Capital Markets Day 2020
Positioning for growth
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Positioning for growth

Kimmo Alkio
President and CEO
Big strides towards a data-driven world
Technology at the core of transformation to a data-driven world

- Technology at the core of transformation to a data-driven world
- Digital Societies
- Digital Enterprises
- Digital Products
- Value creation
- Faster and better products & services
- Experiences enabled by data
- TODAY
- Distributed cloud
- Data & analytics
- 5G and Edge
- Open ecosystem
- Covid-19 has further accelerated Digital by ~ 3 years
Agile enterprises becoming a new norm in the data-driven world

**Traditional world**
Functional, process-led and technology for efficiency

**Digital world**
Organic, adaptive and technology for competitiveness

**Market growth drivers**
- 15% Cloud based services
- 15% Data & Analytics
- 10% Core software
- 20% Automation and DevOps

**Enterprises & Societies**
Technology services & software

- Design-Build-Run
  - Business process – Applications - Infrastructure
- Business focused
  - Design - Data – Cloud – DevOps - Automation
TietoEVRY aims to be the trusted partner in realizing customers’ Digital ambition

Digital Societies
Sustainable societies providing advanced experiences and well-being

Digital Enterprises
Customer experience focused, adaptive and data-driven enterprise

Digital Products
Develop connected and hyper-personalized products
<table>
<thead>
<tr>
<th><strong>TietoEVRY at the core of the Digital future</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advanced managed cloud</strong> solution live with</td>
</tr>
<tr>
<td>&gt;250 large enterprises in the Nordics</td>
</tr>
<tr>
<td><strong>Global software R&amp;D</strong> advancing the <strong>hyperconnected world</strong> through 5G and edge</td>
</tr>
<tr>
<td><strong>6500 digital experts</strong> creating <strong>data-driven solutions</strong> each day for Nordic society</td>
</tr>
<tr>
<td><strong>&gt;10 million Nordic citizens’ well being enabled by TietoEVRY Health &amp; Care solutions</strong></td>
</tr>
</tbody>
</table>

**50+ years of experience** in realizing complex **enterprise transformations** across multiple technology lifecycles
Building on our strengths in the Nordics and software

Markets
- Nordic enterprises and public sector with >80% of revenues
- Global software and product development services

Services
- Enabling Nordic Digital societies applications and cloud
- Differentiating software in financial services, health & care

Employees
- Among largest Nordic technology employer ~12000
- ~24000 employees serving customers in ~80 countries

Revenue*: 2951 MEUR
EBIT adj*: 11.6%

*2019 restated financials

Creating digital advantage for businesses and society – augmented by TietoEVRY merger
Build a leading Nordic Digital and Software company, expanding internationally through chosen services

- Expand in Nordics
  - Cloud & Infra
  - Managed cloud, AIOps
  - Design, Cloud native, Data, DevOps, Automation

- Nordic Services
  - Energy, Mill execution software
  - Health & Care, Public services
  - Core banking, Wealth, Credit

- Integrate International
  - Cloud & Infra
  - Digital Consulting
  - Industry software
  - Financial Serv. Solutions
  - Product Dev. Services
  - Telco, Automotive, Electronics

- Reshape growth profile
- Augmented by merger
- Global capabilities
- Attractive financial returns

Expand in Nordics + Expand International
Accelerated growth through cloud, data and software

Growth driver

1. Capture the market digital momentum
2. Drive software differentiation and expansion
3. End-to-end solutions addressing customer complexity

Growth choice

- Public cloud services
- Data & Analytics solutions
- DevOps and automation
- Payments software and cards services
- Nordic healthcare and citizen services
- Product Development Services

Growth ambition

- >20%
- >10%

Key choices driving growth profile and business mix
Consistently improving digital business mix

**Revenue mix**
- **Digital**
  - Design, Customer Experience
  - Cloud, Data & Insights
  - Software/SaaS
  - Product Development Services
  - 2019: 49%
  - 2023: 60%
- **Transforming**
  - Managed services (apps and infra), packaged software, system integration
  - 2019: 29%
  - 2023: 27%
- **Traditional**
  - Custom infrastructure services, legacy applications and software
  - 2019: 22%
  - 2023: 13%

**Investment mix**
- >70%
- >20%
- <10%

*Offering development investments

- High growth in Digital Services driving sustainable growth
- DevOps and automation transforming managed services
- Accelerated decline in traditional infrastructure services with cloud adoption
- Investment level 4-5% of revenues focusing on Digital capabilities, AIOps and software development
Financial targets 2023: Driving attractive financial performance and shareholder returns

<table>
<thead>
<tr>
<th>Accelerating growth to 5% by 2023</th>
<th>EBITA adjusted 15% by 2023</th>
<th>One-time items ~1% of revenues by 2022</th>
<th>Increased dividends annually</th>
<th>Net debt/EBITDA &lt;2 by end of 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth*</td>
<td>Adjusted EBITA</td>
<td>One Time Items as % of revenue</td>
<td>Dividend per share**</td>
<td>Net debt / EBITDA</td>
</tr>
<tr>
<td>2.7%**</td>
<td>11.6%</td>
<td>~6%</td>
<td>€1.27</td>
<td>2.70</td>
</tr>
<tr>
<td>5%</td>
<td>15%</td>
<td>~1%</td>
<td></td>
<td>&lt;2</td>
</tr>
</tbody>
</table>

*Excluding large M&A, adjusted for FX. 2019 unofficial combined financials
**Baseline 2019 original dividend proposal of 1.27 €/share
Each business contributing to the overall financial ambition

<table>
<thead>
<tr>
<th></th>
<th>Growth by 2023</th>
<th>EBITA (adj) by 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Consulting</td>
<td>7–9%</td>
<td>15–17%</td>
</tr>
<tr>
<td>Cloud &amp; Infra</td>
<td>0–2%</td>
<td>11–13%</td>
</tr>
<tr>
<td>Industry Software</td>
<td>6–8%</td>
<td>20–22%</td>
</tr>
<tr>
<td>Financial Services Solutions</td>
<td>6–8%</td>
<td>18–22%</td>
</tr>
<tr>
<td>Product Development Services</td>
<td>8–10%</td>
<td>12–14%</td>
</tr>
<tr>
<td>TietoEVRY</td>
<td>5%</td>
<td>15%</td>
</tr>
</tbody>
</table>

- Scale data and cloud capabilities across Nordics and delivery centers
- Benchmarked productivity and automation
- Drive multi-cloud services reduce legacy
- Accelerate AIOps and global delivery
- SaaS, enhance functionality and market expansion
- Harmonized software R&D practices
- Expand banking, payments and cards
- Realize scale from investments
- Expand industry and market reach
- Continue efficiency drive and invest for scale
Accelerating growth to 5% by 2023

**Growth trajectory**
Growth % YoY

- **2019**
  - Merger of TietoEVRY
- **2020**
  - Year of integration + Covid-19
  - Year of integration
  - COVID-19 headwind in Q2-Q4
  - No COVID-19 headwind
- **H1 21**
  - Return to growth
- **H2 21**
  - Accelerated growth
- **2022**
  - Accelerated growth
  - Negative growth in H1’21 (vs H1’20) due to continued Covid-19 impact and lost customers pre-merger in Cloud & Infra
  - Accelerating growth in Financial Services Solutions
  - Digitalizing public services and healthcare with software
  - Digital Consulting growth momentum post Covid-19
  - Cloud & Infra driving cloud and AIOps
- **2023**
  - 5%
  - Year of integration + Covid-19
  - Growth trajectory continues

**Key drivers**
- Improving Digital business mix and possible bolt-on M&A
- Merger of TietoEVRY
- Accelerated growth
- No COVID-19 headwind
- Banking as a Service expansion in the Nordics
- Large national transformations in Healthcare and Welfare
- Scale of growth choices – Cloud, Data & insights, automated managed services and PDS
## Integration update: Consistently realizing the merger potential

<table>
<thead>
<tr>
<th>Merger driver</th>
<th>Progress to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common operations and cultural foundation</td>
<td>• Operating model and culture code launched</td>
</tr>
<tr>
<td>Synergies of 75M – efficiency and cost structure</td>
<td>• High employee engagement 76 (/100)</td>
</tr>
<tr>
<td>Fintech value proposition</td>
<td>• Synergy run-rate of 70-80M€ realized</td>
</tr>
<tr>
<td>Growth from complementary customer base</td>
<td>• Increased synergy ambition to 100M</td>
</tr>
<tr>
<td>Nordic Digital Consulting scale</td>
<td>• Initial synergies with service portfolio</td>
</tr>
<tr>
<td>Accelerate Cloud adoption in the Nordics</td>
<td>• Strong pipeline and deal closures</td>
</tr>
<tr>
<td></td>
<td>• Integrated go-to-market and services established</td>
</tr>
<tr>
<td></td>
<td>• Initial wins with common service portfolio</td>
</tr>
<tr>
<td></td>
<td>• Increased scale of services and investments</td>
</tr>
<tr>
<td></td>
<td>• Common delivery models incl. global delivery</td>
</tr>
<tr>
<td></td>
<td>• Redefined delivery models and partnerships</td>
</tr>
<tr>
<td></td>
<td>• AIOps and multi-cloud programs ongoing</td>
</tr>
</tbody>
</table>

Focus shifting to growth with integrated solutions and global scale
Systemic implementation building on the combined TietoEVRY capabilities from the merger

2020
Integration
Low growth and expand profits

Build integrated TietoEVRY, drive synergies and laying foundation for future performance

2021
Enable growth
Back to growth and expand profits

Back-to-growth post-Covid and realize merger – investments and portfolio optimization for growth

2022-23
Growth and expansion
Strong growth and profitability

Accelerate growth, digital capabilities and expand markets
Creating an exciting place to work

Nordic values
• Openness, Trust and Diversity

Lifelong learning
• Multiple curriculums
• Empowered communities and thought leaders

Purposeful work
• Building sustainable societies
• Corporate social responsibility

Inclusive workplace
• Flexibility and responsibility
• Engaging leadership
• Collaboration hubs

One of the largest communities of technology and business professionals in the Nordics
Enabling sustainable Digital societies at the core of our engagement and operations

**PEOPLE**

- **Gender balanced**
  Workforce by 2030
- **100%**
  Of employees feeling safe to speak up
- **≥75**
  Employee engagement score
- **Zero**
  Breaches of privacy

**PLANET**

- **100%**
  Reuse and recycling of hardware
- **100%**
  Use of green energy in datacenters and offices
- **80%**
  Reduction of CO2 emissions of in own operations 2020-2023
- **Avoided emissions**
  For customers exceed those created in own operations

**Net zero**
On carbon emissions 2025
Summary: Positioning TietoEVRY for growth

- Higher growth driven by accelerating digital adoption of Nordic enterprises and public sector
- Unlocking value of software businesses with higher scale and international expansion
- Expanding the value potential of the merger – synergies, growth and scale
- Upgraded financial targets to 5% growth and 15% EBITA adj by 2023
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tieto Evry
Advancing Nordic Digital

Thomas Nordås
Digital Consulting
Fundamental shift in Consulting and Application Services

From

- Engineer a process
- Build applications and get data
- Manage applications

To

- Advance a business
- Collect data and build applications
- Evolve my applications

Deliver as projects and continuous services

Deliver as DevOps – fast continuous development

The Nordics as a mature market leading the Digital leap

Covid-19 impacting in the short term while accelerating Digital

Digital Consulting at the core of Nordic transformation
Built on 50+ years of deep Nordic customer trust and insight

**Leading Nordic digital services**
Largest reach of Nordic enterprises and public sector with ~3 000 customers

- Finland 32%
- Sweden 36%
- Norway 32%

**Global capabilities for Nordics**
>6 500 professionals forming the largest Nordic Digital practices

- India 21%
- Czech 7%
- Finland 20%
- Norway 22%
- Other

**Services covering full spectrum**
Well positioned to drive customers’ Digital agenda

- Advisory
- Design / CX
- Data
- Apps

**Strong financial foundation**
Driving efficiencies from the merger while high Covid-19 impact during 2020

- Revenue 2019: 736 EUR million
- EBITA Adj. 2019: 12%

**Strong market momentum, impacted by Covid-19 during 2020**

Augmented by the merger: 2x capabilities and market reach

Building on deep customer knowledge and technology expertise
Digital capabilities at scale enabling a unique market position and provide competitive advantage for customers

Creating distinct designed experiences
Design, customer engagement and digital commerce

Reliable transformation to next cloud and agile
System and service integration, application and cloud native development

Advisory
Foundation for strategic decisions and execution
Business, industry, and technology advisory and enterprise architecture

CX

DEVOPS

Data
Capturing the full value of data and turning it to competitive advantage
Data integration, engineering, management and analytics

Apps

AUTOMATION
Highly engaging workplace combined with purposeful work and exciting technologies

Digital consulting team

- Meaningful work enhancing Nordic citizen experience and business outcomes
- Exciting careers across global technology ecosystem
- Global teams and networks, building collective knowledge
- Highly engaging workplace
- Value foundation of openness, trust and diversity

Continuous learning and growth
Our financial ambition by 2023

**Revenue growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth</td>
<td>~1%*</td>
<td>7-9%</td>
</tr>
</tbody>
</table>

**Adjusted EBITA**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITA</td>
<td>11.9%</td>
<td>15-17%</td>
</tr>
</tbody>
</table>

* Unofficial

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**Growth drivers**

- Scale of digital capabilities – Cloud native development, automated managed services, Data & Insights, DevOps
- Proactively transform traditional application services and system integration
- Expand managed application services footprint in Norway and Sweden

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**Profitability drivers**

- Automation of managed services (applications and infra)
- Learning programs enabling continuous reskilling
- Adaptive pricing models
- Global capability development
- Normal productivity development, e.g. utilization

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**Short-term business drivers**

- Covid-19 impact on growth to continue during H1/2021
- Emphasis on efficiency and productivity to continue
Business mix development supported by investments in digital capabilities

- Build digital capabilities on fast track – Cloud, Data and Design
- Proactively transform current outsourcing engagements to Devops
- High focus on automation of workflows across full stack for managed services
## Trusted partner for Nordic enterprises and public sector - advancing Digital

<table>
<thead>
<tr>
<th>A global machinery company</th>
<th>A leading Finnish retailer</th>
<th>An international industrial engineering company</th>
<th>A global crop nutrition company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capturing new growth opportunities with cloud and data</td>
<td>Advancing businesses with full-stack and automated managed services</td>
<td>Improving performance of marine engines through predictive maintenance</td>
<td>Enabling autonomous logistics operations with data driven solutions</td>
</tr>
<tr>
<td>A global forest-based bioindustry company</td>
<td>The largest earnings-related pension insurer in Finland</td>
<td>A global maritime industry group</td>
<td>The most popular mobile payment service in Sweden</td>
</tr>
<tr>
<td>Enabling operational efficiency through industrialized services</td>
<td>Advancing pension insurance core processes and Digital agenda</td>
<td>Application services enabling reliable global shipping operations</td>
<td>Foundation for interoperable and realtime payment solutions</td>
</tr>
<tr>
<td>A leading provider of cargo and load handling</td>
<td>One of the leading Finnish telecommunications operators</td>
<td>A leading Nordic parking solution provider</td>
<td>A global frontrunner in minerals processing</td>
</tr>
<tr>
<td>Enabling Digital commerce and self-service for spare parts</td>
<td>Unlocking growth with the backbone for online B2B and B2C sales</td>
<td>Co-creating next generation digital parking experience</td>
<td>Renewing digital customer journeys with a global digital sales platform</td>
</tr>
<tr>
<td>The city of Stockholm</td>
<td>An authority managing public transport in the Helsinki region</td>
<td>A regional health authority in Norway</td>
<td></td>
</tr>
<tr>
<td>Ensuring efficiency of core processes for resident experience and wellbeing</td>
<td>Pioneering intelligent transportation in the Nordics</td>
<td>Developing technology and applications for experience and care</td>
<td>Enabling efficiency of public services in the Nordics for 50+ years</td>
</tr>
</tbody>
</table>
Our winning formula

Foundation

- Market momentum
- Augmented by merger
- Proven capabilities

Critical success factors

- Proactive DevOps adoption and automation
- Speed of cloud and data capability build up

Accelerated growth and profitability expansion
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TietoEVRY software business
Leading software-driven digital transformation

Christian Segersven
Financial Services Solutions
Industry Software
Software driven transformation across multiple industries

Market growth drivers

- Customer centricity & experience
- Realtime services
- Automated operations powered by analytics and AI
- Security, Compliance and Regulation
- Integrated ecosystems and platforms
- Covid-19 digital acceleration
TietoEVRY software business
Leading software-driven digital transformation in high-growth industries

- Billing & Invoicing
- Energy Utilities and Oil & Gas
- Retail & Construction
- Forest, Pulp, Paper & Fibre
- Public Sector
- Information Services
- Health & Care

Industrial-tech
1 200 Employees

GOV-tech
2 300 Employees

TietoEVRY software business

FIN-tech
3 000 Employees

Financial Services Solutions

- Core Banking
- Financial Crime Prevention
- Card as a Service
- Banking as a Service
- Payments
- Wealth
- Credit
Focus on developing and running modern and scalable software platforms

- Banking Platform
- Payment Suite
- Health & Care portfolio
- Data & AI enablement
- Modernization of engineering operations
- Speech & face recognition
- User experience
- Focused investments
- Modern & scalable software
- Data & AI
- Innovation Factory
- Cloud / SaaS
- User group communities
- Design Lab
- All software’s available as SaaS
- 60% public cloud native by 2023
- AI powered automation
- Modern analytics technologies
Financial Services Solutions
The partner of choice for software-led transformation in Financial Services

Revenue 2019
434
EUR million
Share of group revenue
15%
EBITA Adj. 2019
13.6%

Services & Products
• Banking as a Service
• Cards as a Service
• Software Products: Payments, Credit, Core Banking, Wealth and Financial Crime Prevention

Customers and markets
• Nordic & Global Tier 1, regional financial institutions
• Central Banks and real-time payment infrastructure

Market position
• Leading FS power house in the Nordics
• Among the leaders in Payments, Cards and ATM globally
Financial Services industry driving consistent growth and accelerating demand for digital services

**Market dynamics**

- Realtime Transactions
- Seamless Customer Experience
- Regulations & Compliance
- Cost pressure
- Fraud and security
- Rapid cloud deployment
- Accelerated by Covid-19

**Relevant market growth (CAGR 2020–2023)**

<table>
<thead>
<tr>
<th>Service</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services software and solutions</td>
<td>5-6%</td>
</tr>
<tr>
<td>Payments Domain</td>
<td>8-9%</td>
</tr>
<tr>
<td>Banking as a Service</td>
<td>4-5%</td>
</tr>
<tr>
<td>Cards as a Service</td>
<td>7-8%</td>
</tr>
</tbody>
</table>
A merger for growth and expansion in the Nordics and globally

2019

Tieto
Financial Services Solutions

EVRY
Financial Services Solutions

2020

TietoEVRY
Financial Services Solutions (FSS)

Growth and portfolio synergies

Nordic Market
International Market

Portfolio synergies
Solution portfolio aligned to meet the needs of financial institutions in Nordics and globally

Scalable platforms

Cards as a service

Banking as a service

Unique software portfolio

Payments | Credit | Core banking
---------|--------|---------------

Wealth | Financial Crime Prevention

Flexible go to market

Unique Software portfolio - multiple delivery models (on-premise, SaaS and BPO)
Unlocking the scale through modernized portfolio and international expansion

<table>
<thead>
<tr>
<th>Scalable API-based cloud native banking platform, incl. BPO</th>
<th>Banking as a Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique and fully localized in Norway, Sweden and Finland</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Full value chain of card services and ATMs</th>
<th>Cards as a Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>#Top 1 Cards platform in Nordics and #3 in ATMs globally</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End-to-end automated solutions for credit process</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Lending solution, localized in Norway, Sweden and Finland</td>
<td>Targeted</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enabling payments in a real-time economy</th>
<th>Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>#Top 3 in Virtual Account Mgmt. and high growth in instant payments</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Streamlining savings &amp; pension operations</th>
<th>Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Investment core platforms in Norway and Sweden</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Modular core banking architecture built on international standards</th>
<th>Core Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully localized in Norway, Sweden, Finland and the Baltics</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Best of breed KYC / AML and Fraud detection</th>
<th>Financial Crime Prevention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully localized in Norway, Sweden and Finland</td>
<td>Targeted</td>
</tr>
</tbody>
</table>
The #1 Nordic Banking Platform

End-to-end provision of full-scale retail and commercial banking services

<table>
<thead>
<tr>
<th>Customer centric</th>
<th>Advising &amp; Sales</th>
<th>Daily Banking</th>
<th>Self-Service Channels</th>
<th>ATM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cards</td>
<td>Loans &amp; Finance</td>
<td>Payments</td>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Issuing</td>
<td>Leans</td>
<td>Payments</td>
<td>Deposits</td>
<td></td>
</tr>
<tr>
<td>Acquiring</td>
<td>Corporate Lending</td>
<td>Cash Management</td>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Card production</td>
<td>Finance</td>
<td>Foreign Exchange</td>
<td>Investment</td>
<td></td>
</tr>
<tr>
<td>Switching</td>
<td>Loan Servicing</td>
<td>Financial Messaging</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TietoEVRY Banking Platform

End-to-end digital banking platform
50 Nordic banks onboarded
Fully localized in Norway, Sweden and Finland
Modular architecture
Flexibility and differentiation through product configuration
Ecosystem of partners and integrated solutions

Business outcomes
Onboarded banks show best Cost/Income ratio
Superior Customer Experience
Cost efficient compliance

Bank Customer Services
- Advising & Sales
- Daily Banking
- Self-Service Channels
- ATM

Card Management
- Issuing
- Acquiring
- Card production
- Switching

Payment Services
- Loans
- Corporate Lending
- Finance
- Loan Servicing

Loan Management
- Loans
- Payments
- Financial Messaging

Data Management
- Risk Management
- Enterprise content Management
- Card Security

Security
- Authentication
- Electronic Signature
- Fraud Prevention
Financial Services Solutions financial ambition by 2023

Revenue growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>~3%*</td>
<td>6-8%</td>
<td></td>
</tr>
</tbody>
</table>

Adjusted EBITA

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.6%</td>
<td>18-22%</td>
<td></td>
</tr>
</tbody>
</table>

Growth drivers

- Aggressive expansion in Nordic Banking Platform
- New Tier 1 customers in Payments
- Expansion of Credit market footprint
- Significant market expansion in Cards
- High Growth in Financial Crime Prevention

Profitability drivers

- Scale of global delivery
- R&D efficiency
- Technology harmonization
- SaaS adoption

* Unofficial
Creating digital advantage for millions of customers every day

Some recent wins

**SEB**
SEB implementing virtual account management solution

**DNB**
Transaction monitoring to prevent card fraud for DNB

**Maldives Monetary Authority**
Maldives Monetary Authority implementing Instant Payments Solution

**OP**
OP to pilot biometric payment cards

**Nordea**
TietoEVRY enters a five-year partnership with Nordea to deliver card services

Providing Nordea with a state-of-the-art card service that includes card issuing and processing as well as a dispute process for Norway and Sweden
Industry Software
The partner of choice for software-led transformation in Public and Industrial sector

Revenue 2019
509 EUR million

Share of group revenue
17%

EBITA Adj. 2019
14.6%

Services
Government-Tech
- Health & Care
- Public sector process digitalization and case management
- Information Services

Industrial-Tech
- Energy and Oil & Gas
- Forest, Pulp, Paper & Fiber

Customers and markets
- Central governments
- Municipalities
- Hospitals & Healthcare providers
- Energy industry
- Global Pulp, paper & fiber industry

Market position
- #1 in Nordic Health & Care
- #1 in Nordic Education & Case management
- #1 globally in Hydrocarbon Accounting
- World Leading forest IT specialist
Industry Software is at the forefront of software-led transformation

Market dynamics

- COVID-19 pressure on public sector budgets and international business
- Realtime customer experience
- Rapid acceptance of cloud deployments
- Health & Care national initiatives: UNA & SOTE, AKSON
- Public Sector: efficiency and workplace modernization and public tenders
- Energy: O&G rapid impact of declining oil revenues and transition to sustainable sources

Relevant market growth (CAGR 2020–2023)

<table>
<thead>
<tr>
<th>Sector</th>
<th>CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Care Sector</td>
<td>5-6%</td>
</tr>
<tr>
<td>Public Sector</td>
<td>4-5%</td>
</tr>
<tr>
<td>Energy Sector</td>
<td>3-4%</td>
</tr>
<tr>
<td>Forest Industry</td>
<td>6-7%</td>
</tr>
</tbody>
</table>
Unlocking the scale through renewed solutions and international expansion

<table>
<thead>
<tr>
<th>Feature</th>
<th>Scalable Services</th>
<th>Modular Software</th>
<th>SaaS</th>
<th>International Market Expansion</th>
<th>Global Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full coverage of hospital information processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modularized, openEHR based architecture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated solutions for family care and elderly care</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#1 in Nordics, localized in Norway, Finland and Sweden</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single view of patient information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cloud analytics for Healthcare, Welfare and clinical research</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and Gas management systems and logistics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World leading hydrocarbon management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing processing software for paper, pulp, &amp; fiber products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Leading Pulp &amp; Paper Mill Execution System (MES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digitalization of public sector processes &amp; Case management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top #3 in Nordics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billing &amp; Invoicing, Industrial messages and citizen’s data management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading B2B and B2C information exchange in Nordics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TietoEVRY software for GOV-tech
Impacting the lives of over +20 million citizens in the Nordics

Customer base:
- Public Sector: Governments, Regions, Municipalities
- Information Services: Governments, Regions, Municipalities
- Health & Care: Private, University & Regional hospitals; Primary care centres & municipalities

Customer base:
- Public Sector: Governments, Regions, Municipalities
- Health & Care: Hospital Information System; Primary and secondary care; Laboratory & Digital Diagnostics; Clinical systems & Imaging; Elderly and home care; Family and childcare
- Information Services: Case management, E-archiving, HR & Payroll systems; Student management and Online education tools

Customer base:
- Information Services: Data marketplaces; Data Analytics Platforms; Data Quality Improvement tools

#1 in Nordic Health & Care serving 1500+ public & private care givers
#1 in Nordic for Education & Case management serving 500+ public & private bodies
#1 in Norway on real-time data for citizens with www.infotorg.no
TietoEVRY software for Industrial-tech
Ensuring business continuity and modernization for companies and industries world-wide

Billing & Invoicing, Industry message

- Klarna
- DNB
- swish

Pulp, Paper & Fibre

- MM
- Metsä
- Ahlstrom
- UPM

Energy

- CHN
- Shell
- ELLEVIO

Retail and Construction

- BEIJER
- OPTIMERA

- Multi-channel billing & invoicing
- B2B integration platform (order management and swift bureau)

- Wood purchasing & production planning
- Mill Execution System (MES)

- Energy Utilities
- Oil & Gas

- ERP (Enterprise resource planning)
- Logistic planning

Leading in invoicing & Enterprise Messaging in the Nordics

Leading in invoicing & Enterprise Messaging in the Nordics

Our MES solutions running 300+ paper mills worldwide

#1 globally in Hydrocarbon Accounting with 100+ global customers

400+ customers in the construction segment using our ERP solution
Industry Software financial ambition by 2023

Revenue growth

<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
<td>14.6%</td>
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<td>20-22%</td>
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</tbody>
</table>

Growth drivers

- Health & Care domain
- Rapid expansion in the digitalization of public sector
- Consistent demand in industrial sector

Profitability drivers

- Scale of global delivery
- R&D efficiency
- Technology harmonization
- SaaS adoption

* Unofficial
Creating digital advantage for millions of customers every day

Some recent customer wins

**Region Stockholm**

Region Stockholm to facilitate more accessible healthcare to better respond to future care needs

**Ahlstrom Munksjö**

Digitalizing and modernizing over 40 plants for Ahlstrom-Munksjö with our Mill Execution Software (MES)

**Innovation Norway**

Digitalizing case and document management with P360 for Innovation Norway across 30 countries to improve efficiency and collaboration

**K**

B2B integration and messaging services supporting purchase-to-pay and order-to-cash processes utilizing our Industry messaging platform

**Reliance Industries Limited**

First deal ever in the Indian oil and gas industry signed with Reliance Industries, implementing our Hydrocarbon Management Software

During 2020, our Welfare unit secured - 14 new Swedish municipalities - 50 new municipalities in Norway - onboarded 40 municipalities to the Finnish national service Kanta, digitalizing social care in the Nordics
TietoEVRY software creates Digital Advantage for people, business and society

Great Industry know-how

Proven impact

Stable pipeline

Competitive software products

Solid trajectory

A foundation for growth and expansion
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The digital heartbeat of the Nordic society

Johan Torstensson
Cloud & Infra
Companies that succeed in harnessing (new) data, cloud and hyper-connectivity, will be the new industry leaders.
The Nordic market leader in Cloud and Infrastructure Managed Services

**Services**

Advisory, Transformational and Managed services for:

- Multicloud, including public, private and hybrid cloud
- Edge compute and connected devices
- Application operations
- Digital workspace
- Cybersecurity
- Traditional Infrastructure services, including midrange and mainframe

**Customers and markets**

- Serving enterprises headquartered in the Nordics
- Nordic public sector

**Market position**

#1 in Managed Services & Cloud Infrastructure Services in Finland, Sweden & Norway in 2018 & 2019*

- Leader in hosted private clouds in Nordics
- Accelerating in managed public cloud

**Revenue 2019**

1 005 EUR million

**Share of group revenue**

34%

**EBITA Adj. 2019**

11.2%
Data growth fuelled by digital technologies and software-driven business models

Automation, Analytics and AI driving the Autonomous Enterprise

+500%
Data growth by 2025. From 32ZB in 2018 to 175ZB in 2025

Connected devices, Edge and 5G are driving new business models

500 million
By 2023, over 500 million new digital apps and services developed using cloud native approaches

Multicloud, the new foundation for transformations at scale

45%
Over 45% of IT spending in the segments included as part of cloud shift will have shifted to cloud by 2024 (up from 33% in 2020)

Cybersecurity threats and compliance demands drive complexity and demand for security services

80%
By year-end 2023 more than 80% of companies worldwide will be facing at least one privacy-focused data protection regulation

1. EU, European Data Strategy
To drive Digital Advantage, enterprises need digital platforms accelerating change.

**Digital platform requirements**

- Operationally **stable** and **resilient** supporting business continuity
- **Connected** to a wider technology ecosystem to enable data democratization
- **Secure** data from cybersecurity threats
- **Compliant** with industry-specific regulation and local legislation
- **Highly automated** to support business agility and innovation
- **Fit for purpose** and **cost efficient** to ensure maximum return on digital investments
Enabling our customers to focus on their transformation towards Digital Advantage

We connect, protect and manage Digital Business Data and Enterprise IT Data

- Supporting the customers’ journey to a multicloud ecosystem and managing the diversity in a sustainable manner
- Providing Edge compute to support efficient data collection and analytics from connected devices
- Providing regulatory compliant services and protect privacy through the lifecycle of the data
- Connecting Digital Business Data with Enterprise IT Data, enabling new insights and business value for the customer

Over 300 current Enterprise IT customers
Moving from traditional outsourcing to advisory led services – connecting, protecting & managing data with intelligent automation

**Our growth areas**

**Multicloud**
- Cloud migration & transformation
- Multicloud management
- Public, private & hybrid cloud operations

**Connected devices & Edge**
- Connected devices
- IoT management
- Edge services
- Connectivity services

**Security & Compliance**
- Managed identity across the ecosystem
- End to end zero-trust access
- Security Operations Center driven by AI and machine learning

**Enterprise IT-aaS**
- Management of complete application value chains including infrastructure
- Workspace & digital touchpoints

Secure and compliant by design, automated by AIOps
Our winning formula is our unique combination

**Full-scale service integrator**
Service portfolio spanning from mainframe to public cloud & connected devices for a holistic and integrated service experience

**Nordic presence**
Unique talent pool of advisors and experts with local market & industry knowledge, contributing to customer value creation

**Flexible delivery models & data location**
Choice of local, EU and global expertise to meet market cost expectations. Data location to meet customer demands & regulations

**Strong partner ecosystem**
Access to the latest technologies to provide innovation at speed for our customers
Evolving to an integrator of cloud-based & data-driven digital business

**Services**
- Multicloud
- Connected Devices & Edge
- Cybersecurity
- Enterprise-IT-as-a-service
- Advisory led services
- Private clouds
- Application operations
- Workspace services
- Traditional infrastructure capacity services
- HW&SW sales

**2023 projection**
- UP 20–30%
- UP 1–3%
- DOWN 10–20%

**Drivers**
- **Digital business driven demand**
  - Higher customer value/advantage by co-creation
  - Advisory led
  - Integrated partner ecosystem solutions
  - Asset light
- **Technology driven demand**
  - Maturing market
  - Requires high standardization
  - Economies of scale
  - Asset heavy
- **Cost driven demand**
  - Asset heavy
  - Customization at scale
  - Mature technologies

**Future prediction**
- in 5+ years
Increased scale & AIOps automation as key profit drivers

**Increased scale**
Greater combined workload volume post merger

**Advisory led portfolio**
Advisory and transformation services providing increased revenue

**Tech partnerships**
From 'build our own' platforms to co-creation with partners. Less investment cost, greater speed

**AIOps automation**
Customer solutions with intelligent automation as a core

**Service consolidation**
Consolidation of services including target platforms, data centers & tools driving efficiencies

**Procurement power**
Combined scope providing stronger buying power and better discounts
Customer focused transformation to support growth ambitions

2020
Merging capabilities

- Create multicloud capabilities (with partners)
- IBM workload insourced (transition & trim)
- First wave service consolidation

2021
Transformation & Growth

- Cloud acceleration & IBM workload transformation
- Edge & connected devices – proven services in the market
- Security & compliance portfolio enhancements
- Accelerating AIOps automated customer base
- Second wave service consolidation (tools & data centers)

2022–23
Growth Acceleration

- Multicloud services at scale
- AIOps automation at scale
- Edge & connected devices – continued growth journey
- Targeted security & compliance posture across all services

Total investments in growth is 4-7% of revenue, of this:

- 4-6% for transforming and new platforms (CAPEX)
- 0.5-1% in development of new and innovative services
Our financial ambition by 2023

Revenue growth

Adjusted EBITA

Growth drivers
- Multicloud transformation at scale
- Digital business data growth
- Demand for in-country compliant services
- Joint go-to-market with technology partners

Profitability drivers
- Increased scale
- AIOps automation
- Service consolidation
- Advisory led portfolio
- Technology partnerships
- Procurement power

Short-term business drivers
- Temporarily lower profitability until summer 2021 due to lost customers pre-merger, Covid-19 impact and incremental costs in IBM related quality improvement
- High focus on efficiency and automation to ensure optimal cost structure

* Unofficial
Multicloud

“As a responsible company, we are continuously looking for ways to improve our business, enable a smooth customer experience and manage our customers’ pension assets in a cost-efficient and secure manner. By expanding cloud services, we will accomplish savings and strengthen both the digitalization of customer processes and the flexibility of service development.”

Mikko Lantto
Ilmarinen's Director of Technology and Development

Security & Compliance

“When we enter the market, we look not only for a good operating partner but also a good competence partner who, in this case, can give the cloud service an added value.”

Ottar Sverre Bakken,
Director of Digital joint solutions at DigDir

Enterprise IT-aaS

“We’ve carefully scanned our options and decided on leading technology companies, including our strategic partner TietoEVRY which has proven strong capabilities to help build digital leadership, accelerate our growth, and ensure business continuity. Large scale automation of IT services will provide considerable improvements in quality and cost-efficiency”.

Arto Hiltunen
CIO, Kesko

Connected Devices & Edge

TietoEVRY has developed a self-taught data model using taste descriptions of wine with a result of 91.8% correct match, by combining machine learning and AI that gives an optimal in-store experience with services for physical stores and at the same time reflecting the increasing demand of online shopping.
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Our growth areas are already taking off

**Multicloud**
“As a responsible company, we are continuously looking for ways to improve our business, enable a smooth customer experience and manage our customers’ pension assets in a cost-efficient and secure manner. By expanding cloud services, we will accomplish savings and strengthen both the digitalization of customer processes and the flexibility of service development”.

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Enabling the hyper connected experience globally

Harri Salomaa
Product Development Services
Building digital technology for the hyper connected devices and experiences

Connected, mobile & data-rich products

Communications and Computing Convergence

Accelerated innovation through data software

Infinite possibilities

- Drones
- Robotics
- Predictive Intelligence
- Medical devices
- Mixed reality
- Applied Artificial Intelligence
- Autonomous Vehicles
- Wearables
- Intelligent Devices, Networks & Solutions

5G Radio Technology
5G Data Infrastructure
5G Cloud Native
Intelligent & High-Speed Computing platforms

Embedded SW
Connectivity
Orchestration
World-class SW engineering services provider for Original Equipment Manufacturers

Revenues 2019
147 EUR million

Share of Group revenue
5%

EBITA Adj. 2019
10.1%

Services
- We design and develop software for the world’s most advanced technology companies, as their strategic supplier, complementing their own R&D
- Focus on high-end software development services with excellent value for money
- We accelerate our customer’s time to market and innovation in core product development, through deep domain expertise and best in class software engineering practices

Customers and markets
- Leading global OEMs in Telecom, Automotive, Electronics and their technology suppliers such as semiconductor vendors
- Expanding customer base with over 60 international customers

Market position
#1 in Europe in Telecom
- One of the globally leading software R&D services player in connectivity and networking technologies

Restated numbers
Acceleration in 5G, vehicle digitalization and advanced electronics drive demand for our services

5G Transformation and Rollout

Mobile Connections*

<table>
<thead>
<tr>
<th>Year</th>
<th>2G</th>
<th>3G</th>
<th>4G</th>
<th>5G</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15%</td>
<td>18%</td>
<td>56%</td>
<td>58%</td>
</tr>
<tr>
<td>2025</td>
<td>9 Bn</td>
<td>8%</td>
<td>23%</td>
<td>18%</td>
</tr>
</tbody>
</table>

 Operators will invest $1.1 trillion in their networks globally in the next five years; ~80% will be in 5G

Vehicle Digitalization, SW Complexity

In-Vehicle Software Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Safety Systems</th>
<th>Infotainment, Telematics</th>
<th>Powertrain &amp; Chassis</th>
<th>OS &amp; middleware</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>36%</td>
<td>36%</td>
<td>27%</td>
<td>36%</td>
</tr>
<tr>
<td>2025</td>
<td>36%</td>
<td>36%</td>
<td>31%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Vehicle OEMs increasingly investing in Software R&D and recurring revenue services enabled by software

Convergence of Advanced Software in Electronics

Electronics R&D spend per vertical

<table>
<thead>
<tr>
<th>Vertical</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>$36 Bn</td>
<td>$88 Bn</td>
</tr>
<tr>
<td>Industrial</td>
<td>$36 Bn</td>
<td>$27 Bn</td>
</tr>
<tr>
<td>Smart medical devices</td>
<td>$36 Bn</td>
<td>$36 Bn</td>
</tr>
</tbody>
</table>

 Accelerated innovation through software (embedded, cloud native) and connectivity (5G)

Sources: GSMA Intelligence, Deloitte, IHS Markit, McKinsey, own sources
Strong service portfolio to address growth opportunities

Business mix

<table>
<thead>
<tr>
<th>Year</th>
<th>Telecom</th>
<th>Automotive</th>
<th>Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Industry-specific software process, development tools & certifications

- Telecom
  - Radio access
  - Network and cloud edge
  - Core networks
  - Service orchestration
  - Software defined and cloud native infrastructure development

- Automotive
  - Digital cockpit
  - Drivers assistance and autonomous driving
  - Connected vehicle
  - High performance computing

- Electronics
  - Data-rich products and services
  - Embedded system software
  - Rich multimedia
  - Advanced connectivity
  - Ecosystem enablement
  - Internet of things services

Continuous software delivery

- AGILE, DEVOPS, AUTOMATION
- Design
- Develop
- Monitor
- Update
- Test, integrate, deliver
- Deploy and release
Winning formula to reach our wanted position

- **Track record delivering large projects**
  Can operate independently, be responsible for complex programs and full lifecycle

- **Deep domain expertise and scale**
  Industry, product and technology expertise with global delivery model

- **Industry-specific software process, tools and certifications**
  Greater productivity with modern software engineering practices tailored for industry and product requirements

- **Excellent customer satisfaction**
  Leading quality on deliveries paired with transparency, trust and customer proximity

World-class software engineering services provider in emerging communications and data rich products and services

- Leader in Telecom
  #1 in Cloud radio access networks worldwide

- Leader in Automotive
  #1 in Automotive high-performance computing in Europe
Our financial ambition by 2023

### Revenue growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>~8%*</td>
<td>8-10%</td>
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### Adjusted EBITA

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<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability</td>
<td>10.1%</td>
<td>12-14%</td>
</tr>
</tbody>
</table>

### Growth drivers

- +300M€ addressable market in 5G and Automotive CASE (Connected, Autonomous, Shared, Electric)
- Increased share of wallet through strategic supplier status with customers
- Customer base expansion to adjacent industries such as intelligent electronics

### Profitability drivers

- Higher value-added services improving business mix and profitability
- Lean operations reducing operative costs
- Further increase in offshoring
- Change in business models

* Unofficial
Drone Light Show
Intersection of art, science, and technology

Challenge
How to simplify the design and production of world class light and music shows with large drone fleets

How TietoEVRY helped
Created an easy to use custom software tool to help show production teams design, animate, simulate, perform and automate drone light shows

Customer value
- Over 1 000 drone light shows performed in over 24 countries
- Performance in world class events such as the Winter Olympics
- World record set with +2 000 Drones flying simultaneously

Leading Semiconductor Vendor
The customer is one of largest semiconductor companies in the world, a technology leader and innovator

Case: 

Connected Data Rich Application
Intelligent electronics
Goodyear Proactive Solutions
Predictive monitoring and maintenance

Challenge
How to leverage Goodyear’s unique expertise in Tyres to create a predictive maintenance solution to help increase safety, reduce downtime, lower fuel costs and improve decision making for large vehicle fleet operators

How TietoEVRY helped
• Development of the scalable cloud native IoT platform incl. multiple real time mobile and web application for fleet managers and drivers.
• Responsibility for areas of SW design, SW development, quality assurance and the platform monitoring and operations.

Customer value
Successfully launched a new revenue generating digital service, delivering their value promise:
• 85% less heavy-duty tire failures though automated tyre analysis on thousands of fleet vehicles
• Reduced Fleet Operator’s CO2 emissions and fuel consumption through improved real time logistics

Goodyear provides the automotive professionals with a unique full suite of data-based solutions featuring advanced telematics and patented predictive technology.

Case:
http://proactive.goodyear.com
Ready to embrace the growth opportunity

<table>
<thead>
<tr>
<th>Market growth drivers</th>
<th>Our growth drivers</th>
<th>Objectives/Ambition</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5G transformation and rollout</td>
<td>Telecom 5G &amp; cloud transformation, automotive OEMs investment in vehicle digitalization and advanced software for electronics</td>
<td>8-10% YoY growth and 12-14% EBITA Adj.</td>
<td>Leverage existing customers, ecosystems, talent and accelerate organic growth</td>
</tr>
<tr>
<td>Automotive CASE (Connected, Autonomous, Shared, Electric)</td>
<td>Connected, mobile and data rich products</td>
<td>#1 market position in selected growth areas</td>
<td></td>
</tr>
</tbody>
</table>
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Country overview

Ari Järvelä, Head of Operations
Satu Kiiskinen, Managing Partner Finland
Karin Schreil, Managing Partner Sweden
Christian Pedersen, Managing Partner Norway
Serving customers in 90 countries worldwide

Revenue
~300 mEUR
from international businesses in 2019

*Comparable revenue 2019 for illustrative purposes, incl PDS (EVRY included for the full year)
Nordics
Headcount ~ 12,000

Russia and Baltic countries
Headcount ~ 1,500

Eastern Europe
Headcount ~ 5,300

Central Europe
Headcount ~ 500

India
Headcount ~ 4,200

China and Far East
Headcount ~ 500

Cloud & Infra
Financial Services Solutions
Digital Consulting
Industry Software
Product Development Services
International Operations

24,000 professionals globally

Headcount 2020 YTD
**Norway**
- Headcount: ~4,200
- Revenue: ~900 mEUR *)

**Sweden**
- Headcount: ~4,500
- Revenue: ~1,030 mEUR *)

**Finland**
- Headcount: ~3,300
- Revenue: ~720 mEUR *)

*) Comparable revenue 2019 for illustrative purposes, incl PDS (EVRY included for the full year)
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Growth with margin expansion

Tomi Hyryläinen
CFO
Financial targets 2023

Accelerating growth to 5% by 2023

Revenue growth*

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EBITA adjusted increase to 15% by 2023

Adjusted EBITA

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.6%</td>
<td></td>
<td>15%</td>
</tr>
</tbody>
</table>

One-time items ~1% of revenues post 2021

One Time Items as % of revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>2020E</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>~6%</td>
<td>~1%</td>
<td></td>
</tr>
</tbody>
</table>

Increased dividends annually

Dividend per share**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>€1.27</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net debt/EBITDA <2 by end of 2022

Net debt / EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.70</td>
<td></td>
<td>&lt;2</td>
</tr>
</tbody>
</table>

*Excluding large M&A, adjusted for FX. 2019 unofficial combined financials

**Baseline 2019 original dividend proposal of 1.27 €/share
Synergies fully delivered by 2023 contributing to 15% adjusted EBITA

**Adjusted EBITA margin %**

- **2019**: 11.6%
- **Salary inflation** 2-4% annually
- **Other inflationary costs and price erosion**
- **Productivity improvement**
- **Synergies** Delivering 100M synergies
- **Growth and business mix** Profitable growth from improved business mix

**Target 2023**: 15%

Annual improvements through:
- Workforce productivity
- Offshoring
- Automation and standardization
- Price increases
Inflation mitigated through productivity improvement

**Offshoring**
Tieto increased offshoring from 46% to 51% during 2015-2019

**Automation and standardization**
IT Service management tools
*Drive AIOps* across applications and infrastructure services

**Workforce productivity**
High attention on productivity metric e.g. utilization/billing ratio and cost/FTE
Graduate entry level programs enabling optimal workforce management

**Price increase**
TietoEVRY is able to increase revenue appr. **0.5-1% per annum** from contractual price increases

### EBITA adj.%
<table>
<thead>
<tr>
<th>Year</th>
<th>Tieto</th>
<th>EVRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>10.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>2018</td>
<td>10.5%</td>
<td>12.3%</td>
</tr>
<tr>
<td>2019</td>
<td>11.3%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

*EBITA adj.% - Salary inflation, Tieto, EVRY*
Merger efficiency realization on track to achieve EUR 100 million

- Target merger efficiencies at **EUR 100 million**, with run rate of **EUR 70-80 million** executed by end of 2020
- **2020 full year** efficiencies around **EUR 25-30 million**
- Total estimated one-time **integration costs reduced** to EUR 110-120 million (previously EUR 120-140 million)
- One-time integration costs for 2020 estimated to be EUR 80-85 million

EUR 100 million merger efficiencies achieved within three years

Merger efficiency run-rate at end of year (EUR million)

- 2020: 70-80
- 2021: 15-20
- 2022: 5-10
- Total: 100

EUR 110-120 million of one-time integration cost expected in 2020-2022
Significant reduction in one-time items

One-time items development (EUR million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Non integration</th>
<th>Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>~80</td>
<td>40-55</td>
</tr>
<tr>
<td>2021</td>
<td>80-85</td>
<td>~1% of revenue</td>
</tr>
<tr>
<td>2022</td>
<td>30-40</td>
<td>~1% of revenue</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

One-time items exceptionally high in 2020

From 2022 to stabilize around 1% of revenue over time, primarily related to potential business restructuring and M&A activity

One-time items are financial items which TietoEVRY adjust for in its Alternative Performance Measures (APMs). The company believes these measures provide meaningful supplemental information to the financial measures prepared in accordance with IFRS.
Significant free cash flow improvement

Free cash flow (FCF)

<table>
<thead>
<tr>
<th>Year</th>
<th>Synergy contribution*</th>
<th>One-time items</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>25-30</td>
<td>105-115*</td>
</tr>
<tr>
<td>2021</td>
<td>75-85</td>
<td>45-55*</td>
</tr>
<tr>
<td>2022</td>
<td>50-100</td>
<td>-1%**</td>
</tr>
<tr>
<td>2023</td>
<td>100</td>
<td>-1%**</td>
</tr>
</tbody>
</table>

Disciplined working capital management supporting FCF

- Managing payment terms and schedules in the customer contracts
- Managing payment terms in the supplier contracts
- Efficient dunning process
- Working capital financing tools

*meur cash impact
** % of revenue
Investing in the business to support growth objectives

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Key investments</th>
<th>Investment level</th>
<th>Fixed assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>Services &amp; solutions</td>
<td>4-5% of revenue, of which 1-2% CAPEX</td>
<td>Economies of scale and increased efficiency</td>
</tr>
<tr>
<td>Software-driven transformation across multiple industries</td>
<td>Demand for new digital services</td>
<td>• Banking platform • Payment suite • Health &amp; Care portfolio</td>
<td>• Cloud transformation • Tech refresh</td>
</tr>
<tr>
<td>• Financial services • Health &amp; care</td>
<td>• Public and multi-cloud • Data and AI enablement • Cybersecurity &amp; privacy</td>
<td>• Solution accelerators – Public cloud, Data &amp; Insights and DevOps • Multicloud, AIOps for Applications and Infra • Cyber security solutions</td>
<td>• Technology refresh of infrastructure assets • Datacenter and facility investments</td>
</tr>
<tr>
<td>1.5-2% of revenue, all CAPEX</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Confidential
**Capital allocation priorities aligned with growth ambitions**

<table>
<thead>
<tr>
<th>Investing into the businesses</th>
<th>Investing in growth areas to support the 5% growth target of 2023</th>
</tr>
</thead>
</table>

**Use of free cash flow**

<table>
<thead>
<tr>
<th></th>
<th>Dividend</th>
<th>Increased dividends annually*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dividend</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Deleveraging</td>
<td>&lt;2 Net debt/EBITDA by 2022</td>
</tr>
<tr>
<td></td>
<td>M&amp;A</td>
<td>M&amp;A supporting growth</td>
</tr>
<tr>
<td>3</td>
<td>Distribution of excess capital</td>
<td>Extraordinary dividend</td>
</tr>
</tbody>
</table>

*baseline 2019 original dividend proposal of 1.27 €/share
## TietoEVRY offers an attractive investment opportunity

**Maximizing total shareholder return**

<table>
<thead>
<tr>
<th>Dividend</th>
<th>Increased dividends annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price appreciation</td>
<td>• Improved growth profile - 5%</td>
</tr>
<tr>
<td></td>
<td>• Improved profitability - 15% Adj EBITA</td>
</tr>
<tr>
<td></td>
<td>• Improved Free Cash Flow</td>
</tr>
<tr>
<td></td>
<td>• Realizing the full value potential from FSS and IS software businesses</td>
</tr>
</tbody>
</table>
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