarter of strong growth. While we continued on a growth path and managed to maintain good profitability for the subsequent quarters too, continued high inflation, macroeconomic uncertainty and consequent weaker demand were visible and impacted our overall performance, with lower growth rates during the course of the year. We



could nevertheless see sparks of the underlying potential of our specialization strategy coming through; maintaining strong resilience in performance as a result of the efficiency measures initiated during the year.

For 2023, TietoEVRY at the Group level achieved organic growth of 4% year-on-year, with profitability (adjusted EBITA) at 12.6% for the full year. The financial performance of the company in 2023 enables the continuation of attractive dividend levels, as defined in our financial ambitions.

The current macroeconomic environment is expected to continue during 2024 – highlighting the need for continued resilience in all our businesses.

### High employee engagement reflecting our core values

The talent market cooled down clearly from the highly heated year of 2022, with attrition levels normalizing. In 2023 we welcomed around 2,500 new colleagues to TietoEVRY. We continue to encourage and empower our employees towards continuous learning, tapping into new technologies to support both career development and business innovation.

Employee engagement is an important indicator of success for us. Our latest company-wide measurement in the last quarter of 2023 showed we have managed to maintain the high

engagement level of the previous two years, which is encouraging. We rely on our core values of openness, trust and diversity at all times. As a concrete example, we continue to leverage the flexible hybrid ways of working co-created with our employees in 2021.

As TietoEVRY we are devastated to see the war in Ukraine continuing. TietoEVRY has around 2,000 employees in Ukraine and we continue to support our people and their families, including providing means for relocation and enhancing opportunities to continue working. It has been truly humbling to witness the resilience, courage and dedication of our Ukrainian colleagues under the highly stressful circumstances.

The security of our employees and our operations – including the services we provide to our customers – is a prime consideration for us at all times. We continue to carefully monitor the overall security and risk landscape in the world, having taken actions to enhance our resilience and preparedness as deemed necessary.

### Strong progress with our sustainability agenda

The year 2023 marked the final one in our three-year Sustainability Plan, outlining our key priorities for ethical business conduct, climate action and creating an exciting place to work. We aim to be an industry benchmark and aligned with this, set high ambitions. I was pleased to see the progress across the identified key areas during the period,

for example the increase of 2% in the share of female employees (from 29% in 2020 to 31% in 2023), the 84% emission reduction in scope 1 and 2 GHG emissions compared to 2020, and us reaching the level of 99% use of renewable electricity in our data centers and own offices globally (80% in 2020). The full overview of our 2020-2023 progress is available in a dedicated section in this report.

Our commitment to sustainability achieved the highest market recognitions again in 2023. We were able to retain our platinum level in the EcoVadis sustainability rating, which was granted this time only to the top 1% of performers globally. We also saw solid progress in our carbon-reduction targets, verified by the Science Based Targets (SBT) initiative.

Sustainability continues to increase in importance for all key stakeholders, employees, customers and investors. We recognize the opportunities that digitalization brings for our customers and for society at large, and we are committed to making advancements in key areas.

As a key activity, the thorough work for TietoEVRY's next long-term Sustainability Plan was underway as planned in 2023, and during 2024 we will be introducing our updated approach and ambitions for the years ahead.

### Looking ahead – high priority for resilience and capturing AI opportunities

Overall, 2023 was a very dynamic year with its own pockets of successes and challenges. Our transformation with specialized businesses to create higher value to all stakeholders is on track, strategic reviews are progressing as planned, the strong performance in our software businesses continued, and we continue to actively pursue opportunities in the AI-enabled world. The macroeconomy and demand have impacted our digital engineering and outsourcing businesses, which ended up on the weaker side of the equation. However, we see long-term potential and value-creation opportunity for all our businesses remaining high. The macro-economic uncertainty and weak demand environment will likely be with us for a while – at least for the first part of 2024. Reaching our long-term financial ambition for 2025 will require the market environment improving from what we are experiencing currently. We look forward to playing a very active role in the next wave of industry growth and accelerated value creation – also in terms of delivering the value potential of new technologies such as AI to our customers.

I want to sincerely thank all our stakeholders for the close collaboration in 2023, and we look forward to continuing it during the year 2024 ahead.

**Kimmo Alkio**  
President and CEO



## Governance

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# Corporate Governance Statement

TietoEVRY is committed to good corporate governance. In addition to the relevant legislation and rules of the Helsinki, Oslo and Stockholm stock exchanges, TietoEVRY complies with the Finnish Corporate Governance Code issued by the Securities Market Association of Finland in 2020 with the exception of the appointment procedure for electing personnel representatives to the Board of Directors (Recommendation 5) as described in detail in [The Board of Directors](#) section.

This Corporate Governance Statement has been prepared in accordance with the Finnish Corporate Governance Code 2020. The code is available at [www.cgfinland.fi](http://www.cgfinland.fi). This statement has been issued separately from the report by the Board of Directors and is included in the Financial Review 2023.

## GOVERNANCE AT TIETOEVRY





# Annual General Meeting

TietoEVRY's supreme decision-making body is the Annual General Meeting (AGM). Every shareholder has a right to participate in the AGM and each share in TietoEVRY entitles its holder to one vote. However, no shareholder is allowed to vote at a General Meeting with more than one fifth (1/5) of the votes represented at the meeting.

The AGM elects the members of the Board of Directors (including the Chairperson) and appoints auditors, decides on their compensation and discharges the members of the Board of Directors and President and CEO from liability. The AGM's approval is required for option programmes as well as Board authorizations for share repurchases and share issues. The meeting also makes the decision on the Board's dividend proposal.

The following persons are usually present at TietoEVRY's AGM:

- Board of Directors: Chairperson, members and new member candidates
- Group Management: President and CEO, CFO
- Auditors

For more information on the AGM 2024 and previous meetings, shareholders and participation possibilities, please visit [www.tietoevry.com/agm](http://www.tietoevry.com/agm).

## AGM 2023

- In 2023, TietoEVRY's AGM convened on 23 March at TietoEVRY's headquarters in Espoo, Finland. Shareholders registered for the AGM were also able to follow the meeting through a webcast. There were 281 shareholders represented at the meeting representing altogether 43,688,188 shares and votes (36.9% of the total outstanding shares). More information about the AGM and results of the advance voting are available on the company's website. In 2023, all resolutions were supported by advance votes of ~90% or more.

# Shareholders' Nomination Board

The company's AGM decided in 2010 to establish a Shareholders' Nomination Board (SNB), which is a body of shareholders responsible for preparing the proposals to the AGM for the election and remuneration of the members of the Board of Directors (including remuneration of employee representatives).

The SNB consists of five members. Four of the members represent the four major shareholders who on 31 August held the largest number of votes conferred by all shares in the company and who wished to participate in the nomination process. The fifth member is the Chairperson of the company's Board of Directors. The term of office of the SNB members expires when a new SNB has been appointed. The SNB itself is an organ that has been established for the time being. The charter of the SNB is available on the company's website.

The SNB based on shareholdings as at 31 August 2023 consisted of the following representatives announced by TietoEVRY's shareholders:

Nominated by Solidium Oy:  
 Annareetta Lumme-Timonen  
 Main occupation: Investment Director, Solidium Oy  
 Born: 1967  
 Nationality: Finnish  
 Education: MSc (Eng.) and DSc (Tech.)

Nominated by Cevian Capital Partners Ltd:  
 Alexander Svensson  
 Main occupation: Vice President, Cevian Capital AG  
 Born: 1991  
 Nationality: Swiss and Swedish  
 Education: MSc (Management, Organisations and Governance), London School of Economics, BSc (PPE, Economics Major), University of Warwick

Nominated by Incentive AS:  
 Alexander Kopp  
 Main occupation: Investment Manager, Incentive AS  
 Born: 1981  
 Nationality: Norwegian  
 Education: A.B. (Econ.) Harvard College

Nominated by Ilmarinen Mutual Pension Insurance Company:  
 Mikko Lantto  
 Main occupation: Chief Technology and Development Officer, Ilmarinen Mutual Pension Insurance Company  
 Born: 1975  
 Nationality: Finnish  
 Education: BSc (Eng.)

Representing the Board of Directors of TietoEVRY Oyj:  
 Tomas Franzén

The SNB convened five times and provided TietoEVRY's Board of Directors on 25 January 2024 with its proposals to the AGM 2024. The SNB proposes to the AGM that the Board of Directors shall have nine members and that the current members Bertil Carlsén, Elisabetta Castiglioni, Tomas Franzén, Liselotte Hägertz Engstam, Harri-Pekka Kaukonen, Katharina Mosheim, Gustav Moss, Endre Rangnes and Petter Söderström be re-elected. The Shareholders' Nomination Board proposes that Tomas Franzén shall be re-elected as the Chairperson of the Board of Directors.

The biographical details of the candidates and information on their holdings in TietoEVRY are available on the company's [website](#).

The Shareholders' Nomination Board proposes that the remuneration of the members of the Board of Directors elected by the Annual General Meeting be annual fees:

- EUR 137 500 to the Chairperson (2023: EUR 133 000, increase of ~3.4%),
- EUR 73 500 to the Deputy Chairperson (2023: EUR 72 000, increase of ~2.1%) and
- EUR 55 600 to the members (2023: EUR 54 500, increase of ~2.0%).

In addition to these fees, it is proposed that the Chairperson of a permanent Board Committee be paid an annual fee of EUR 20 000, and a member of a permanent Board Committee be paid an annual fee of EUR 10 000. It is also proposed that the members elected by the Annual General Meeting will be paid EUR 800 for each Board meeting and for each permanent or temporary committee meeting. Further, it is proposed that the employee representatives elected as ordinary members of the Board of Directors be paid an annual fee of EUR 15 300 (2023: EUR 15 000, increase of 2.0%) and the employee representatives elected as deputy members of the Board of Directors be paid an annual fee of EUR 7 650 (2023: EUR 7 500, increase of 2.0%).

The Shareholders' Nomination Board is of the opinion that increasing the long-term shareholding of the Board members will benefit all the shareholders. Every member of the Board of Directors elected by the Annual General Meeting is expected to over a five-year period accumulate a shareholding in the company that exceeds his/her one-time annual remuneration.

The Shareholders' Nomination Board therefore proposes that part of the annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose from the following five alternatives:

- No cash, 100% in shares
- 25% in cash, 75% in shares
- 50% in cash, 50% in shares
- 75% in cash, 25% in shares, or
- 100% in cash, no shares.

The shares will be acquired directly on behalf of the members of the Board within two weeks from the release of the company's interim report 1 January–31 March 2024. If the remuneration cannot be delivered at that time due to insider regulations or another justified reason, the company shall deliver the shares later or pay the remuneration fully in cash. The remuneration of the employee representatives elected as members of the Board of Directors will be paid in cash.

# The Board of Directors

It is the general obligation of Tietoevry's Board of Directors to safeguard the interests of the company and its shareholders.

## Composition and election

According to Tietoevry's Articles of Association, the Board of Directors elected by the shareholders shall consist of at least six and no more than twelve members. Board members have a term of office of one year, expiring at the closing of the first AGM following the election.

The company has defined as an objective that in addition to professional competence, Tietoevry's Board members shall be diversified in terms of gender, occupational and professional background and that the Board as a group shall have sufficient knowledge of and competence in, inter alia, the company's field of business and markets as well as environmental, social and governance matters.

The SNB, which consists of representatives nominated by the company's largest shareholders, prepares a proposal on the composition of the Board to be presented to the AGM for its decision. The company has ensured that the diversity principles have been included in the charter of the SNB and charter of the Board and taken into account in the SNB work and candidate search. Three out of nine members elected by the AGM during 2023 were female. Gender diversity is continuously on the SNB's agenda.

In addition to the members proposed by the SNB and elected by the AGM, Tietoevry's personnel elected two members and two deputy members to the Board of Directors. This special appointment procedure is a departure from Recommendation 5 "Election of the Board of Directors" of the Corporate Governance Code. Personnel representation is based on the Finnish Act on Personnel Representation in the Administration of Undertakings and was originally agreed between the company and personnel of the Group by way of a Personnel Representation Cooperation Agreement in 2001.

The objectives of the personnel representation are, inter alia, to provide opportunities for the personnel to influence and affect the organization, to improve communication and decision making within the Group, to increase mutual trust and confidence between corporate management and the personnel as well as to increase and develop the feeling of security among the personnel. The personnel representatives, however, are not entitled to participate in the handling of matters that concern the appointment or dismissal of corporate management, the contractual terms of the management, the terms of employment of staff or matters related to industrial actions.

## Board of Directors as at 31 December 2023<sup>1)</sup>

Name	Born	Nationality	Education	Main occupation
Tomas Franzén (Board and RC Chairperson)	1962	Swedish	MSc. (Eng.)	Professional Board member
Harri-Pekka Kaukonen (Deputy Chairperson, ARC Chairperson)	1963	Finnish	Dsc. (Tech.)	Professional Board member
Bertil Carlsén <sup>2)</sup>	1960	Swedish	MSc. (Business Adm.)	Financial advisor and professional Board member
Elisabetta Castiglioni <sup>2)</sup>	1964	Italian	Ph.D. (Tech)	CEO, A1 Digital International GmbH
Liselotte Högertz Engstam	1960	Swedish	MSc. (Civ. Eng.)	Expert advisor, professional Board member
Katharina Mosheim	1976	Austrian	Ph.D. (Econ.)	CEO, Alpha Pianos AS, professional Board member
Gustav Moss <sup>2)</sup>	1988	Swedish	MSc. (Finance & Accounting)	Partner, Cevian Capital AB
Endre Rangnes	1959	Norwegian	BBA (Econ.)	CEO, Zolva Group, professional Board member
Petter Söderström <sup>2)</sup>	1976	Finnish	MSc. (Econ.)	Investment Director, Solidium Oy
Tommy Sander Aldrin (personnel representative) <sup>2)</sup>	1965	Norwegian	BSc. (Comp.)	Chief Consultant
Anders Palkint (personnel representative) <sup>2)</sup>	1967	Swedish	MSc. (Eng.)	Senior Project Manager

<sup>1)</sup> Timo Ahopelto, Angela Mazza Teufer, Niko Pakalén and personnel representatives Robert Spinelli and Iipo Waljus served as Board members until the AGM on 23 March 2023.

<sup>2)</sup> Board member as of the AGM on 23 March 2023.

## Independence and attendance in meetings of the Board and its committees in 2023

Name	Member since	Independent of company	Independent of shareholder	Board <sup>3)</sup>	Audit and risk committee	Remuneration committee
Tomas Franzén	2019	yes	yes	10/10		4/4
Harri-Pekka Kaukonen	2016	yes	yes	10/10	6/6	1/1
Bertil Carlsén <sup>1)</sup>	2023	yes	yes	9/9	5/5	1/1
Elisabetta Castiglioni <sup>1)</sup>	2023	yes	yes	9/9	4/5	
Liselotte Hägertz Engstam	2018	yes	yes	10/10	6/6	
Katharina Mosheim	2020	yes	yes	10/10	6/6	
Gustav Moss <sup>1)</sup>	2023	yes	yes	9/9		3/3
Endre Rangnes	2014	yes	yes	10/10		4/4
Petter Söderström <sup>1)</sup>	2023	yes	no	9/9		3/3
Tommy Sander Aldrin <sup>1)</sup>	2023	no	yes	9/9		
Anders Palklint <sup>1)</sup>	2023	no	yes	9/9		
Timo Ahopelto <sup>2)</sup>	2017	yes	no	1/1	1/1	
Angela Mazza Teufer <sup>2)</sup>	2021	yes	yes	1/1		
Niko Pakalén <sup>2)</sup>	2019	yes	yes	1/1	1/1	
Robert Spinelli <sup>2)</sup>	2022	no	yes	1/1		
Ilpo Waljus <sup>2)</sup>	2014	no	yes	1/1		

<sup>1)</sup> Board member as of 23 March 2023.

<sup>2)</sup> Board member until 23 March 2023.

<sup>3)</sup> One Board subgroup met nine times. Meeting fees were paid for these meetings.

All Board members elected by the AGM of TietoEVRY are independent of the company and eight out of nine members elected by the AGM are independent of the company's significant shareholders. The independence of the members is evaluated at the Board's constitutive meeting. The Board members shall inform the Board if any changes in these circumstances occur, in which case their independence will be re-evaluated.

More detailed background information regarding the Board members, such as working experience, past and present positions of trust and remuneration, is presented on the company's website at [www.tietoenvry.com/investors](http://www.tietoenvry.com/investors).

### Tasks

The main duties and working principles of the Board have been defined in a written charter. Additionally, the work of the Board is based on an annual action plan.

More specifically, the Board:

- approves the company's values, strategy and organizational structure
- defines the company's dividend policy
- approves the company's annual plan and budget and supervises their implementation
- monitors management succession, appoints and discharges the President and CEO
- decides on the President and CEO's compensation, sets annual targets and evaluates their accomplishment
- decides on the compensation of the President and CEO's immediate subordinates
- addresses the major risks and their management at least once a year
- reviews and approves interim reports, annual reports and consolidated financial statements
- reviews and approves the company's key policies
- is accountable for guiding the organization's strategy on environmental, social and governance (ESG) topics
- meets the company's auditors at least once a year without the company's management
- appoints the members and Chairpersons of the Board's committees and defines their charters
- reviews assessments of its committees as well as the President and CEO
- evaluates its own activities.

### Work

The Board has scheduled meetings every one to two months. Besides the Board members, the meetings are attended by the President and CEO, Chief Financial Officer (CFO) and General Counsel, who acts as secretary of the meetings. In addition to the scheduled meetings, the Chairperson shall convene the Board whenever needed as well as at the request of any of its members or the President and CEO.

Matters to be handled are prepared by the Board committees and the President and CEO. The Board receives information on the company's financial performance monthly and more detailed financial reports quarterly. Any material related to matters to be handled by the Board is provided four days prior to the meeting. Other case-specific materials are delivered at the management's initiative or the Board's request. Board members shall be informed about all significant company events immediately.

### 2023

- The Board convened ten times in 2023 and the average attendance was 100%.
- The Board met eight times during the year without the management present.
- The Board held one joint meeting with the auditors.
- The Board met the auditors once without the presence of the management.

### Assessment

The performance of TietoEVRY's Board is assessed annually; the latest assessment was carried out by a self-evaluation during autumn 2023. Assessments review the Board's knowledge of the company's operations and management, its understanding of the field of business as well as how key ESG topics are addressed. Additionally, the effectiveness of the Board work is evaluated. The SNB is informed of the results, which are also taken into consideration when the Board draws up its next annual plan.

### Committees

TietoEVRY's Board is assisted by two permanent committees that prepare matters for which the Board is responsible. The Board defines the charters of the committees and decides on their composition. The Board establishes temporary subgroups whenever it is needed for a specific topic. The entire Board remains responsible for the duties assigned to the permanent committees or temporary subgroups.

### Remuneration Committee

#### Composition

The Remuneration Committee (RC) comprises of at least three non-executive directors elected by the Board. The majority of the members shall be independent of the company. The Head of HR acts as secretary of the meetings.

Based on the Board's decision, the RC was composed of the following non-executive directors who were independent of the company and of significant shareholders, except for Petter Söderström who is independent of the company and non-independent of a significant shareholder:

- Tomas Franzén (Chairperson)
- Gustav Moss
- Endre Rangnes
- Petter Söderström.

#### Work

The committee meets regularly and at least twice a year. The Chairperson of the committee reports to the Board when applicable. The main tasks of the committee are to:

- monitor the targets of the compensation schemes, implementation of the compensation schemes, performance assessment and compensation determination
- ensure that the targets set for earning the bonuses defined in the compensation scheme are met

- prepare a proposal for the Deputy Chairperson of the Board
- prepare a proposal on the committees (members and Chairpersons, and the duties and responsibilities of the committees)
- monitor corporate governance
- prepare a compensation proposal concerning the President and CEO and his immediate subordinates, and the principles of personnel compensation, including applicable ESG targets
- prepare for the Board option schemes and other share-based incentive schemes
- evaluate the performance of the President and CEO
- prepare the assessment of the Group Management
- prepare a proposal on the Board's charter.

### 2023

- The committee convened four times in 2023 and the average attendance was 100%.
- In addition to its normal responsibilities within the scope of its charter, the committee followed the functioning of short- and long-term incentive plans to ensure that they supported the achievement of the objectives as well as the development of the remuneration of the Group Executive Management.

## Audit and Risk Committee

### Composition

The Audit and Risk Committee (ARC) comprises at least three non-executive directors who are independent of the company and out of whom at least one member shall be independent of the significant shareholders. The Chairperson and the members are elected by the Board. At least one committee member must have expertise in accounting, bookkeeping or auditing. TietoEVRY's Deputy General Counsel acts as secretary of the meetings.

In 2023, all committee members were non-executive directors who were independent of the company and of significant shareholders. All members have extensive experience in corporate management and financial issues and therefore have the expertise referred to in the Finnish Corporate Governance Code.

Based on the Board's decision, the ARC was composed of

- Harri-Pekka Kaukonen (Chairperson)
- Bertil Carlsén
- Elisabetta Castiglioni
- Liselotte Hågertz Engstam
- Katharina Mosheim

### Work

The committee convenes regularly at least four times a year and meets the company's auditors, also without the company's management present. The Chairperson of the committee reports to the Board. The main tasks of the committee are to:

- review and supervise internal control – particularly the financial reporting process – and risk management
- discuss and review the interim and annual reports and the consolidated financial statements, including non-financial information, EU taxonomy and other relevant ESG reporting topics
- assess compliance with legislation, official regulations and the company's Code of Conduct
- evaluate the sufficiency of internal control and the internal audit
- examine, assess and approve the internal audit plan
- assess the appropriate coverage of risk management and monitor the efficiency of risk management
- review significant risks and unusual business events
- prepare for the Board's decision a proposal for the AGM on the nomination of external auditors and their compensation
- evaluate the external auditors' independence, assess the audit plan and examine the audit reports
- monitor the statutory audit and consult with the auditors regarding matters that should be brought to the Board's attention.

### 2023

- The committee convened six times in 2023 and attendance was 97.1%.
- In addition to its regular agenda, the committee followed up progress of operational KPIs in the end-to-end businesses as well as development in cybersecurity and privacy matters.

# The President and CEO and operative management

## Members of the Group management as at 31 December 2023<sup>1)</sup>

Kimmo Alkio  
 President and CEO  
 Born: 1963  
 Nationality: Finnish  
 Education: BBA and Executive MBA  
 Joined TietoEVRY in 2011

Klaus Andersen<sup>3)</sup>  
 Managing Director, TietoEVRY Banking  
 Born: 1964  
 Nationality: Danish  
 Education: Master's degree in Engineering  
 Joined TietoEVRY in 2023

Kishore Ghadiyaram  
 Head of Strategy  
 Born: 1972  
 Nationality: Indian  
 Education: BSc. (Tech.)  
 Joined TietoEVRY in 2008

Carsten Henke<sup>1)</sup>  
 Managing Director, TietoEVRY Industry  
 Born: 1968  
 Nationality: German  
 Education: Masters degree in Mathematics  
 Joined TietoEVRY in 1997

Tomi Hyryläinen  
 Chief Financial Officer  
 Born: 1970  
 Nationality: Finnish  
 Education: MSc. (Econ.)  
 Joined TietoEVRY in 2018

Ari Järvelä<sup>1)</sup>  
 Managing Director, TietoEVRY Care  
 Born: 1969  
 Nationality: Finnish  
 Education: MSc. (Eng.)  
 Joined TietoEVRY in 2001

Satu Kiiskinen  
 Managing Director, TietoEVRY Tech Services<sup>2)</sup>  
 Born: 1965  
 Nationality: Finnish  
 Education: MSc. (Econ.)  
 Joined TietoEVRY in 2013

Christian Pedersen  
 Managing Director, TietoEVRY Create  
 Born: 1974  
 Nationality: Norwegian  
 Education: MSc. (Tech.)  
 Joined TietoEVRY in 2014

Trond Vinje  
 Head of HR  
 Born: 1968  
 Nationality: Norwegian  
 Education: MSc. (Pol. Sci.)  
 Joined TietoEVRY in 2015

The remuneration and more detailed background information, such as full CVs of the Group Management, are presented on the company's [website](#).

<sup>1)</sup> Ari Järvelä acted also as Managing Director of TietoEVRY Industry until 1 November 2023. Carsten Henke was appointed as Managing Director of TietoEVRY Industry as of 1 November 2023.

<sup>2)</sup> Satu Kiiskinen acted as Managing Director of TietoEVRY Transform and Johan Torstensson acted as Managing Director of Connect until 1 April 2023. These business were combined as TietoEVRY Tech Services on 30 November 2022.

<sup>3)</sup> Christian Segersven acted as Managing Director of Banking until 1 February 2023.



## Shareholdings of the Group Executive Management

Name	Shares at 31 Dec 2023	Shares at 31 Dec 2022
Kimmo Alkio	103 474	73 911
Klaus Andersen	2 476	N/A
Kishore Ghadiyaram	21 255	16 128
Carsten Henke	1 670	N/A
Tomi Hyryläinen	15 364	7 390
Ari Järvelä	22 287	16 239
Satu Kiiskinen	30 030	22 381
Christian Pedersen	15 748	8 064
Trond Vinje	38 197	32 986
Christian Segersven <sup>1)</sup>	N/A	0
Johan Torstensson <sup>2)</sup>	N/A	0

<sup>1)</sup> Position ended on 1 February 2023

<sup>2)</sup> Position ended on 1 April 2023

# Internal control and risk management

TietoEVRY is dedicated to maintaining a robust internal control environment and effectively managing risks to ensure the integrity of our financial reporting, safeguard our assets, and achieve our strategic objectives.

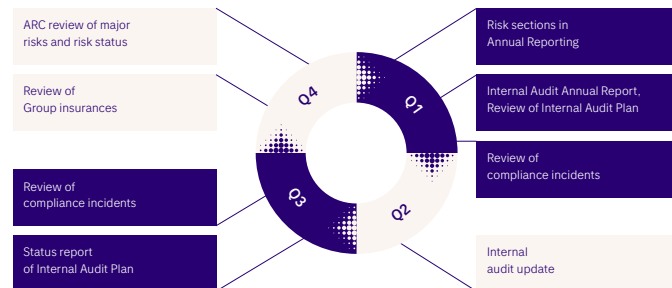
The internal control framework supports the execution of the strategy and ensures regulatory compliance. The key building blocks for the internal control are the risk management framework, financial control, internal audit and supporting policies and processes.

The objective of TietoEVRY’s internal control framework is to assure that operations are effective and well aligned with the strategic goals. The internal control framework is intended to ensure correct, reliable, complete and timely financial reporting and management information.

The framework endorses ethical values, good corporate governance and risk management practices. The activities related to internal control and risk management are part of TietoEVRY’s management practices and integrated into the business and planning processes.

## Risk management framework

### ANNUAL CLOCK FOR THE AUDIT AND RISK COMMITTEE



Review of project and delivery risks in each ARC meeting

TietoEVRY uses systematic risk management to develop the efficiency and control of business operations as well as their profitability and continuity. Risk management involves a thorough and systematic approach to assessing, identifying, evaluating, and analysing risks that could affect business objectives. With proper risk treatment actions, the impact and likelihood of risks are reduced.

The risk management framework consists of the risk management organization, related policies, processes, tools, and common ways of working. The risk management organization develops and maintains the company’s risk management framework, including risk reporting, risk management governance and follow-up of risk exposures consisting of strategic, financial, operational, compliance and people risk. The end-to-end businesses might add business-specific supplements to fulfil their specific needs.

The risk management organization consists of the Corporate Risk Management unit, nominated Risk Managers and Business Continuity Managers in the units and key stakeholders in functions. A group-wide Risk and Resilience Forum (for Risk and Continuity activities) has been established for information sharing, setting the direction of risk and continuity management, as well as crisis management, collaboration between units and reviewing steering documents. In addition, the Risk and Resilience Forum aligns group-wide risk management business continuity and crisis management activities and ensures company-wide deployment of the frameworks.

TietoEVRY has also specified its compliance management system, including the compliance organization, steering model, and annual plan for compliance-related activities. The Group Compliance Officer is responsible for maintaining the whistleblowing channel and coordinating investigations as well as ensuring the effectiveness and functionality of the governance model for compliance work.

## Governance of risk and compliance

At TietoEVRY, governance, risk, and compliance (GRC) are closely linked and consistently defined corporate policies and rules with proper controls. For instance, in the finance function, the financial reporting, compliance and risk monitoring are efficiently integrated into daily operations.

TietoEVRY has invested in process automation, which is seen as a way to improve quality and reduce costs. Well-drafted policies and rules are made available to assure that the implications of automation on risk and compliance are fully understood by all parties in the organization.

## Continuous development of the risk framework

The development of the TietoEVRY GRC (Governance, Risk & Compliance) platform with its related framework continued during 2023. Its effectiveness is validated in business operations by means of active

risk assessments of the company's assets, resulting in measurable risk reductions and risk management KPIs.

The TietoEvry GRC platform now comprises the following functionalities:

- Business reporting dashboards
- Risk management and improvement opportunity
- Privacy risk assessments
- Security incident management
- Audit management
- Business continuity management

The GRC platform enables online visibility to the information with Group, Business, and function and organization level dashboards, with automated notifications to stakeholders and systematic follow-up of actions.

The development of the GRC platform, risk management framework and other frameworks is carried out in close cooperation with the nominated Risk, Continuity, Security, Privacy and Quality Managers, and Business Leaders in the units, and they are approved by the TietoEvry Group Executive Management and validated by the ARC.

### Financial control

The purpose of internal control over financial reporting is to ensure the correctness of financial reporting, including interim and annual reports and the compliance of financial reporting with regulatory requirements. In 2023, the company launched a new Internal Control Policy in connection with various other key controls and policy documents.

The ARC has the oversight role in TietoEvry's external financial reporting.

### Financial reporting process and responsibilities

TietoEvry has a common accounting and reporting platform. Group consolidation and reporting are based on the reporting system, which facilitates common control requirements for all legal entities reporting to the Group. TietoEvry has a framework for internal controls in place, and continuously drives improvements in the common accounting and reporting platform to accommodate internal needs and new regulatory requirements.

Financial reporting consists of monthly performance reports, including all the key performance indicators, rolling forecasts and interim financial reports. These reports are reviewed together with relevant non-financial information.

Financial reports are regularly reviewed by the Finance Directors and leadership teams in the businesses, the Group Executive Management, and the Board of Directors. The follow-up is based on a thorough comparison of the actual figures with the set objectives, forecasts, and previous periods. If the figures deviate, the Group Executive Management members are responsible for initiating corrective actions.

### Internal audit

The purpose of TietoEvry's Internal Audit function is to provide independent, objective assurance and advisory services designed to add value and improve TietoEvry's operations. Internal Audit functionally reports to the Audit and Risk Committee (ARC) and administratively to the Chief Financial Officer (CFO).

Core services aim at assessing and assuring the adequacy and effectiveness of risk management and internal control within TietoEvry's ecosystem. Assurance and Advice is delivered via data-driven business partnering, enabling digital end-to-end assurance and assurance by design.

Internal Audit applies annual planning and quarterly reporting cycles, approved by the ARC. In case of substantial changes affecting the risk landscape, the audit plan can be amended, and changes addressed when needed. Main input sources for planning are Risk Management, Legal and Compliance functions, Operational Excellence, external auditors as well as business management and the ARC. Services are delivered via co-sourcing with adjacent functions and area subject matter experts. This enables relevance and effectiveness, positively impacting behaviour across TietoEvry's ecosystem.

## Related-party transactions

TietoEVRY maintains a list of its related parties in accordance with IAS24 and discloses the required information concerning related-party transactions in the report by the Board of Directors and notes to the consolidated financial statements.

Further, the company evaluates and monitors transactions concluded between the company and its related parties and seeks to ensure that any conflicts of interest shall be taken into account in decision making. The Board of Directors has the overall responsibility to monitor the company's measures and evaluate that related-party transactions are entered into in the ordinary course of business and concluded on normal market terms.

Reporting to the Board of Directors takes place at the meeting where the financial statements are approved. The related-party transactions are summarized in [note 29](#) of the consolidated financial statements.

Furthermore, the company has added controls into its processes and decision-making policies to identify and duly handle any transactions with related parties. Testing of customer and supplier transactions is carried out by both the company and its external auditors.

## Insider administration

TietoEVRY follows the EU Market Abuse Regulation (MAR) and rules of Nasdaq Helsinki and Oslo Børs. In addition, TietoEVRY's Board of Directors has adopted an internal TietoEVRY Insider Rule.

TietoEVRY has specified that the Board of Directors and the President and CEO of the parent company TietoEVRY Corporation are subject to the requirement to notify their transactions. In addition, TietoEVRY has set restrictions on trading for the members of the Group Executive Management, persons participating in the preparation of interim reports and consolidated financial statements as well as other persons who are considered to receive information of a confidential and sensitive nature in their position or service.

The managers and other persons subject to trading restrictions are prohibited from dealing in TietoEVRY's shares or other financial instruments during the closed period. The closed period covers 30 calendar days before the disclosure of an interim financial report or a financial statement release including the date of disclosure (= 30 + 1 days).

TietoEVRY's General Counsel is in charge of insider administration and the Group Legal and Compliance team monitors compliance with the insider regulation and takes care of necessary guidance and training.

# Auditors

The ARC prepares a proposal on the appointment of TietoEVRY's auditors, which is then presented to the Board of Directors and finally to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the ARC.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the auditor to be elected at the AGM 2024 be reimbursed according to the auditor's invoice and in compliance with the purchase principles approved by the Committee.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the firm of authorized public accountants Deloitte Oy be re-elected as the company's auditor for the financial year 2024. The firm of authorized public accountants Deloitte Oy has notified that APA Jukka Vattulainen will act as the auditor with principal responsibility. Further, it is proposed that Deloitte Oy will be elected as the Authorized Sustainability Auditor.

## Auditing

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

In 2023, TietoEVRY Group paid the auditors a total of EUR 1.6 (1.3) million in audit fees, and a total of EUR 0.6 (0.6) million for other services.

# Remuneration Report

## Chairperson letter

Dear Shareholder,

On behalf of TietoEVRY's Remuneration Committee, I am pleased to present our Remuneration Report 2023. The report includes the remuneration of the members of the Board of Directors and the President and CEO (the CEO) for the financial year 2023 and describes how the Remuneration Policy approved by the 2020 Annual General Meeting of Shareholders has been implemented in practice. We will present this report and our new Remuneration Policy at the 2024 Annual General Meeting for an advisory shareholder vote.

### Our approach to remuneration

Our purpose as a Remuneration Committee is to ensure that remuneration plans at TietoEVRY reflect our long-standing remuneration principles of aiming to attract and retain the best talent, motivate all employees and align the goals of our shareholders, executives and other stakeholders to enhance the value of the company. We reward our employees for high performance in achieving both individual and the company's objectives. Thus, we are linking remuneration to the successful execution of our strategy, driving a major renewal of the company.

Our specialization-based strategy aims to accelerate value creation in the company. The acquisition of MentorMate implemented during the year supports the company's drive for growth and strengthens our position in the digital engineering area. Specialization is also an enabler for the strategic reviews of TietoEVRY Banking and TietoEVRY Tech Services, which were focus areas throughout the year with preparations enabling sale or listing. These actions seek to position the company as a leading software and digital engineering player globally.

Our remuneration structure aims to reinforce and support our strategic target of driving the expansion and growth of the company. With clear targets for both short- and long-term incentives, the Board of Directors aims to support sustainable value creation for all stakeholders. Therefore, our long-term incentive plans are linked to both strategic and financial measures as well as Environmental, Social and Governance (ESG) measures.

A significant proportion of our CEO's remuneration is derived from variable pay, comprising both short- and long-term incentives. The Board of Directors aims to ensure that the remuneration is well aligned with the execution of the strategy – which is particularly important during the era of significant ongoing renewal – and the financial performance of the company.

### TietoEVRY's performance and remuneration in 2023

In 2023, performance was impacted by the softer market. Organic revenue growth was driven by software businesses but remained modest, at 4%, on Group level. TietoEVRY delivered adjusted operating profit of EUR 358.7 million, representing somewhat lower profitability in the challenging market environment and

continued high inflation. 2023 was the final year in the Performance Share Plan (PSP) 2021–2023 with earnings per share (EPS), relative total shareholder return (relative TSR) and revenue growth as performance measures. For relative TSR, TietoEVRY's share was compared to relevant share index performance between 2021 and 2023. Relative TSR was between the minimum and target level set for the plan. EPS achievement was between the minimum and target level and Revenue growth was at maximum set for the plan.

In our efforts to progress further, we conducted an analysis of remuneration reporting practices in Finland and Europe. Based on this, we have made the decision to enhance our transparency levels in the reporting, that was aligned with Finnish listed companies, regarding STI and LTI targets and plans results.

The remuneration for the Board of Directors and the CEO during the financial year 2023 was executed in accordance with the 2020 Remuneration Policy. No deviations from the Remuneration Policy have been made and no remuneration of the Board of Directors or the CEO has been reclaimed or restated during the financial year 2023.

### Environmental, Social and Governance measures and their link to remuneration

As part of its strategy, the company has made a long-term commitment to sustainability by increasing its focus on Environmental, Social and Governance (ESG) aspects. This was already visible in the Performance Share Plan 2022-2024 with the inclusion of key ESG measures in the plan metrics. CO<sub>2</sub> emission reductions and gender diversity in the form of female recruits were included also in the Performance Share Plan 2023-2025 metrics with an increased weight than in the previous plan. To emphasize the importance of these metrics, we continue to focus on them in Performance Share Plan 2024-2026. The target levels set by the Board of Directors are based on the long-term ambitions of the company and support the execution of the strategy.

On behalf of TietoEVRY Remuneration Committee

Tomas Franzén  
Chairperson of the Remuneration Committee

Committee members during 2023:

- Tomas Franzén
- Endre Rangnes
- Harri-Pekka Kaukonen (until the AGM on 23 March 2023)
- Petter Söderström (as of the AGM on 23 March 2023)
- Gustav Moss (as of the AGM on 23 March 2023)

This Remuneration Report has been prepared in accordance with the Finnish Corporate Governance Code 2020, and the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, and the Decree of the Ministry of Finance.

## Remuneration of the Board

According to the decision of TietoEVRY's AGM 2023, the annual remuneration of the Board of Directors is the following:

- EUR 133 000 to the Chairperson,
- EUR 72 000 to the Deputy Chairperson and
- EUR 54 500 to the ordinary members of the Board of Directors.

In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. In addition, remuneration of EUR 800 is paid to the Board members elected by the Annual General Meeting for each meeting of the Board of Directors, a permanent committee or a temporary subgroup. Further, remuneration for employee representatives elected as ordinary members of the Board of Directors will be an annual fee of EUR 15 000, and remuneration for the deputy members will be EUR 7 500. Remuneration for the employee representatives is paid in cash only.

Furthermore, the AGM 2023 decided that part of the fixed annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose to receive the fee from the following alternatives:

1. No cash, 100% in shares
2. 25% in cash, 75% in shares
3. 50% in cash, 50% in shares
4. 75% in cash, 25% in shares
5. 100% in cash, no shares.

No restrictions have been set on Board members concerning how they may assign these shares, but the company recommends that Board members should retain ownership of all the shares they have received as remuneration for as long as they serve on TietoEVRY's Board.

In addition to the share remuneration, the Board members do not belong to or are not compensated with other share-based arrangements, nor do the members have any pension plans at TietoEVRY, with the exception of the personnel representatives. TietoEVRY executives or employees are not entitled to compensation for their Board positions or meeting attendance in the Group companies, except for the employee representatives elected as ordinary members to the parent company's Board of Directors. None of the Board members, except the personnel representatives, have an employment relationship or service contract with TietoEVRY.

Compensation of individual Board members and the Board in 2023<sup>1)</sup>

Name	Annual remuneration		
	EUR <sup>2)</sup>	Shares <sup>3)</sup>	Meeting based, EUR
Tomas Franzén, Chairperson Board and RC <sup>4)</sup>	76 504	2 840	20 000
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC <sup>4)</sup>	46 022	1 707	13 600
Bertil Carlsén <sup>4)</sup>	32 259	1 197	11 200
Elisabetta Castiglioni <sup>5)</sup>	48 393	598	10 400
Liselotte Hägertz Engstam <sup>5)</sup>	48 393	598	12 800
Katharina Mosheim <sup>5)</sup>	48 393	598	12 800
Gustav Moss <sup>4)</sup>	32 259	1 197	16 800
Endre Rangnes <sup>4)</sup>	32 259	1 197	18 400
Petter Söderström <sup>4)</sup>	32 259	1 197	16 800
Timo Ahopelto <sup>6)</sup>	—	—	2 400
Angela Mazza Teufer <sup>6)</sup>	—	—	800
Niko Pakalén <sup>6)</sup>	—	—	3 200
Tommy Sander Aldrin, personnel rep.	15 000	—	—
Anders Palklint, personnel rep.	15 000	—	—
Thomas Slettemoen, personnel deputy rep.	7 500	—	—
Ilpo Waljus, personnel deputy rep.	7 500	—	—
<b>In total</b>	<b>441 739</b>	<b>11 129</b>	<b>139 200</b>

<sup>1)</sup> The Board members have not received any other benefits.

<sup>2)</sup> Gross compensation before taxes.

<sup>3)</sup> Shares were purchased and delivered in May 2023.

<sup>4)</sup> 50% in cash, 50% in shares.

<sup>5)</sup> 75% in cash, 25% in shares.

<sup>6)</sup> Board member until 23 March 2023.

 Board of Directors' shareholdings in TietoEVRY<sup>7)</sup>

Name	At 31 Dec 2023	At 31 Dec 2022
Tomas Franzén, Chairperson Board and RC	13 544	10 704
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC	11 475	9 768
Bertil Carlsén	1 197	—
Elisabetta Castiglioni	598	—
Liselotte Hägertz Engstam	4 694	4 096
Katharina Mosheim	2 365	1 767
Gustav Moss	1 197	—
Endre Rangnes	8 902	7 705
Petter Söderström	1 697	—
Timo Ahopelto	—	7 244
Angela Mazza Teufer	—	3 176
Niko Pakalén	—	2 786

<sup>7)</sup> Corporations over which the Board members exercise control did not have shares or share-based rights on 31 December 2023.



**President and CEO's total remuneration**

Kimmo Alkio	Remuneration paid during fiscal year 2023	Rewards to be paid during fiscal year 2024, STI 2023 and LTI 2021-2023
Salary	EUR 850 228	
Benefits	EUR 24 737	
Short-term incentive	EUR 991 586 (STI 2022)	EUR 404 680 (STI 2023)
Long-term incentive <sup>1)</sup>	EUR 1 551 626 (PSP 2020 –2022)	44 722 gross shares (PSP 2021–2023)
Total	EUR 3 418 177	
Fixed vs. variable compensation	26% / 74%	
Pension expenditure, voluntary defined contribution	EUR 213 285 <sup>2)</sup>	

<sup>1)</sup> Total gross long-term incentive reward, which is partly delivered in shares, partly converted to cash to cover income tax.

<sup>2)</sup> Payments to defined contribution plans are recognized as expenses for the period to which they relate. After payment of the contribution the Group has no further obligations in respect of such plans.

Variable, performance-based pay, meaning short- and long-term incentives, forms a substantial part of the CEO's total remuneration. In 2023, the paid short- and long-term incentives formed 74 per cent of total compensation and the fixed annual compensation 26 per cent. The CEO is eligible for a defined contribution (DC) plan where the expenditure is 23% of the annual base salary. Retirement age is 63. No other financial benefits were paid to the CEO in 2023.

**Short-term incentive**

The incentive for the President and CEO is 75% of the annual base salary when the performance is at expected level and the maximum incentive is 150%. The incentive targets are annually set by the Board of Directors, and the payout is decided by the Board of Directors after the consolidated financial statements have been prepared.

**CEO STI 2022 (paid in April 2023)**

Reward targets	Weight	Target <sup>2)</sup>	Incentive payout as % of on-target amount
Group revenue	25%	EUR 2 876 million	200%
Group adjusted profit (EBITA adj.)	25%	EUR 382 million	116%
Adjusted free cash flow	10%	EUR 182 million	0%
Strategy and portfolio targets <sup>1)</sup>	40%		200%
<b>Total</b>	<b>100%</b>		<b>159%</b>

**CEO STI 2023 (to be paid in 2024)**

Reward targets	Weight	Target <sup>3)</sup>	Incentive payout as % of on-target amount
Group revenue	25%	EUR 3 096 million	47%
Group adjusted profit (EBITA adj.)	25%	EUR 417 million	46%
Group adjusted free cash flow	10%	EUR 210 million	0%
Strategy and portfolio targets <sup>1)</sup>	40%		100%
<b>Total</b>	<b>100%</b>		<b>63%</b>

**CEO STI 2024 (potential reward in 2025)**

Reward targets	Weight
Group revenue	25%
Group adjusted profit (EBITA adj.)	25%
Adjusted free cash flow	10%
Strategy and portfolio targets <sup>1)</sup>	40%
<b>Total</b>	<b>100%</b>

<sup>1)</sup> Strategic targets and priorities set by the Board of Directors

<sup>2)</sup> Measured in constant currency (2021 FX rates), adjusted for acquisitions and divestments

<sup>3)</sup> Measured in constant currency (2022 FX rates), adjusted for acquisitions and divestments

### Long-term incentive

Share-based plans reward leadership and key employees for company growth and achievement of defined strategic targets. TietoEVRY's Board of Directors decides each year separately on establishing new long-term incentive plans and sets the performance criteria for the performance share plan including the performance requirements for threshold, target and maximum levels. The performance criteria are set and

evaluated for the three-year performance period. The ESG performance measures for PSP 2022–2024, PSP 2023–2025 and PSP 2024–2026 are based on the company's responsibility targets. The Board nominates the CEO to the LTI plan and decides on the shares to be allocated to him. Shares will be delivered after the consolidated financial statements have been prepared and performance criteria evaluation can be completed.

Performance Share Plan	2020–2022	2021–2023	2022–2024	2023–2025	2024–2026
Performance criteria & criteria weight					
	EPS, weight 50%	EPS, weight 33%	TSR, weight 60%	TSR, weight 80%	Relative TSR, weight 50%, Index +1% (annual) Absolute TSR, weight 30%, target level 9% (annual)
	TSR, weight 50%	TSR, weight 33%	Revenue growth, weight 30%	ESG: CO <sub>2</sub> emissions, weight 10%. Target level: 87% reduction from 2020 baseline by the end of 2025	ESG: CO <sub>2</sub> emissions, weight 10%. Target level 90% reduction from 2020 baseline by the end of 2026
		Revenue growth, weight 34%	ESG: CO <sub>2</sub> emission, weight 5%	ESG: Gender diversity, female new recruits, weight 10%. Target level 37% female intake in 2025	ESG: Gender diversity, female new recruits, weight 10%. Target level: 38%
			ESG: Gender diversity, weight 5%		
Achievement in total and per measure	137%	118%	n/a	n/a	n/a
	EPS: 75%	EPS: 68%			
	Relative TSR: 200%	Relative TSR: 84%			
		Revenue growth: 200%			
Share delivery	2023	2024	2025	2026	2027
The President and CEO share grants and deliveries					
Grant size of Annual Base Salary at share grant <sup>1)</sup>	125%	125%	125%	125%	125%
Target number of gross shares	40 600	37 900	43 212	37 900	50 333
Maximum number of gross shares	81 200	75 800	86 424	75 800	100 666
Shares earned (total gross shares) <sup>2)</sup>	55 622	44 722	n/a	n/a	n/a
Share price at delivery	27.8959	n/a	n/a	n/a	n/a

<sup>1)</sup> The CEO LTI grant size was adjusted for PSP 2020–2022 and onwards by the Board to take into account the larger company size after the merger.

<sup>2)</sup> Shares earned shows the total number of shares after performance criteria achievement. Part of the reward is converted to cash payment to cover income tax.

Updated information on the shares held by the President and CEO is available on the company's website at [www.tietoevry.com/investors](http://www.tietoevry.com/investors) under the insider register.

### Comparative remuneration data

The information in the table below is based on Tieto's data until the merger of Tieto and EVRY on 5 December 2019. The data from 2020 and onwards represent post-merger values.

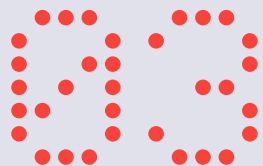
		2019	2020	2021	2022	2023
Revenue	EUR million	1 734.0	2 786.4	2 823.4	2 928.1	2 851.4
Operating profit (EBIT)	EUR million	126.8	146.7 <sup>4)</sup>	382.0 <sup>4)</sup>	266.5	255.6
Board remuneration <sup>1)</sup>						
Chairperson	Annual remuneration, EUR	98 000	125 000	125 000	128 500	133 000
Deputy chairperson	Annual remuneration, EUR	58 000	70 000	70 000	72 000	72 000
Board member	Annual remuneration, EUR	38 000	53 000	53 000	54 500	54 500
	Meeting fee, EUR/meeting	800	800	800	800	800
Employee representative	Annual remuneration, EUR		15 000	15 000	15 000	15 000
CEO remuneration <sup>2)</sup>	EUR	2 589 032	2 636 446	2 404 562	2 248 409	3 631 462
Employee remuneration <sup>3)</sup>	EUR, average per employee	62 155	62 452	64 084	65 454	64 761

<sup>1)</sup> Post-merger, in addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. Deputy members of the personnel representatives received an annual fee of EUR 7 500.

<sup>2)</sup> The CEO's remuneration consists of gross rewards paid during the reported year. 2019 and 2020 include a merger success bonus related to the merger of Tieto and EVRY.

<sup>3)</sup> Employee average compensation from 2020 onwards is based on personnel expenses divided by the average number of employees, and for the other years, the end-of-year employee figures.

<sup>4)</sup> In 2021, TietoEVRY's operating profit includes EUR 104.0 million in capital gains from divestments, whereas in 2020, adjustment items included substantial costs related to integration. Eliminating all non-recurring items, adjusted operating profit (EBITA) stood at EUR 367.8 million (2021) and EUR 355.0 million (2020).



## Financials

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<sup>1)</sup> Unaudited

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**Dividend proposal, signatures for the Board of Directors' report and Financial Statements and Auditor's Report**

This Financial Statements and Report by the Board of Directors 2023 in pdf format has been published voluntarily and is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation. TietoEVRY's Financial Statements and Report by the Board of Directors 2023 in accordance with ESEF regulations are available at [www.tietoevry.com/investors](http://www.tietoevry.com/investors).

## About TietoEVRY

TietoEVRY Corporation, a public limited liability company headquartered in Finland, is a leading Nordic digital services and software company that employs over 24 000 experts globally. TietoEVRY serves thousands of enterprise and public sector customers in more than 90 countries. The company's shares are listed on the NASDAQ in Helsinki and Stockholm and the Oslo Børs.

The company's services comprise software, data and digital engineering as well as managed services and transformation, and related capabilities to support customers' business renewal, innovation and efficient operations. TietoEVRY's role varies from consulting and advisory, designing and building solutions to running IT operations. Competitiveness is based on solutions combining best-of-breed technologies with consulting and integration capabilities, industrialized service delivery and strong global delivery capability.

To capture the momentum of the cloud-native and software market, TietoEVRY's five specialized end-to-end businesses have full operational responsibility, including go-to-market, service portfolio as well as investments and partnerships to drive scale and expansion.

The Group's segments are described in the [Strategy section](#).

## Highlights of 2023

- The company had a strong start for the year. While the softening of the IT market impacted performance in the second half of 2023, full-year profitability remained close to the previous year's level.
- The company took a major step in its transformation. The strategic reviews of TietoEVRY Banking and Tech Services accelerate TietoEVRY's strategy implementation, positioning the company as a leading software and digital engineering player globally.
- The strategic review of TietoEVRY Tech Services progressed as planned. TietoEVRY Tech Services, former TietoEVRY Transform and TietoEVRY Connect as a combined entity, began operating as an integrated business as from 1 April 2023.
- The build-up of the operations enabling TietoEVRY Banking to function as a fully independent company was completed during the year. In February 2024, TietoEVRY's Board of Directors approved a demerger plan to separate TietoEVRY Banking. The Board of Directors proposes a demerger to list the TietoEVRY Banking business while reserves the right for other alternatives, if in the best interest of shareholders.
- In July, the company acquired MentorMate, a digital engineering company headquartered in the USA, to support TietoEVRY Create's ambition to become a leading digital engineering player globally.
- In the full year, revenue was down by 2.6%, impacted by negative currency effects. Organic<sup>1)</sup> growth was 4%. Adjusted operating profit<sup>2)</sup> (EBITA) was EUR 358.7 (379.2) million, representing a margin of 12.6% (13.0). Profitability was affected by higher inflation and slower growth in the second half of the year.
- Operating profit (EBIT) amounted to EUR 255.6 (266.5) million.

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

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

## Five-year key figures

	2023	2022	2021	2020	2019
Revenue, EUR million	2 851.4	2 928.1	2 823.4	2 786.4	1 734.0
Operating profit (EBIT), EUR million	255.6	266.5	382.0	146.7	126.8
Operating margin (EBIT), %	9.0	9.1	13.5	5.3	7.3
Adjusted <sup>1)</sup> operating profit (EBITA <sup>2)</sup> , EUR million	358.7	379.2	367.8	355.0	199.4
Adjusted <sup>1)</sup> operating margin (EBITA <sup>2)</sup> , %	12.6	13.0	13.0	12.7	11.5
Profit before taxes, EUR million	220.8	242.8	353.8	122.4	100.8
Earnings per share, EUR					
Basic	1.45	1.59	2.46	0.80	1.02
Diluted	1.45	1.59	2.46	0.80	1.02
Equity per share, EUR	13.62	14.52	15.38	13.73	14.27
Dividend per share, EUR	1.47	1.45	1.40	1.32	0.64
Capital expenditure, EUR million	85.3	92.9	80.8	83.5	51.4
Acquisitions, EUR million	156.3	—	—	0.6	175.7
Return on equity, 12-month rolling, %	10.3	10.7	16.9	5.7	7.3
Return on capital employed, 12-month rolling, %	9.8	9.9	13.7	5.2	6.9
Gearing, %	56.6	39.5	33.5	54.3	63.4
Interest-bearing net debt, EUR million	911.8	679.1	610.6	883.3	1 070.0
Equity ratio, %	46.7	51.5	51.6	45.9	44.5
Personnel on average	24 181	24 401	23 824	23 788	15 950
Personnel on 31 Dec	24 159	24 320	24 389	23 632	24 322

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

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

See calculation of key figures on page [Alternative performance measures](#).

## IT market development

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

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

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

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



# Strategy

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

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

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

- **TietoEvry Create** accelerates customers' digital agenda to create competitive products and data-driven businesses utilizing design, data and cloud technologies. This is a global business with software and data engineering at its core.
- **TietoEvry Banking** is a provider of scalable Banking-as-a-Service platform and leading software products to drive digital transformation and efficiency for financial institutions.
- **TietoEvry Care** provides modular and interoperable software, reinventing Nordic health and social care to enhance the care personnel and citizen experience.
- **TietoEvry Industry** is a portfolio of distinct competitive software and data solutions across a wide variety of industry domains. These domains include the public sector, pulp & paper and utilities.
- **TietoEvry Tech Services** drives enterprise-wide transformation across customers' business processes, applications and infrastructure. Deep customer knowledge, global cloud & data competencies, automated operations and a multi-cloud platform provider with a full range of infrastructure choices at scale form its foundation.

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

## Strategic reviews to accelerate value creation

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

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

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

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

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

# Financial performance

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

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

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

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

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

## Cash flow and investments

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

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

## Financial performance by segment

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

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

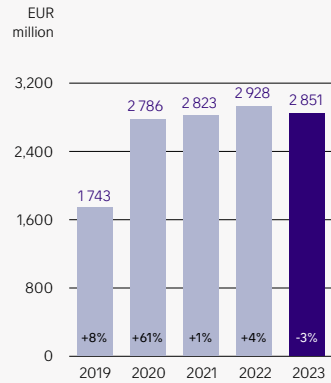
In **TietoEVRY Create**, revenue was organically up by 3%. The year started with solid development, while in the second half of the year, growth was impacted by the weaker market, particularly for smaller customer engagements, and negative development in the Ukrainian business due to the war. Profitability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

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

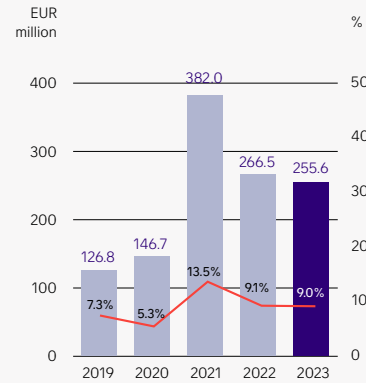
In **TietoEVRY Care**, revenue was organically up by 6%, driven by strong growth in both Healthcare and Welfare. Demand in Healthcare was impacted in Finland in the second half of 2023 as customers were preparing for procurements related to the social and healthcare reform. Continued strong profitability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

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

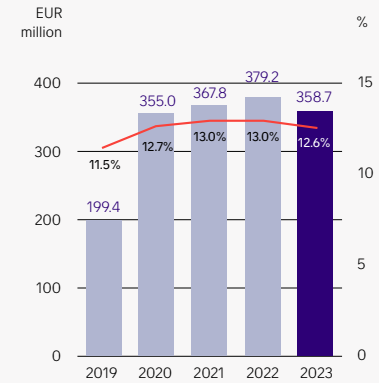
In **TietoEVRY Tech Services**, revenue was organically down by 2%. Its business mix is evolving towards scalable data, application and cloud services while volumes in traditional infrastructure services and low-margin hardware and software reselling are declining. Profitability improved despite negative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

**REVENUE AND GROWTH**


EVRY consolidated as from 5 Dec 2019

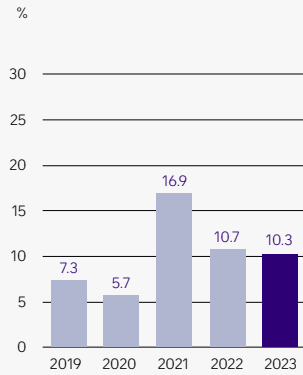
**OPERATING PROFIT (EBIT) AND MARGIN**


EVRY consolidated as from 5 Dec 2019

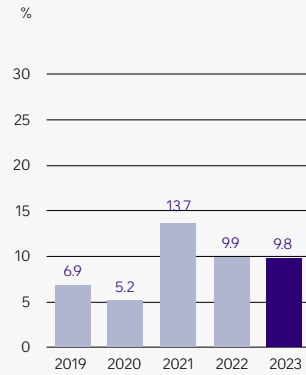
**ADJUSTED OPERATING PROFIT (EBITA) AND MARGIN**


EVRY consolidated as from 5 Dec 2019

RETURN ON EQUITY, %



RETURN ON CAPITAL EMPLOYED, %



## Financial position at the end of the period

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

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

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

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

## Investments and development

A significant part of the company's investments will be made in areas such as its own industry-specific software, data & analytics and cloud services. TietoEvry's development costs amounted to around EUR 129 (2022: 124 and 2021: 127) million, representing 4.5% (2022: 4.2% and 2021: 4.5%) of the Group's revenue, including capitalized costs.

## Order backlog

TietoEvry's order backlog amounted to EUR 3 236 (3 327) million at the end of December. Of the backlog, 54% (54) is expected to be invoiced during 2024. Adjusted for the impact of exchange rates, acquisitions and divestments, the order backlog remained at the 2022 level. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

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

# Personnel

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

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

## Group personnel and remuneration

	2023	2022	2021
Number of full-time employees, 31 December	24 159	24 320	24 389
Average number of full-time employees	24 181	24 401	23 824
12-month rolling employee turnover, %	10.1	14.4	14.6
Employee benefit expenses, EUR million	1 566	1 597	1 527

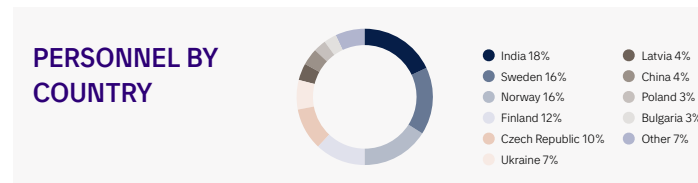
Tietoevry's Human Resources (HR) function facilitates and enables the development of the company's workforce. It also ensures that the company's practices and employee experience improve in line with market changes. The function is led by the Head of HR, while the five business HR leads are responsible for business-specific HR operations and agendas. The company supports freedom of association and collective bargaining as defined in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and stated in Tietoevry's Code of Conduct. European Works Councils (EWC) are bodies representing European employees. Tietoevry's management works constructively with the employee organizations through both the EWC and local works councils and unions to consult on any significant decision at a European level.

Tietoevry invests in the competence development of its employees. Curiosity and lifelong learning are crucial aspects of the company's culture and a key to success in the dynamic IT industry. The company's development and performance management framework, MyGrowth, continues to support personal and professional growth through dynamic goal setting, continuous feedback, and frequent development conversations.

Diversity and inclusion is a key area in Tietoevry's long-term sustainability plan. The Code of Conduct and the Diversity and Inclusion Charter outline the commitment and principles for diversity and inclusion at Tietoevry. The company's five end-to-end businesses implement diversity and inclusion in their respective units and teams, and each manager ensures diversity in their teams. The overall responsibility for ensuring a diverse workforce where people feel included lies with the CEO and the Group Executive Management. During 2023, a specific audit, with a focus on gender diversity in recruitment, was conducted by the Group Risk Management unit and Internal Audit Team. The results were analysed per business unit and related roadmaps with development actions created.

Employee engagement activities are followed up through OurVoice, an employee engagement survey. In the survey, employees provide feedback on three areas that drive engagement: collaboration, growth opportunities, and leadership. The employee engagement score remained at the previous year's level at 82/100.

More about the company's sustainable practices and achievements in the section [Non-financial information](#).



# Performance in 2024

TietoEVRY anticipates that the business mix of the company and long-term contracts provide resilience in uncertain times while visibility to the full year is relatively low. TietoEVRY expects its organic growth to be in the range of 0–3% in 2024. The lower end of the range assumes that market uncertainty will continue in the second half of the year whereas the upper end assumes that the market will gradually pick up during the year.

## Mitigating high inflation

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

# Major agreements

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

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

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

## Ongoing efficiency measures continue to contribute to profitability

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

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

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

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



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

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

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

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

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

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

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

In May, TietoEVRY Care was awarded a contract to deliver a social care system for Family Care in Lund municipality, the third biggest municipality in the region of Skåne and a long-term customer of TietoEVRY.

The four-year contract, with an option to prolong up to a total of 12 years, is based on a Software as a Service model, a change from the current on-premise model, and contains a number of new functionalities for the municipality. Previously, TietoEVRY won a similar procurement for Elderly Care in Lund in 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

In September, the wellbeing services county of Central Finland adopted TietoEVRY Care's partnership model to implement high-quality and cost-effective health and social services. The model offers customers an opportunity to influence the contents, priorities and implementation schedule of upcoming features and functionalities in Lifecare, and hence enables faster system development. In the partnership model, the

development of the Lifecare client and patient information system is carried out in cooperation with the existing Finnish wellbeing services counties based on the needs of their health and social care professionals. The South Karelia, South Ostrobothnia, Kanta-Häme, Central Ostrobothnia, Kymenlaakso, Päijät-Häme and Satakunta counties have been involved in the model since 2021. The eight wellbeing services counties serve about 1.4 million people in Finland.

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

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

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

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

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

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

demonstrates Tietoevry's strong customer-centric approach and ability to implement comprehensive ICT modernization that supports LocalTapiola's business needs.

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

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

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

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

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

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

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

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

## Changes in Group structure

TietoEvry established new companies in countries such as Romania and Malaysia during the year. Furthermore, new companies related to the strategic reviews of TietoEvry Banking and TietoEvry Tech Services were established in Estonia, Finland, India, Latvia, Lithuania, Norway, Poland and Sweden. TietoEvry acquired MentorMate, LLC in the US, MentorMate Bulgaria EOOD and MentorMate Paraguay S.R.L. in July.

## Branches

The Group has branches in France, Latvia, Norway, Ukraine and Sweden.

# Non-financial information

This section describes TietoEVRY's sustainability activities as required by Chapter 3a of the Finnish Accounting Act on non-financial information (NFI). The linkages between NFI areas and TietoEVRY's sustainability focus areas are identified in the chart describing policies and processes. More information is available in the Sustainability Report, which is partly assured by an external partner.

## TietoEVRY's business model

The company's services comprise software and digital engineering as well as managed services and transformation, and related capabilities to support customers' business renewal, innovation and efficient operations. TietoEVRY's role varies from consulting and advisory, designing and building solutions to running IT operations. Competitiveness is based on solutions combining best-of-breed technologies with consulting and integration capabilities, industrialized service delivery and strong global delivery capability.

To capture the momentum of the cloud-native and software market, TietoEVRY's five specialized end-to-end businesses have full operational responsibility, including go-to-market, service portfolio as well as investments and partnerships to drive scale and expansion.

## Management of NFI topics

TietoEVRY's highest governance body, the Board of Directors, is accountable for guiding the company strategy on environmental, social and governance issues. Decision-making on and oversight of the management of TietoEVRY's impact is delegated to TietoEVRY's Sustainability Steering Group (SSG), which reports at regular intervals to the Group Executive Management and the Board. The SSG is chaired by the Chief Sustainability Officer and represents different TietoEVRY functions and units, with many members from the Group Executive Management (GEM).

The SSG is responsible for preparing the sustainability section of TietoEVRY's annual report. The Audit and Risk Committee (ARC) of the Board reviews the NFI on an annual basis, including reviewing performance against sustainability goals and the management of sustainability-related risks. Operational sustainability work is facilitated by the company's Sustainability Team led by the Chief Sustainability Officer, who is also responsible for TietoEVRY's sustainability policies and processes.

During 2023, TietoEVRY's management and the Board formally reviewed and discussed sustainability-related topics on six occasions. For example, the Corporate Sustainability Reporting Directive (CSRD) and its implications for TietoEVRY was presented to the management in September and to the Board in June and December. Other topics discussed were, for example, sustainability-related risks, the company's societal engagements and the Group's new long-term sustainability plan, which was developed during the year. Review of operational and business-oriented sustainability topics is delegated to the SSG, which meets at a minimum every second month.

In 2020, TietoEVRY launched its Sustainability Strategy: Game Plan 2023, supported by a materiality analysis to identify and prioritize the most important sustainability topics. This analysis continued to form the basis for the company's sustainability strategy and the reporting in accordance with GRI Standards. The strategy is twofold: it focuses both on the continuous development of TietoEVRY's responsible operations, and on the business impact opportunities that the company has together with its customers.

Responsible operations consist of three key themes: climate action, ethical conduct, and an exciting place to work. Each theme includes publicly stated goals, and the related action plans, implementation and reporting are managed by the designated responsibility area owners and data partners. The goals and results for responsible operations in 2023 are presented further down in this section. Please note that additional sustainability-related goals are presented in the Sustainability report. The business impact opportunities include a range of solutions and services that can improve customers' sustainability performance and create a positive impact on society. For example, development of ethical software and helping customers to optimize their production and logistics, as well as providing support in the re-use and recycling of material. These opportunities are driven by each of TietoEVRY's five businesses and supported by the Sustainability Team. The Sustainability Strategy 2023 is managed according to TietoEVRY's sustainability management process, which follows the United Nations (UN) Global Compact Management Model and the GRI Standards. Linkages to the UN Sustainable Development Goals, which are considered a strategic tool in enabling corporations to contribute to a more sustainable society, are established by applying principled prioritization. The management of the responsibility areas, as defined in the strategy – including policies, processes, due diligence and escalation channels – is illustrated in the chart in this section.

2023 was the final year for the company's Sustainability Strategy, launched in 2020, although certain goals extend beyond the set timeframe. TietoEVRY is making good progress towards most of the goals while the work to meet those with a longer time horizon continues. Results for each sustainability area are introduced in a separate table in this section. The Sustainability report provides comments and reflections on the performance concerning the Sustainability Strategy: Game Plan 2023. TietoEVRY has initiated a project to create a new value-driven long-term plan for the Group, grounded in each of the end-to-end businesses. The forthcoming long-term plan is scheduled for approval by the management and presentation to the Board in the early part of 2024, followed by external publication. Several members of the management have been involved in the development of the new long-term plan.

TietoEVRY's ethical guidelines are summarized in the Code of Conduct policy, which applies to all employees and company representatives of TietoEVRY, and in a separate Supplier Code of Conduct rule applied to any third party contributing to the company's services, products, and other business activities. Both documents are based on the UN Global Compact, the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and ISO 14001. The policies encompass all areas of responsibility, interconnected with other policies addressing specific topics and detailed rules. They address legal, certification, and best-practice requirements and undergo annual reviews.

TietoEVRY has a Group-wide internal whistleblowing channel, which is also available to external parties such as customers and suppliers. The TietoEVRY Whistleblowing Channel is operated by an external service provider. Whistleblowing notifications concerning matters such as possible Code of Conduct violations are investigated confidentially through a predefined process by the Group Compliance Officer or, if requested by the whistleblower, by a designated point of contact at certain subsidiary companies. Cases of a severe or sensitive nature are also referred to the Escalation Committee, which consists of the Group Compliance Officer, Head of Corporate Governance, Compliance and M&A, Head of Legal and Compliance, Head of Risk Management and Internal Audit, and Head of HR. If a whistleblower notification relates to managers who are members of the Group Executive Management – including the CEO – the Chair of the Audit and Risk Committee of the Board of Directors will be informed. If a whistleblower notification involves managers who directly report to Group Executive Management, the CEO will be informed.

In the case of serious or especially sensitive whistleblowing cases, the Group Compliance Officer will prepare a report for submission to the Audit and Risk Committee. For each such case, the Escalation Committee will consider whether the CEO or Board of Directors should also be informed. Biannual reports are prepared for the Audit and Risk Committee, covering aggregated information about notifications received through the whistleblowing channel, cases under investigation, cases closed, and rectifying measures taken. In addition, responsibility areas have separate channels for incident reporting and continuous improvement.

### Main risks for negative impacts in the operating environment

The aim of TietoEVRY's internal control framework is to ensure that operations are effective and well aligned with the company's strategic goals. This includes identifying potential negative impacts that TietoEVRY might have on its operating environment, and escalating the company's mitigation measures if necessary. The internal control framework is intended to ensure correct, reliable, complete and timely financial reporting and management information. The framework endorses ethical values, good corporate governance, and risk management practices. Risk management and major risks are described in detail in the Corporate Governance Statement.

TietoEVRY applies a systematic risk management approach to improve the efficiency and control of business operations, as well as to manage business continuity and profitability. The risk management framework consists of the risk management organization and related policies, processes, tools and common ways of working. The risk management organization develops and maintains the company's risk management framework, including risk reporting, risk management governance and follow-up of risk exposures consisting of strategic, financial, operational, compliance, people and ESG risks. During 2023, efforts to improve the corporate risk management framework continued. For example, the risk matrix has been improved to ensure that ESG factors each have their own impact scales, facilitating the assessment of ESG-related risks. During 2024, awareness-raising activities are planned to ensure that the updated risk management framework is being properly used to better enable the company to capture ESG-related risks.

The risk management organization consists of the Corporate Risk Management Unit and nominated Risk Managers in the businesses. All management levels are accountable for managing risks to an acceptable level, within their respective areas and ensuring that the risk management framework is implemented and integrated into all relevant processes and operations. Management demonstrates visible commitment and

support and is responsible for ensuring continuous improvement and development of the risk management practices.

TietoEVRY identifies ESG-related risks as both potential adverse effects on people and the planet arising from its activities across the value chain, as well as adverse effects on the company's financial performance resulting from external influences. This encompasses reputational considerations, where negative publicity may result in lower sustainability index scores or audit discrepancies by independent parties, possibly leading to customer trust loss and penalties. Non-compliance with regulations like GDPR may result in regulatory interventions, penalties, or customer-imposed sanctions. Insufficient controls, low anti-corruption awareness, or an unsupportive organizational culture can lead to fraudulent or illegal actions, with consequences ranging from tender disqualification to sanctions. Mitigation measures include compliance training, enhanced controls, audits, and follow-ups.

Stress-related health issues, discrimination, and harassment pose significant human and labour rights risks at TietoEVRY and consequently hinder employees from reaching their full potential. The company addresses these risks systematically through regular employee surveys, a whistleblowing channel, and global/local hybrid-working guidelines. Operational disruptions may occur if key resources are unavailable due to extended sick leaves. TietoEVRY emphasizes diversity and inclusion in its culture, considering it essential for competitiveness in the technology industry, with a strategic focus on innovation, delivery capabilities, and employee engagement.

TietoEVRY's supplier base comprises both direct and indirect suppliers, with potential supply chain risks related to the environment, human and labour rights, and corruption. TietoEVRY strives for a fair and green supply chain in which the company neither causes nor contributes to negative impacts on people and the planet. Severe breaches of international conventions may lead to contract terminations by customers or sanctions from authorities. TietoEVRY addresses these risks through its responsible sourcing programme and onboarding practices, subject to compliance and audit activities.

TietoEVRY identifies and addresses environmental risks through its Environmental Management System and includes risks related to offices and data centres, equipment, waste handling, and business travel. The environmental aspects and associated impacts are assessed once a year and in connection with any significant change, such as new business areas or products. Environmental risk analysis includes identifying, evaluating and summarizing significant environmental aspects in the environmental aspect register. Environmental aspects pose both risks and opportunities for TietoEVRY's overall performance. Proper management of these aspects is essential for maintaining ISO certification (ISO 14001, Environmental Management) and enhancing the company's appeal as a supplier, partner, and employer. TietoEVRY strives to mitigate the contribution to climate change by reducing its own carbon emissions, increasing energy efficiency, and helping customers to reduce their carbon emissions with the company's technology solutions. During 2023, TietoEVRY continued to work towards reducing its emissions in line with the ambitions approved by the Science Based Targets initiative. To improve the understanding of TietoEVRY's exposure to climate-related risks and opportunities, an analysis aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations was carried out during 2023. The findings have informed the company's double materiality assessment and the identified risks will be integrated in the enterprise risk management system.

Physical climate change impacts, such as changes in precipitation, volumes of snow and ice, rise in sea level, hurricanes, and cyclones as well as access to natural resources, may have an impact on TietoEVRY or on strategic partners in the supply chain. Geotechnical assessments are part of the company's preliminary work prior to any new construction of offices or data centres. Back-up centres ensure continuity of customer operations even in cases of severe consequences from climate change.

### Policies and processes on NFI matters

Sustainability areas	Ethical conduct	Climate action	Exciting place to work
	1. Business ethics and anti-corruption	5. Energy usage and greenhouse gas emissions	7. Diversity and inclusion
	2. Human rights	6. Circular economy practices	8. Employee experience
	3. Cybersecurity and privacy		
	4. Responsible sourcing		
Policies	Policies, rules and guidelines*		
	Code of Conduct policy (1, 2), Non-audit services rule (2, 3), Anti-corruption rule (1, 2), Whistleblowing rule (1, 2, 3, 7, 8), Competition rule (1, 2), Source to Pay policy (4), Supplier Code of Conduct rule (1, 2, 4, 5), Environmental policy (4, 5, 6), Information classification rule (3), Security policy and Security rule (3), User Security rule (3), Privacy policy (3), AI policy and AI rule (1, 3), Health and Safety policy (1, 8), HR policy (1, 2, 7, 8), Insider rule (1), Public Authority Request rule (1, 3), Human rights policy (1, 2, 3, 4), Travel rule (5), Know your counterparty rule (1, 4)		
Due diligence processes	Internal and external audits (1, 2), Governance, risk and compliance management (1, 2, 3), Sourcing to pay (4), Supplier self-assessment (4), Environmental management process (EMS) ISO14001 (4, 5, 6), ISO27001 (3), ISO31000 (3), ISAE3402 audits in Data Centers (3), ISAE 3000 Assurance over non-financial information (1, 2, 3, 4, 5, 7, 8), Information and cyber security audits and assessments (3), CDP Climate Change program (4, 5, 6), HR processes (1, 7, 8), Employee engagement survey (8), Human rights impact assessments (1, 2, 7), Opportunity Management process (1, 3)		
	Sustainability management processes, sustainability materiality assessment for Sustainability Game Plan 2023		
	Whistleblowing channel		

\*The numbers following each policy, rule and guideline relate to the numbering of the sustainability areas

## Goals and results for each sustainability area

Responsibility area	Goal	Result 2020	Result 2021	Result 2022	Result 2023	UN Sustainable development goal
<b>ETHICAL CONDUCT</b>						
Human rights	2023: Conduct a formal Human Rights Impact Assessment for a business entity	Assessment to be conducted in 2021	Group-wide human rights risk screening conducted in 2021 with completion in 2022	In progress	Completed	
Cybersecurity and privacy	2023: Zero substantiated complaints concerning breaches of customer privacy and losses of customer data <sup>1)</sup>	Zero	Zero	Zero	Zero	
Business ethics and anti-corruption	2023: 90% completion of ethics training (CoC e-learning) <sup>2)</sup>	91%	93%	96%	96%	
	2023: 100% confirmation of receipt of a whistleblowing notification within four business days of receipt	100%	100%	100%	100%	
Responsible sourcing	2023: 100% of new or renewed suppliers agreeing to TietoEVRY's Supplier Code of Conduct <sup>3)</sup>	100%	99%	100%	100%	
<b>CLIMATE ACTION</b>						
Energy usage and GHG emissions	2023: 80% reduction of scope 1 and 2 GHG emissions by 2023	Baseline	44% reduction	70% reduction	84% reduction	
	2023: 100% carbon-free electricity in all data centres and offices	80%	92%	95%	99%	
Circular economy practices	2023: 100% reuse and recycling of hardware <sup>4)</sup>	Not measured	Internal: 70%, Customer: 86%	Internal: 93%, Customer: 95%	Internal: 93% Customer: 98%	
<b>EXCITING PLACE TO WORK</b>						
Diversity and inclusion	2026: 40% female employees, 2030: 50% female employees <sup>5)</sup>	29% female employees	29% female employees	31% female employees	31% female employees	
Employee experience	2023: Employee engagement score >75	76/100	78/100	82/100	82/100	

<sup>1)</sup> Substantiated complaints regarding customer privacy and losses of customer personal data is defined as security incidents where national authorities have issued financial fines to TietoEVRY related to the topic.

<sup>2)</sup> Measured on an annual basis

<sup>3)</sup> Scope: Agreements made through Procurement function. Note that scope also includes suppliers' versions of Codes of Conduct agreed by our Chief Sustainability Officer.

<sup>4)</sup> Scope: Result based on reuse of returned devices (mainly laptops). Data accuracy: data is based on our main hardware supplier's reports. This supplier provides close to 70% of TietoEVRY's devices. Baseline for measurement is FY2021.

<sup>5)</sup> Permanent employees (headcount)



## EU Taxonomy reporting

**The digital transition is described as a key enabler for achieving a more sustainable future. Through leading technologies and the smart use of data, TietoEvry can positively impact the environment and build solutions that can reduce customers' environmental footprint. At TietoEvry, these kinds of enabling services and solutions include, for example, offerings supporting customers with transitioning to a circular economy. Furthermore, the company can reduce emissions in its own operations, such as at its data centres.**

Mobilizing sustainable investments towards a low-carbon and resilient economy

The European Union has set a clear target of becoming the world's first climate-neutral continent by 2050. To support investment into sustainable projects, the EU has launched a classification system for sustainable business activities, the EU Taxonomy.

The European Commission adopted the Climate Delegated Act in 2021, containing the two first environmental objectives: 'Climate change mitigation' and 'Climate change adaptation'. The remaining four objectives were adopted in 2023 and some new activities were also added to previously adopted regulation.

## Reporting according to the EU taxonomy

Companies that fall under the EU's Non-Financial Reporting Directive must report how well their operations match the EU Taxonomy. For reporting on the financial year 2023, companies report both taxonomy-eligible and taxonomy-aligned KPIs of revenue as well as capital and operating expenditure for the first two environmental objectives. For the four additional objectives, companies need to report only taxonomy-eligible KPIs. For reporting on the financial year 2024, both taxonomy-eligibility and -alignment will have to be disclosed for all six environmental objectives.

In order for an activity to be classified as aligned, it should comply with technical screening criteria defined by the EU. According to technical screening criteria, an activity should 'substantially contribute' to at least one environmental objective and avoid causing 'significant harm' to any of the other five objectives. Furthermore, the company should comply with minimum safeguards.

Objective	Reported since	Reporting scope in 2023
Climate change mitigation	2021	Eligibility and alignment
Climate change adaptation	2021	Eligibility and alignment
Sustainable use and protection of water and marine resources	2023	Eligibility
Transition to circular economy	2023	Eligibility
Pollution prevention and control	2023	Eligibility
Protection and restoration of biodiversity and ecosystems	2023	Eligibility

Proportion of turnover<sup>1)</sup> from products or services associated with taxonomy-aligned economic activities

Economic activities (1)	Financial year 2023			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Proportion of taxonomy-aligned (A1) or eligible (A2) turnover in 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)			
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%													0%		
of which enabling		0.0	0%													0%	E	
of which transitional		0.0	0%													0%		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																		
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									
Data processing, hosting and related activities	CCM8.1	528.0	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							19%		
Product-as-a-service and other circular use-and result-oriented service models	CE5.5	40.0	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							n/a		
Provision of IT/OT data-driven solutions and software	CE4.1	7.5	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							n/a		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		575.6	20%	19%	0%	0%	0%	1%	0%							19%		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		575.6	20%	19%	0%	0%	0%	1%	0%							19%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
Turnover of taxonomy-non-eligible activities		2 275.8	80%															
Total		2 851.4	100%															

<sup>1)</sup> Turnover equals 'revenue' in TietoEVRY's financial reporting

### Revenue

TietoEvry's revenue amounted to a total of EUR 2 851.4 (2 928.1) million in 2023 (Notes 5 and 6 to the Financial Statements), of which EUR 575.6 (544.2) million, or 20% (19%) was eligible. The largest share of TietoEvry's eligible revenue comes from data platform services, provided by TietoEvry Tech Services. These services fall under activity CCM8.1 'Data processing and hosting and related activities' and contribute to 'Climate change mitigation'. In 2022, eligible revenue of EUR 544.2 million consisted solely of data platform services. In 2023, revenue for these services was down to EUR 528.0 million, impacted by exchange rates.

The proportion of eligible revenue at the Group-level was supported by a number of offerings contributing to the new objective 'The transition to circular economy' being classified as eligible. These offerings fall under activities CE4.1 'Provision of IT/OT data-driven solutions and software' and CE5.5 'Product-as-a-service and other circular use- and result-oriented service models'. TietoEvry's eligible solutions and services with a total revenue of EUR 47.5 million, supporting circular economy, are being provided and developed across businesses. Leasing Platform in TietoEvry Banking and Financing in Tech Services are examples of such offerings.

While several of the company's products and services have positive effects on environmental sustainability and are closely linked to economic activity CCM8.2 'Data-driven solutions for GHG emissions reductions' under 'Climate change mitigation', revenue for any of those is not deemed eligible. This is due to the fact that climate change mitigation is not the predominant aim of offerings in the manner described in economic activity CCM8.2.

TietoEvry does not report any eligible revenue or investments for offerings contributing to the objective 'Climate change adaptation'. Regarding the new objectives, the company has identified offerings which match with economic activities contributing to the objective 'The transition to circular economy'. Economic activities described under the other new objectives are currently not relevant for TietoEvry.

Alignment assessment was carried out for offerings eligible for the two first objectives. Regarding data platform services, the assessment was conducted at the data centre level. TietoEvry concluded that the eligible offerings for economic activity CCM8.1 'Data processing and hosting and related activities' (Climate change mitigation) to a large degree met the technical screening criteria, except for the criteria regarding the global warming potential (GWP) of refrigerants used in the data centre cooling system. The replacement refrigerants to those helping to lower the GWP and meet the requirements, however, might initially result in an increase of energy consumption and related GHG emissions - and therefore is not in line with the company's environmental goals.

Following the assessments for technical screening criteria, the company does not deem any of its revenue as aligned. Alignment assessment for offerings generating eligible revenue for the four new objectives has also been initiated.

## Proportion of capital expenditure from products or services associated with taxonomy-aligned economic activities

Economic activities (1)	Financial year 2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Proportion of taxonomy-aligned (A1) or eligible (A2) capex in 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Capex (3)	Proportion of capex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)			
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																		
Capex of environmentally sustainable activities (taxonomy-aligned (A.1))		0.0	0%													0		
of which enabling		0.0	0%													0%	E	
of which transitional		0.0	0%													0%		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																		
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									
Data processing, hosting and related activities	CCM8.1	33.5	26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							29%		
Acquisition and ownership of buildings	CCM7.7	33.4	25%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							31%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM6.5	12.2	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							5%		
Provision of IT/OT data-driven solutions and software	CE4.1	0.8	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							n/a		
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		79.9	61%	60%	0%	0%	0%	1%	0%							66%		
A. Capex of taxonomy-eligible activities (A.1+A.2)		79.9	61%	60%	0%	0%	0%	1%	0%							66%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
Capex of taxonomy-non-eligible activities		51.7	39%															
Total		131.6	100%															

### Capital expenditure

Capital expenditure amounted to a total of EUR 131.6 (147.9) million, comprising EUR 85.3 million in additions to tangible and intangible assets (see Notes 11 and 12 to the Financial Statements) and EUR 46.3 million in additions to right-of-use assets, mainly related to the company's premises and vehicles (in Note 13 to the Financial Statements, total additions of EUR 76.5 million include remeasurements and lease modifications which are excluded from the amount used in this capital expenditure calculation).

Taxonomy-eligible capital expenditure was EUR 79.9 (97.6) million, or 61% (66%) of the total amount. The decline of the proportion was mainly due to the high comparison figure. In 2022, additions in right-of-use assets included new major agreements for premises.

Taxonomy-eligible capital expenditure fell under the following categories, defined in the EU Taxonomy regulation:

a) investments in assets or processes associated with taxonomy-eligible or taxonomy-aligned economic activities

TietoEVRY: this category represents 27 pp. of taxonomy-eligible capital expenditure, comprising expenditure for data centres and eligible offerings.

c) purchases of output from taxonomy-eligible or taxonomy-aligned economic activities.

TietoEVRY: this category represents 34 pp. of taxonomy-eligible capital expenditure, comprising additions to right-of-use assets and including 2 pp. for business combinations. At TietoEVRY, these purchases fall under activity CCM7.7 'Acquisition and ownership of buildings' and activity CCM6.5 'Transport by motorbikes, passenger cars and light commercial vehicles'.

TietoEVRY did not include any capital expenditure under capex category b) part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy eligible economic activities to become taxonomy-aligned.

Based on the technical screening criteria for economic activities relevant for TietoEVRY, the company did not identify aligned capital expenditure in any of the categories above.

## Proportion of operating expenditure from products or services associated with taxonomy-aligned economic activities

Economic activities (1)+A4:Q4	Financial year 2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Proportion of taxonomy-aligned (A1) or eligible (A2) opex in 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Opex (3)	Proportion of opex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)			
		EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
<b>A.1 Environmentally sustainable activities (taxonomy-aligned)</b>																		
Opex of environmentally sustainable activities (taxonomy-aligned (A.1))		0.0	0%													0%		
of which enabling		0.0	0%													0%	E	
of which transitional		0.0	0%													0%		T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>																		
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									
Data processing, hosting and related activities	CCM8.1	15.3	18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							18%		
Acquisition and ownership of buildings	CCM7.7	2.7	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							6%		
Provision of IT/OT data-driven solutions and software	CE4.1	0.1	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL									
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		18.1	21%	24%	0%	0%	0%	0%	0%							24%		
<b>A. Opex of taxonomy-eligible activities (A.1+A.2)</b>		18.1	21%	24%	0%	0%	0%	0%	0%							24%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
Opex of taxonomy-non-eligible activities		69.2	79%															
<b>Total</b>		87.3	100%															

### Operating expenditure

Operating expenditure as defined in the EU Taxonomy amounted to a total of EUR 87.3 (92.9) million, comprising EUR 84.6 million in offering and internal development and EUR 2.7 million in maintenance of premises and short-term leases. Taxonomy-eligible operating expenditure was EUR 18.1 (22.2) million, or 21% (24%) of the total amount. The change of the proportion was mainly attributable to the decline in maintenance costs for premises under activity CCM7.7 'Acquisition and ownership of buildings'. Eligible operating expenditure fell under the categories below, defined in the EU Taxonomy regulation:

a) expenditure related to assets or processes associated with taxonomy-eligible or taxonomy-aligned economic activities

TietoEVRY: this category represents 18 pp. of taxonomy-eligible operating expenditure and includes offering and internal development related to eligible offerings.

c) purchases of output from taxonomy-aligned economic activities

TietoEVRY: this category represents 3 pp. of taxonomy-eligible operating expenditure and relates to maintenance of premises and short-term leases.

Operating expenditure category b) part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned was assessed but TietoEVRY did not include any development costs under this category.

Based on the technical screening criteria for economic activities relevant for TietoEVRY, the company did not identify aligned operating expenditure in any of the categories above.

### Compliance with Minimum Safeguards

Compliance with Minimum Safeguards is evaluated on a Group level. The evaluation includes reviewing alignment of existing due diligence processes with the United Nations Guiding Principles and OECD Guidelines for Multinational Enterprises across the company. During 2023, the focus has been on further developments of the corporate-wide due diligence measures with regards specifically to human rights and corruption. Activities include human rights impact assessment in one country, human rights risk assessments of core corporate processes, development of risk assessment tools for business processes and mapping of existing monitoring mechanisms ensuring a systematic assessment of corruption risks. The execution of activities to close the gaps demonstrates that TietoEVRY meets the requirements for compliance with Minimum Safeguards.

### ACCOUNTING POLICIES FOR EU TAXONOMY REPORTING

The required key performance indicators have been determined based on the company's financial reporting prepared in accordance with IFRS. Further details about the Group's accounting policies are described in the notes to the consolidated financial statements.

#### Revenue

At Group level, revenue comprises reportable segments' total revenue and eliminations for internal revenue. TietoEVRY's eligibility assessment is primarily based on Group-level aggregated lead offerings, which is a key dimension in the company's internal operative accounting. Approaching the reporting through the assessment of lead offerings means that there is no risk of double counting.

#### Capital expenditure

Capital expenditure is defined as additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any remeasurements (including those resulting from revaluations and impairments) and excluding fair value changes. It also includes additions to tangible and intangible assets resulting from business combinations and additions to right-of-use assets from lease contracts.

Capital expenditure in this taxonomy reporting section includes additions to right-of-use assets, reported in Note 13 in the Financial Statements, while this is excluded from capital expenditure presented in the Group's key figures in this Report by the Board of Directors. Identification of eligible capital expenditure was made based on Group-level reporting and thus there was no risk of double counting.

#### Operating expenditure

Operating expenditure is defined as expenditure related to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the servicing of assets of property, plant and equipment by TietoEVRY or a third party to which activities are outsourced as necessary to ensure the continued and effective functioning of such assets. Only direct non-capitalized costs are included.

TietoEVRY's operating expenditure consists of the following items

- costs for offering and internal development related to data platform services. In the financial reporting, these costs are included in employee benefit expenses.
- costs for maintenance and short-term lease. In the financial reporting, related costs are included in other operating expenses.

## Shareholders' meeting

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

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

## Shareholders' Nomination Board

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

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



# The Board of Directors

Board of Directors as at 31 December 2023<sup>1)</sup>

Name	Born	Nationality	Education	Main occupation
Tomas Franzén (Board and RC Chairperson)	1962	Swedish	MSc. (Eng.)	Professional Board member
Harri-Pekka Kaukonen (Deputy Chairperson, ARC Chairperson)	1963	Finnish	Dsc. (Tech.)	Professional Board member
Bertil Carlén <sup>2)</sup>	1960	Swedish	MSc. (Business Adm.)	Financial advisor and professional Board member
Elisabetta Castiglioni <sup>2)</sup>	1964	Italian	Ph.D. (Tech)	CEO, A1 Digital International GmbH
Liselotte Hägertz Engstam	1960	Swedish	MSc. (Civ. Eng.)	Expert advisor, professional Board member
Katharina Mosheim	1976	Austrian	Ph.D. (Econ.)	CEO, Alpha Pianos AS, professional Board member
Gustav Moss <sup>2)</sup>	1988	Swedish	MSc. (Finance & Accounting)	Partner, Cevian Capital AB
Endre Rangnes	1959	Norwegian	BBA (Econ.)	CEO, Zolva Group, professional Board member
Petter Söderström <sup>2)</sup>	1976	Finnish	MSc. (Econ.)	Investment Director, Solidium Oy
Tommy Sander Aldrin (personnel representative) <sup>2)</sup>	1965	Norwegian	BSc. (Comp.)	Chief Consultant
Anders Palklint (personnel representative) <sup>2)</sup>	1967	Swedish	MSc. (Eng.)	Senior Project Manager

<sup>1)</sup> Timo Ahopelto, Angela Mazza Teufer, Niko Pakalén and personnel representatives Robert Spinelli and Ilpo Waijus served as Board members until the AGM on 23 March 2023.

<sup>2)</sup> Board member as of the AGM on 23 March 2023.

# The President and CEO and operative management

## Members of the Group management as at 31 December 2023<sup>1)</sup>

Kimmo Alkio  
 President and CEO  
 Born: 1963  
 Nationality: Finnish  
 Education: BBA and Executive MBA  
 Joined TietoEVRY in 2011

Klaus Andersen<sup>3)</sup>  
 Managing Director, TietoEVRY Banking  
 Born: 1964  
 Nationality: Danish  
 Education: Master's degree in Engineering  
 Joined TietoEVRY in 2023

Kishore Ghadiyaram  
 Head of Strategy  
 Born: 1972  
 Nationality: Indian  
 Education: BSc. (Tech.)  
 Joined TietoEVRY in 2008

Carsten Henke<sup>1)</sup>  
 Managing Director, TietoEVRY Industry  
 Born: 1968  
 Nationality: German  
 Education: Masters degree in Mathematics  
 Joined TietoEVRY in 1997

Tomi Hyryläinen  
 Chief Financial Officer  
 Born: 1970  
 Nationality: Finnish  
 Education: MSc. (Econ.)  
 Joined TietoEVRY in 2018

Ari Järvelä<sup>1)</sup>  
 Managing Director, TietoEVRY Care  
 Born: 1969  
 Nationality: Finnish  
 Education: MSc. (Eng.)  
 Joined TietoEVRY in 2001

Satu Kiiskinen  
 Managing Director, TietoEVRY Tech Services<sup>2)</sup>  
 Born: 1965  
 Nationality: Finnish  
 Education: MSc. (Econ.)  
 Joined TietoEVRY in 2013

Christian Pedersen  
 Managing Director, TietoEVRY Create  
 Born: 1974  
 Nationality: Norwegian  
 Education: MSc. (Tech.)  
 Joined TietoEVRY in 2014

Trond Vinje  
 Head of HR  
 Born: 1968  
 Nationality: Norwegian  
 Education: MSc. (Pol. Sci.)  
 Joined TietoEVRY in 2015

The remuneration and more detailed background information, such as full CVs of the Group Management, are presented on the company's [website](#).

<sup>1)</sup> Ari Järvelä acted also as Managing Director of TietoEVRY Industry until 1 November 2023. Carsten Henke was appointed as Managing Director of TietoEVRY Industry as of 1 November 2023.

<sup>2)</sup> Satu Kiiskinen acted as Managing Director of TietoEVRY Transform and Johan Torstensson acted as Managing Director of Connect until 1 April 2023. These business were combined as TietoEVRY Tech Services on 30 November 2022.

<sup>3)</sup> Christian Segersven acted as Managing Director of Banking until 1 February 2023.

## Auditors

The ARC prepares a proposal on the appointment of Tietoevry's auditors, which is then presented to the Board of Directors and finally to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the ARC.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the auditor to be elected at the AGM 2024 be reimbursed according to the auditor's invoice and in compliance with the purchase principles approved by the Committee.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the firm of authorized public accountants Deloitte Oy be re-elected as the company's auditor for the financial year 2024. The firm of authorized public accountants Deloitte Oy has notified that APA Jukka Vattulainen will act as the auditor with principal responsibility. Further, it is proposed that Deloitte Oy will be elected as the Authorized Sustainability Auditor.

## Major risks

Tietoevry utilizes five risk categories within Risk Management: strategic, operational, financial, people, and compliance risks.

Strategic risks are related to market volatility, introduction of new technologies, changing digitalization and automation strategies, change management, reskilling ability and speed, ability to respond to competition and new entrants in the market, successful selection, management and implementation of company strategy, dependencies on few big customers in some business areas and ensuring delivery quality in the dynamic business environment.

Operational risks refer e.g. to changing the business model in business units, securing service and offering delivery capabilities, risk and continuity management, cybersecurity, climate change, customer bidding and requirement analysis, and maintaining a high professional standard in delivery management and quality assurance.

Financial risks mainly consist of credit risks, currency risks, interest rate risks, inflation and funding and liquidity risks.

Compliance risks are connected to the organization failing to recognize or meet the requirements in the areas of legislation or other mandatory regulation (e.g. General Data Protection Regulation (GDPR), Schrems II, anti-corruption, anti-bribery, insider matters, sanctions and trade compliance), internal policies and rules or ethics and integrity.

### Auditing

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

In 2023, Tietoevry Group paid the auditors a total of EUR 1.6 (1.3) million in audit fees, and a total of EUR 0.6 (0.6) million for other services.

People risks can be driven by Tietoevry's needs to build a market-leading workforce for high performance in terms of delivering projects and customer services; people risks are also related to quality of life, human rights, and the safety of people.

Risks are registered, managed, followed up and aggregated by utilizing the corporate GRC platform, resulting in risk maps and Risk KPIs that are reviewed by leadership teams in the units and the ARC. Tietoevry's major risks and the measures for their mitigation are described below.

### Market volatility

Changes in the Nordic core markets have a direct effect on market conditions and result in volatility that might have a negative impact on Nordic market growth. Changes in the economic environment and customer demand can affect both business volumes and price levels, which might result in lower revenue or slower revenue growth than expected.

These potential risks are mitigated through multi-year contracts for continuous services. Tietoevry also aims to maintain long-term business relations and to be a preferred supplier to its customers. The company executes tight cost and investment control with continuous investment performance monitoring, accompanied with a clear structure for decision rights, which are defined in the Decision Making Authority (DMA) Policy.

Global service capabilities, cross-selling and tough price competition are the main drivers in the IT sector for the development of the global delivery model. Tietoevry's position as a leading IT service provider in the Nordics is supported by existing and enhanced competencies, and by the choice of right partners.

### Change and transformation

With its strategy, Tietoevry aims to drive customer value and growth through specialization. The technology industry is being reshaped with cloud as the foundation, providing expansion opportunities for the company. Expansion will focus on cloud-native services, data & software engineering and scalable software businesses. In managed application and infrastructure services, the company will seek partnerships to invest and build scale. Strategic reviews of the Tietoevry Banking and Tietoevry Tech Services businesses will result in changes requiring careful change management.

In large-scale adaptation to the market by organizational transformation and right-sizing, resistance to change can prolong the transition, which may affect operational efficiency.

Change management is steered by the company-wide or project-specific Program Management Office, which provides standard tools and systems for the change, including communication, target setting and training for the implementation of the new strategy.

Common standards for project management ensure proper project risk management and compliance in project financials management and follow-up.

Sudden changes in the market environment, customer demand and customer strategies or the competitive landscape in these areas might harm Tietoevry's operations and profitability.

To diversify the business, Tietoevry provides services to several different industries and markets. The company develops its business mix to provide new industry software solutions, digital consulting, new hybrid cloud solutions and broader R&D capabilities to strengthen its position amongst both current and new customers. An industrialized and standardized way of providing services and solutions, employing automated processes, improves competitiveness and reduces risk.

### Service continuity

Close to 100% availability of the services is the basis of trust among customers, stakeholders and society.

A service continuity disruption can be caused, for instance, by hardware or software failures, power outages, natural disasters and different types of intentional or unintentional actions by people.

Risks related to malfunctions of systems could seriously affect Tietoevry's ability to provide its services and have an adverse impact on the company's financials and reputation. Thus, business continuity planning is a high priority in Tietoevry's operational management in order to ensure that redundancy and fault tolerance are at the appropriate level.

To reduce the service continuity risk and to better understand the interdependencies in solutions and data centres, Tietoevry constantly reviews, maintains and improves its IT asset management, configuration

management and monitoring systems. In addition to a balanced global portfolio, Tietoevry has recovery procedures and backup systems in place to handle potential service interruptions. Root cause analysis, best practices and experiences from previous incidents help in preparing for and mitigating the service continuity risk.

Also, a comprehensive and robust major incident & escalation process and crisis management process reduce service interruptions.

### Cybersecurity

Tietoevry's business operations involve processing and storing large amounts of confidential data of public and private sector customers, business partners and own data, including sensitive personal data.

The threat landscape is constantly growing and evolving – e.g. criminal hackers, hacktivists, human errors or misconduct, and state-sponsored organizations – and may cause malfunctions or cybersecurity breaches of information against Tietoevry, its customers, subcontractors or other third parties.

At least the following threats are risk factors that could lead to loss, misuse, destruction of data or system malfunction, compromising Tietoevry's ability to support, manage or develop services:

- Enterprise ransomware
- Supply chain attacks
- Critical vulnerabilities
- Targeted attacks
- Digital fraud
- Denial of service attacks
- Data breaches and data leaks
- Insider threats

Such events could have an adverse impact on the company's financials and reputation.

To detect and investigate cybersecurity incidents, Tietoevry has implemented a comprehensive and robust major incident & escalation process, a crisis management process as well as efficient cybersecurity defence with high-class detection and response capabilities to reduce service interruptions.

We regularly review our risk management and cybersecurity framework, train our employees to increase their awareness of cyber threats and continuously measure our cybersecurity maturity.

### Quality costs related to customer bidding and delivery management

Inability to appropriately understand and analyse customers' changing needs, their business processes and the exact requirements can lead to misjudgements in setting the scope of projects or services and, consequently, difficulties in meeting the specifications of customer agreements.

Tietoevry is committed to actively verifying that business processes from sales to delivery are designed, implemented and embedded to deliver customer value and actively mitigate end-to-end risk exposure

along full contract life cycles. Internal and external quality assessments and audits are used to verify the effectiveness and efficiency of ways of working as well as to control the quality of outcomes through measurable and actionable KPIs (Key Performance Indicators) and key controls. At the same time, customer feedback management is an integral part of how we drive performance and safeguard quality assurance at both the operational and strategic level. As part of this, we actively ask customers for feedback to understand how well we perform individual deliveries. In addition, we engage with customers to understand how well we support them in meeting their changing business objectives through our portfolio of deliveries. Insights and actions resulting from customer feedback are prioritized and followed up regularly at all levels of the organization and integrated into change management efforts.

### Retention and attrition of employees

The competition in the market and demand for new services require ability and speed to reskill, attract new and retain existing competences and business knowledge for new services, new service models, new technologies and offerings. TietoEvry's success builds on attracting talent, skills renewal, business knowledge and the maturity of the organization.

Inability to retain key employees and to recruit new talent with the required competence might have a negative impact on the company's performance. High employee turnover might also cause delays in customer projects, leading to penalties or loss of customers.

To reduce these risks, TietoEvry implements unified delivery models across sites and offers its employees challenging jobs, diverse development possibilities, social recognition and training opportunities as well as interesting career paths through job rotation. Furthermore, the company has competitive compensation packages, including a company-wide incentive system. Attractive recruitment tools, strategies, talent management and competence development have a high strategic priority at TietoEvry. The company also focuses on employer branding to build and strengthen TietoEvry's image as an attractive employer both internally and externally.

### Credit risks

Changes in the general market environment and global economy can result in additional financial risks. Credit risks might arise if customers or financial counterparties are unable to fulfil their commitments towards TietoEvry.

TietoEvry's Credit Policy defines the principles for customer credit risk management to be applied in all lines of business and controlled by a centralized credit management team. The risk assessment utilizes external risk databases and past experience as a reference. Credit risk regarding financial counterparties is managed through counterparty limits, as set out in the TietoEvry Treasury Policy.

### Currency risks

TietoEvry's currency transaction exposure arises from foreign trade, cash management and internal funding in foreign currencies. Translating the balance sheets and income statements of Group companies into euros creates a translation exposure.

TietoEvry's Treasury Policy defines the principles for managing currency risks within the Group.

### Interest rate risks

TietoEvry's interest rate risk consists mainly of short- and long-term loans, cash positions and derivative contracts. Fluctuations in interest rates can impact TietoEvry's financial result or economic situation.

TietoEvry's Treasury Policy defines the principles for managing interest rate risks within the Group.

### Funding and liquidity risks

Exceptional market conditions in the financial market might impose temporary limitations on raising new funding and/or lead to an increase in funding costs.

Group Treasury monitors and manages TietoEvry's funding structure and liquidity by maintaining a sufficiently diversified loan portfolio and liquidity position. Analyses of alternative financing sources, maturities and pricing for the company are continuously updated. TietoEvry's financial risks are described in full in the notes to the consolidated financial statements.

TietoEvry's Treasury Policy defines the principles for managing funding and liquidity risks within the Group.

### Legal, regulatory and compliance risks

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

TietoEvry functions as a data processor for customers and as a data controller for its employees' personal data. Should TietoEvry or its products or services fail to comply with the privacy laws, this might result in negative reputational impacts, significant fines or other expenses if the product or service in question needs to be redesigned or redeveloped.

The risk is mitigated by company-wide privacy work. TietoEvry has a privacy governance model, which ensures that the group and each business have resources to continuously follow up, report, and proactively develop privacy and actively train and communicate with employees. Privacy governance also ensures that the GDPR requirements are appropriately embedded as practical rules and instructions into core processes such as offering and software development, sales, sourcing and marketing, program and project delivery, continuous service delivery and TietoEvry's internal service.

### Supply chain risk

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. These risks are managed by partner contract management, contract renewal negotiations and continuous evaluation of the partner delivery quality.

### Global pandemic

Even though Covid-19 is no longer considered to be a pandemic by the World Health Organization (WHO) since 5 May 2023, it (or some other widespread illness) can still create uncertainty in the market and for the company. TietoEVRY has continued to identify, evaluate, and manage risks that could have significant financial, operating, or reputational impacts on the company on both a short- and long-term basis. Enterprise risk management, crisis management and business continuity have been vital in handling the effect of the pandemic on our employees, portfolio and customers. TietoEVRY follows country-specific government and healthcare guidelines for personal health and the prevention of the spread of current or possible new pandemic cases.

### Geopolitical instability

Geopolitical instability might result in disruption in areas where TietoEVRY operates. This instability might impact the company's operations, despite careful scenario planning and mitigation plans to ensure business continuity. Russia's war against Ukraine has impacted our business in Ukraine, and its status is monitored with regular business continuity and crisis management meetings in order to help and ensure the safety of employees and secure business continuity.

## Shares and shareholders

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

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

### Climate change

Physical climate change impacts may pose a risk for both TietoEVRY and its customers. TietoEVRY strives to mitigate its contribution to climate change by reducing carbon emissions and increasing energy efficiency in its own operations. Specific risk assessments concerning the proximity of hazards such as rivers, rail lines and airports are carried out as part of the decision making prior to any new construction or lease of offices or datacentres, and the company has back-up centres to ensure the continuity of customer operations in case of severe climate change incidents. The ability to mitigate the impacts and adapt to climate change is becoming an increasingly important factor influencing customers' decision making. TietoEVRY can help its customers to reduce their carbon emissions through its technology solutions and facilitate customers' transition to a low-carbon and circular economy.

### Artificial Intelligence

Artificial Intelligence (AI), including Generative AI and machine learning can be used for purposes such as support or development activities and the usage of AI can involve risks, such as privacy, fairness concerns, and ethical dilemmas. Also, training AI models can consume significant amounts of energy, contributing to carbon emissions. Addressing these challenges can unlock AI's potential and opportunities for positive change and innovation while prioritizing responsible and ethical development.

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

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

In February, TietoEVRY purchased 325 000 own shares (0.27% of the total number of shares) in trading organized by Nasdaq Helsinki Ltd. The average purchase price was EUR 29.9745 per share. Related to the company's share-based reward plans, a total of 302 789 shares held by TietoEVRY (0.26% of the total

number of shares) were transferred to the participants of the plan during the first quarter. At the end of the year, the number of shares in the company's or its subsidiaries' possession totalled 34 679, representing 0.03% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 118 391 092.

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

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

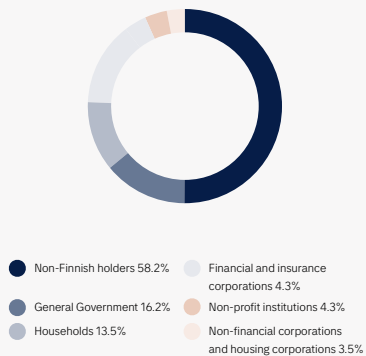
### Share-based incentive plans

TietoEVRY has the following active share-based incentive plans: a Performance Share Plan 2021, 2022 and 2023 and a Restricted Share Plan 2021, 2022 and 2023. The potential rewards will be paid partly in the company's shares and partly in cash in 2024, 2025 and 2026, respectively. The share rewards to be delivered to the participants will consist of shares to be acquired from the market and treasury shares. Thus, no new shares will be issued in connection with the plans. The rewards to be paid on the basis of the plans correspond to the value of an approximate maximum total of 3 330 000 TietoEVRY shares (including the proportion to be paid in cash). On 31 December, the value of granted and unvested share plans corresponded to 2 413 884 shares. The company has not issued any bonds with warrants and does not have any stock option programmes.

### Board authorizations

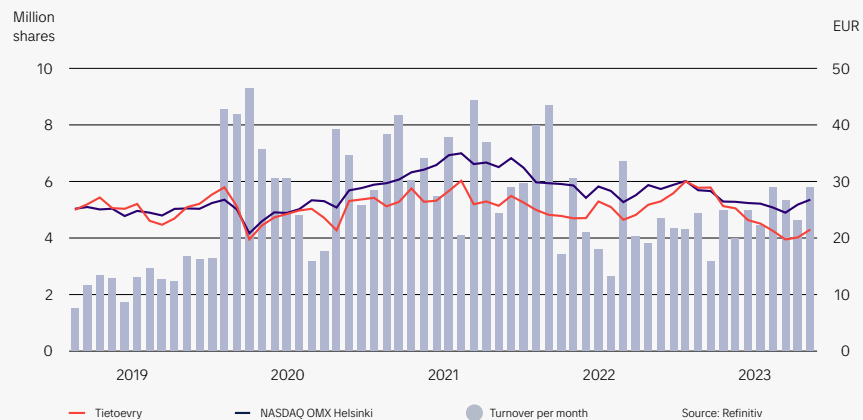
The 2023 Annual General Meeting authorized the Board of Directors to decide on the repurchase of the company's own shares. The amount of own shares to be repurchased shall not exceed 11 800 000 shares, which currently corresponds to approximately 10% of all the shares in the company. The Board of Directors was also authorized to decide on the issuance of shares as well as on the issuance of option rights and other special rights. The amount of shares to be issued based on the authorization (including shares to be issued based on the special rights) shall not exceed 11 800 000 shares, which currently corresponds to approximately 10% of all the shares in the company.

### OWNERSHIP STRUCTURE ON 31 DEC 2023



Based on the ownership records of Euroclear Finland Oy

### SHARE PRICE DEVELOPMENT AND TURNOVER, HELSINKI





	2023	2022	2021	2020	2019
<b>Number of shares</b>					
Number of shares	118 425 771	118 425 771	118 425 771	118 425 771	118 425 771
Outstanding shares					
At year end	118 391 092	118 413 303	118 418 184	118 414 793	118 253 526
Average	118 375 769	118 405 657	118 408 223	118 378 269	77 193 387
Share capital at year end, EUR					
	76 555 412	76 555 412	76 555 412	76 555 412	76 555 412
<b>Per share data</b>					
Earnings per share, EUR					
Basic	1.45	1.59	2.46	0.8	1.02
Diluted	1.45	1.59	2.46	0.8	1.02
Equity per share, EUR					
	13.62	14.52	15.38	13.73	14.27
<b>Share price performance and trading volumes</b>					
NASDAQ Helsinki					
Highest price of share, EUR	30.58	27.94	30.46	31.32	29.06
Lowest price of share, EUR	19.16	21.06	25.42	17.26	21.40
Average price of share, EUR	24.77	24.86	27.26	24.42	25.37
Turnover, number of shares	56 862 211	62 036 948	78 772 407	77 150 210	31 439 512
Turnover, %	48.0	52.4	66.5	65.1	26.5

	2023	2022	2021	2020	2019
<b>Market capitalization, EUR million</b>					
	2 550.9	3 140.7	3 254.3	3 180.9	3 282.8
<b>Dividends</b>					
Dividend, EUR 1 000	174 035	171 699	165 785	156 308	75 190
Dividend per share, EUR	1.47	1.45	1.40	1.32	0.64
Payout ratio, %	101.1	91.0	56.8	165.3	62.3
<b>Price-weighted ratios</b>					
NASDAQ Helsinki					
Price per earnings ratio (P/E)	15	17	11	34	27
Dividend yield, %	6.8	5.5	5.1	4.9	4.6

**Major shareholders on 31 December 2023**

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

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

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

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

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

**Number of shares**

	Shareholders		Shares	
	No	%	No	%
1–100	27 208	52.2	1 221 814	1.0
101–1 000	21 089	40.5	7 266 577	6.1
1 001–10 000	3 553	6,8	8 829 058	7.5
10 001–100 000	206	0.4	5 479 588	4.6
100 001–1 000 000	38	0.1	10 385 215	8.8
1 000 001–	7	0.0	85 232 959	72.0

Based on the ownership records of Euroclear Finland Oy.

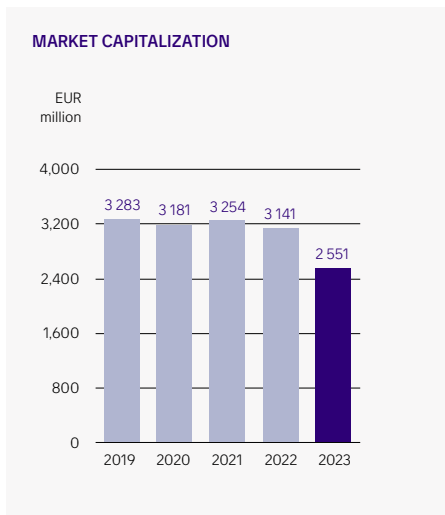
# Dividend

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

- The first dividend instalment of EUR 0.735 per share shall be paid to shareholders who on the record date for the dividend payment on 15 March 2024 are recorded in the shareholders' register held by Euroclear Finland Oy or the registers of Euroclear Sweden AB or Verdipapirsentralen ASA (VPS).

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

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



## Events after the period

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

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

## Full-year outlook

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

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

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

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

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

## Financial reporting in 2024

29 February	Annual Report 2023
13 March	Annual General Meeting

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

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

# Key figures

## Calculation of key figures and alternative performance measures

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 earnings per share	=	$\frac{\text{Net profit for the period excluding adjustment items, amortization of acquisition-related intangible assets and related tax impact per country}}{\text{Weighted average number of shares}}$
Adjustment items	=	Restructuring costs + capital gains/losses + impairment charges + other items affecting comparability
Operating profit (EBIT)	=	Net profit + interests + taxes
Operating margin (EBIT), %	=	$\frac{\text{Operating profit (EBIT)}}{\text{Revenue}}$
Adjusted operating profit (EBITA)	=	Operating profit (EBIT) + adjustment items
Adjusted operating margin (EBITA), %	=	$\frac{\text{Adjusted operating profit (EBITA)}}{\text{Revenue}}$

Equity per share	=	$\frac{\text{Total equity}}{\text{Number of shares at the year-end}}$
Capital expenditure	=	Acquisitions of intangible assets and property, plant and equipment
Acquisitions	=	Acquisitions of subsidiaries and business operations, net of cash acquired
Return on equity, 12-month rolling, %	=	$\frac{\text{Profit before taxes and non-controlling interests} - \text{income taxes}}{\text{Total equity (12-month average)}} * 100$
Return on capital employed, 12-month rolling, %	=	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total assets} - \text{non-interest-bearing liabilities (12-month average)}} * 100$
Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Total assets} - \text{advance payments}} * 100$
Interest-bearing net debt	=	Interest-bearing liabilities – interest-bearing receivables – cash and cash equivalents
Net debt/EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{EBITDA (12-month average)}}$
Gearing, %	=	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}} * 100$

## Adjusted operating profit (EBITA) by segment

EUR million	2023	2022	Change %
TietoEVRY Create	114.0	117.3	-3
TietoEVRY Banking	68.9	81.3	-15
TietoEVRY Care	70.8	72.5	-2
TietoEVRY Industry	43.4	46.0	-6
TietoEVRY Tech Services	85.7	88.9	-4
Non-allocated costs	-24.0	-26.8	-10
<b>Adjusted operating profit (EBITA)</b>	<b>358.7</b>	<b>379.2</b>	<b>-5</b>

## Adjusted operating margin (EBITA) by segment

%	2023	2022	Change pp
TietoEVRY Create	13.4	13.8	-0
TietoEVRY Banking	12.1	14.2	-2
TietoEVRY Care	29.9	31.3	-1
TietoEVRY Industry	16.5	16.9	-0
TietoEVRY Tech Services	8.0	7.6	0
<b>Adjusted operating margin (EBITA)</b>	<b>12.6</b>	<b>13.0</b>	<b>-0</b>

## Reconciliation of adjusted operating profit (EBITA)

EUR million	2023	2022
Operating profit (EBIT)	255.6	266.5
+ Amortization on intangible assets recognized at fair value from acquisitions	41.8	46.7
<b>Adjustment items:</b>		
- Capital gains <sup>1)</sup>	-6.9	-1.1
+ Strategic reviews <sup>2)</sup>	32.3	2.6
+/- Other M&A related items	1.5	1.7
+ Restructuring costs	11.1	12.6
+ TietoEVRY Tech Services performance improvement programme	15.1	31.0
+ War in Ukraine and exit from Russia	3.2	13.3
+ TietoEVRY Integration	—	9.2
+/- Other items <sup>3)</sup>	4.9	-3.3
<b>Adjusted operating profit (EBITA)</b>	<b>358.7</b>	<b>379.2</b>

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

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

<sup>3)</sup> Include impairment losses, insurance compensation, settlement compensation, costs related to new strategy implementation, and other minor non-recurring items. See also notes 5, 6 and 7.

## CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

## Income statement

EUR million	Note	2023	2022
Revenue	<a href="#">5, 6</a>	2 851.4	2 928.1
Other operating income	<a href="#">7</a>	22.2	50.2
Materials and services <sup>1)</sup>		-567.2	-570.5
Employee benefit expenses	<a href="#">8</a>	-1 566.0	-1 597.2
Depreciation and amortization	<a href="#">11, 12, 13</a>	-152.4	-162.3
Impairment losses	<a href="#">11, 12, 13, 27</a>	-4.8	-20.2
Other operating expenses <sup>1)</sup>	<a href="#">7</a>	-328.9	-362.6
Share of results in joint ventures	<a href="#">27</a>	1.3	1.0
<b>Operating profit (EBIT)</b>		<b>255.6</b>	<b>266.5</b>
Interest and other financial income	<a href="#">20</a>	23.7	3.9
Interest and other financial expenses	<a href="#">20</a>	-61.7	-26.2
Net foreign exchange gains/losses	<a href="#">20</a>	3.1	-1.4
<b>Profit before taxes</b>		<b>220.8</b>	<b>242.8</b>
Income taxes	<a href="#">9</a>	-48.6	-54.2
<b>Net profit for the financial year</b>		<b>172.2</b>	<b>188.6</b>
<b>Net profit for the financial year attributable to</b>			
Owners of the Parent company		172.2	188.6
		<b>172.2</b>	<b>188.6</b>
<b>Earnings per share attributable to owners of the Parent company, EUR per share</b>	<a href="#">10</a>		
Basic		1.45	1.59
Diluted		1.45	1.59

<sup>1)</sup> TietoEVRY has reclassified costs related to shared platforms in infrastructure services. See [note 7](#).

## Statement of other comprehensive income

EUR million	Note	2023	2022
Net profit for the financial year		172.2	188.6
Items that may be reclassified subsequently to profit or loss			
Translation differences	<a href="#">24</a>	-99.8	-126.7
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit plans	<a href="#">15</a>	0.6	2.0
Income tax related to remeasurements	<a href="#">9</a>	-0.1	-0.4
<b>Total comprehensive income</b>		<b>72.9</b>	<b>63.5</b>
<b>Total comprehensive income attributable to</b>			
Owners of the Parent company		72.9	63.5
		<b>72.9</b>	<b>63.5</b>

Notes are an integral part of these consolidated financial statements.

# Statement of financial position

## Assets

EUR million	Note	31 Dec 2023	31 Dec 2022
<b>Non-current assets</b>			
Goodwill	<a href="#">11, 25</a>	1 907.3	1 846.5
Other intangible assets	<a href="#">11, 25</a>	339.6	336.7
Property, plant and equipment	<a href="#">12</a>	88.8	97.2
Right-of-use assets	<a href="#">13</a>	195.9	201.9
Interests in joint ventures	<a href="#">27</a>	11.6	14.2
Deferred tax assets	<a href="#">9</a>	11.8	14.6
Defined benefit plan assets	<a href="#">15</a>	1.0	0.6
Other financial assets at amortized cost	<a href="#">21</a>	15.1	15.0
Other financial assets at fair value	<a href="#">21</a>	0.6	0.6
Other non-current receivables	<a href="#">13, 14</a>	34.7	20.6
<b>Total non-current assets</b>		<b>2 606.4</b>	<b>2 548.0</b>
<b>Current assets</b>			
Inventories		8.6	5.6
Trade and other receivables	<a href="#">13, 14, 25</a>	653.6	550.2
Financial assets at fair value	<a href="#">21</a>	17.5	23.6
Current tax assets		12.7	16.8
Cash and cash equivalents	<a href="#">23</a>	219.6	249.7
<b>Total current assets</b>		<b>912.0</b>	<b>845.8</b>
<b>Total assets</b>		<b>3 518.4</b>	<b>3 393.8</b>

## Equity and liabilities

EUR million	Note	31 Dec 2023	31 Dec 2022
<b>Equity</b>			
Share capital	<a href="#">24</a>	76.6	76.6
Share premium and other reserves	<a href="#">24</a>	39.4	39.3
Invested unrestricted equity reserve	<a href="#">24</a>	1 203.5	1 203.5
Retained earnings	<a href="#">24</a>	293.0	399.9
<b>Total equity</b>		<b>1 612.3</b>	<b>1 719.2</b>
<b>Non-current liabilities</b>			
Loans	<a href="#">19, 21</a>	539.5	639.4
Lease liabilities	<a href="#">13, 19, 21</a>	161.4	155.9
Deferred tax liabilities	<a href="#">9</a>	27.5	10.7
Provisions	<a href="#">16</a>	2.5	2.6
Defined benefit obligations	<a href="#">15</a>	26.5	28.4
Other non-current liabilities	<a href="#">17</a>	10.8	21.0
<b>Total non-current liabilities</b>		<b>768.4</b>	<b>858.0</b>
<b>Current liabilities</b>			
Trade and other payables	<a href="#">17, 25</a>	636.0	616.7
Financial liabilities at fair value	<a href="#">21</a>	4.9	2.0
Current tax liabilities		20.0	13.9
Loans	<a href="#">19, 21</a>	411.9	110.6
Lease liabilities	<a href="#">13, 19, 21</a>	50.3	54.1
Provisions	<a href="#">16</a>	14.6	19.1
<b>Total current liabilities</b>		<b>1 137.7</b>	<b>816.5</b>
<b>Total equity and liabilities</b>		<b>3 518.4</b>	<b>3 393.8</b>

Notes are an integral part of these consolidated financial statements.



## Statement of cash flows

EUR million	Note	2023	2022
<b>Cash flow from operating activities</b>			
Net profit for the financial year		172.2	188.6
Adjustments			
Depreciation, amortization and impairment losses	<a href="#">11, 12, 13, 27</a>	157.2	182.5
Profit/loss on sale of property, plant and equipment, and business operations		-7.0	7.8
Share of results in joint ventures	<a href="#">27</a>	-1.3	-1.0
Other adjustments		12.2	-7.5
Net financial expenses	<a href="#">20</a>	34.9	23.7
Income taxes	<a href="#">9</a>	48.6	54.2
Change in net working capital			
Change in current receivables		-64.7	-41.7
Change in current non-interest-bearing liabilities		-30.5	-40.4
<b>Cash generated from operating activities before interests and taxes</b>		<b>321.5</b>	<b>366.2</b>
Interests received		8.0	3.7
Interests paid		-31.1	-22.1
Other financial income received		20.6	25.3
Other financial expenses paid		-26.6	-37.7
Dividends received	<a href="#">27</a>	1.3	1.4
Income taxes paid		-27.7	-59.8
<b>Cash flow from operating activities</b>		<b>266.1</b>	<b>276.9</b>

Notes are an integral part of these consolidated financial statements.

EUR million	Note	2023	2022
<b>Cash flow from investing activities</b>			
Acquisition of business operations, net of cash acquired	<a href="#">25</a>	-156.3	—
Capital expenditure	<a href="#">11, 12</a>	-84.1	-95.4
Disposal of business operations, net of cash disposed	<a href="#">25</a>	0.4	-0.3
Proceeds from sale of property, plant and equipment		10.6	0.5
Change in loan receivables		0.1	3.2
<b>Cash flow used in investing activities</b>		<b>-229.3</b>	<b>-92.0</b>
<b>Cash flow from financing activities</b>			
Dividends paid		-171.7	-165.8
Repurchase of own shares		-9.8	-3.7
Repayments of lease liabilities	<a href="#">13, 19</a>	-58.1	-66.3
Proceeds from short-term borrowings	<a href="#">19</a>	195.2	—
Repayments of short-term borrowings	<a href="#">19</a>	-131.3	-1.5
Proceeds from long-term borrowings	<a href="#">19</a>	214.0	—
Repayments of long-term borrowings	<a href="#">19</a>	-99.5	-13.1
<b>Cash flow used in financing activities</b>		<b>-61.2</b>	<b>-250.4</b>
<b>Change in cash and cash equivalents</b>		<b>-24.5</b>	<b>-65.4</b>
Cash and cash equivalents at the beginning of period	<a href="#">23</a>	249.7	323.8
Foreign exchange differences		-5.5	-8.6
Change in cash and cash equivalents		-24.5	-65.4
<b>Cash and cash equivalents at the end of period</b>		<b>219.6</b>	<b>249.7</b>

# Statement of changes in shareholders' equity

EUR million	Note	Owners of the Parent company						Total equity
		Share capital	Share premium and other reserves	Own shares	Cumulative translation differences	Invested unrestricted equity reserve	Retained earnings	
<b>31 Dec 2022</b>		76.6	39.3	-0.3	-193.5	1 203.5	593.7	1 719.2
<b>Comprehensive income</b>								
Net profit for the period		—	—	—	—	—	172.2	172.2
<b>Other comprehensive income, net of tax</b>								
Remeasurements of the defined benefit plans, net of tax		—	—	—	—	—	0.5	0.5
Translation differences		—	0.1	—	-83.3	—	-16.5	-99.8
<b>Total comprehensive income</b>		—	0.1	—	-83.3	—	156.1	72.9
<b>Transactions with owners</b>								
<b>Contributions and distributions</b>								
Share-based incentive plans	8	—	—	9.0	—	—	-7.3	1.7
Dividends		—	—	—	—	—	-171.7	-171.7
Repurchase of own shares		—	—	-9.8	—	—	—	-9.8
<b>Total transactions with owners</b>		—	—	-0.8	—	—	-179.0	-179.7
<b>31 Dec 2023</b>		76.6	39.4	-1.1	-276.8	1 203.5	570.9	1 612.3

EUR million	Note	Owners of the Parent company						
		Share capital	Share premium and other reserves	Own shares	Cumulative translation differences	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>31 Dec 2021</b>		<b>76.6</b>	<b>41.5</b>	<b>-0.2</b>	<b>-66.0</b>	<b>1 203.5</b>	<b>565.8</b>	<b>1 821.1</b>
<b>Comprehensive income</b>								
Net profit for the financial year		—	—	—	—	—	188.6	188.6
<b>Other comprehensive income, net of tax</b>								
Remeasurements of the defined benefit plans, net of tax		—	—	—	—	—	1.6	1.6
Translation differences		—	-2.2	—	-127.5	—	2.9	-126.7
<b>Total comprehensive income</b>		<b>—</b>	<b>-2.2</b>	<b>—</b>	<b>-127.5</b>	<b>—</b>	<b>193.2</b>	<b>63.5</b>
<b>Transactions with owners</b>								
<b>Contributions and distributions</b>								
Share-based incentive plans	8	—	—	3.6	—	—	0.5	4.1
Dividends		—	—	—	—	—	-165.8	-165.8
Repurchase of own shares		—	—	-3.7	—	—	—	-3.7
<b>Total transactions with owners</b>		<b>—</b>	<b>—</b>	<b>-0.1</b>	<b>—</b>	<b>—</b>	<b>-165.3</b>	<b>-165.4</b>
<b>31 Dec 2022</b>		<b>76.6</b>	<b>39.3</b>	<b>-0.3</b>	<b>-193.5</b>	<b>1 203.5</b>	<b>593.7</b>	<b>1 719.2</b>

Notes are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

## 1. Corporate information

TietoEVRY Corporation (business identity code 0101138-5) is a Finnish public limited liability company organized under the laws of Finland. It is domiciled in Espoo and the address of the Group head office is Keilalahdentie 2-4, 02101 Espoo, Finland. The company is listed on NASDAQ in Helsinki and Stockholm and the Oslo Stock Exchange.

TietoEVRY is a leading Nordic digital services and software company that employs over 24 000 experts globally. TietoEVRY serves thousands of enterprise and public sector customers in more than 90 countries. The company's services comprise software, data and digital engineering as well as managed services and transformation, and related capabilities to support customers' business renewal, innovation and efficient operations. TietoEVRY's role varies from consulting and advisory, designing and building solutions to running IT operations.

The Board of Directors approved these consolidated financial statements on 14 February 2024. According to the Limited Liability Companies Act, the shareholders have the right at the Annual General Meeting to either approve, amend or reject the consolidated financial statements after the publication.

### BASIS OF PREPARATION

The accounting policies applied to the consolidated financial statements as a whole are described below. A more detailed description of accounting policies and significant estimates related to specific disclosures are presented in conjunction with each note with the aim of providing an understanding of each accounting area.

## 2. Material accounting policy information

These consolidated financial statements of TietoEVRY have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements also comply with Finnish accounting principles and corporate legislation complementing IFRS. The consolidated financial statements are presented in millions of euros and have been prepared under the historical cost convention, unless otherwise stated in these accounting policies. All figures presented 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.

### Consolidation principles

The consolidated financial statements include the Parent company TietoEVRY Corporation and all subsidiaries over which the Parent company has directly or indirectly more than one half of the voting rights, or the Parent company is otherwise in control of the company. Control exists when the company is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is achieved until the date on which control ceases by using the acquisition method. Intra-group receivables, payables and transactions including dividends and internal profit are eliminated on consolidation. When necessary, subsidiaries' accounting policies have been aligned to correspond to the Group's accounting policies. The result for the period and items of other comprehensive income are attributable to the equity holders of the parent company.

### Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the Parent company's functional and presentation currency.

Foreign currency transactions are translated into local functional currencies using the exchange rates prevailing on the transaction date. The foreign currency monetary items are translated using period-end exchange rates. The foreign currency non-monetary items held at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined or remeasured. Other non-monetary items are recognized at the exchange rate prevailing on the transaction date.

For internal, long-term loans to subsidiaries, when classified as net investment in foreign operation, all related unrealized foreign exchange gains and losses are recognized in profit or loss in the separate financial statements. In the consolidated financial statements, such exchange differences are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Other foreign exchange gains and losses related to business operations are included in operating profit. Foreign exchange gains and losses associated with financing are recognized in finance income and expenses.

For Group entities whose functional and presentation currency is other than the euro, the income statements and statements of financial position are translated into the Group presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated using the exchange rates prevailing at the reporting date;
- income and expenses for each income statement are translated using the average exchange rates of the reporting period;
- all resulting translation differences are recognized in other comprehensive income.

When a subsidiary is sold, any translation differences are recognized in the consolidated income statement as part of the gain or loss on the sale.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into euro using the exchange rates prevailing at the reporting date. Translation differences arising are recognized in other comprehensive income.

### 3. Adoption of new and amended IFRS standards and interpretations

The following amendments to IFRS standards became effective on 1 January 2023. They have not had a material impact on the amounts reported or on the disclosures in these financial statements.

- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
- IFRS 17 Insurance Contracts

#### New and revised IFRS standards in issue but not yet effective

At the date of authorization of these financial statements, the Group has not applied the new and revised IFRS standards that have been issued but are not yet effective. Management does not expect the adoption of these to have a material impact on the Group's financial statements in future reporting periods. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and are endorsed by the EU.

### 4. Use of judgements and estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed at the reporting date. Although these estimates are based on management's best knowledge of current events and actions, actual results

may differ from the estimates. In addition, management judgement is required in the application of accounting policies, especially when IFRS permits alternative accounting, valuation and presentation methods.

Management believes that the following accounting principles represent those matters, where management judgement has the most significant effect on the amounts recognised or where different estimate could result in significant adjustment to reported carrying amounts within the next financial year. These are described in more detail in the related notes.

Accounting principle	Estimates made	Judgement applied	Note
Valuation of goodwill	X	X	<u>11</u>
Provisions	X		<u>16</u>
Deferred taxes	X		<u>9</u>

Further, management has considered the impact of climate change when preparing the consolidated financial statements. There has not been any material impact on judgements and estimates arising from those considerations.

## PERFORMANCE FOR THE YEAR

This section comprises disclosures related to the performance of the Group, including segment information, revenue recognition, other operating income and expenses, as well as information on employee benefits, taxes and earnings per share.

### 5. Segment information

TietoEvry Group is comprised of five operating segments: TietoEvry Create, TietoEvry Banking, TietoEvry Care, TietoEvry Industry, and TietoEvry Tech Services. From 1 April 2023, TietoEvry Transform and TietoEvry Connect were combined to form TietoEvry Tech Services. In 2023, the financials of TietoEvry Tech Services are reported as a new segment and the comparative information has been restated accordingly.

#### ACCOUNTING POLICIES

The operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Management, which has been identified as TietoEvry's chief operating decision maker being responsible for allocating resources and assessing performance of the operating segments as well as deciding on strategy.

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

Eliminations include internal revenue between operating segments and Group function sales of internal services to the business. Non-allocated costs relate to Global management and Support functions and are shown separately in the operating profit (EBIT).

#### TietoEvry Create

TietoEvry Create is a leading accelerator for digital innovation and cloud-native development, providing business advisory and design, data engineering and specialized software R&D services across a range of industry sectors. It is a market-leading vendor in the Nordics and expanding in international markets. TietoEvry Create has competence centres in Europe, India, China and the Americas – they leverage their expertise and the latest technologies to support clients from nearly 20 countries.

#### TietoEvry Banking

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

#### TietoEvry Care

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

#### TietoEvry Industry

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

#### TietoEvry Tech Services

TietoEvry Tech Services is a Nordic multi-cloud platform provider with a full range of infrastructure choices at scale – aiming to ensure resilience, security and compliance for customers' business. Its business comprises application and data services, cloud platforms and security services, traditional Infrastructure services and user experience services. It drives enterprise-wide transformation for customers from modernizing existing IT infrastructure and the renewal of core business applications to next-generation services and data and AI services. TietoEvry Tech Services is the leading provider of managed services in the Nordics, and delivers services to customer operations in more than 90 countries.

**Disaggregation of revenue by segment**

EUR million	2023	2022	Change %
TietoEVRY Create	851.2	849.0	0
TietoEVRY Banking	567.2	571.1	-1
TietoEVRY Care	236.5	231.4	2
TietoEVRY Industry	262.6	272.6	-4
TietoEVRY Tech Services	1 074.7	1 171.4	-8
Eliminations	-140.7	-167.4	-16
<b>Group total</b>	<b>2 851.4</b>	<b>2 928.1</b>	<b>-3</b>

**Operating profit (EBIT) by segment**

EUR million	2023	2022	Change %
TietoEVRY Create	94.9	91.2	4
TietoEVRY Banking	42.9	49.1	-13
TietoEVRY Care	68.9	72.2	-5
TietoEVRY Industry	36.9	51.9	-29
TietoEVRY Tech Services	51.9	42.3	23
Non-allocated costs	-39.8	-40.2	-1
<b>Group total</b>	<b>255.6</b>	<b>266.5</b>	<b>-4</b>

For more information, see notes 7 and 27.

**Operating margin (EBIT) by segment**

%	2023	2022	Change pp
TietoEVRY Create	11.1	10.7	0
TietoEVRY Banking	7.6	8.6	-1
TietoEVRY Care	29.1	31.2	-2
TietoEVRY Industry	14.0	19.0	-5
TietoEVRY Tech Services	4.8	3.6	1
<b>Operating margin (EBIT)</b>	<b>9.0</b>	<b>9.1</b>	<b>0</b>

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

EUR million	2023	2022
TietoEVRY Create	23.7	18.3
TietoEVRY Banking	19.9	21.8
TietoEVRY Care	3.0	3.5
TietoEVRY Industry	2.6	2.5
TietoEVRY Tech Services	25.0	15.6
<b>Group total</b>	<b>74.2</b>	<b>61.6</b>

No single customer represents 10% or more of revenue.

**Customer revenue by country**

EUR million	2023	2022	Change %
Finland	644.2	640.2	1
Sweden	901.3	947.3	-5
Norway	948.6	1 016.7	-7
Other	357.2	323.9	10
<b>Group total</b>	<b>2 851.4</b>	<b>2 928.1</b>	<b>-3</b>

The distribution of revenue by country is based on the invoicing country.

**Non-current assets by country**

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

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

## Personnel by segment

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

## Personnel by country

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

## Depreciation by segment

EUR million	2023	2022	Change %
TietoEVRY Create	6.6	6.7	-1
TietoEVRY Banking	4.8	4.8	2
TietoEVRY Care	1.0	0.9	8
TietoEVRY Industry	0.7	0.6	16
TietoEVRY Tech Services	44.6	42.4	5
Group functions	40.8	48.4	-16
<b>Group total</b>	<b>98.5</b>	<b>103.8</b>	<b>-5</b>

## Amortization on other intangible assets by segment

EUR million	2023	2022	Change %
TietoEVRY Create	0.1	0.1	-42
TietoEVRY Banking	3.6	2.8	30
TietoEVRY Care	2.5	1.6	50
TietoEVRY Industry	0.2	0.3	-14
TietoEVRY Tech Services	5.4	6.5	-18
Group functions	0.3	0.4	-26
<b>Group total</b>	<b>12.0</b>	<b>11.7</b>	<b>3</b>

## Amortization of acquisition-related intangible assets by segment

EUR million	2023	2022	Change %
TietoEVRY Create	10.0	10.1	-1
TietoEVRY Banking	19.3	21.6	-11
TietoEVRY Care	0.2	0.2	-7
TietoEVRY Industry	4.7	6.2	-24
TietoEVRY Tech Services	7.7	8.7	-11
Group functions	—	—	—
<b>Group total</b>	<b>41.8</b>	<b>46.7</b>	<b>-10</b>



### Impairment losses

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

In 2022, Tietoevry Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. Capitalized development work specific for this customer was written-off resulting in an impairment loss of EUR 18.7 million. See also [note 6](#). In addition, Tietoevry Tech Services recognized an impairment loss of EUR 1.4 million for the joint venture Tietollmarinen, and bought the remaining 30% share of the company. Tietollmarinen has been consolidated as a 100% owned subsidiary since 31 December 2022. See also [note 27](#).

## 6. Revenue

The business models of the Group consist of continuous services, software solutions, projects and consulting. Revenue comprises the fair value for the sale of IT services and software licenses, net of discounts and exchange rate differences.

### ACCOUNTING POLICIES

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes consideration collected on behalf of third parties. The Group recognizes revenue when it transfers control of a good or service to a customer.

The Group typically provides customers with a variety of comprehensive services. The individual service delivery contracts are often structured under a common frame contract where general terms for the service delivery to the customer are defined. The content of the delivery, performance obligations and pricing, are defined in the service delivery contracts. Management judgement is used to determine the basis for the revenue recognition; either an individual service delivery contract or a group of combined contracts.

Revenue from service contracts is based on service volumes or time and materials and the performance obligations are recognized over the accounting period in which the services are rendered or project is delivered. The services are generally satisfied and the control transferred to the customer over time given that either the customer simultaneously receives and consumes the benefits provided by the Group, or the Group's performance does not create an asset with an alternative use for the Group, in which case there is an enforceable right to payment for work completed to date.

In the majority of the businesses providing continuous services, time and material projects and consulting, the performance obligations satisfied are invoiced on a monthly basis. At the time of invoicing, a receivable is recognized by the Group as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The standard payment term is 30 days according to the Group's Credit Policy.

Goods, typically distinct licenses, that provide a right to use the software, are invoiced on delivery. The license revenue is recognized at a point in time when the license is delivered, the legal title has passed, the customer has accepted the license and has access to the licensed software. Distinct licenses, that provide a right to access the software, are recognized over the contract period. Contract assets or liabilities do not typically arise in the businesses described above.

For contracts comprising fixed-price projects, revenue is recognized based on the actual service provided by the reporting date as a proportion of the total services to be provided. This is determined based on the cost of actual labour hours spent relative to the total expected cost of labour hours, as it best reflects the transfer of control to the customer. Estimates of revenues, costs or progress towards completion are revised if circumstances change and any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. Invoicing and customer payments in the fixed-price projects follow the payment schedule defined in the customer contract. If the services rendered by the Group exceed the payment, a contract asset is recognized, and if the payments exceed the services rendered, a contract liability is recognized.

The customer contracts of the Group typically comprise several of the business models described above. The most appropriate presentation on how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors is considered to be the disaggregation of revenue by segment, presented in the segment information [note 5](#). The disaggregation of customer sales from long-term fixed-price contracts by segment represents the revenue from contracts for which the risks are different compared to other contracts with customers.

Some contracts include delivery of hardware together with a variety of services from the Group. Hardware is usually provided by another service provider. The installation of hardware is simple, does not include an integration service from the Group and could be performed by another party. It is, therefore, accounted for as a separate performance obligation. In these contracts, Tietoevry acts as an agent, if the Group does not obtain control of the hardware provided by another party before it is transferred to the customer, or as a principal if control is obtained.

Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices, which are observable from the contracts and represent prices for services rendered in similar circumstances to similar customers. Revenue from contracts granting a discount retrospectively to the customer is recognized based on the price specified in the contract, net of the estimated discounts. Discounts are estimated based on management's experience of the earlier purchases of the customers under similar contracts. This estimation is regularly updated during the contract period. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In settlement agreement cases, consideration paid to customers is reduced from revenue when a settlement agreement is signed with the customer. Consideration received from customers is recognized as revenue or other operating income depending on the facts and circumstances.

The Group grants assurance type of warranties which guarantee that the delivery complies with agreed specifications. These are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

The Group capitalizes material costs of set-up activities related to transition or implementation projects in the initial phase of continuous operating service contracts, when the criteria for capitalization according to IFRS 15 are met. Management judgement has been used when developing internal guidance on the tasks defined as set-up activities in the Group. The set-up activities do not result in the transfer of a promised good or service and are not identified as a performance obligation to the customer. The capitalized costs of a contract are amortized during the period when the revenue for the related continuous operating service contract is recognized.

#### Assets and liabilities related to contracts with customers

EUR million	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
Trade receivables	14	476.8	408.9	372.8
Contract assets	14	58.4	52.0	52.5
Contract liabilities, non-current	17	6.8	16.9	29.2
Contract liabilities, current	17	77.3	67.2	73.5

In 2023, increases due to acquisitions (see [note 25](#)) were EUR 7.9 million in trade receivables and EUR 0.1 million in contract liabilities. In 2022, decreases due to business disposals were EUR 1.7 million in trade receivables, EUR 0.5 million in contract assets and EUR 1.1 million in contract liabilities.

Revenue recognised from the opening balance of contract liabilities was EUR 60.3 (62.7) million.

In 2022, TietoEVRY Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. TietoEVRY received compensation of EUR 29.4 million, of which EUR 13.5 million was realized against unbilled revenue within contract assets and EUR 15.9 million was recognized as Other operating income.

#### Order backlog

The transaction price allocated to all fully or partially unsatisfied performance obligations (order backlog) amounted to EUR 3 236 (3 327) million at the end of the year. Of the backlog, 54% is expected to be recognized as revenue during 2024. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

#### Assets recognized from costs to fulfil a contract

EUR million	2023	2022
Capitalized set-up costs on 31 Dec	5.8	11.8
Amortization of capitalized set-up costs	6.6	8.4

In the statement of financial position, capitalized set-up costs of EUR 0.4 (6.8) million are presented within other non-current receivables and the current portion of EUR 5.4 (4.9) million in trade and other receivables.

## 7. Other operating income and expenses

Other operating income includes income other than that associated with the principal activities of TietoEVRY, such as capital gains and foreign exchange gains on derivatives. Other operating expenses mainly relate to information and communication technology and premises related costs as well as professional services, such as consulting, and marketing. Costs related to shared platforms in infrastructure services are recognized in other operating expenses when they are not directly linked to any specific customer.

### ACCOUNTING POLICIES

#### Government grants

Government grants are recognized as other operating income on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

#### Research and development costs

Research costs are expensed when incurred. Development costs related to major new software products are capitalized as intangible assets when it is probable that the development will generate future economic benefits for the Group, and certain criteria related to commercial and technological feasibility are met. Development costs comprise service and solution development focusing on, for example, industry-specific software, customer experience management and security services, as well as cloud services. Additionally, the costs for related internal development e.g. automation in infrastructure services, are included in development costs.

### Other operating income

EUR million	2023	2022
Gain on sale of property, plant and equipment, and business operations	7.1	1.4
Change in fair value of derivatives	7.2	9.2
Government grants	2.5	3.4
Joint venture management fees	0.6	1.3
Other	4.9	34.8
<b>Total</b>	<b>22.2</b>	<b>50.2</b>

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

In 2022, TietoEVRY Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. TietoEVRY received compensation of EUR 29.4 million, of which EUR 15.9 million was recognized as Other operating income. See [note 6](#). In addition,

TietoEVRY Industry received insurance compensation of EUR 12.3 million related to the ending of TietoEVRY's SmartUtilities platform in 2020.

### Other operating expenses

EUR million	2023	2022
Information and communication technology <sup>1)</sup>	193.7	207.1
Premises related costs	44.6	51.3
Professional services and marketing	43.4	43.0
Other operating expenses	47.2	61.1
<b>Total</b>	<b>328.9</b>	<b>362.6</b>

<sup>1)</sup> In connection with the changes in the company's legal structure, certain customer contracts have been moved between TietoEVRY Tech Services and TietoEVRY Banking. This includes costs related to shared platforms, which have been reclassified from Other operating expenses to Materials and Services, as such costs are recognized in Materials and Services when directly linked to specific customers.

### Fees to auditors

EUR million	2023	2022
Audit fees	1.6	1.3
Audit related	0.3	0.1
Tax advisory	0.0	0.1
Other services	0.3	0.4
<b>Total</b>	<b>2.1</b>	<b>1.9</b>

### Development costs

TietoEVRY's development costs amounted to approximately EUR 129.3 (124.6) million, representing 4.5% (4.3) of the Group's revenue. Of these costs, EUR 44.7 (37.2) million were capitalized. In 2023, the focus was on developing industry-specific software, especially solutions for Financial Services and Healthcare.

## 8. Employee expenses

Employee expenses consist of wages and salaries and related social costs. TietoEVRY has also post-employment benefit plans as well as share-based incentive plans for key employees. Termination benefits refer to benefits arising from termination of employment, not performance of work.

### ACCOUNTING POLICIES

Employee benefits are recognised in the period in which services are rendered by the employees. Termination benefits are recognised at the time an agreement between the Group and the employee is made and no future service is rendered by the employee in exchange for the benefits.

### Share-based incentive plans

TietoEVRY has share-based incentive plans for its key employees which are accounted for as equity-settled. The plans are valued at fair value based on the market price of TietoEVRY shares at the grant date and recognized as an employee benefit expense during the vesting period with a corresponding entry in equity. At each reporting date, the number of shares that are expected to vest from the Group's share-based incentive plans is revised. As part of this evaluation, the changes in the forecasted performance of the Group, the expected turnover of the personnel participating in the plans and other information impacting the number of shares to vest, is taken into consideration. Any adjustments to the initial estimates are recognized in profit or loss and a corresponding adjustment is made to equity. In countries where the reward is intended to be paid fully in cash, the costs are accounted for as cash-settled. Social costs paid on top of the reward are accounted for as cash-settled.

### Employee expenses

EUR million	2023	2022
Wages and salaries <sup>1)</sup>	1 219.3	1 247.9
Post-employment benefits		
Defined contribution plans	92.4	100.1
Defined benefit plans	2.2	-2.1
Other benefits	23.8	23.8
Other pay-related statutory social costs	218.2	219.1
Share-based payments	8.7	7.5
Other personnel expenses	1.4	0.8
<b>Total</b>	<b>1 566.0</b>	<b>1 597.2</b>

<sup>1)</sup> Includes termination benefits

### Management remuneration

EUR thousand	2023		2022	
	President and CEO	Leadership team	President and CEO	Leadership team <sup>2)</sup>
Salaries and benefits	875.0	3 339.4	853.5	3 082.3
Bonuses <sup>1)</sup>	642.3	1 088.7	991.6	1 273.6
Share-based payments	1 105.6	2 415.3	514.4	906.2
Statutory pensions	214.8	460.2	136.5	415.8
Supplementary pensions	213.3	458.7	205.1	323.5
<b>Total</b>	<b>3 051.0</b>	<b>7 762.3</b>	<b>2 701.1</b>	<b>6 001.4</b>

<sup>1)</sup> In 2023, the bonuses are based on estimates. The comparative information has been updated based on the amounts paid.

<sup>2)</sup> The comparative information for the Leadership team has been updated based on amounts paid and final estimates for accruals.

The table includes management remuneration based on the time as a member in the Leadership team and it is presented on an accrual basis, except as noted above.

The President and CEO, Kimmo Alkio is entitled to a bonus corresponding to a maximum of 150% of the annual base salary based on the Group's external revenue, profit, cash-flow and achievement of strategic goals when achievements exceed the targets set. The annual contribution for the President and CEO's supplementary pension arrangement is 23% of the annual base salary. The President and CEO's retirement age is 63. In case his assignment is terminated, the period of notice is 12 months and the severance payment is equivalent to the base salary and the short-term target incentive for six months, in addition to the salary for the notice period. The President and CEO participates in the Long-term incentive programmes according to respective terms and conditions decided by the Board of Directors. In 2023, after deductions for applicable taxes, a total of 29 563 (15 472) shares were delivered to the President and CEO.

Generally, the other Leadership team members are entitled to a bonus corresponding to a maximum of 100% of the annual base salary based on their individual goals when achievements exceed the targets set. The annual contribution for the Leadership team members' supplementary pension arrangement is up to 15% of the annual base salary. The retirement age of the Leadership team members is according to national legislation. The termination terms vary and the amounts correspond to the periods of notice. The Leadership team members participate in the Long-term incentive programmes according to respective terms and conditions decided by the Board of Directors. In 2023, after deductions for applicable taxes, a total of 54 445 (22 201) shares were delivered to the Leadership team members.

**Remuneration for the Board of Directors**

EUR thousand	2023	2022
<b>Board members at 31 Dec 2023</b>		
Tomas Franzén, Chairperson Board and RC	173.0	169.3
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC	106.4	102.9
Bertil Carlssén <sup>1)</sup>	75.7	—
Elisabetta Castiglioni <sup>1)</sup>	74.9	—
Liselotte Hægertz Engstam	77.3	79.7
Katharina Mosheim	77.3	78.9
Gustav Moss <sup>1)</sup>	81.3	—
Endre Rangnes	82.9	78.1
Petter Söderström <sup>1)</sup>	81.3	—
Timo Ahopelto, Deputy Chairperson <sup>2)</sup>	2.4	99.6
Niko Pakalén <sup>2)</sup>	3.2	86.1
Angela Mazza Teufer <sup>2)</sup>	0.8	64.1
Leif Teksum <sup>3)</sup>	—	2.4
Tommy Sander Aldrin, personnel rep. <sup>1)</sup>	15.0	—
Anders Palklint, personnel rep. <sup>1)</sup>	15.0	—
Thomas Slettemoen, personnel deputy rep. <sup>1)</sup>	7.5	—
Ilpo Waljus, personnel deputy rep. <sup>1)</sup>	7.5	15.0
Robert Spinelli, personnel rep. <sup>2)</sup>	—	15.0
Sigve Sandvik Lærdal, personnel deputy rep. <sup>2)</sup>	—	—
<b>Total</b>	<b>881.5</b>	<b>791.1</b>

<sup>1)</sup> As of 23 March 2023

<sup>2)</sup> Until 23 March 2023

<sup>3)</sup> Until 24 March 2022

Each member of the Board of Directors receives a fixed annual remuneration and additional meeting based remuneration. According to the decision by the Annual General Meeting, the yearly remuneration is as follows: Chairperson EUR 133 000, Deputy Chairperson EUR 72 000, and ordinary member EUR 54 500. In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. In addition, remuneration of EUR 800 is paid to the Board members elected by the Annual General Meeting for each Board of Director's meeting, permanent committee or temporary subgroup meeting. Further, remuneration for employee representatives elected as ordinary members of the Board of Directors will be an annual fee of EUR 15 000, and remuneration for the deputy members will be EUR 7 500. Remuneration for the employee representatives is paid in cash only.

The Annual General Meeting also approved that part of the fixed annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose to receive the fee from the following five alternatives:

1. No cash, 100% in shares
2. 25% in cash, 75% in shares
3. 50% in cash, 50% in shares
4. 75% in cash, 25% in shares, or
5. 100% in cash, no shares.

The shares will be purchased in accordance with an acquisition programme prepared by the company. If the remuneration cannot be paid in shares due to insider regulation, termination of the Board member's term of office or other reason relating to the member of the Board, the remuneration shall be paid fully in cash. In addition to the share remuneration, the Board members do not belong to or are not compensated with other share-based arrangements, nor do the members have any pension plans at TietoEVRY except the employee representatives.

The Shareholders' Nomination Board based on shareholdings as at 31 August 2023 consisted of the following representatives announced by TietoEVRY's shareholders:

- Annareetta Lumme-Timonen, Investment Director, Solidium Oy
- Alexander Svensson, Vice President, Cevian Capital AG
- Alexander Kopp, Investment Manager, Incentive AS
- Mikko Lanto, Chief Technology and Development Officer, Ilmarinen Mutual Pension Insurance Company
- Tomas Franzén, Chairperson of the Board of Directors, TietoEVRY Corporation.

### Share-based incentive plans

The aim of Tietoevry's share-based incentive plans is to align the objectives of shareholders and key employees in order to increase the value of the company in the long-term. At the end of 2023, Tietoevry's share-based incentive plans included Performance Share Plans 2021–2023, 2022–2024 and 2023–2025 as well as Restricted Share Plans 2021–2023, 2022–2024 and 2023–2025. The rewards from the plans will be paid partly in the company's shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the reward.

As a rule, no reward will be paid, if a participant's employment or service ends before the reward payment. The Board of Directors anticipates that share rewards to be delivered to the participants under the plans will consist of shares to be acquired from the market. Thus, no new shares will be issued in connection with the plans.

The Performance Share Plan 2020–2022 and the Restricted Share Plan 2020–2022 ended in 2023. Based on the achievements of the targets, a total of 565 314 gross shares were earned and of these 302 789 net shares were delivered to the participants. Tietoevry used its treasury shares for the reward payments. In 2023, the following gross shares were earned and paid fully in cash to participants who left Tietoevry in accordance with the plan rules: a total of 20 884 gross shares under Performance Share Plan 2021–2023, a total of 14 951 gross shares under Performance Share Plan 2022–2024 and a total of 118 gross shares under Performance Share Plan 2023–2025.

The estimated future cash payment to be made to the tax authorities from share-based payments is EUR 9.3 million.

### Main terms and conditions of the share-based incentive plans

Performance Share Plan			
	2021–2023	2022–2024	2023–2025
Plan launched	16 February 2021	16 February 2022	14 February 2023
Performance period	2021–2023	2022–2024	2023–2025
Vesting conditions	Relative Total Shareholder Return of Tietoevry share (TSR), strategic target related to Tietoevry's growth and Tietoevry's Earnings per Share (EPS). Valid employment or director agreement of a key employee upon the reward payment.	Relative and absolute Total Shareholder Return of Tietoevry share (TSR), Revenue growth and ESG target. Valid employment or director agreement of a key employee upon the reward payment.	Relative Total Shareholder Return of Tietoevry share (TSR) and ESG targets (gender diversity and CO2 reduction). Valid employment or director agreement of a key employee upon the reward payment.
Exercised	In shares and cash in 2024	In shares and cash in 2025	In shares and cash in 2026
Number of participants on 31 Dec 2023	81	464	512
Other	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 375 130 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 845 818 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 890 740 Tietoevry gross shares.

Restricted Share Plan			
	2021–2023	2022–2024	2023–2025
Plan launched	16 February 2021	16 February 2022	14 February 2023
Vesting period	2021–2023	2022–2024	2023–2025
Vesting conditions	Valid employment or director agreement of a key employee upon the reward payment.		
Exercised	In shares and cash in 2024	In shares and cash in 2025	In shares and cash in 2026
Number of participants on 31 Dec 2023	373	142	152
Other	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 189 763 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 57 235 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 52 598 Tietoevry gross shares.

#### Assumptions made in determining the fair value of Tietoevry's Share-based incentive plans

For Performance Share Plans and Restricted Share Plans, the fair value has been determined at grant using the fair value of the company share as of the grant date and expected dividends. Market-based performance metric outcome probability is estimated using Monte-Carlo simulation.

The fair value of social costs settled in cash are remeasured at each reporting date until settlement.

For share plan grants made in 2023, the fair value of the part recognised in equity has been determined at grant date using the following assumptions. The part recognised as a liability is based on the share price at the end of the reporting period:

- Share price at grant: EUR 22.70
- Expected dividends: EUR 3.61
- Risk-free interest rate: 3.07%
- Expected volatility (historical daily observations over corresponding maturity): 23.2%
- Contractual life: 2.8 years
- Fair value at grant: EUR 12.22
- Share price at year-end: EUR 21.54

#### Share-based payments included in employee benefit expenses

EUR million	2023	2022
Equity-settled share-based incentive plans	9.5	6.9
Cash-settled share-based incentive plans	0.1	0.0
Social costs settled in cash <sup>1)</sup>	0.9	1.3
<b>Total</b>	<b>10.5</b>	<b>8.2</b>

<sup>1)</sup> Social costs from all plans are reported as cash-settled.

#### Share option programme transferred from EVRY - settled in 2022

As part of the Merger plan, it was agreed that EVRY's incentive plans will continue and will be transformed in a value neutral way into restricted stock units or performance shares in the combined company, with equivalency on all material respects with regards to economic value, vesting conditions and other terms and conditions, taking into account the strike price of the options and by applying an option conversion ratio of 1:0.1423. Any existing right for EVRY to settle options and/or restricted stock units under the plans in cash, will continue as a right for the combined company. The final reward instalment from Long-Term Incentive Plan 2018 was paid in 2022. Based on the achievements of the targets, a total of 54 061 gross shares were earned and of these, 26 442 net shares were delivered to the participants. Tietoevry used its treasury shares for the reward payments.

## 9. Income taxes

Income tax expenses comprise current and deferred tax. Deferred tax assets and liabilities charged by the same tax authority are netted and, therefore, shown net on the statement of financial position.

### ACCOUNTING POLICIES

Tax expense for the period includes current taxes of the Group companies based on taxable profit for the year, together with tax adjustments for previous years and changes in deferred taxes. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related income tax is also recognized in other comprehensive income or directly in equity, respectively. The share of results in joint ventures is reported in the income statement based on the net result and thus, including the income tax effect.

Deferred income tax is recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements as well as on tax loss carry forwards. Deferred income tax is determined using the tax rates and laws which have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred taxes are not recognized on temporary differences related to investments in subsidiaries to the extent that they will probably not be reversed in the foreseeable future.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The deferred tax assets and liabilities arising from consolidation are recognized in the consolidated statement of financial position if it is probable that the related tax effects will occur.

### ACCOUNTING ESTIMATES AND JUDGEMENTS

At each reporting date, management estimates the amount of probable future taxable profits against which unused tax losses can be utilized. As the actual profits may differ from the forecasts, the change will affect the taxes in future periods.

The group operates globally and is, therefore subject to changing tax laws in multiple jurisdictions. The interpretation of tax legislation requires management judgement, and the applied interpretations may include uncertainties.

### Income tax expense in income statement

EUR million	2023	2022
Current taxes	40.4	43.7
Change of deferred taxes	11.2	5.8
Taxes for prior years	-3.0	4.7
<b>Total</b>	<b>48.6</b>	<b>54.2</b>
<b>Reconciliation of income tax expense</b>		
Profit before taxes	220.8	242.8
Tax calculated at the domestic corporation tax rate of 20%	44.2	48.6
Effect of different tax rates in foreign subsidiaries	2.8	2.4
Taxes for prior years	-3.0	4.7
Deferred taxes from previous year	0.1	-4.9
Tax effect of non-deductible expenses and tax exempt income	1.3	2.3
Tax on foreign dividend distribution	4.6	2.9
Other items	-1.4	-1.8
<b>Total</b>	<b>48.6</b>	<b>54.2</b>
Effective tax rate, %	22.0	22.3

### OECD Pillar Two income taxes

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti-Base Erosion model rules, or "GloBE") to reform international corporate taxation. TietoEVRY is within the scope of the Pillar Two model rules. The relevant legislation was enacted in Finland, the country of incorporation for TietoEVRY Corporation, and is effective from 1 January 2024.

Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes.

Under the model rules, the Group is liable to pay top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum tax rate. Management has assessed that the Group will not have material exposure to Pillar Two income taxes in any of its jurisdictions.



## Movements in deferred tax assets and liabilities during the year

EUR million	1 Jan 2023	Charged to income statement	Charged to other comprehensive income	Acquisitions and disposals	Other changes	31 Dec 2023
<b>Deferred tax asset</b>						
Tax losses carried forward	39.0	-7.1	—	—	-8.3	23.6
Property, plant and equipment	10.8	5.9	—	—	-0.2	16.6
Lease liabilities	43.5	-2.7	—	0.3	-1.0	40.1
Employee benefits	10.2	-0.4	-0.1	—	-0.4	9.3
Provisions	3.0	-1.2	—	—	-0.1	1.6
Revenue recognition	6.3	-2.3	—	—	-0.4	3.6
Other temporary difference	4.2	0.3	—	0.1	-3.4	1.2
<b>Total gross</b>	<b>117.1</b>	<b>-7.5</b>	<b>-0.1</b>	<b>0.4</b>	<b>-13.8</b>	<b>96.1</b>
Offset against deferred tax liabilities	-102.5					-84.2
<b>Total net</b>	<b>14.6</b>					<b>11.8</b>
<b>Deferred tax liability</b>						
Intangible assets	48.4	-7.6	—	5.6	-3.7	42.8
Right-of-use assets	39.9	-3.9	—	0.3	-1.0	35.4
Untaxed reserves	10.7	-0.7	—	—	0.1	10.1
Other temporary difference	14.2	15.7	0.1	—	-6.5	23.5
<b>Total gross</b>	<b>113.2</b>	<b>3.6</b>	<b>0.1</b>	<b>5.9</b>	<b>-11.0</b>	<b>111.7</b>
Offset against deferred tax assets	-102.5					-84.2
<b>Total net</b>	<b>10.7</b>					<b>27.5</b>
<b>Net deferred tax asset</b>	<b>3.9</b>	<b>-11.2</b>	<b>-0.2</b>	<b>-5.5</b>	<b>-2.8</b>	<b>-15.7</b>

The majority of the deferred tax assets and liabilities is expected to be recovered after more than 12 months.

On 31 December 2023, the Group's unused tax loss carry forwards amounted to EUR 108.9 (177.4) million pertaining to deferred tax assets of EUR 23.6 (39.0) million. These losses relate mainly to Norway and Sweden and have no expiry date. Based on profit forecasts, it is probable that there will be sufficient future taxable profits available against which these tax losses can be utilized.

On 31 December 2023, the Group had tax loss carry forwards amounting to EUR 0.4 (0.7) million pertaining to deferred tax assets of EUR 0.1 (0.1) million, which were not recognized due to uncertainty of utilization.

The Group does not have any material uncertain tax positions in accordance with IFRIC 23 Uncertainty over Income Tax Treatments.

EUR million	1 Jan 2022	Charged to income statement	Charged to other comprehensive income	Other changes	31 Dec 2022
<b>Deferred tax asset</b>					
Tax losses carried forward	49.6	-9.8	—	-0.8	39.0
Property, plant and equipment	7.7	3.2	—	-0.1	10.8
Lease liabilities	46.0	-0.4	—	-2.1	43.5
Employee benefits	11.8	-0.7	-0.4	-0.5	10.2
Provisions	3.6	-0.4	—	-0.2	3.0
Revenue recognition	9.5	-2.8	—	-0.4	6.3
Other temporary difference	4.7	-0.6	—	0.1	4.2
<b>Total gross</b>	<b>132.9</b>	<b>-11.4</b>	<b>-0.4</b>	<b>-4.0</b>	<b>117.1</b>
Offset against deferred tax liabilities	-113.8				-102.5
<b>Total net</b>	<b>19.1</b>				<b>14.6</b>
<b>Deferred tax liability</b>					
Intangible assets	64.1	-14.4	—	-1.3	48.4
Right-of-use assets	41.4	0.5	—	-2.0	39.9
Untaxed reserves	9.5	2.0	—	-0.8	10.7
Other temporary difference	7.9	6.3	—	—	14.2
<b>Total gross</b>	<b>122.9</b>	<b>-5.6</b>	<b>—</b>	<b>-4.1</b>	<b>113.2</b>
Offset against deferred tax assets	-113.8				-102.5
<b>Total net</b>	<b>9.1</b>				<b>10.7</b>
<b>Net deferred tax asset</b>	<b>10.0</b>	<b>-5.8</b>	<b>-0.4</b>	<b>0.1</b>	<b>3.9</b>

## 10. Earnings per share

The total number of TietoEVRY's shares on 31 December 2023 amounted to 118 425 771. At the end of the reporting period, the number of own shares totalled 34 679, representing 0.03% of the total number of shares and voting rights.

### ACCOUNTING POLICIES

Basic Earnings per share (EPS) is calculated by dividing the net profit attributable to the shareholders of the Parent company by the weighted average number of shares in issue during the year, excluding shares purchased by TietoEVRY and held as own shares.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding during the year with the shares estimated to be delivered based on the share-based incentive plans.

	2023	2022
Net profit for the financial year attributable to owners of the Parent company (EUR million)	172.2	188.6
Earnings per share (EUR)		
Basic	1.45	1.59
Diluted	1.45	1.59
Weighted average number of shares during the year		
Basic	118 375 769	118 405 657
Effect of dilutive share-based incentive plans	271 334	203 952
Diluted	118 647 103	118 609 609

## INVESTED CAPITAL AND WORKING CAPITAL ITEMS

This section includes disclosures describing the assets that form the basis for the activities of TietoEVRY and the related liabilities.

### 11. Goodwill and other intangible assets

TietoEVRY's intangible assets comprise mainly goodwill, internally developed software (capitalized development costs), and intangible assets acquired in business combinations, such as technology, trademarks and customer relationships. Intangible assets also include software licenses. TietoEVRY does not have any intangible assets with indefinite useful lives other than goodwill.

#### ACCOUNTING POLICIES

Intangible assets other than goodwill are recognized initially at cost. An intangible asset is recognized only if it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. All other costs are expensed as incurred.

After initial recognition, intangible assets are measured at cost less amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives with the straight-line method. Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the intangible asset exceeds its recoverable amount, an impairment loss equal to the difference is recognized in profit or loss.

#### Internally developed software

Development costs related to major new software products are capitalized as intangible assets when it is probable that the development will generate future economic benefits for the Group, and certain criteria related to commercial and technological feasibility are met. Development projects are analysed individually to determine the moment when the project has reached a milestone after which capitalization of development costs can start. Only costs which are directly attributable to the development are capitalised.

Subsequent to initial recognition, these costs are measured at cost less accumulated amortization and impairment losses. The amortization period for internally developed software depends on the technology renewal cycle and contract duration. Internally developed software for which amortization has not yet started is tested for impairment on an annual basis by comparing the asset's carrying amount with its recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss equal to the difference is recognized in profit or loss.

#### Intangible assets recognised from acquisitions

Intangible assets acquired in business combinations are measured at fair value at the acquisition date. These are usually customer or technology related and have finite useful lives.

Gains and losses on disposal of intangible assets are included in other operating income and expenses.

The Group applies the following useful lives:

	Years
Software acquired separately	3
Other intangible assets	3–10
Technology related intangible assets recognized at fair value from acquisitions	3–15
Customer related intangible assets recognized at fair value from acquisitions	2–10
Trademark recognized at fair value from acquisitions	6
Internally developed software (capitalized development costs)	5–15

#### Goodwill

Goodwill arising on a business combination represents the excess of the aggregate of the consideration transferred, the amount of non-controlling interests in the acquiree and previously held equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. It is not amortized, but tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill is allocated to the operating segments of the Group, which are the cash generating units (CGU) expected to benefit from the synergies of the business combination. If the carrying amount of goodwill allocated to the operating segments exceeds its recoverable amount, an impairment loss equal to the difference is recognized in profit or loss. The recoverable amount is the higher of the value in use represented by the net present value of future cash flows and the fair value less costs to sell. Impairment losses on goodwill are not reversed.

In respect of joint ventures, goodwill is included in the carrying amount of the investment.

#### ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are made when determining the fair values of assets acquired in a business combination. The valuation requires management to determine the appropriate valuation technique and inputs for fair value measurements, such as discount rate.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the CGUs and an appropriate discount rate to calculate present value.

While management believes that the estimates and assumptions used are reasonable, there are uncertainties which could materially affect the valuations.

## Intangible assets

EUR million	Goodwill	Software acquired separately	Intangible assets recognized from acquisitions <sup>1)</sup>	Internally developed software <sup>2)</sup>	Other	Advance payments	Total
<b>Acquisition cost 1 Jan 2023</b>	<b>1 846.5</b>	<b>29.5</b>	<b>291.3</b>	<b>308.3</b>	<b>29.3</b>	<b>3.3</b>	<b>2 508.2</b>
Acquisitions of subsidiaries	137.4	0.1	22.6	—	—	—	160.1
Additions	—	6.9	—	44.7	0.0	0.6	52.1
Disposals	—	-8.5	-17.3	-5.5	-9.9	—	-41.3
Reclassifications	—	2.3	—	—	0.7	-2.6	0.4
Translation differences	-76.6	-0.3	-14.7	-16.6	-0.1	-0.1	-108.4
<b>Acquisition cost 31 Dec 2023</b>	<b>1 907.3</b>	<b>29.9</b>	<b>282.0</b>	<b>330.8</b>	<b>19.9</b>	<b>1.2</b>	<b>2 571.1</b>
<b>Accumulated amortization and impairments 1 Jan 2023</b>	<b>—</b>	<b>-22.6</b>	<b>-153.6</b>	<b>-122.6</b>	<b>-26.1</b>	<b>0.0</b>	<b>-324.9</b>
Disposals	—	8.5	17.3	5.5	9.9	—	41.3
Amortization	—	-4.7	-41.8	-6.3	-1.1	—	-53.9
Impairments	—	—	—	—	—	—	—
Reclassifications	—	-0.4	—	—	0.0	—	-0.4
Translation differences	—	0.4	6.8	6.4	0.1	—	13.6
<b>Accumulated amortization and impairments 31 Dec 2023</b>	<b>—</b>	<b>-18.7</b>	<b>-171.5</b>	<b>-117.0</b>	<b>-17.2</b>	<b>0.0</b>	<b>-324.3</b>
Carrying value 1 Jan 2023	1 846.5	6.9	137.7	185.7	3.2	3.3	2 183.3
<b>Carrying value 31 Dec 2023</b>	<b>1 907.3</b>	<b>11.2</b>	<b>110.6</b>	<b>213.9</b>	<b>2.8</b>	<b>1.2</b>	<b>2 246.8</b>

<sup>1)</sup> Includes technology and customer related intangible assets as well as trademark recognized at fair value from acquisitions.

<sup>2)</sup> Comprises mainly the development of TietoEvry's Lifecare and Core banking & Payment solutions.

EUR million	Goodwill	Software acquired separately	Intangible assets recognized from acquisitions <sup>1)</sup>	Internally developed software <sup>2)</sup>	Other	Advance payments	Total
<b>Acquisition cost 1 Jan 2022</b>	<b>1 943.7</b>	<b>49.6</b>	<b>308.6</b>	<b>285.3</b>	<b>38.2</b>	<b>3.5</b>	<b>2 628.9</b>
Additions	—	2.7	—	37.2	0.9	2.7	43.5
Disposals	—	-25.2	—	—	-9.7	-0.7	-35.7
Reclassifications	—	3.6	—	-1.9	0.1	-2.2	-0.5
Translation differences	-97.1	-1.1	-17.3	-12.2	-0.1	-0.0	-128.0
<b>Acquisition cost 31 Dec 2022</b>	<b>1 846.5</b>	<b>29.5</b>	<b>291.3</b>	<b>308.3</b>	<b>29.3</b>	<b>3.3</b>	<b>2 508.2</b>
<b>Accumulated amortization and impairments 1 Jan 2022</b>	<b>—</b>	<b>-42.5</b>	<b>-115.4</b>	<b>-103.3</b>	<b>-35.3</b>	<b>-0.7</b>	<b>-297.3</b>
Disposals	—	25.2	—	—	9.7	0.7	35.7
Amortization	—	-6.0	-46.7	-4.8	-0.9	—	-58.5
Impairments	—	—	—	-18.7	—	—	-18.7
Reclassifications	—	-0.4	—	—	0.3	—	0.0
Translation differences	—	1.0	8.5	4.3	0.1	—	13.9
<b>Accumulated amortization and impairments 31 Dec 2022</b>	<b>—</b>	<b>-22.6</b>	<b>-153.6</b>	<b>-122.6</b>	<b>-26.1</b>	<b>0.0</b>	<b>-324.9</b>
Carrying value 1 Jan 2022	1 943.7	7.1	193.2	182.0	2.8	2.8	2 331.6
<b>Carrying value 31 Dec 2022</b>	<b>1 846.5</b>	<b>6.9</b>	<b>137.7</b>	<b>185.7</b>	<b>3.2</b>	<b>3.3</b>	<b>2 183.3</b>

<sup>1)</sup> Includes technology and customer related intangible assets as well as trademark recognized at fair value from acquisitions.

<sup>2)</sup> Comprises mainly the development of TietoEvry's Lifecare and Core banking & Payment solutions. In 2022, TietoEvry Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. Capitalized development work specific for this customer was written-off resulting in an impairment loss of EUR 18.7 million. See also [note 5](#).

### Impairment testing of goodwill

The annual impairment testing was carried out in the fourth quarter of 2023 in line with Group accounting policy. The Group is organized into five businesses which are Tietoevry Create, Tietoevry Banking, Tietoevry Care, Tietoevry Industry, and Tietoevry Tech Services. From 1 April 2023, Tietoevry Transform and Tietoevry Connect were combined to form Tietoevry Tech Services, and the comparative information has been restated accordingly. The five businesses form the Group's operating segments, see [note 5](#) for more information on the segments. The businesses form the cash-generating units (CGU) providing services to selected customers in their market segments, and represent the lowest level at which goodwill is monitored for internal management purposes.

#### Carrying amount of goodwill by CGU

EUR million	31 Dec 2023	31 Dec 2022
Tietoevry Create	697.7	575.5
Tietoevry Banking	308.7	325.9
Tietoevry Care	260.9	273.5
Tietoevry Industry	188.4	197.5
Tietoevry Tech Services	451.6	474.0
<b>Total</b>	<b>1 907.3</b>	<b>1 846.5</b>

Compared to 31 December 2022, the goodwill increased by EUR 137.4 million as a result of the acquisition of MentorMate and decreased by EUR 76.6 million due to exchange rate fluctuations.

As a result of the impairment testing, no impairment was identified.

#### Recoverable amounts

The recoverable amounts of the CGUs of Tietoevry are determined based on value-in-use calculations which are prepared using discounted cash flow projections. Annually, management of the Group defines the long-term ambitions and strategic objectives for the coming years taking into account, for example, industry growth forecasts obtained from external sources as well as salary increase assumptions. The strategic objectives serve as basis for the businesses' long-term plans which are reviewed and approved by the Group's top management.

The planning horizon covers a five-year period including key assumptions for sales growth rate, development of EBITDA, capital expenditure including investments for right-of-use assets, tax payments and changes in net working capital. Forecasted EBITDA margins are adjusted for expected efficiency improvements. The key assumptions used are based on past experience and reflects management's expectations of future development of sales prices, business mix, costs, market shares and volumes.

Subsequent to the five-year projection period, the terminal growth rate used is 2%, which is consistent with the long term inflation rates in the Nordic countries (as the primary locations) and does not exceed the expectations of growth in real terms.

#### Discount rate

The discount rate applied to the cash flow projections is the weighted average pre-tax cost of capital (WACC). The components of the WACC rates are risk-free rate, market risk premium, country risk premium, industry specific beta, cost of debt and debt equity ratio. The risk-free rate is based on 30-year German government bond adjusted by the weighted average inflation differential between Germany and the countries where each CGU has operations. The discount rates are also adjusted for the additional business risk of the CGUs. The pre-tax discount rates for the CGUs vary between 8.8% and 11.6%.

#### Assumptions used in discounting the cash flow projections by the CGUs:

2023	Five-year period 2024–2028	
	Terminal growth rate %	Pre-tax WACC %
Tietoevry Create	2.0	11.6
Tietoevry Banking	2.0	9.1
Tietoevry Care	2.0	8.8
Tietoevry Industry	2.0	8.9
Tietoevry Tech Services	2.0	8.9

#### Sensitivity analysis

The value-in-use calculation for each CGU is most sensitive to changes in WACC and EBITDA margin assumptions. No reasonable change in key assumptions would result in recognition of an impairment loss in any of the CGUs. The CGU that is most sensitive to changes in assumptions in the goodwill impairment test is Tietoevry Tech Services, where a decrease of 2–3 percentage points in the long-term EBITDA margin would cause the recoverable amount of this CGU to equal the carrying amount. The recoverable amount for Tietoevry Tech Services exceeded the carrying amount of the assets tested by approximately EUR 430 million.



## 12. Property, plant and equipment

TietoEVRY's property, plant and equipment comprise mainly information and communication technology (ICT) equipment.

### ACCOUNTING POLICIES

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Land is not depreciated. Property, plant and equipment acquired in business combinations are measured at fair value at the acquisition date. Depreciation is recognized according to plan based on the estimated economic lives of the individual assets and accounted for in accordance with the straight-line method. The assets' residual useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Assets that are subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss equal to the difference is recognized in profit or loss.

The group applies the following useful lives:

	Years
Buildings and structures	25–40
Data processing equipment <sup>1)</sup>	1–5
Other machinery and equipment	5
Other tangible assets	5

<sup>1)</sup> Purchases of personal computers are expensed immediately.

## Property, plant and equipment

EUR million	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
<b>Acquisition cost 1 Jan 2023</b>	<b>1.2</b>	<b>3.8</b>	<b>385.6</b>	<b>64.7</b>	<b>19.1</b>	<b>474.4</b>
Acquisitions of subsidiaries	—	—	0.3	0.4	0.1	0.8
Additions	—	—	21.3	2.4	9.5	33.2
Disposals	—	-0.4	-76.8	-4.3	-0.1	-81.6
Reclassifications	—	—	14.8	0.5	-14.0	1.3
Translation differences	—	—	-5.5	-0.2	-0.3	-6.0
<b>Acquisition cost 31 Dec 2023</b>	<b>1.2</b>	<b>3.4</b>	<b>339.7</b>	<b>63.4</b>	<b>14.4</b>	<b>422.1</b>
<b>Accumulated depreciation and impairments 1 Jan 2023</b>	<b>—</b>	<b>-2.1</b>	<b>-330.3</b>	<b>-44.9</b>	<b>0.0</b>	<b>-377.2</b>
Disposals	—	0.4	74.6	4.2	—	79.2
Depreciation	—	-0.1	-32.2	-6.4	—	-38.8
Impairments	—	—	—	—	—	—
Reclassifications	—	—	-1.3	0.0	—	-1.3
Translation differences	—	—	4.8	0.0	—	4.8
<b>Accumulated depreciation and impairments 31 Dec 2023</b>	<b>—</b>	<b>-1.8</b>	<b>-284.5</b>	<b>-47.1</b>	<b>0.0</b>	<b>-333.4</b>
Carrying value 1 Jan 2023	1.2	1.7	55.4	19.8	19.1	97.2
<b>Carrying value 31 Dec 2023</b>	<b>1.2</b>	<b>1.6</b>	<b>55.2</b>	<b>16.3</b>	<b>14.4</b>	<b>88.8</b>

EUR million	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
<b>Acquisition cost 1 Jan 2022</b>	<b>1.2</b>	<b>3.8</b>	<b>408.3</b>	<b>61.5</b>	<b>12.7</b>	<b>487.5</b>
Additions	—	—	29.4	4.5	16.2	50.0
Disposals	—	—	-50.3	-1.5	-1.1	-52.9
Reclassifications	—	—	10.6	1.9	-8.3	4.1
Translation differences	—	—	-12.3	-1.7	-0.3	-14.3
<b>Acquisition cost 31 Dec 2022</b>	<b>1.2</b>	<b>3.8</b>	<b>385.6</b>	<b>64.7</b>	<b>19.1</b>	<b>474.4</b>
<b>Accumulated depreciation and impairments 1 Jan 2022</b>	<b>—</b>	<b>-2.0</b>	<b>-356.9</b>	<b>-40.3</b>	<b>-0.9</b>	<b>-400.1</b>
Disposals	—	—	49.1	1.5	0.9	51.6
Depreciation	—	-0.1	-29.9	-7.4	—	-37.4
Impairments	—	—	—	—	—	—
Reclassifications	—	—	-3.5	-0.1	0.0	-3.6
Translation differences	—	—	10.9	1.4	—	12.3
<b>Accumulated depreciation and impairments 31 Dec 2022</b>	<b>—</b>	<b>-2.1</b>	<b>-330.3</b>	<b>-44.9</b>	<b>0.0</b>	<b>-377.2</b>
Carrying value 1 Jan 2022	1.2	1.8	51.4	21.2	11.8	87.4
<b>Carrying value 31 Dec 2022</b>	<b>1.2</b>	<b>1.7</b>	<b>55.4</b>	<b>19.8</b>	<b>19.1</b>	<b>97.2</b>

### 13. Leases

TietoEVRY Group mainly acts as a lessee and leases premises, IT equipment and cars. In monetary terms, the highest portion of the Group's lease portfolio is for leasing premises. TietoEVRY Group also leases equipment for data centres to support continuous service delivery to its customers.

#### ACCOUNTING POLICIES

##### The Group as a lessee

The Group assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability at the commencement date of a lease. Initially, the lease liability is measured at the present value of the future lease payments to be made over the lease period. The lease payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option if it is reasonably certain to be exercised and payments of penalties for terminating the lease if the lease term reflects the exercise of a termination option.

To determine the present value of future lease payments, the Group discounts the lease payments using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate reflects the rate at which the Group could borrow an amount similar to the value of the right-of-use asset in a similar economic environment. At year-end, the average annual incremental borrowing rate applied to discount remaining lease payments for existing lease agreements is 5.9%.

The Group determines the lease term as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease, if it is reasonably certain to be exercised, and periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has some lease contracts for which the lease term is cancellable with only a short notification period ("evergreen leases"). Management uses judgement to evaluate the lease term for leases with extension or termination options, and for leases with a short notification period. Management estimates the lease term based on overall strategy and business development plans as well as contract specific facts and circumstances.

At 31 December 2023, the weighted average residual lease term for lease contracts is 6.6 years (residual terms vary between 0.1 - 16.3 years).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the initial measurement of the corresponding lease liability, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset.

Lease liabilities are measured at amortized cost. The carrying amount of lease liabilities is increased to reflect the interest on the lease liability and decreased for the lease payments made. Interest expenses related to the lease liabilities are recognized in profit or loss. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or in lease payments, or a change in the Group's assessment of an option to purchase the underlying asset.

The Group applies the recognition exemption provided for leases. Lease payments for leases of low value assets and short-term leases (less than 12 months) are recognized in the income statement on a straight-line basis. The low value assets comprise IT equipment and office furniture.

The Group has elected to separate the service component of a lease for all asset types, except for cars, where only variable lease payments are excluded from the measurement of the lease liability. Non-lease components are separated from lease payments based on fair market value. If such information is not readily available, management judgment is applied in estimating the value.

The Group presents the payment of the principal portion of the lease liability in the cash flows from financing activities and the interest portion in the cash flows from operating activities. Lease payments related to low value assets and short-term leases are presented in cash flow from operating activities.

##### The Group as a lessor

If an arrangement conveys a right to use a specific asset to a purchaser, often together with related services, the assets, mainly technical equipment, are classified as embedded finance leases. Further the lease is classified either as Operating lease or Finance lease. At 31 December 2023, all such cases have been classified as Finance leases. Sales derived from these embedded finance leases are recognized at the beginning of the agreement period. The annual payments are disclosed as amortization of the finance lease loan receivable and interest income.

**Leases impact on income statement**

EUR million		31 Dec 2023	31 Dec 2022
TietoEVRY as a Lessee	Depreciation expenses of right-of-use assets	-59.8	-66.4
TietoEVRY as a Lessee	Impairment losses	-2.7	—
TietoEVRY as a Lessee	Variable lease payments	-8.5	-7.9
TietoEVRY as a Lessee	Short-term leases and low value leases	-4.2	-5.2
	<b>Other income and expenses</b>	<b>-12.7</b>	<b>-13.1</b>
TietoEVRY as a Lessor	Revenue	2.7	0.8
TietoEVRY as a Lessor	Materials and services	-1.5	-0.7
TietoEVRY as a Lessor	Finance income on the net investment in lease	0.1	0.1
TietoEVRY as a Lessee	Interest expense on lease liabilities	-10.6	-9.7
	<b>Expenses reported in financial items</b>	<b>-10.5</b>	<b>-9.6</b>
	<b>Total impact on income statement from leasing contracts</b>	<b>-84.4</b>	<b>-89.0</b>

**Leases impact on statement of cash flows**

EUR million		31 Dec 2023	31 Dec 2022
TietoEVRY as a Lessee	Interest paid (cash flow from operating activities)	-9.6	-9.4
	Principal paid (cash flow from financing activities)	-58.1	-66.3

**Leases impact on the statement of financial position**
**Right-of-use assets**

EUR million		Machinery and Equipment		
		Buildings	Equipment	Total
TietoEVRY as a Lessee	31 Dec 2022	185.9	16.0	201.9
	Acquisitions	2.2	—	2.2
	Additions <sup>1)</sup>	60.7	15.8	76.5
	Terminations	-14.0	-2.7	-16.7
	Depreciation	-49.8	-10.0	-59.8
	Impairment <sup>2)</sup>	-2.7	—	-2.7
	Other	0.0	0.0	0.0
	Currency translation differences	-5.4	-0.2	-5.6
	<b>31 Dec 2023</b>	<b>177.0</b>	<b>18.9</b>	<b>195.9</b>

<sup>1)</sup> Additions represent increase in right-of-use assets both due to new lease contracts, as well as remeasurements and lease modifications.

<sup>2)</sup> For more information, see [note 5](#).

EUR million		Machinery and Equipment		
		Buildings	Equipment	Total
TietoEVRY as a Lessee	31 Dec 2021	171.5	21.0	192.4
	Divestment of subsidiary	-0.1	—	-0.1
	Additions <sup>1)</sup>	95.7	9.6	105.3
	Terminations	-19.9	-1.8	-21.7
	Depreciation	-54.2	-12.3	-66.4
	Currency translation differences	-7.1	-0.5	-7.6
	<b>31 Dec 2022</b>	<b>185.9</b>	<b>16.0</b>	<b>201.9</b>

**Lease liabilities**

EUR million	31 Dec 2023	31 Dec 2022
Current	50.3	54.1
Non-current	161.4	155.9
<b>Total</b>	<b>211.7</b>	<b>210.0</b>

The movement in lease liabilities during the reporting period is presented in [note 19](#).

The maturity structure of contractual undiscounted lease payments is presented in [note 18](#).

**Lease receivables**
**Net investment in leases**

EUR million	31 Dec 2023	31 Dec 2022
Current	2.2	2.4
Non-current	—	0.2
<b>Total</b>	<b>2.2</b>	<b>2.6</b>

**Maturity analysis - contractual undiscounted cash flows for finance leases**

EUR million	31 Dec 2023	31 Dec 2022
Within one year	2.2	2.4
One to two years	—	0.2
<b>Total undiscounted lease receivable</b>	<b>2.2</b>	<b>2.7</b>
Unearned finance income	0.0	0.0
<b>Net investment in leases</b>	<b>2.2</b>	<b>2.6</b>

#### 14. Trade and other receivables

Trade receivables represent amounts that TietoEVRY expects to collect from other parties in the ordinary course of business. Trade receivables are non-interest bearing and the standard payment term is 30 days, according to the Group's Credit Policy. Contract assets relate to fixed-price projects where the customer invoicing is based on agreed milestones and the services rendered by the reporting date exceed the payment received. License fees relate to prepaid license costs that will be realized on an accrual basis in future periods. Other interest-bearing receivables relate to assets that are financed as part of customer deliveries and where the contracts are treated as service contracts.

Trade receivables to be sold via non-recourse arrangements for the sale of receivables, but not yet derecognized as of the reporting date, are classified as Financial assets at fair value. More information in [note 21](#).

##### ACCOUNTING POLICIES

Trade receivables are initially recognised at fair value and subsequently at amortized cost less expected credit loss allowance (ECL). TietoEVRY has elected to use the practical expedient and calculate lifetime ECL based on a pre-defined allowance matrix with customer segment specific credit characteristics, based on the following criteria:

- Country Group (Finland, Sweden, Norway, Other European Union countries, Other countries)
- Customer Industry Group (Financial Services, Public Healthcare & Welfare, Industrial customer Services)
- Balance due status (Not yet due, overdue 1–7 days, 8–30 days, 31–60 days, 61–90 days, over 90 days)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. Default is defined as 90 days past due or a write off event, due to inability to collect debt.

For each segment, the ECL rate (expressed as a percentage) indicates the historical average defaults identified during the past three years and also the Group's assessment of the possible impact from changes in the overall economic environment in which its customers operate. These collective allowances can be increased if the customer has filed for bankruptcy but has not yet registered the fact or if there are any facts or circumstances indicating that the customer's credit risk is above industry/country average.

No ECL is calculated for the portion of trade receivables, where the credit risk is covered by credit insurance. When calculating ECL for contract assets, TietoEVRY uses the ECL rate set for "not yet due" invoices in the allowance matrix.

Trade receivables are permanently written off when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited to the income statement.

Other interest-bearing receivables are initially recognized at fair value and subsequently at amortized cost during the contract period. The carrying amount of the trade and other receivables approximate their fair values due to their short-term nature.

##### Trade and other receivables

EUR million	31 Dec 2023	31 Dec 2022
<b>Non-current</b>		
Prepaid expenses and accrued income	29.3	9.0
Finance lease receivables	—	0.2
Other	5.4	11.4
<b>Total</b>	<b>34.7</b>	<b>20.6</b>
<b>Current</b>		
Trade receivables at amortized cost	476.8	408.9
Prepaid expenses and accrued income		
Contract assets	58.4	52.0
Licence fees	32.9	30.6
Other prepaid expenses and accrued income	54.3	28.2
Finance lease receivables	2.2	2.4
Other interest-bearing receivables	14.4	13.6
Other	14.6	14.4
<b>Total</b>	<b>653.6</b>	<b>550.2</b>

**Group trade receivables maturity and expected credit losses**

31 Dec 2023							
EUR million	Not yet due	Overdue 1–7 days	Overdue 8–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue over 90 days	Grand Total
Gross trade receivables subject to impairment	368.2	82.3	4.8	4.1	2.9	17.4	479.6
Average expected credit loss rate applied <sup>1)</sup>	-0.01 %	-0.01 %	-3.25 %	-3.64 %	-2.62 %	-7.85 %	-0.37 %
Collective loss allowance	-0.0	-0.0	-0.2	-0.1	-0.1	-1.4	-1.8
Individual loss allowance	-0.0	-0.1	-0.0	-0.3	-0.0	-0.5	-1.0
<b>Total loss allowance</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.5</b>	<b>-0.1</b>	<b>-1.8</b>	<b>-2.8</b>
<b>Trade receivables net of ECL</b>	<b>368.1</b>	<b>82.2</b>	<b>4.7</b>	<b>3.6</b>	<b>2.8</b>	<b>15.5</b>	<b>476.8</b>
Trade receivables covered by credit insurance <sup>2)</sup>	—	—	—	—	—	—	—
<b>Total trade receivables at amortized cost</b>	<b>368.1</b>	<b>82.2</b>	<b>4.7</b>	<b>3.6</b>	<b>2.8</b>	<b>15.5</b>	<b>476.8</b>

<sup>1)</sup> The majority of trade receivables overdue over 90 days are subject to ongoing negotiations with a customer, with a corresponding entry in contract liabilities and therefore excluded from the ECL calculation which lowers the resulting ECL rate for that ageing category.

<sup>2)</sup> The credit insurance ended in 2023 and was not renewed.

There are no major concentrations of credit risk in the Group, see [note 18](#). Impairment losses recognized on trade receivables and contract assets are included in other operating expenses in the income statement.

31 Dec 2022							
EUR million	Not yet due	Overdue 1–7 days	Overdue 8–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue over 90 days	Grand Total
Gross trade receivables subject to impairment	227.9	16.4	1.4	3.2	0.5	2.3	251.7
Average expected credit loss rate applied	-0.12%	-0.62%	-1.49%	-1.82%	-3.71%	-51.61%	-0.66%
Collective loss allowance	-0.3	-0.1	-0.0	-0.1	-0.0	-1.2	-1.7
Individual loss allowance	-0.4	-0.0	—	-0.4	-0.1	-0.2	-1.1
<b>Total loss allowance</b>	<b>-0.6</b>	<b>-0.1</b>	<b>-0.0</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-1.4</b>	<b>-2.7</b>
<b>Trade receivables net of ECL</b>	<b>227.3</b>	<b>16.2</b>	<b>1.4</b>	<b>2.7</b>	<b>0.4</b>	<b>1.0</b>	<b>248.9</b>
Trade receivables covered by credit insurance	142.2	15.0	0.6	1.3	0.5	0.4	160.0
<b>Total trade receivables at amortized cost</b>	<b>369.5</b>	<b>31.2</b>	<b>2.0</b>	<b>4.0</b>	<b>0.9</b>	<b>1.4</b>	<b>408.9</b>

**Net contract assets**

EUR million	Not yet due	Not yet due
	2023	2022
Contract assets	58.4	52.1
Average ECL applied	-0.06%	-0.25%
Collective loss allowance	0.0	-0.1
<b>Net contract assets</b>	<b>58.4</b>	<b>52.0</b>

**Movements in loss allowances**

EUR million	Trade receivables	
	2023	2022
1 Jan	2.7	2.9
Translation differences	-0.1	-0.1
Impairment losses recognized	1.8	3.7
Amounts written off this year as uncollectible	-0.6	—
Impairment losses reversed	-1.1	-3.7
Disposed companies	—	-0.1
<b>31 Dec</b>	<b>2.8</b>	<b>2.7</b>



## 15. Defined benefit plans

Group companies in different countries have a number of different post-employment benefit plans in accordance with local requirements and practices. The majority of the plans are classified as defined contribution plans. Post-employment benefit plans other than defined contribution plans are classified as defined benefit plans.

### ACCOUNTING POLICIES

The fixed contributions to defined contribution plans are recognized as employee benefit expenses in the period to which they relate. The Group has no further legal or constructive payment obligations once the contributions have been paid.

Defined benefit plans typically define an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Defined benefit plans are funded with payments to insurance companies.

For defined benefit plans, the net liability recognized in the statement of financial position equals the present value of the defined benefit obligation at the closing date less the fair value of the plan assets. The present value of the defined benefit obligation is determined separately for each plan by independent actuaries using the projected unit credit method. The actuarial calculations include several financial and demographic assumptions and any change in these will impact the carrying amount and future expense of the defined benefit obligation.

Current service costs, past service costs and gains or losses on settlements are recognized in employee benefit expenses. Net interest expense or income is recognized in financial items under interest expense or interest income. All remeasurements of the defined benefit liability or asset arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income.

The Group manages defined benefit plans through insurance companies. The employer has guaranteed to the members of the plans a certain level of benefit after their retirement, which depends on the length of service and salary base. The salary base is an average of last years' salaries indexed with common salary index. After retirement, the benefit payable is indexed yearly.

In Finland, the Group's risk covers approximately 170 non-active employees. When the pensioner who has a vested pension retires, the final amount of the pension is revised in the Finnish pension plan and as a result, the employer may incur additional costs. In addition, in the Finnish pension plan, the index increases that are borne by the employer during the period between the grant date of the vested pension and the beginning of the pension are charged only in the year when the pension is granted. In some insurance contracts, under certain conditions, the insured person has the right to retire earlier than at the normal retirement age. These additional expenses are charged at the beginning of the retirement. In 2022, the majority of the defined benefit plans were converted to defined contribution plans resulting in costs of EUR

2.1 million and a settlement gain of EUR 7.5 million as well as a reduction of defined benefit obligations of EUR 8.4 million.

In Sweden, the Group's risk is only on active employees and the plan covers 60 employees. As the Group does not have actuarial or investment risk for those plan members whose employment has ceased, the plan members are removed from the pension plan and a settlement is recognized annually. In 2023, a settlement loss of EUR 0.1 million was recognized in personnel expenses and the net defined benefit liability increased by the corresponding amount.

In Norway, the collective defined benefit plan has been replaced with a defined contribution plan and an unfunded compensation scheme for employees. The size of the compensation and the profile for its accrual is based on parameters at the time of the change and are accounted for as a defined benefit plan in the financial statements. The accrual formula and profile of the compensation scheme are used as the basis to make provisions in the accounts so that the total compensation earned to date by employees at any time is provided for as a liability in the consolidated statement of financial position. The plan covers 748 employees and pensioners. In addition, there are various other closed and unfunded pension plans in Norway covering 289 employees and pensioners.

### Defined benefit cost recognized in income statement and in other comprehensive income

EUR million	2023	2022
<b>Service cost</b>		
Current service cost	2.1	2.7
Settlement gains / losses	0.1	-6.9
Conversion costs	—	2.1
Net interest	-0.3	-0.2
<b>Total</b>	<b>1.9</b>	<b>-2.3</b>
<b>Amounts recognized in other comprehensive income</b>		
<b>Remeasurement</b>		
Gains (-)/losses (+) from change in demographic assumptions	0.0	0.0
Gains (-)/losses (+) from change in financial assumptions	-1.0	-4.5
Gains (-)/losses (+) from experience adjustments	-0.2	-0.5
Gains (-)/losses (+) on plan assets	0.5	3.0
<b>Total</b>	<b>-0.6</b>	<b>-2.0</b>

## Amounts recognized in the statement of financial position

EUR million	Present value of defined benefit obligation <sup>1)</sup>		Fair value of plan assets <sup>2)</sup>		Net liability	
	2023	2022	2023	2022	2023	2022
1 Jan	32.9	74.2	-5.2	-36.4	27.8	38.0
Current service cost	2.1	2.7	—	—	2.1	2.7
Interest expense/income	0.5	0.5	-0.2	-0.2	0.3	0.2
Employer contribution <sup>3)</sup>	—	—	-0.9	-1.1	-0.9	-1.1
Benefits paid <sup>3)</sup>	-1.7	-2.4	0.1	0.5	-1.6	-1.8
Curtailment and settlement	-0.1	-35.2	0.1	28.4	0.1	-6.9
Actuarial gains/losses	-1.2	-5.1	0.6	3.1	-0.6	-2.0
Businesses acquired/divested	—	0.2	—	-0.1	—	0.1
Exchange rate differences	-1.5	-1.9	0.0	0.6	-1.5	-1.4
<b>31 Dec</b>	<b>30.9</b>	<b>33.0</b>	<b>-5.4</b>	<b>-5.2</b>	<b>25.5</b>	<b>27.8</b>

<sup>1)</sup> Of which EUR 5.2 (6.1) million in Finland, EUR 0.8 (0.7) million in Sweden and EUR 24.8 (26.2) million in Norway.

<sup>2)</sup> Of which EUR 3.6 (3.9) million in Finland and EUR 1.9 (1.2) million in Sweden

<sup>3)</sup> Benefits are paid directly in Norway without holding plan assets. Accordingly, the comparative information has been updated on a net basis.

EUR million	2023	2022
Defined benefit obligations	26.5	28.4
Defined benefit plan assets	-1.0	-0.6
<b>Net liability</b>	<b>25.5</b>	<b>27.8</b>

## Allocation of plan assets

In Sweden, the plan assets are comprised from equity and debt instruments EUR 1.2 (0.8) million and other assets EUR 0.7 (0.5) million.

In Finland, the plan assets are accrued from the insurance premiums paid to the insurance company and accumulated up to the reporting date. The assets are part of the insurance company's investment assets and they are responsible for reporting the assets. A specification of the plan assets is not available.

## Actuarial assumptions

%	2023	2022
<b>Finland</b>		
Discount rate	3.7	3.1
Future salary increases	—	4.3
Future pension increases	2.6	2.8
Inflation rate	2.4	2.6
<b>Sweden</b>		
Discount rate	3.9	3.7
Future salary increases	1.6	2.0
Future pension increases	1.6	2.0
Inflation rate	1.6	2.0
<b>Norway</b>		
Discount rate	3.1	3.0
Future salary increases	3.5	3.5
Growth in the basic state pension (G)	3.3	3.3

### Sensitivity analysis of actuarial assumptions

The following table shows how a change in one assumption, while holding all other assumptions constant, would affect the defined benefit obligation.

	Change in assumption	Increase in assumption	Decrease in assumption
<b>Impact on defined benefit obligation in Finland</b>			
Discount rate	0.5%	-6.7%	7.5%
Future pension increase	0.5%	7.0%	-6.4%
Life expectancy	+1 year	4.6%	
<b>Impact on defined benefit obligation in Sweden</b>			
Discount rate	0.5%	-7.7%	8.6%
Future salary increase	0.5%	9.4%	-8.6%
Future pension increase	0.5%	6.3%	-6.0%
Life expectancy	+1 year	2.9%	
<b>Impact on defined benefit obligation in Norway</b>			
Discount rate	0.5%	-1.1%	1.2%
Future salary increase	0.5%	0.2%	-0.1%
Future pension increase	0.5%	0.9%	—%
Life expectancy	+1 year	1.0%	

### Maturity profile of the defined benefit obligation

The weighted average duration of the defined benefit obligation is 15 years in Finland, 17 years in Sweden and 15 years in Norway. The following table shows the maturity profile of the future benefit payments which are the basis for the calculated undiscounted defined benefit obligation.

EUR million	2023
Maturity under 1 year	2.0
Maturity 1–5 years	8.0
Maturity 5–10 years	10.7
Maturity 10–30 years	24.6
Maturity over 30 years	2.2
<b>Total future benefit payments</b>	<b>47.7</b>

### Expected contributions in 2024

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 are EUR 0.9 million.

### Multi-employer plans

The ITP pension plans operated by Alecta and Collectum in Sweden are multi-employer defined benefit pension plans which pool the assets contributed by various entities that are not under common control and the assets provide benefits to employees of more than one entity. It has not been possible to get sufficient information for the calculation of obligations and assets by employer from Alecta and Collectum and, therefore, these plans have been accounted for as defined contribution plans in the consolidated financial statements. In TietoEVRY, 4 289 employees are included in these pension plans. The yearly contributions to the plans are around EUR 21 million.

3 325 employees in the Group's Norwegian companies are members of an early retirement scheme (AFP), which is a multi-company defined benefit plan, and is financed by premium payments determined as a percentage of salary. There is no reliable measurement and allocation of liabilities and assets between the companies that participate in the scheme. The scheme is, therefore, treated for accounting purposes as a defined contribution plan and the premiums paid are recognized as costs through profit or loss. The premium rate for 2023 was 2.6% (2.6) corresponding to EUR 3.8 (4.8) million. The scheme is underfunded and it is assumed that premiums will increase over time in order to ensure sufficient buffer capital to cope with increased payments.

## 16. Provisions

Provisions at TietoEvry Group comprise mainly restructuring and other employee related provisions, and contract-related provisions.

### ACCOUNTING POLICIES

A provision is a liability of uncertain timing or amount which is recognized when the entity has a present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be measured reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and are split between amounts expected to be settled within 12 months at the end of the reporting period and amounts expected to be settled later (non-current).

#### Provisions for restructuring

A restructuring provision is only recognized when a formal plan has been approved and the implementation of it has either commenced or the plan has been announced.

#### Provisions for warranties

The Group's warranties provide assurance that the delivery will function as expected and in accordance with contract specifications. Provisions related to these assurance-type warranties are recognized during the project and used during the warranty period.

#### Other provisions

Other provisions include provisions for loss making contracts which are recognized for any unavoidable net loss arising from the contract as well as employee related provisions other than restructuring.

### ACCOUNTING ESTIMATES AND JUDGEMENTS

Provisions require management to assess the best estimate of the future costs needed to settle the present obligation at the reporting date. The actual costs may differ from the estimated costs.

EUR million	Provisions for restructuring	Provision for warranties	Other provisions	Total
1 Jan 2023	13.9	1.7	6.2	21.7
Translation differences	-0.2	0.0	-0.1	-0.3
Increases in provisions	24.2	0.7	6.2	31.1
Use of provisions	-25.4	-0.7	-6.7	-32.7
Reversals and changes in estimates	-0.5	-0.5	-1.5	-2.6
<b>31 Dec 2023</b>	<b>12.0</b>	<b>1.2</b>	<b>4.0</b>	<b>17.2</b>
of which				
Non-current	0.5	0.1	1.9	2.5
Current	11.5	1.0	2.2	14.6
<b>Total</b>	<b>12.0</b>	<b>1.2</b>	<b>4.0</b>	<b>17.2</b>

In 2023, restructuring measures were taken mainly in TietoEvry Tech Services, TietoEvry Banking, and TietoEvry Create.

EUR million	Provisions for restructuring	Provision for warranties	Other provisions	Total
1 Jan 2022	11.3	1.6	9.5	22.4
Translation differences	-0.7	-0.0	-0.3	-1.0
Increases in provisions	33.4	1.3	2.9	37.6
Use of provisions	-21.7	-0.3	-4.5	-26.4
Reversals and changes in estimates	-8.5	-0.9	-1.4	-10.8
<b>31 Dec 2022</b>	<b>13.9</b>	<b>1.7</b>	<b>6.2</b>	<b>21.7</b>
of which				
Non-current	0.6	0.1	1.9	2.6
Current	13.3	1.6	4.3	19.1
<b>Total</b>	<b>13.9</b>	<b>1.7</b>	<b>6.2</b>	<b>21.7</b>

In 2022, restructuring measures were taken in TietoEvry Tech Services and TietoEvry Banking.

## 17. Trade and other payables

Trade and other payables represent unpaid, non-interest bearing liabilities at the end of the reporting period. Contract liabilities represent where a customer has paid consideration or payment is due, but TietoEVRY has not yet transferred goods or services to the customer.

### ACCOUNTING POLICIES

Trade and other payables are presented as current liabilities if settlement is due within 12 months from the end of the reporting period. They are recognized at their fair value and subsequently measured at amortized cost using the effective interest method.

The carrying amount of the trade and other payables approximate their fair values due to their short-term nature.

EUR million	31 Dec 2023	31 Dec 2022
<b>Non-current</b>		
Contract liabilities	6.8	16.9
Accruals	4.1	4.2
<b>Total</b>	<b>10.8</b>	<b>21.0</b>
<b>Current</b>		
Trade payables	206.9	233.9
Contract liabilities	77.3	67.2
Accrued liabilities		
Employee-related accruals	197.7	193.2
Interest	28.8	4.3
Other accrued expenses	42.2	32.7
Value added tax liabilities	52.5	54.5
Payroll tax liabilities	30.7	30.9
<b>Total</b>	<b>636.0</b>	<b>616.7</b>

## FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

This section includes notes related to Tietoevry's financial risk and capital structure management. The financial risks are monitored and managed via Tietoevry's Group Treasury.

### 18. Management of financial risks and capital structure

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity risk), credit risk and liquidity risk. The operative management of the treasury activities of Tietoevry is centralized in Group Treasury. The Group Treasury is responsible for managing the Group's financial risk position and maintaining adequate liquidity. The Treasury Policy, which has been approved by the Board of Directors, defines the principles for measuring and managing liquidity risk, interest rate risk, foreign exchange risks and counter-party risk of the Group. The Treasury Policy also defines the division of responsibilities with regard to financial risk management. The Group reviews and monitors financial risks on a regular basis.

#### Market risk

##### Currency risk management

##### Transaction risk

Currency risk means the risk that the result or economic situation of the Group changes due to changes in exchange rates. Foreign trade, Group internal transactions and liquidity management in non-euro countries generate transaction exposure in the Group. The objective of the Group's currency risk policy is to secure the profitability of operative business by managing recognized exposures while maintaining sufficient flexibility to adjust to changing currency markets. The underlying exposure includes financial items denominated in the non-functional currencies of operating companies, such as internal funding, foreign currency bank account balances, and estimated cash flows such as firm commitments and future trade transactions.

Swedish krona, Norwegian krone, Czech koruna, Indian rupee, Polish zloty and US dollar are the main currencies with this exposure. During 2023, currency forward contracts were used to mitigate the risks. Gains and losses from foreign exchange contracts are recognized in the consolidated income statement.

Group companies must hedge their identified currency risks with the Group Treasury unless there are legal restrictions preventing this. The benchmark for the Group's currency position is a situation where all the identified currency risks are eliminated. A deviation from this benchmark is defined as an open position. The following deviations can be made based on the total size of the Group's gross currency position (identified currency risks, excluding the hedging transactions):

- +/- 15 %: Group Treasury
- +/- 25 %: Treasury Committee
- Greater deviation: Board of Directors

The overall operational hedging ratio at the end of December 2023 was 99% (98%).

**Identified currency transaction risk exposure and sensitivity analysis**

EUR million	Loans and Cash	Estimated cash flows	Leases	Total foreign exchange exposure	External foreign exchange hedges	Transaction exposure sensitivity <sup>1)</sup>	Foreign exchange hedge sensitivity <sup>1)</sup>	Net effect gain/(loss)
<b>SEK</b>								
31 Dec 2023	-130.6	23.1	—	-107.5	107.7	13.1	-10.8	2.3
31 Dec 2022	-96.2	24.0	—	-72.2	72.7	9.6	-7.3	2.3
<b>NOK</b>								
31 Dec 2023	-42.3	12.7	—	-29.6	29.3	4.2	-2.9	1.3
31 Dec 2022	-25.5	16.8	—	-8.7	5.0	2.6	-0.5	2.1
<b>PLN</b>								
31 Dec 2023	0.7	-9.6	1.2	-7.7	8.5	-0.2	-0.8	-1.0
31 Dec 2022	-1.1	-23.6	1.4	-23.3	23.5	—	-2.4	-2.4
<b>CZK</b>								
31 Dec 2023	-9.6	-44.3	9.6	-44.3	53.4	—	-5.3	-5.3
31 Dec 2022	-1.6	-52.6	2.6	-51.6	54.2	-0.1	-5.4	-5.5
<b>INR</b>								
31 Dec 2023	—	-22.5	—	-22.5	23.0	—	-2.3	-2.3
31 Dec 2022	—	-34.9	—	-34.9	34.7	—	-3.5	-3.5
<b>USD</b>								
31 Dec 2023	2.2	—	-0.1	2.1	-2.3	-0.2	0.2	—
31 Dec 2022	-1.1	2.8	—	1.7	-3.0	0.1	0.3	0.4
<b>Other</b>								
31 Dec 2023	-2.2	—	2.0	-0.2	—	—	—	—
31 Dec 2022	-1.1	—	—	-1.1	—	0.1	—	0.1

<sup>1)</sup> The maximum pre-tax effect (EUR million) of 10% negative change in exchange rates on the Group's foreign exchange position over the following year.

**Translation risk**

According to the Treasury Policy, hedging translation exposure is subject to the Board of Directors' decision. Exposure includes the acquisition price, share capital and restricted and non-restricted reserves of subsidiaries in non-euro countries, as well as the result of the period. NOK 16 145 and SEK 7 353 million exposure forms the majority of the translation risk. The translation position was unhedged at the end of 2023. See also [note 24](#).

**Interest rate risk management**

The most significant part of the Group's interest rate risk arises from its borrowings and financial investments. The objective of interest rate risk management is to minimize the effect of interest rate fluctuations on TietoEVRY's annual results and economic positions. Group Treasury is responsible for the monitoring and operative management of the Group's interest rate position. The interest rate position includes loans, financial investments and interest rate derivative contracts. According to the Treasury Policy, 24 months is defined as a benchmark for the Group's interest rate position, in terms of weighted average time to re-pricing. At the end of 2023, the ratio was at 17 months (19 months in 2022).

31 Dec 2023 EUR million	Amount	Average rate, %	Rate sensitivity <sup>1)</sup>
Capital markets <sup>2)</sup>	-465.3	2.2	-0.7
Money markets	216.2	0.7	0.2
Other loans	-483.1	4.8	-4.3
Other receivables	28.9	3.9	—
Leasing	-209.5	6.0	-2.1

31 Dec 2022 EUR million	Amount	Average rate, %	Rate sensitivity <sup>1)</sup>
Capital markets <sup>2)</sup>	-398.4	1.8	—
Money markets	244.6	0.4	0.1
Other loans	-348.0	2.9	-3.2
Other receivables	28.0	3.1	—
Leasing	-207.4	6.0	2.1

<sup>1)</sup> The maximum pre-tax effect (EUR million) of 1% rise in interest rates on the Group's net interest expenses over the following year.

<sup>2)</sup> The duration of underlying instruments was 1.1 years (2.2 in 2022).

#### Commodity risk management

The majority of electricity procurement has been centralized to selected supplier and under the selected model, the Group does not enter into any new electricity derivative agreements in its own name.

#### Credit risk management

Credit risk is managed on Group level. Credit risk derives from financial investments, derivative contracts and customer-related risks, such as accounts receivable. Group Treasury maintains a list of approved counterparts for commercial paper investments and other financial transactions. Core banks of the Group should have a minimum long-term rating of Baa3 or BBB-.

Customer-related credit risks are assessed based on payment history and financial strength in accordance with the Credit Policy. The Credit Policy defines the limits for the acceptable level of customer credit risk in terms of invoicing schedules and payment terms. The maximum exposure to customer related credit risk at the reporting date is the carrying value of trade receivables. There are no major concentrations of credit risk in the Group, whether through exposure to individual customers, specific industry sectors and/or regions.

#### Liquidity risk management and funding

Liquidity risk management and funding principles are defined in the Treasury Policy. One of the key tasks of Group Treasury is to secure adequate funding for the Group. The Group has a committed EUR 250 million revolving credit facility, which matures in 2027 with 2 optional extension years. The Group has also overdraft facilities and an uncommitted EUR 250 million commercial paper programme available to maintain flexibility in funding. In addition, the Group has two facilities for the sale of receivables, EUR 50 million and SEK 550 million.



## Debt structure

31 Dec 2023		Amount drawn	Amount available	Maturity structure					
EUR million				2024	2025	2026	2027	2028	2029-
Loans	Bonds	400.0	—	100.0	300.0	—	—	—	—
	Commercial paper programme	67.0	—	67.0	—	—	—	—	—
	Revolving credit facility	—	250.0	—	—	—	—	—	—
	Liabilities towards joint ventures	3.0	—	3.0	—	—	—	—	—
	European Investment Bank	52.3	—	13.1	13.1	13.1	13.1	—	—
	OP Corporate Bank	174.0	—	—	—	—	—	174.0	—
	Syndicated term loan	208.3	—	208.3	—	—	—	—	—
	Other loans	49.4	—	21.0	17.0	10.1	1.2	—	—
		<b>954.1</b>	<b>250.0</b>	<b>412.5</b>	<b>330.1</b>	<b>23.2</b>	<b>14.3</b>	<b>174.0</b>	<b>—</b>
	Interest payments	—	—	27.3	16.9	9.7	8.7	8.8	—
Trade payables	Outflow	206.9	—	206.9	—	—	—	—	—
Other liabilities	Lease liabilities <sup>1)</sup>	248.2	—	59.5	46.0	33.3	25.8	23.7	59.8
<b>Total</b>		<b>1 409.1</b>	<b>250.0</b>	<b>706.1</b>	<b>393.0</b>	<b>66.2</b>	<b>48.8</b>	<b>206.5</b>	<b>59.8</b>

<sup>1)</sup> Lease liabilities are presented based on the contractual undiscounted lease payments.

31 Dec 2022 EUR million		Amount drawn	Amount available	Maturity structure					
				2023	2024	2025	2026	2027	2028–
Loans	Bond	400.0	—	—	100.0	300.0	—	—	—
	Commercial paper programme	—	—	—	—	—	—	—	—
	Revolving credit facility	—	250.0	—	—	—	—	—	—
	Liabilities towards joint ventures	3.5	—	3.5	—	—	—	—	—
	European Investment Bank	65.4	—	13.1	13.1	13.1	13.1	13.1	—
	Syndicated term loan	254.2	—	80.0	174.2	—	—	—	—
	Other loans	28.7	—	14.1	8.6	4.7	1.2	0.1	—
		<b>751.8</b>	<b>250.0</b>	<b>110.7</b>	<b>295.9</b>	<b>317.7</b>	<b>14.2</b>	<b>13.2</b>	<b>—</b>
	Interest payments	—	—	17.1	13.2	7.5	1.0	0.5	—
Trade payables	Outflow	233.9	—	233.9	—	—	—	—	—
Other liabilities	Lease liabilities	241.2	—	61.8	47.1	32.7	23.7	19.1	56.8
<b>Total</b>		<b>1 226.9</b>	<b>250.0</b>	<b>423.4</b>	<b>356.2</b>	<b>357.9</b>	<b>38.9</b>	<b>32.8</b>	<b>56.8</b>

### Capital management

The objective is to keep the capital structure on a level securing adequate financial flexibility for the operations. The capital structure of the Group is being continuously monitored through Net debt/EBITDA ratio. The ratio is calculated by dividing interest-bearing net debt with the last 12 months' EBITDA of the Group. Net debt/EBITDA ratio is a covenant used in certain funding arrangements. Tietoevry Group is within limits for this covenant as at the reporting date and comparative period.

	31 Dec 2023	31 Dec 2022
Net debt	911.8	679.1
12 months EBITDA	412.8	449.0
Net debt/EBITDA	2.2	1.5

## 19. Interest-bearing loans and borrowings

The Group's interest-bearing liabilities consist of bonds, other loans, lease liabilities and cash pool liabilities towards joint ventures.

### ACCOUNTING POLICIES

Interest-bearing loans and borrowings are initially recognized at fair value, net of transaction costs which are recognized in the income statement as interest expenses over the loan term. Debt is classified as short term if it is payable within 12 months, otherwise it is classified as non-current.

EUR million	31 Dec 2023	31 Dec 2022
<b>Non-current</b>		
Bonds	298.8	398.4
Other loans	240.8	241.0
Lease liabilities	161.4	155.9
<b>Total</b>	<b>701.0</b>	<b>795.3</b>
<b>Current</b>		
Bonds	100.4	0.0
Other loans	308.5	107.1
Cash pool liabilities towards joint ventures	3.0	3.5
Lease liabilities	50.3	54.1
<b>Total</b>	<b>462.2</b>	<b>164.7</b>
<b>Total interest bearing loans and borrowings</b>	<b>1 163.2</b>	<b>960.1</b>

More information on debt structure and carrying interest rates is disclosed in [note 18](#).

## Change in liabilities arising from financing activities

EUR million	31 Dec 2022	Cash flows	Non-cash changes						31 Dec 2023
			Foreign exchange gains and losses	Reclassification	Acquisitions and disposals	New lease contracts	De-recognized contracts	Other	
Non-current interest-bearing loans	639.4	114.5	—	-229.5	—	14.9	—	0.3	539.5
Current interest-bearing loans	110.6	63.9	—	229.5	—	7.0	—	0.9	411.9
Lease liabilities	210.0	-58.1	-5.7	—	2.2	79.5	-17.3	1.0	211.7
<b>Total</b>	<b>960.1</b>	<b>120.2</b>	<b>-5.7</b>	<b>—</b>	<b>2.2</b>	<b>101.4</b>	<b>-17.3</b>	<b>2.2</b>	<b>1 163.2</b>

EUR million	31 Dec 2021	Cash flows	Non-cash changes						31 Dec 2022
			Foreign exchange gains and losses	Reclassification	Acquisitions and disposals	New lease contracts	De-recognized contracts	Other	
Non-current interest-bearing loans	731.6	-13.1	—	-80.0	—	-0.3	—	1.2	639.4
Current interest-bearing loans	31.5	-1.5	—	80.0	—	0.7	—	—	110.6
Lease liabilities	206.5	-66.3	-7.9	—	-0.1	104.7	-27.0	0.2	210.0
<b>Total</b>	<b>969.6</b>	<b>-81.0</b>	<b>-7.9</b>	<b>—</b>	<b>-0.1</b>	<b>105.0</b>	<b>-27.0</b>	<b>1.4</b>	<b>960.1</b>

## 20. Financial income and expenses

Finance income and expenses comprise interest, foreign exchange gains and losses and other financial income and expenses, such as fees to banks.

2023 EUR million	Interest income	Interest expenses	Foreign exchange gains and losses	Other financial income	Other financial expenses	Total
Financial assets at fair value through profit or loss	—	—	4.2	—	—	4.2
Financial assets at amortized cost	23.5	-21.0	-1.0	0.3	—	1.7
Financial liabilities measured at amortized cost	—	-36.3	—	—	-4.1	-40.4
Net defined benefit obligation	—	-0.3	—	—	—	-0.3
<b>Total</b>	<b>23.5</b>	<b>-57.6</b>	<b>3.1</b>	<b>0.3</b>	<b>-4.1</b>	<b>-34.9</b>

2022 EUR million	Interest income	Interest expenses	Foreign exchange gains and losses	Other financial income	Other financial expenses	Total
Financial assets at fair value through profit or loss	—	—	-7.8	—	—	-7.8
Financial assets at amortized cost	3.6	—	6.4	0.3	—	10.3
Financial liabilities measured at amortized cost	—	-22.6	—	—	-3.4	-25.9
Net defined benefit obligation	—	-0.2	—	—	—	-0.2
<b>Total</b>	<b>3.6</b>	<b>-22.8</b>	<b>-1.4</b>	<b>0.3</b>	<b>-3.4</b>	<b>-23.7</b>

In addition, foreign exchange gains and losses included in the operating profit were EUR 0.5 (9.9) million in 2023.

## 21. Financial assets and liabilities

Financial assets and liabilities of the Group consist of trade receivables, cash and cash equivalents, lease receivables and payables, trade payables, derivatives (see [note 22](#)), bonds and other interest-bearing liabilities (see [note 19](#)).

### ACCOUNTING POLICIES

All financial assets and liabilities are initially recognized at fair value, and subsequently classified either as financial assets at amortized cost or financial assets through profit or loss.

#### Financial assets at amortized cost

Financial assets are accounted at amortized cost only when the asset is held within a business model with the objective to collect contractual cash flows, which are solely payments of principal and interest.

This category of financial assets includes trade and other receivables, cash and cash equivalents, lease receivables and other interest-bearing receivables.

Financial assets in this category are carried at amortized cost in accordance with the effective interest method with interest income recognized in profit or loss under financial items, see [note 20](#).

#### Financial liabilities at amortized cost

Financial liabilities in this category are initially recognized at fair value, net of transaction costs directly associated with the borrowing. For interest-bearing liabilities, after initial recognition, liabilities are measured using the effective interest rate method, taking into account any issue costs and any discount or premium on settlement. The related interest expenses are recognized in profit or loss in financial items, see [note 20](#).

#### Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities in this category are recognized on the statement of financial position at their fair value with gains or losses resulting from changes in the fair value, being recognized in the income statement.

This category consists mainly of derivatives. Gains or losses from the revaluation of derivative contracts that relate to financial items (loans, cash, leases) are presented as financing costs, see [note 20](#), whereas gains or losses from derivatives, mainly currency forward contracts that relate to operating activities, are included in operating profit.

Fair value measurement is also applicable to trade receivables sold under non-recourse agreements (for the sale of receivables), which have not yet been de-recognized from the statement of financial position at the reporting date.

Other investments include unlisted shares, where the cost is considered to be a reasonable approximation of their fair value.

#### Determination of fair values

The classification of financial assets and liabilities measured at fair value in the statement of financial position is based on three hierarchy levels:

- Level 1: quoted prices in active markets for given or identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

The carrying amount of all financial assets and liabilities, carried at amortized cost is considered to provide a reasonable approximation of their fair value, due to the short maturity and liquid nature of these items, except for bonds which are traded on an active market.

The fair values of derivatives are determined based on prevailing marked quotes at the reporting date. The fair values of foreign exchange derivatives are calculated according to foreign exchange and interest rates on the closing date.

## Financial assets

EUR million	Note	31 Dec 2023	31 Dec 2022	Fair value hierarchy
Financial assets at fair value through profit or loss				
Non-current				
Other financial assets at fair value through profit or loss		0.6	0.6	Level 3
Current				
Trade receivables at fair value through profit or loss		11.6	20.2	Level 2
Current derivative receivables	22	5.8	3.4	Level 2
Financial assets at amortized cost				
Non-current				
Other loan receivables, interest-bearing		15.1	15.0	Level 2
Lease receivables	13	—	0.2	Level 2
Current				
Other loan receivables, interest-bearing	14	14.4	13.6	Level 2
Lease receivables	13	2.2	2.4	Level 2
Trade receivables	14	476.8	408.9	Level 2
Accrued interest income	14	15.5	0.0	Level 2
Cash and cash equivalents	23	219.6	249.7	Level 2
<b>Total</b>		<b>761.7</b>	<b>714.1</b>	

## Financial liabilities

EUR million	Note	31 Dec 2023	31 Dec 2022	Fair value hierarchy
profit or loss				
Current derivative liabilities	22	4.9	2.0	Level 2
cost				
Non-current				
Lease liability	19, 13	161.4	155.9	Level 2
Bonds <sup>1)</sup>	19	298.8	398.4	Level 1
Other loans	19	240.8	241.0	Level 2
Current				
Trade payables	17	206.9	233.9	Level 2
Accrued interest	17	28.8	4.3	Level 2
Lease liability	19, 13	50.3	54.1	Level 2
Bonds <sup>1)</sup>	19	100.4	—	Level 1
Loans	19	311.6	110.6	Level 2
<b>Total</b>		<b>1 403.7</b>	<b>1 200.3</b>	

<sup>1)</sup> Fixed rate bond where carrying amount of EUR 399.1 million has not been adjusted to match the fair value of EUR 389.5 million. Fair value of the bond has been calculated based on the prevailing market rate at the end of the reporting period.

There has been no movement between the fair value hierarchy levels during 2023.

## 22. Derivatives

TietoEVRY Treasury uses currency forward and interest rate swap contracts to manage identified currency and interest rate risks. More information on financial risk management is in [note 18](#) and on the accounting policies applied in [note 21](#). Derivatives are used for economic purposes only.

### 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.

EUR million	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	523.9	406.5
Interest rate swaps	280.0	40.0

### Fair values of derivatives

EUR million	31 Dec 2023	31 Dec 2022
Gross positive fair values, foreign exchange forward contracts	5.8	3.4
Gross negative fair values, foreign exchange forward contracts	-4.9	-2.0
Gross positive fair values, interest rate swaps	15.5	2.9
Gross negative fair values, interest rate swaps	-20.0	-2.9
<b>The net fair values at the reporting date</b>	<b>-3.6</b>	<b>1.4</b>

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

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

### Offsetting financial assets and liabilities

Agreements with derivatives' counterparties are based on ISDA Master Agreements or on agreements with similar content with regards to offsetting financial assets and liabilities.

Based on the terms of these agreements, offsetting is possible only under certain circumstances, such as, default of either of the parties or other force majeure events. If any of those occur, then the net position owing/receivable to a single counterparty will be taken as owing.

31 Dec 2023 EUR million	Gross amounts of recognized financial instruments in the statement of financial position <sup>1)</sup>	Related amounts not set off in the statement of financial position		Net amount
		Financial Instruments	Cash collateral received	
<b>Derivative financial assets</b>				
Foreign exchange forward contracts	5.8	-3.1	—	2.7
Interest rate swaps	15.5	-15.5	—	—
<b>Derivative financial liabilities</b>				
Foreign exchange forward contracts	-4.9	3.1	—	-1.8
Interest rate swaps	-20.0	15.5	—	-4.6

<sup>1)</sup> No amounts have been set off in the statement of financial position

31 Dec 2022 EUR million	Gross amounts of recognized financial instruments in the statement of financial position <sup>1)</sup>	Related amounts not set off in the statement of financial position		Net amount
		Financial Instruments	Cash collateral received	
<b>Derivative financial assets</b>				
Foreign exchange forward contracts	3.4	-1.6	—	1.7
Interest rate swaps	2.9	-2.9	—	—
<b>Derivative financial liabilities</b>				
Foreign exchange forward contracts	-2.0	1.6	—	-0.4
Interest rate swaps	-2.9	2.9	—	—

<sup>1)</sup> No amounts have been set off in the statement of financial position



### 23. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash deposits with banks and other liquid investments that are readily convertible to a known amount of cash within three months and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in current liabilities in the statement of financial position. Cash and cash equivalents are carried at nominal value, which corresponds to their fair value.

EUR million	31 Dec 2023	31 Dec 2022
Cash in hand and at bank	195.7	233.4
Short-term deposits	24.0	16.3
<b>Total</b>	<b>219.6</b>	<b>249.7</b>

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

### 24. Share capital and reserves

TietoEVRY has one class of shares, and each share has one vote at the Annual General Meeting and equal rights to dividend and other distribution of assets. The company's Articles of Association includes a voting constraint at the Annual General Meeting that no-one is entitled to vote on more than one-fifth of the votes represented at the Annual General Meeting.

TietoEVRY's shares have no nominal value and their book value counter value is one euro. All issued shares have been fully paid.

#### ACCOUNTING POLICIES

Dividends proposed by the Board of Directors are not deducted from distributable equity until approved by the Annual General Meeting of Shareholders.

When the company's own shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction in equity.

EUR million	Number of shares	Share capital	Share issue premiums and other reserves	Invested unrestricted equity reserve	Total
1 Jan 2022	118 418 184	76.6	41.5	1 203.5	1 321.6
Purchase of own shares	-145 000	—	—	—	—
Shares delivered from the share-based incentive plans <sup>1)</sup>	140 119	—	—	—	—
Translation difference	—	—	-2.2	—	-2.2
<b>31 Dec 2022</b>	<b>118 413 303</b>	<b>76.6</b>	<b>39.3</b>	<b>1 203.5</b>	<b>1 319.4</b>
Purchase of own shares	-325 000	—	—	—	—
Shares delivered from the share-based incentive plans <sup>1)</sup>	302 789	—	—	—	—
Translation difference	—	—	0.1	—	0.1
<b>31 Dec 2023</b>	<b>118 391 092</b>	<b>76.6</b>	<b>39.4</b>	<b>1 203.5</b>	<b>1 319.4</b>
Own shares <sup>2)</sup>	34 679				
<b>Total number of shares on 31 Dec 2023<sup>2)</sup></b>	<b>118 425 771</b>				

<sup>1)</sup> Shares granted from own shares without impact on share capital.

<sup>2)</sup> On 31 Dec 2022, the number of shares in the company's possession totalled 12 468 and the total number of shares was 118 425 771.

#### Share capital

The share subscription price received in connection with the share issues is entered in share capital to the extent that it has not been recorded in the invested unrestricted equity reserve according to the share issue decision.

#### Share issue premiums and other reserves

Share issue premiums and other reserves include share issue premium of the parent company and the statutory reserve fund of TietoEVRY Tech Services AB.

### Invested unrestricted equity reserve

The invested unrestricted equity reserve includes the subscription price of shares to the extent that it has not been recorded in share capital according to specific resolution.

### Retained earnings

In addition to accumulated profits less dividends paid out, retained earnings include the following:

- Costs of share-based payments which are accounted for as equity-settled and recognized as an employee benefit expense during the vesting period with a corresponding entry in equity. More information is disclosed in [note 8](#).
- Remeasurements of the defined benefit plans arising from experience adjustments and changes in actuarial assumptions. More information is disclosed in [note 15](#).
- Treasury shares. In 2023, TietoEVRY repurchased 325 000 own shares which were further delivered from the share-based incentive plans.
- Cumulative translation differences arising from the translation of foreign Group companies' assets and liabilities into euro; and
- Other retained earnings and losses.

The cumulative translation differences were EUR -276.8 (-193.5) million. The translation differences in Other comprehensive income were EUR -99.8 (-126.7) million. The majority of these arise on the NOK and SEK foreign currency translation exposures. In 2023, NOK weakened by 6.9% against the Euro whereas SEK strengthened by 0.2%, resulting in a negative net effect on the Other comprehensive income. In 2022, both currencies weakened against the Euro, NOK by 5.3% and SEK by 8.5%, resulting in negative translation differences in Other comprehensive income.

### Distributable funds

On 31 Dec 2023, the distributable funds of the parent company totalled EUR 1 417.7 million of which retained earnings were EUR 90.4 million and net profit for the financial year EUR 119.7 million. The Board of Directors proposes to the Annual General Meeting in 2024 that a dividend of EUR 1.47 per share will be paid for 2023 (dividend of EUR 1.45 per share paid for 2022).

## OTHER INFORMATION

This section includes information about the Group structure, joint ventures, related parties and commitments.

### 25. Acquisitions and divestments

On 21 July 2023, TietoEVRY acquired 100% of the shares of MentoMate, a digital engineering company headquartered in Minneapolis, USA. The MentoMate acquisition advances TietoEVRY Create's strategic ambition to become a leading digital engineering player globally. The acquisition significantly strengthens TietoEVRY Create's North American customer base and digital engineering capabilities across design, data, cloud and AI, with employees in the attractive talent markets of Bulgaria and Paraguay.

In 2023, TietoEVRY sold its wood supply software business to Vela Software International Inc., which is headquartered in Toronto Canada. Conditions to complete the divestment have been fulfilled and the transaction is closed. Revenue of the divested business amounted to approximately EUR 3.0 million in 2022 and the number of employees was approximately 30 across Sweden, Finland and India. The wood supply software business was part of TietoEVRY Industry. The gain recognised on the disposal was EUR 0.9 million.

In 2022, TietoEVRY sold its Russian operations through a local management buy-out. With this transaction, TietoEVRY ended all its local operations in Russia and transitioned all its responsibilities including employees, customers, suppliers, legal and regulatory to the new owners. The loss recognized on the disposal was EUR 9.1 million.

### ACCOUNTING POLICIES

Business combinations are accounted for using the acquisition method. Subsidiaries are consolidated from the date on which control is achieved until the date on which control ceases by using the acquisition method. The consideration transferred for the acquisition is the fair values of the assets transferred and the liabilities assumed. Acquisition related costs are recognised as expenses for the period in which they are incurred.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recognized as goodwill at the acquisition date. If the cost of the acquisition is less than the fair value of the net assets acquired in the case of a bargain purchase, the resulting gain is recognized in profit or loss.

When a disposed operation is part of a cash-generating unit (CGU) to which goodwill has been allocated, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts are expected to be recovered principally through sale and the sale is highly probable. From the date of classification, the assets are measured at the lower of the carrying amount and the fair value less costs to sell, and the recognition of depreciation is discontinued.

### Acquisition of MentorMate in 2023

Acquisition accounting for the acquired entity is presented as provisional as at the reporting date and can be adjusted within 12 months after the date of acquisition to reflect new information obtained about facts and circumstances that existed at the acquisition date. The following table summarizes the fair values of the assets and the liabilities recognized at the acquisition date and the consideration paid.

EUR million	
Intangible assets	22.5
Property, plant and equipment	0.9
Right-of-use assets	2.2
Other non-current receivables	0.2
Trade and other receivables	8.9
Cash and cash equivalents	6.3
Non-current lease liabilities	-1.7
Deferred tax liabilities	-5.6
Trade and other payables	-7.9
Current lease liabilities	-0.6
<b>Total net assets acquired</b>	<b>25.3</b>
<b>Goodwill</b>	<b>137.4</b>
<b>Total</b>	<b>162.6</b>
Consideration paid in cash	162.6
Cash and cash equivalent balances acquired	-6.3
<b>Net cash flow on acquisition</b>	<b>156.3</b>

The identified intangible assets relate to customer relationships and marketing. Fair values for the intangible assets have been determined using appropriate valuation methods including the multi-period excess earnings method for customer relationship related intangible assets and the relief from royalty method for marketing related intangible assets. The amortization periods for these intangible assets are 6 years and 1.4 years, respectively. The goodwill is attributable to the expected synergies, the skilled assembled workforce obtained through the acquisition and future customers. The goodwill will be deductible for tax purposes.

The fair value of the receivables amounted to EUR 9.1 million on 21 July including trade receivables of EUR 7.9 million. The full contractual amounts have been, or are expected to be, collected. The Group measured the lease liabilities assumed using the present value of the remaining lease payments at the acquisition date. The right-of-use assets were measured at an amount equal to the lease liabilities.

Since the acquisition date, MentorMate has contributed EUR 29.4 million in revenue and EUR 2.9 million in net profit to the Group's consolidated statement of comprehensive income. The Group revenues for the year would have been approximately EUR 2 890 million and Group net profit would have been approximately EUR 177 million, if MentorMate had been consolidated from 1 January 2023.

## 26. Subsidiaries

### Subsidiary shares owned by the Parent company

Company name	Domicile	Parent company's holding %	31 Dec 2023
			Book value in the Parent company EUR million
EVRY Card Issuing AS	Norway	100.0	77.4
EVRY Card Payments AS	Norway	100.0	0.7
EVRY Card Services AS	Norway	100.0	84.0
Fellesdata AS	Norway	100.0	—
Infopulse Brasil Servicos Tecnologicos Ltda.	Brazil	1.0	0.0
Tieto Austria GmbH	Austria	100.0	0.8
Tieto (Beijing) Technology Co., Ltd.	China	100.0	0.8
Tieto China Co., Ltd.	China	100.0	4.3
Tieto Germany GmbH	Germany	100.0	0.5
Tieto Global Oy	Finland	100.0	1.1
Tieto Great Britain Ltd.	Great Britain	100.0	0.5
Tieto Lietuva UAB	Lithuania	100.0	2.6
Tieto Netherlands Holding B.V.	Netherlands	100.0	24.5
Tieto Poland Sp. z o.o	Poland	100.0	3.3
Tieto Support Services Sp. z o.o.	Poland	100.0	0.4
Tietoevry 12 Oy (former Tietollmarinen Oy)	Finland	100.0	0.2
Tietoevry AB	Sweden	100.0	667.6
TietoEVRY Accounting AS	Norway	100.0	16.7
Tietoevry Banking Finland Oy	Finland	100.0	1.3
Tietoevry Banking Latvia SIA	Latvia	100.0	12.3
Tietoevry Czechia s.r.o.	Czech Republic	100.0	0.5
Tietoevry Czechia Support Services s.r.o.	Czech Republic	100.0	—
Tietoevry Denmark A/S	Denmark	100.0	6.5
Tietoevry DK A/S	Denmark	100.0	1.6
Tietoevry Estonia AS	Estonia	100.0	0.2
Tietoevry Finland Oy	Finland	100.0	71.2
Tietoevry Finland Support Services Oy	Finland	100.0	1.2
Tietoevry Fintech Estonia OÜ	Estonia	100.0	0.1
Tietoevry Fintech Norway AS	Norway	100.0	516.1
Tietoevry Fintech Sweden AB	Sweden	100.0	52.2

Tietoevry Inc.	The United States	100.0	73.7
Tietoevry Latvia SIA	Latvia	100.0	2.1
Tietoevry Malaysia Sdn. Bhd.	Malaysia	100.0	0.1
Tietoevry Norway AS	Norway	100.0	314.9
Tietoevry Slovakia s.r.o.	Slovakia	100.0	0.0
Tietoevry Tech Services AB	Sweden	100.0	201.9
Tietoevry Tech Services Czechia s.r.o.	Czech Republic	100.0	7.5
Tietoevry Tech Services Finland Oy	Finland	100.0	64.7
Tietoevry Tech Services Latvia SIA	Latvia	100.0	0.8
Tietoevry Tech Services Norway AS	Norway	100.0	176.9
Tietoevry Tech Services Slovakia s.r.o.	Slovakia	15.0	0.0
Dormant subsidiaries (2 in total)			0.0
<b>Total</b>			<b>2 391.2</b>

### Shares in Group companies owned by subsidiaries

Company name	Domicile	Group holding %	31 Dec 2023
			Book value in the Parent company EUR million
Avega Catalyst AB	Sweden	100.0	0.4
Avega Clarity AB	Sweden	100.0	0.8
Avega Complius AB	Sweden	100.0	0.0
Avega Dinamiko AB	Sweden	100.0	0.1
Avega Effectus AB	Sweden	100.0	0.8
Avega Group AB	Sweden	100.0	42.4
Avega Kipeo AB	Sweden	100.0	1.5
Avega Kite AB	Sweden	100.0	0.0
Avega Mtoni AB	Sweden	100.0	0.1
Avega Nuvem AB	Sweden	100.0	0.0
Avega Qurio AB	Sweden	100.0	2.6
Avega Scire AB	Sweden	100.0	0.1
Avega Sempai AB	Sweden	100.0	0.5
Avega Senso AB	Sweden	100.0	0.0
Bekk Consulting AS	Norway	100.0	41.5
EVRY Card Services AB	Sweden	100.0	24.2
EVRY Card Services Oy	Finland	100.0	5.7

EVERY Financial Service UK Ltd.	Great Britain	100.0	0.1
EVERY India Pvt. Ltd.	India	100.0	13.5
EVERY USA Corporation	The United States	100.0	0.4
Eye-share AS	Norway	100.0	2.2
Eye-share Singapore Pte. Ltd.	Singapore	100.0	0.0
Gjeldsregisteret AS	Norway	100.0	0.0
Infopulse Brasil Servicos Technologicos Ltda.	Brazil	99.0	0.1
Infopulse Bulgaria Ltd.	Bulgaria	100.0	0.1
Infopulse Europe GmbH	Germany	100.0	0.0
Infopulse Poland Sp. z o.o.	Poland	100.0	—
Infopulse Ukraine LLC	Ukraine	100.0	0.0
MentorMate Bulgaria Ltd.	Bulgaria	100.0	4.6
MentorMate Paraguay S.R.L.	Paraguay	100.0	0.4
MentorMate, LLC	The United States	100.0	163.7
NUK Holding AB	Sweden	100.0	16.9
Tieto Ukraine Support Services LLC	Ukraine	100.0	0.8
Tieto U.S. Inc.	The United States	100.0	1.1
Tietoevry Banking Poland Sp. z o.o.	Poland	100.0	0.0
Tietoevry Financing AB	Sweden	100.0	0.0
Tietoevry Financing AS	Norway	100.0	1.8
Tietoevry FinTech DOO	Serbia	100.0	0.0
Tietoevry Fintech India Pvt. Ltd.	India	100.0	9.8
Tietoevry India Pvt. Ltd.	India	100.0	21.9
Tietoevry Pay Oy	Finland	100.0	0.1
Tietoevry Sweden AB	Sweden	100.0	154.5
Tietoevry Sweden Support Services AB	Sweden	100.0	0.0
Tietoevry Tech Services Estonia OÜ	Estonia	100.0	0.0
Tietoevry Tech Services India Pvt. Ltd.	India	100.0	13.7
Tietoevry Tech Services Lithuania UAB	Lithuania	100.0	0.0
Tietoevry Tech Services Slovakia s.r.o.	Slovakia	85.0	0.0
Tietoevry Tech Services Sweden AB	Sweden	100.0	6.4
Dormant subsidiaries (7 in total)			0.1
<b>Total</b>			<b>533.0</b>

All subsidiaries are included in the Group consolidation. In India, the official reporting period is 1 April –31 March according to the Indian legislation.

## 27. Interests in joint ventures

TietoEVRY has two joint ventures, Tieto Esy Oy in Finland and BuyPass AS in Norway, for the purpose of producing high quality IT services in line with customer requirements.

### ACCOUNTING POLICIES

Companies, where TietoEVRY has assumed management responsibility, has contractually based joint control with a third party and has rights to the net assets of the company based on the contractual arrangement are included in the consolidated financial statements as joint ventures. Joint ventures are accounted by using the equity method under which the investments in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of joint venture's losses exceeds the carrying amount of the investment, the investment is recognized at zero value in the statement of financial position and the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Sales to and purchases from joint ventures are made on normal market terms and conditions and at market prices. The Group's share of the joint ventures' result for the period is separately disclosed in the income statement.

### Joint ventures

	Number of shares		Parent company's share %		Voting right %		Carrying value EUR million	
	2023	2022	2023	2022	2023	2022	2023	2022
31 Dec								
Tieto Esy Oy	7 300	7 300	80.0	80.0	34.0	34.0	2.6	5.1
BuyPass AS	21 100	21 100	50.0	50.0	50.0	50.0	8.9	9.2
							<b>11.6</b>	<b>14.2</b>

### Reconciliation of carrying value

EUR million	2023	2022
Carrying value, 1 Jan	14.2	16.7
Translation differences	-0.6	-0.7
Share of results	1.3	1.0
Dividends received	-1.3	-1.4
Impairments	-2.1	-1.4
<b>Carrying value, 31 Dec</b>	<b>11.6</b>	<b>14.2</b>

In 2023, as a result of annual impairment testing, TietoEVRY Create recognized a goodwill impairment loss of EUR 2.1 million for the carrying value of Tieto Esy Oy. The remaining carrying value of Group level goodwill is EUR 0.3 (2.5) million, all of which relates to Tieto Esy Oy.

In 2022, as part of a new partnership agreement with Ilmarinen and a change in the service delivery model, it was decided to ramp down Tietollmarinen Oy. In connection with these changes, TietoEVRY agreed to acquire the remaining 30% share of the joint venture from Ilmarinen. TietoEVRY Transform recognized an impairment loss of EUR 1.4 million for the joint venture and bought the remaining 30% share of the company. Tietollmarinen has been consolidated as a 100% owned subsidiary since 31 December 2022. The name of Tietollmarinen Oy has been changed to TietoEVRY 12 Oy.

There are no commitments or contingencies related to joint ventures.

### Financial and personnel information of joint ventures

The financial information summarised below represents amounts in joint ventures' financial statements prepared in accordance with IFRS Standards.

31 Dec 2023		
EUR million	Tieto Esy Oy	BuyPass AS
Non-current assets	0.0	5.6
Current assets	3.3	71.2
<b>Total</b>	<b>3.4</b>	<b>76.8</b>
Non-current liabilities	—	0.2
Current liabilities	0.5	58.8
<b>Total</b>	<b>0.5</b>	<b>59.0</b>
Net sales	2.4	29.3
Expenses	-2.4	-26.2
Financial items	0.1	0.2
<b>Result before taxes</b>	<b>0.1</b>	<b>3.3</b>
Income taxes	-0.0	-0.8
<b>Net result for the financial year</b>	<b>0.1</b>	<b>2.5</b>
<b>Dividends paid to TietoEVRY</b>	<b>0.4</b>	<b>0.9</b>
<b>Average full-time personnel during the financial year</b>	<b>18</b>	<b>80</b>

31 Dec 2022			
EUR million	Tieto Esy Oy	Tietollmarinen Oy	BuyPass AS
Non-current assets	0.0	—	5.2
Current assets	4.0	—	45.5
<b>Total</b>	<b>4.0</b>	<b>—</b>	<b>50.7</b>
Non-current liabilities	—	—	—
Current liabilities	0.7	—	32.5
<b>Total</b>	<b>0.7</b>	<b>—</b>	<b>32.5</b>
Net sales	3.9	1.6	30.7
Expenses	-3.2	-2.4	-27.9
Financial items	—	—	0.1
<b>Result before taxes</b>	<b>0.7</b>	<b>-0.8</b>	<b>2.9</b>
Income taxes	-0.2	0.0	-0.7
<b>Net result for the financial year</b>	<b>0.6</b>	<b>-0.8</b>	<b>2.2</b>
<b>Dividends paid to TietoEVRY</b>	<b>0.5</b>	<b>—</b>	<b>0.9</b>
<b>Average full-time personnel during the financial year<sup>1)</sup></b>	<b>27</b>	<b>13</b>	<b>77</b>

<sup>1)</sup> Updated for BuyPass AS based on the monthly average full-time personnel for the year.



## 28. Related party transactions

Related parties of TietoEvry include joint ventures and key management of the company and their close family members. Key management includes the members of the Board of Directors, Leadership team and the President and CEO.

### ACCOUNTING POLICIES

Sales to and purchases from related parties are made on normal market terms and conditions and at market prices. There are no commitments or contingencies on behalf of related parties.

The transactions with related parties are presented below. More information on joint ventures is disclosed in [note 27](#). Information on management remuneration is disclosed in [note 8](#).

### Transactions and balances with joint ventures

EUR million	31 Dec 2023	31 Dec 2022
Sales	1.2	2.9
Other operating income	0.6	1.3
Purchases	0.6	1.3
Receivables	0.1	0.1
Liabilities including cash pool	3.1	4.1

## 29. Commitments and contingencies

The Group's commitments and contingencies mostly relate to lease guarantees and performance commitments.

### ACCOUNTING POLICIES

Commitments are disclosed when the Group has a contract where the existence of an obligation will be only confirmed in the future.

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. They can also include obligations that are not recognized in the statement of financial position because settlement is not probable or their amount cannot be measured reliably.

EUR million	31 Dec 2023	31 Dec 2022
<b>For TietoEvry obligations</b>		
<b>Guarantees</b>		
Performance guarantees	150.6	81.7
Payment guarantees	0.6	0.5
Other	0.1	0.1
<b>Other TietoEvry obligations</b>		
Lease commitments, not yet commenced	10.7	22.3
Other	0.5	0.6
<b>On behalf of third parties</b>		
<b>Guarantees</b>		
Performance guarantees	23.4	23.4

In addition to the above, TietoEvry Oyj or other group companies have provided security on behalf of delivering Group company relating to some major contracts.

## 30. Events after the reporting period

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

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

## PARENT COMPANY'S FINANCIAL STATEMENTS (According to Finnish Accounting Standards)

# Income statement

EUR	Note	2023	2022
Net sales	<a href="#">1</a>	174 294 044.70	179 909 870.30
Other operating income	<a href="#">2</a>	31 773 209.71	32 856 634.87
Personnel expenses	<a href="#">3</a>	-15 468 496.71	-16 030 568.68
Depreciation and impairment losses	<a href="#">8</a> , <a href="#">9</a>	-24 584 732.95	-25 098 781.42
Other operating expenses	<a href="#">4</a>	-214 599 710.45	-226 355 490.51
<b>Operating profit</b>		<b>-48 585 685.70</b>	<b>-54 718 335.44</b>
Financial income and expenses	<a href="#">6</a>	95 450 986.94	2 411 659.49
<b>Profit before appropriations and taxes</b>		<b>46 865 301.24</b>	<b>-52 306 675.95</b>
Appropriations			
Appropriations		-29 368.89	—
Group contribution		75 000 000.00	85 200 000.00
<b>Profit before taxes</b>		<b>121 835 932.35</b>	<b>32 893 324.05</b>
Income taxes	<a href="#">7</a>	-2 137 958.13	-11 803 303.60
<b>Net profit for the financial year</b>		<b>119 697 974.22</b>	<b>21 090 020.45</b>

# Balance Sheet

## Assets

EUR	Note	31 Dec 2023	31 Dec 2022
<b>Non-current assets</b>			
Intangible assets	<a href="#">8</a>	131 692 801.99	155 481 271.96
Tangible assets	<a href="#">9</a>	814 718.41	847 520.29
Investments	<a href="#">10</a>	2 404 283 993.18	2 335 915 021.23
<b>Total non-current assets</b>		<b>2 536 791 513.58</b>	<b>2 492 243 813.48</b>
<b>Current assets</b>			
Long-term receivables			
Receivables from Group companies	<a href="#">11</a>	90 205 736.24	2 507 111.29
Other receivables	<a href="#">11</a>	635 032.96	1 272 407.23
		<b>90 840 769.20</b>	<b>3 779 518.52</b>
Current receivables			
Accounts receivables	<a href="#">12</a>	149 915.85	7 999.14
Receivables from Group companies	<a href="#">12, 13</a>	178 230 090.79	235 250 688.44
Receivables from joint ventures	<a href="#">12, 13</a>	11 107.76	11 757.06
Other receivables	<a href="#">12</a>	9 739 695.69	11 410 838.76
Prepaid expenses and accrued income	<a href="#">13</a>	24 433 936.94	9 768 124.26
		<b>212 564 747.03</b>	<b>256 449 407.66</b>
Cash and cash equivalents			
		100 717 703.28	155 006 594.94
<b>Total current assets</b>		<b>404 123 219.51</b>	<b>415 235 521.12</b>
<b>Total assets</b>		<b>2 940 914 733.09</b>	<b>2 907 479 334.60</b>

## Shareholders' equity and liabilities

EUR	Note	31 Dec 2023	31 Dec 2022
<b>Shareholders' equity</b>			
Share capital	<a href="#">14</a>	76 555 412.00	76 555 412.00
Share issue premiums		13 791 579.51	13 791 579.51
Invested unrestricted equity reserve		1 207 617 299.52	1 207 617 299.52
Retained earnings		90 421 029.53	250 754 418.13
Net profit for the financial year		119 697 974.22	21 090 020.45
<b>Total equity</b>		<b>1 508 083 294.78</b>	<b>1 569 808 729.61</b>
Accumulated appropriations			
		29 368.89	—
Provisions	<a href="#">15</a>	64 229.11	1 061 707.65
<b>Liabilities</b>			
Non-current liabilities			
Bonds	<a href="#">16</a>	300 000 000.00	400 000 000.00
Loans	<a href="#">16</a>	212 389 860.56	226 507 692.30
Accrued liabilities and deferred income	<a href="#">16</a>	5 480.92	70 279.92
<b>Total non-current liabilities</b>		<b>512 395 341.48</b>	<b>626 577 972.22</b>
Current liabilities			
Bonds	<a href="#">17</a>	100 000 000.00	—
Advances received		83 264.78	—
Accounts payables		9 091 411.75	9 123 775.17
Liabilities to Group companies	<a href="#">17, 18</a>	478 115 095.80	591 952 861.62
Liabilities to joint ventures	<a href="#">17, 18</a>	3 050 111.71	3 543 244.47
Loans		288 381 846.08	93 076 923.08
Other current liabilities		5 303 900.85	2 328 410.56
Accrued liabilities and deferred income	<a href="#">18</a>	36 316 867.86	10 005 710.22
<b>Total current liabilities</b>		<b>920 342 498.83</b>	<b>710 030 925.12</b>
<b>Total liabilities</b>		<b>1 432 737 840.31</b>	<b>1 336 608 897.34</b>
<b>Total equity and liabilities</b>		<b>2 940 914 733.09</b>	<b>2 907 479 334.60</b>

## Statement of cash flow

EUR	2023	2022
<b>Cash flow from operating activities</b>		
Net profit / loss before appropriations and taxes	46 865 301.24	-52 306 675.95
Adjustments		
Depreciation, amortization and impairment losses	24 584 732.95	25 098 781.37
Net financial income	-95 450 986.94	-2 411 659.49
Profit on sale of subsidiaries	—	-198 743.08
Other adjustments	-22 698.02	—
Other non-cash items	-1 343 010.46	913 617.45
<b>Cash generated from operating activities before net working capital</b>	<b>-25 366 661.23</b>	<b>-28 904 679.70</b>
<b>Change in net working capital</b>		
Change in current receivables	38 774 072.95	13 702 680.37
Change in current non-interest bearing liabilities	-53 182 687.53	2 272 892.70
<b>Cash generated from operating activities</b>	<b>-39 775 275.81</b>	<b>-12 929 106.63</b>
Interest expenses and other financial expenses paid	-71 674 270.59	-51 054 704.73
Interest income received	46 856 606.88	29 131 676.90
Dividend received and equity refund	120 742 785.78	14 877 787.08
Income taxes paid	2 092 004.18	-20 584 994.11
<b>Cash flow from operating activities</b>	<b>58 241 850.44</b>	<b>-40 559 341.49</b>

EUR	2023	2022
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	-783 162.79	-666 060.16
Proceeds from sale of tangible and intangible assets	25 890.00	—
Investments in subsidiaries	-68 393 006.72	-65 307.37
Disposal of subsidiaries	—	2 366 224.68
Loans granted	-118 782 614.24	-3 677 530.89
Repayment of other loans	71 141 168.28	103 703 771.48
<b>Cash flow from investing activities</b>	<b>-116 791 725.47</b>	<b>101 661 097.74</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-171 667 083.40	-165 778 624.20
Purchase of own shares	-9 756 325.65	-3 683 332.86
Proceeds from long-term borrowings	214 000 000.00	—
Repayments of long-term borrowings	-99 502 052.90	-13 076 923.08
Proceeds from short-term borrowings	195 677 679.51	1 902 695.51
Repayments of short-term borrowings	-112 524 409.33	—
Change in intercompany cash pool, net	-97 166 824.86	-43 138 094.63
Group contributions received	85 200 000.00	101 450 000.00
<b>Cash flow from financing activities</b>	<b>4 260 983.37</b>	<b>-122 324 279.26</b>
<b>Change in cash and cash equivalents</b>	<b>-54 288 891.66</b>	<b>-61 222 523.01</b>
Cash and cash equivalents at the beginning of period	155 006 594.94	216 229 117.95
Cash and cash equivalents at the end of period	100 717 703.28	155 006 594.94
	<b>-54 288 891.66</b>	<b>-61 222 523.01</b>

# Notes to the parent company's financial statements (FAS)

## Parent company accounting principles

The financial statements of the Parent company TietoEVRY Corporation are prepared in accordance with Finnish Accounting Standards (FAS).

TietoEVRY Corporation (business identity code 0101138-5) is a Finnish public limited IT service and software company organized under the laws of Finland and domiciled in Espoo: Keilalahdentie 2-4, 02101 Espoo, Finland. The company is listed on NASDAQ in Helsinki and Stockholm and the Oslo Stock Exchange. The Board of Directors approved the financial statements on 14<sup>th</sup> February 2024. According to the Limited Liability Companies Act, at the Annual General Meeting, the shareholders have the right to approve, disapprove or change the financial statements after the publication.

### Foreign currency items

Foreign currency transactions are initially translated at the exchange rate prevailing on the transaction date. Foreign currency items at the end of the financial period are valued at the exchange rates on the balance sheet date. Foreign currency items are hedged using derivative contracts.

Exchange gains and losses on net financial liabilities are reported in the income statement under financial items, while other exchange gains or losses are included in operating profit. Gains and losses arising from revaluation of derivative contracts are, depending on their nature, reported either under financial items or operating profit.

### Net sales

Net sales include internal service fees and exchange rate differences from accounts receivables, less indirect taxes such as value added tax.

### Other operating income

Other operating income includes gain on sale of subsidiaries, gain on liquidation of joint venture, rental income and derivative exchange rate gains.

### Pension arrangements

The company's pension obligations are administered through pension insurance institutions. Pension obligations are fully covered.

### Financial instruments

The company applies the Finnish Accounting Act chapter 5 section 2a and records financial instruments initially at fair value.

See financial instruments accounting policies in the consolidated financial statements [note 21](#).

## Appropriations

Group contributions are included in appropriations.

## Valuation of fixed assets

Fixed assets are carried at cost less accumulated depreciation. Depreciation is charged according to plan based on the estimated economic lives of the individual assets and accounted for in accordance with the straight-line method.

### The company applies the following economic lives:

	Years
Intangible assets (software)	3
Other capitalized expenditure	3–10
Trademark	6
Goodwill from operations	10
Buildings	25–40
Data processing equipment <sup>1)</sup>	3–5
Other machinery and equipment	5
Other tangible assets	5

<sup>1)</sup> Purchases of personal computers are expensed immediately.

## Income taxes

The income statement includes the company's income taxes based on taxable profit for the period according to local tax regulations as well as adjustments to prior year taxes. The information related to deferred tax items is included in the notes.

### 1. Net sales

EUR	2023	2022
Internal service fees	174 294 044.70	179 909 870.30
<b>Total</b>	<b>174 294 044.70</b>	<b>179 909 870.30</b>
Net sales by country	2023	2022
Finland	45 947 589.09	43 611 994.54
Sweden	45 319 419.39	49 808 301.70
Norway	52 331 500.38	57 735 574.94
Other	30 695 535.84	28 753 999.12
<b>Total</b>	<b>174 294 044.70</b>	<b>179 909 870.30</b>

### 2. Other operating income

EUR	2023	2022
Gain on sale of subsidiaries	—	199 693.61
Rental income	20 152 040.14	21 446 499.56
Other income	11 621 169.57	11 210 441.70
<b>Total</b>	<b>31 773 209.71</b>	<b>32 856 634.87</b>

### 3. Personnel expenses

EUR	2023	2022
Wages and salaries	13 644 978.01	12 887 110.65
Pension expenses	1 352 796.53	2 662 639.49
Other pay-related statutory social costs	470 722.17	480 818.54
<b>Total</b>	<b>15 468 496.71</b>	<b>16 030 568.68</b>

The parent company had an average of 92 employees during 2023 and 98 employees in 2022.

### 4. Other operating expenses

EUR	2023	2022
Information and communication technology	28 581 673.92	28 141 635.67
Internal service fees	120 652 091.20	134 857 732.68
Premises related costs	19 879 920.12	21 710 264.92
Professional services and marketing	20 989 127.91	17 540 936.76
Derivative exchange rate losses on other expenses	11 227 622.14	11 438 526.19
Other operating expenses	13 269 275.13	12 666 394.29
<b>Total</b>	<b>214 599 710.42</b>	<b>226 355 490.51</b>

### Fees to auditors

EUR	2023	2022
Audit fees	748 000.00	709 650.00
Audit related fees	253 300.00	84 080.00
Tax consultation	—	72 000.00
Other services	30 000.00	315 000.00
<b>Total</b>	<b>1 031 300.00</b>	<b>1 180 730.00</b>

### 5. Management remuneration

See [note 8](#) in Notes to the consolidated financial statements.

## 6. Financial income and expenses

EUR	2023	2022
<b>Dividend income</b>		
Dividend income from Group companies	120 333 905.61	13 895 416.25
Dividend income from joint ventures	408 767.77	532 924.57
Dividend income from other companies	112.40	256.26
	<b>120 742 785.78</b>	<b>14 428 597.08</b>
<b>Other interest and financial income</b>		
From Group companies	7 158 371.56	6 423 300.72
From other companies	102 703 903.09	49 678 352.80
	<b>109 862 274.65</b>	<b>56 101 653.52</b>
<b>Investment write-downs</b>		
	—	-603 132.00
<b>Interest and other financing expenses</b>		
To Group companies	-8 724 272.80	-3 390 788.99
To other companies	-126 429 800.69	-64 124 670.12
	<b>-135 154 073.49</b>	<b>-67 515 459.11</b>
<b>Total</b>	<b>95 450 986.94</b>	<b>2 411 659.49</b>

## 7. Income taxes

EUR	2023	2022
Taxes for the financial period / appropriations	14 994 126.22	17 040 000.00
Taxes for the financial period / regular operations	-13 562 980.59	-9 474 378.78
Taxes for the previous years	706 812.50	4 237 682.38
<b>Total</b>	<b>2 137 958.13</b>	<b>11 803 303.60</b>

## 8. Intangible assets

EUR	31 Dec 2023	31 Dec 2022
<b>Intangible rights</b>		
Acquisition cost, 1 Jan	24 249 592.04	24 249 592.04
<b>Acquisition cost, 31 Dec</b>	<b>24 249 592.04</b>	<b>24 249 592.04</b>
Accumulated amortization, 1 Jan	18 405 050.93	16 387 290.14
Amortization for the period	2 000 311.75	2 017 760.79
<b>Accumulated amortization, 31 Dec</b>	<b>20 405 362.68</b>	<b>18 405 050.93</b>
Book value, 31 Dec	3 844 229.36	5 844 541.11
<b>Goodwill</b>		
Acquisition cost, 1 Jan	212 149 583.27	212 149 583.27
<b>Acquisition cost, 31 Dec</b>	<b>212 149 583.27</b>	<b>212 149 583.27</b>
Accumulated amortization, 1 Jan	65 184 670.21	43 969 711.93
Amortization for the period	21 214 958.28	21 214 958.28
<b>Accumulated amortization, 31 Dec</b>	<b>86 399 628.49</b>	<b>65 184 670.21</b>
Book value, 31 Dec	125 749 954.78	146 964 913.06
<b>Other capitalized expenditures</b>		
Acquisition cost, 1 Jan	20 214 412.39	19 825 670.96
Additions	469 553.14	389 225.93
Disposals	-16 509.71	—
Reclassifications	—	-484.50
<b>Acquisition cost, 31 Dec</b>	<b>20 667 455.82</b>	<b>20 214 412.39</b>
Accumulated amortization, 1 Jan	17 542 594.60	16 103 360.63
Amortization for the period	1 026 243.37	1 439 233.97
<b>Accumulated amortization, 31 Dec</b>	<b>18 568 837.97</b>	<b>17 542 594.60</b>
Book value, 31 Dec	2 098 617.85	2 671 817.79
<b>Total</b>	<b>131 692 801.99</b>	<b>155 481 271.96</b>

## 9. Tangible assets

EUR	31 Dec 2023	31 Dec 2022
<b>Land</b>		
Acquisition cost, 1 Jan	60 270.13	60 270.13
<b>Acquisition cost, 31 Dec</b>	<b>60 270.13</b>	<b>60 270.13</b>
<b>Machinery and equipment</b>		
Acquisition cost, 1 Jan	33 864 641.83	33 587 323.10
Additions	313 609.65	276 834.23
Disposals	-3 191.98	—
Reclassifications	—	484.50
<b>Acquisition cost, 31 Dec</b>	<b>34 175 059.50</b>	<b>33 864 641.83</b>
Accumulated depreciation, 1 Jan	33 114 761.97	32 687 933.64
Depreciation for the period	343 219.55	426 828.33
<b>Accumulated depreciation, 31 Dec</b>	<b>33 457 981.52</b>	<b>33 114 761.97</b>
Book value, 31 Dec	717 077.98	749 879.86
<b>Other tangible assets</b>		
Acquisition cost, 1 Jan	37 370.30	37 370.30
<b>Acquisition cost, 31 Dec</b>	<b>37 370.30</b>	<b>37 370.30</b>
Book value, 31 Dec	37 370.30	37 370.30
<b>Total</b>	<b>814 718.41</b>	<b>847 520.29</b>



## 10. Investments

EUR	31 Dec 2023	31 Dec 2022
<b>Subsidiary shares</b>		
Acquisition cost, 1 Jan	2 333 141 681.29	2 335 769 623.87
Additions	68 393 006.72	65 307.37
Disposals	-24 034.77	-2 892 357.45
Reclassifications	—	802 239.50
Impairment	—	-603 132.00
<b>Acquisition cost, 31 Dec</b>	<b>2 401 510 653.24</b>	<b>2 333 141 681.29</b>
Book value, 31 Dec	2 401 510 653.24	2 333 141 681.29
<b>Shares in joint ventures</b>		
Acquisition cost, 1 Jan	2 619 893.60	3 422 133.10
Reclassifications	—	-802 239.50
<b>Acquisition cost, 31 Dec</b>	<b>2 619 893.60</b>	<b>2 619 893.60</b>
Book value, 31 Dec	2 619 893.60	2 619 893.60
<b>Other shares and interests</b>		
Acquisition cost, 1 Jan	153 446.34	153 446.34
<b>Acquisition cost, 31 Dec</b>	<b>153 446.34</b>	<b>153 446.34</b>
Book value, 31 Dec	153 446.34	153 446.34
<b>Total</b>	<b>2 404 283 993.18</b>	<b>2 335 915 021.23</b>

### Subsidiary shares

See [note 26](#) in Notes to the consolidated financial statements.

### Joint ventures owned and managed by the parent company

See [note 27](#) in Notes to the consolidated financial statements.

## 11. Long-term receivables

EUR	31 Dec 2023	31 Dec 2022
Loan receivables from Group companies		
Other loan receivables	90 205 736.24	2 507 111.29
Other receivables	635 032.96	1 272 407.23
<b>Total</b>	<b>90 840 769.20</b>	<b>3 779 518.52</b>

## 12. Current receivables

EUR	31 Dec 2023	31 Dec 2022
Receivables from Group companies		
Accounts receivable	6 694 092.67	13 382 546.86
Loan receivables	48 632 032.43	101 516 969.93
Other receivables	2 827 560.88	930 644.34
Dividend receivables	40 033 806.35	—
Group contribution receivables	75 000 000.00	85 200 000.00
Prepaid expenses and accrued income	5 042 598.46	34 220 527.31
<b>Total</b>	<b>178 230 090.79</b>	<b>235 250 688.44</b>
Receivables from joint ventures		
Accounts receivable	11 107.76	11 757.06
<b>Total</b>	<b>11 107.76</b>	<b>11 757.06</b>
Receivables from other companies		
Accounts receivable	149 915.85	7 999.14
Tax receivable	2 808 239.71	7 038 202.02
Other receivables	6 931 455.98	4 372 636.74
<b>Total</b>	<b>9 889 611.54</b>	<b>11 418 837.90</b>

## 13. Prepaid expenses and accrued income

EUR	31 Dec 2023	31 Dec 2022
Prepaid expenses and accrued income from Group companies		
Other	5 042 598.46	34 220 527.31
Prepaid expenses and accrued income from other companies		
Licence fees	6 327 037.70	6 546 933.82
Rents	265.00	2 290.12
Social costs	22 172.62	23 393.88
Bond discount and issue costs	1 126 075.95	1 214 000.23
Interest income	15 466 006.94	—
Other	1 492 378.73	1 981 506.21
	<b>24 433 936.94</b>	<b>9 768 124.26</b>
<b>Total</b>	<b>29 476 535.40</b>	<b>43 988 651.57</b>

## 14. Changes in shareholders' equity

EUR	31 Dec 2023	31 Dec 2022
<b>Restricted equity</b>		
Share capital, 1 Jan	76 555 412.00	76 555 412.00
<b>Share capital, 31 Dec</b>	<b>76 555 412.00</b>	<b>76 555 412.00</b>
Share issue premiums, 1 Jan	13 791 579.51	13 791 579.51
<b>Share issue premiums, 31 Dec</b>	<b>13 791 579.51</b>	<b>13 791 579.51</b>
<b>Restricted equity total</b>	<b>90 346 991.51</b>	<b>90 346 991.51</b>
Unrestricted equity		
Invested unrestricted equity reserve, 1 Jan	1 207 617 299.52	1 207 617 299.52
<b>Invested unrestricted equity reserve, 31 Dec</b>	<b>1 207 617 299.52</b>	<b>1 207 617 299.52</b>
Retained earnings, 1 Jan	271 844 438.58	420 216 375.19
Purchase of own shares	-9 756 325.65	-3 683 332.86
Dividend distributions	-171 667 083.40	-165 778 624.20
<b>Retained earnings, 31 Dec</b>	<b>90 421 029.53</b>	<b>250 754 418.13</b>
Net profit for the financial year	119 697 974.22	21 090 020.45
<b>Unrestricted equity total</b>	<b>1 417 736 303.27</b>	<b>1 479 461 738.10</b>
<b>Shareholders' equity, total</b>	<b>1 508 083 294.78</b>	<b>1 569 808 729.61</b>
<b>Distributable funds</b>		
Invested unrestricted equity reserve	1 207 617 299.52	1 207 617 299.52
Retained earnings	90 421 029.53	250 754 418.13
Net profit for the financial year	119 697 974.22	21 090 020.45
<b>Total</b>	<b>1 417 736 303.27</b>	<b>1 479 461 738.10</b>
<b>Breakdown of the parent's share capital</b>		
Number of shares	118 425 771	118 425 771
Euros	76 555 412.00	76 555 412.00

## 15. Provisions

EUR	31 Dec 2023	31 Dec 2022
Restructuring commitments	30 952.00	205 029.46
Other provisions	33 277.11	856 678.19
<b>Total</b>	<b>64 229.11</b>	<b>1 061 707.65</b>

## 16. Non-Current liabilities

EUR	31 Dec 2023	31 Dec 2022
Bonds	300 000 000.00	400 000 000.00
Loans	212 389 860.56	226 507 692.30
Accrued liabilities and deferred income	5 480.92	70 279.92
<b>Total</b>	<b>512 395 341.48</b>	<b>626 577 972.22</b>

Fair value of bonds has been calculated based on prevailing market rate at the reporting date and as of 31 Dec 2023 it was EUR 291 423 000 (EUR 378 785 000 in 2022).

## 17. Current liabilities

EUR	31 Dec 2023	31 Dec 2022
<b>Liabilities to Group companies</b>		
Accounts payable	9 195 407.57	12 300 548.01
Other liabilities including cash pool <sup>1)</sup>	454 335 076.44	545 302 516.27
Accrued liabilities and deferred income	14 584 611.79	34 349 797.34
	<b>478 115 095.80</b>	<b>591 952 861.62</b>
<b>Liabilities to joint ventures</b>		
Accounts payable	—	745.49
Other liabilities including cash pool <sup>1)</sup>	3 050 111.71	3 542 498.98
	<b>3 050 111.71</b>	<b>3 543 244.47</b>
<b>Liabilities to other companies</b>		
Bonds	100 000 000.00	—
Advances received	83 264.78	—
Accounts payable	9 091 411.75	9 123 775.17
Loans	288 381 846.08	93 076 923.08
Other current liabilities	5 303 900.85	2 328 410.56
Accrued liabilities and deferred income	36 316 867.86	10 005 710.22
	<b>439 177 291.32</b>	<b>114 534 819.03</b>
<b>Total</b>	<b>920 342 498.83</b>	<b>710 030 925.12</b>

<sup>1)</sup> The cash pool liability to Tietollmarinen has been reclassified from Liabilities to joint venture to Liabilities to Group companies in comparative figures. Tietollmarinen became a 100% owned subsidiary in December 2022. The name of Tietollmarinen Oy has been changed to TietoEVRY 12 Oy.

Loans and receivables and financial liabilities are held at amortized cost using the effective interest rate method. Their carrying amounts are considered to approximate their fair value, except for the fixed rate bond where carrying amount has not been adjusted to match the fair value.

Fair value of bonds has been calculated based on prevailing market rate at the reporting date and as of 31 Dec 2023 it was EUR 98 124 000.

## 18. Accrued liabilities and deferred income

EUR	31 Dec 2023	31 Dec 2022
Accrued liabilities and deferred income from Group companies		
Service fee	14 501 872.02	34 344 946.02
Interest	82 739.77	4 851.32
	<b>14 584 611.79</b>	<b>34 349 797.34</b>
Accrued liabilities and deferred income from other companies		
Vacation pay and related social costs	1 640 265.30	1 678 748.85
Other accrued payroll and related social costs	1 994 383.79	2 446 083.06
Other social costs	302 655.77	267 297.55
Interest	28 772 948.56	4 317 255.86
Rents	—	325 673.16
Other	3 606 614.44	970 651.74
	<b>36 316 867.86</b>	<b>10 005 710.22</b>
<b>Total</b>	<b>50 901 479.65</b>	<b>44 355 507.56</b>

## 19. Deferred tax assets and liabilities

EUR	31 Dec 2023	31 Dec 2022
Deferred tax assets		
From temporary differences	6 655.42	50 696.33
From appropriations	—	90 401.43
<b>Total</b>	<b>6 655.42</b>	<b>141 097.76</b>
Deferred tax liabilities		
From temporary differences	—	52 824.10
From appropriations	5 873.78	—
<b>Total</b>	<b>5 873.78</b>	<b>52 824.10</b>

Deferred tax items are not included in the balance sheet. Comparative information has been updated to reflect only those deferred tax assets presented in accordance with FAS.

## 20. Contingent liabilities

EUR	31 Dec 2023	31 Dec 2022
On behalf of Group companies		
Guarantees	224 781 619.93	127 985 836.34
Other TietoEVRY obligations		
Rent commitments due in 2024 (2023)	7 316 116.50	9 448 124.97
Rent commitments due later	16 130 320.09	25 415 631.32
Lease commitments due in 2024 (2023) <sup>1)</sup>	333 901.00	310 373.33
Lease commitments due later <sup>1)</sup>	354 096.37	359 277.65
On behalf of Third parties		
Guarantees	23 431 867.34	23 377 510.83

<sup>1)</sup> Lease commitments are principally three-year lease agreements that do not include buyout clauses.

In addition to the above mentioned contingent liabilities, parent company has provided security on behalf of delivering Group company relating to some major contracts.

## 21. 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.

EUR	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	630 995 010.27	555 880 076.06
Interest rate swaps	280 000 000.00	40 000 000.00

### Fair values of derivatives

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

The net fair values of derivative financial instruments at the balance sheet date	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	3 545 431.67	-601 987.54
Interest rate swaps	-4 551 996.79	6 354.00

Derivatives are used for economic purposes only.

Gross positive fair values of derivatives	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	8 641 211.39	4 458 629.36
Interest rate swaps	15 466 006.94	2 860 052.00

Gross negative fair values of derivatives	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	-5 095 779.72	-5 060 616.87
Interest rate swaps	-20 018 003.73	-2 853 698.00

### Fair value measurement of financial assets and liabilities

See [note 21](#) in Notes to the consolidated financial statements.

## 22. Management of financial risks

The operative management of the treasury activities of TietoEVRY is centralized in Group Treasury, which is operated from the Parent company. The Group Treasury is responsible for managing the Group's financial risk position and maintaining adequate liquidity. The Treasury Policy, which has been approved by the Board of Directors, defines the principles for measuring and managing liquidity risk, interest rate risk, foreign exchange risks and counterparty risk of the Group. The Treasury Policy also defines the division of responsibilities with regard to financial risk management. The Group reviews and monitors financial risks on a regular basis.

Financial risks are assessed, measured and managed on a Group level. See [note 18](#) in Notes to the consolidated financial statements.

**DIVIDEND PROPOSAL, SIGNATURES FOR THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS AND AUDITOR'S NOTE**

**Dividend proposal (EUR)**

Distributable funds in the parent company	1 417 736 303.27
of which net profit for the current year	119 697 974.22

The Board of Directors proposes that the retained earnings of EUR 210 119 003.75 shall be used as follows:  
a total dividend of EUR 1.47 per share to be paid to shareholders

the remainder to be carried forward	36 084 098.51
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In the opinion of the Board of Directors the proposed dividend distribution does not endanger the solvency of the company.

**Signatures for the Financial statements and Board of Directors' report**

**Espoo, 14 February 2024**

**Tomas Franzén**  
Chairperson

**Harri-Pekka Kaukonen**  
Deputy Chairperson

**Bertil Carlsén**

**Elisabetta Castiglioni**

**Liselotte Hægertz Engstam**

**Katharina Mosheim**

**Gustav Moss**

**Endre Rangnes**

**Petter Söderström**

**Tommy Sander Aldrin**

**Anders Palkint**

**Kimmo Alkio**  
President and CEO

**The Auditor's Note**

Our auditors' report has been issued today.  
Espoo, 14 February 2024

Deloitte Oy  
Audit Firm

**Jukka Vattulainen**  
Authorised Public Accountant (KHT)

## AUDITOR'S REPORT (Unofficial translation of the Finnish original)

### To the Annual General Meeting of TietoEVRY Oyj

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of TietoEVRY Oyj (business identity code 0101138-5) for the year ended 31 December, 2023. The financial statements comprise the consolidated income statement, statement of comprehensive income, financial position, statement of cash flows, statement of changes in equity and notes, including material accounting policy information, as well as the parent company's income statement, balance sheet, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

##### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014.

The non-audit services that we have provided have been disclosed in note 7 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Refer to Note 6 in the consolidated financial statements.</p> <p>Consolidated revenue of TietoEVRY Oyj amounted to EUR 2 851.4 million (EUR 2 928.1 million).</p> <p>Revenue consist mostly of continuous services, software solutions and consulting. In addition to this, the Company has fixed-price projects.</p> <p>Revenue from service contracts, software solutions and consulting is based on service volumes or time and materials; and the performance obligations are recognized over the accounting period in which the services are rendered. For contracts comprising fixed-price projects, revenue is recognized based on the actual service provided by the reporting date as a proportion of the total services to be provided.</p> <p>Revenue is a key financial indicator and consists of a large volume of transactions. For this reason the functionality of information system controls is emphasised in revenue recognition. A significant part of the revenue is automatically recognized in accounting through IT systems based on the fulfilment of the performance obligation.</p> <p>Revenue recognition due to its significance require specific attention both from the accounting and the auditing perspective.</p>	<p>We have evaluated the IT systems used for recognizing revenue by testing access and change management controls. We have also evaluated process level controls by performing walkthroughs of significant classes of revenue transactions, assessed the design of key controls and tested the operating effectiveness of those controls.</p> <p>We have analyzed the transactions recorded to revenue by applying data analytics to identify entries originating from automated processes and entries from manual journals. Based on our revenue related risk assessment we have focused our substantive audit procedures to the transactions estimated as higher risk transactions.</p> <p>Our substantive audit procedures to address the identified risk relating to revenue from services, software solutions and consulting consisted among others, performing transactional testing procedures to validate the recognition of revenue throughout the year as well as year-end.</p> <p>Our substantive audit procedures to address the risk of inappropriate accounting for fixed-priced projects were focused on judgements used by management in project estimates. We selected a sample of contracts and assessed the estimates based on projects' status and forecasted costs and income. We agreed the revenue estimates against the sales agreements and ensured that the revenue recognition method applied was appropriate based on the terms of the agreement. We recalculated the revenue based on percentage of completion and assessed the appropriateness of the percentage of completion by comparing actual costs from the Company's accounting records to the estimated total costs of the project.</p>



Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment testing of Goodwill</b></p> <p>Refer to Note 11 in the consolidated financial statements.</p> <p>Consolidated financial statements includes goodwill of EUR 1 907.3 million (1 846.5 million). Goodwill is measured at cost less accumulated impairment losses.</p> <p>Goodwill is subject to annual impairment test. For testing purposes goodwill is allocated to cash-generating units. As a result of management's goodwill impairment test, no impairment was identified.</p> <p>Goodwill impairment testing requires substantial management judgment over the projected future business performance, cash flows and applied discount rate.</p> <p>Note 11 in the consolidated financial statements describes key assumptions used by management in the impairment test and related sensitivity analysis.</p>	<p>We have performed audit procedures on impairment testing prepared by management relating to material cash generating units and assessed key controls over management's goodwill impairment testing.</p> <p>The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. Cash flows used in these calculations are based on five-year financial plans defined by group management.</p> <p>We have assessed the key assumptions used by management in the impairment test for cash generating units by:</p> <ul style="list-style-type: none"> <li>• comparing the growth and profitability estimates used by management to historical performance.</li> <li>• comparing the estimates with the latest approved budgets and strategic plans.</li> <li>• involving our valuation specialists to verify that the discount rates and the long-term growth rates are consistent with observable market data.</li> <li>• validated the mathematical accuracy of the impairment calculations.</li> </ul> <p>We have also assessed the related disclosure information.</p>
<p>We have no key audit matters to report with respect to our audit of the parent company financial statements. There are no significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.</p>	

#### Responsibilities of the Board of Directors and the President and CEO for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and CEO are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the President and CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Information on our audit engagement

We have been acting as TietoEVRY's auditors a total period of uninterrupted engagement of 6 years since 2018.

### Other information

The Board of Directors and CEO are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Espoo, 14 February 2024

Deloitte Oy

Audit Firm

Jukka Vattulainen

Authorised Public Accountant (KHT)

(Translation of the Finnish Original)

## Independent auditor's report on the ESEF consolidated financial statements of TietoEVRY Oyj

### To the Board of Directors of TietoEVRY Oyj

We have performed a reasonable assurance engagement on whether the iXBRL tagging of the consolidated financial statements in the ESEF consolidated financial statements (549300EW2KM4KROKQV31-2023-12-31-en.zip) of TietoEVRY Oyj (0101138-5) for the financial year 1.1.-31.12.2023 has been prepared in accordance with the requirements of Article 4 of Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

#### Responsibilities of the board of directors and the Group CEO

The Board of Directors and the Group CEO are responsible for the preparation of the report of the Board of Directors and financial statements (ESEF financial statements) that comply with the requirements of ESEF RTS. This responsibility includes:

- preparation of ESEF financial statements in XHTML format in accordance with Article 3 of ESEF RTS
- tagging the consolidated financial statements' primary statements, disclosures and identifying information in the ESEF financial statements with iXBRL tags in accordance with Article 4 of ESEF RTS, and
- ensuring consistency between ESEF financial statements and audited financial statements.

The Board of Directors and the Group CEO are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of ESEF RTS.

#### Auditor's independence and quality control

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management 1 and, accordingly, an audit firm shall design, implement, and maintain a system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

#### Auditor's responsibilities

In accordance with the engagement letter, we express an opinion on whether the tagging of the consolidated financial statements in the ESEF financial statements has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the consolidated financial statements' primary statements in the ESEF financial statements has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS
- whether the tagging of the consolidated financial statements' disclosures and identifying information in the ESEF financial statements has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS, and
- whether the ESEF financial statements are consistent with the audited financial statements.

The nature, timing and extent of the procedures selected depend on the auditor's judgment. This includes the assessment of risk of material departures from the requirements set out in ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion, the tagging of the consolidated financial statements in the ESEF financial statements (549300EW2KM4KROKQV31-2023-12-31-en.zip) of TietoEVRY Oyj for the financial year 1.1.-31.12.2023 has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS.

Our audit opinion on the consolidated financial statements of TietoEVRY Oyj for the financial year 1.1.-31.12.2023 has been expressed in our auditor's report dated 14 February 2024. In this report, we do not express an audit opinion or any other assurance conclusion on the consolidated financial statements.

Espoo, 14<sup>th</sup> February 2024

Deloitte Oy

Audit Firm

Jukka Vattulainen

APA



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