



**netum**

**Netum Group Plc**  
**Annual report**  
**1 January–**  
**31 December 2021**

# Contents

CEO's greetings.....	2
Report of the Board of Directors 1 January–31 December 2021 .....	4
Revenue, orders received and profitability.....	4
Financing and shares.....	5
Capital expenditure .....	5
Research and development .....	5
Risk management.....	6
Employees .....	6
Corporate responsibility .....	6
Governance.....	6
Outlook and events after the reporting period.....	7
The impact of the coronavirus pandemic on the Group companies' operations .....	7
The Board's proposal on the use of profit .....	7
Financial statements.....	8
Consolidated income statement.....	8
Consolidated balance sheet .....	9
Consolidated statement of cash flows .....	11
Parent company's income statement.....	12
Parent company's balance sheet .....	13
Parent company's statement of cash flows .....	15
Notes.....	16
Accounting policies.....	16
Exceptional events during the financial year .....	17
Notes to the income statement.....	18
Notes to the assets.....	19
Notes to the liabilities.....	20
Commitments and contingent liabilities .....	21
Change in capital and reserves.....	22
Signature of the financial statements .....	23
The Auditor's note .....	23
Auditor's report.....	24



## CEO's greetings



2021 was a year of significant events for Netum. Our listing on the First North marketplace in June and the acquisition of Cerion Solutions in October were major leaps in the implementation of our growth strategy. The six-year framework agreement signed with the KEHA Centre at the beginning of the year increased predictability and laid the foundation for strong business growth for years to come. It was also gratifying that the production of the first phase of the large-scale EURA 2021 project was successfully started in September.

Our revenue increased 28 per cent from previous year and was EUR 22.4 million. Our growth was boosted by an acquisition, but our organic growth was also stronger than expected, at 20 percent from the previous year. The corona pandemic caused the postponement of some projects, but the impact on full-year revenue remained limited. Our growth is driven by successful recruitment, successful new customer acquisition and high customer satisfaction. To meet the expected demand, we hired staff on a front-loaded basis. The rapid growth in the number of employees and the weaker-than-expected profitability of a fixed-price customer project slightly reduced our relative profitability, which, however, remained at a good level, exceeding our medium-term target.

In line with our strategy, we invested in developing our cyber security services business during 2021. We centralised our long-term security experience and expertise as a separate Cyber Security Services business, and the unit's business development was excellent during the year. The need for cyber security services is increasing as digitalisation, cyber security threats and hacking become more widespread, and this area continues to have strong growth prospects.

During the spring, we prepared for our June IPO, which was even more successful than we expected. To support our growth, we raised gross assets of EUR 8 million. The listing also supported our strategic goals by increasing our reputation as an attractive employer and a responsible, competent IT service house. We acquired significant Finnish institutional investors as well as a pleasingly large number of private investors as our shareholders. In total, Netum acquired approximately 6,000 new owners. I am especially proud that our staff actively participated in the share issue.

In October, we acquired Cerion Solutions Oy, a specialist in knowledge management and digitalisation. With Cerion, we have become an even stronger player in knowledge management. The integration of Cerion Solutions is progressing according to plan and the collaboration has started well. We are pleased to say that our corporate culture and practices are even more in line than what we initially expected. With the acquisition of Cerion Solutions, our customer base expanded, especially with corporate and social and health services customers and we strengthened our foothold in the Turku economic area. The number of our personnel increased in 2021 by approximately 90 employees, 38 of whom came with the acquisition of Cerion Solutions. In the beginning of 2022, the number of our personnel has grown by 18 and was 235 on 8 March.

We want to be the preferred employer in our industry and provide a fair and pluralistic work community where employees feel good and prosper. We have succeeded for instance in creating remote working practices and conditions, and the work atmosphere has remained good in the midst of change. This is evidenced by our turnover rate, which in 2021 was 6.8%. Since 2017, we have conducted an annual survey for our personnel, which measures the meaningfulness of work and coping at work. Based on the survey, we have made improvements to our operations, and the effects are visible: the measurement results have improved every year, and in the 2021 survey, we got the best

figures in the history of measurement. In 2021, we also were awarded with the Great Place to Work certification as a good employer.

In addition to a prospering and satisfied personnel, the responsibility program we launched last year also emphasises environmental friendliness, which we see in practice as the use of green electricity and prudential recycling of equipment. They are important ways for us to reduce the environmental impact of our own operations. Our commitment to sustainable practices is evidenced by the WWF's Green Office certificate, which we received for our Tampere's Yliopistonkatu office, and the certification work will continue in our other offices this year.

On March 8, 2022, we announced our new financial targets and updated growth strategy. By 2025, we aim for a turnover of EUR 50 million and an annual profitability of at least 14% (EBITA). Our strategy supports our goal of being the most trusted partner in our industry and the most desirable work community in responsible and secure digital change. We seek growth by continuing to invest in our core competencies, strengthening our brand and our work community. We are looking for further growth, especially in corporate customers, the expansion of our service offering and repeatable services, for example in connection with cyber security. We are expanding our operations regionally in Finland. Our SaaS products are the spearheads of our internationalisation, and we are exploring opportunities to expand our business to the Nordic and Baltic countries.

The 2022 outlook for the IT services market is positive. Various digitalisation projects continue, and new ones are being launched, and the importance of knowledge management and cyber security is growing all the time. Additionally, information system projects in the new wellbeing services counties will offer new growth opportunities Netum as well.

Russia's attack to Ukraine has created political and economic threats. If the crisis continues, it can have a strong impact on the global economy and, consequently, negative effects on the demand for our services.

The year 2021 laid a good foundation for continuing strong and profitable growth also in 2022. In January 2022, we opened a new office in Jyväskylä, Finland, where we see strong growth opportunities. We are exploring the possibility of expanding to other regional growth centres during this year. My warmest thanks for the past year to our committed personnel, to all our partners and customers, and to our investors.

Matti Mujunen  
CEO

# Report of the Board of Directors 1 January–31 December 2021

Netum Group was formed on 6 February 2017 when Netum Group Plc acquired the entire share capital of Netum Ltd and Jab Oy. Netum Ltd is an IT services company that produces customer-specific application development services, system continuity services, cyber security services and information management consulting services. Netum Group acquired Netum konsultointi Oy from Netum Ltd in late 2017. The company has since been renamed as Netum Service Channel Ltd. The Group also includes Netum Integrations Ltd (acquired on 28 June 2019, previous name AgentIT Finland Oy) and Cerion Solutions Oy (acquired on 1 October 2021).

## Key events during the financial year

On 2 June 2021, the company was listed on First North Growth Market Finland, a multilateral marketplace maintained by Nasdaq Helsinki Ltd. The company's governance, financial reporting, forecasting, communications and marketing were developed as part of the preparation for the listing. Gross proceeds of EUR 8 million were raised in the Initial Public Offering in connection with the listing. The IPO included a personnel share issue. Following the personnel share issue, a total of 101 shareholders were employed by the company.

On 1 October 2021, the company acquired the entire share capital of Cerion Solutions Oy. Cerion Solutions is an IT services company that specialises in knowledge management, analytics, data platforms and digital services. The acquisition of Cerion Solutions strengthened Netum Group's resources and expertise as well as its presence in the Turku economic area. Cerion Solutions' customer accounts in the private sector and the municipal sector also expanded and diversified the Group's customer base.

The Group's recruitment performance during the financial year was excellent. The number of personnel increased by 87 professionals, 38 of whom joined the Group as a result of the acquisition of Cerion Solutions Oy.

## Revenue, orders received and profitability

The Group's key figures for the past financial year and the preceding financial years are shown in the table below.

	2021	2020	2019
Revenue	€22,401,074	€17,541,303	€13,376,882
Operating profit	€1,909,357	€2,016,143	€674,694
Operating profit, %	8.5%	11.5%	5.0%
Return on equity, %	6.1%	31.5%	4.7%
Equity ratio, %	60.6%	44.2%	37.4%

Two multi-year frame agreements were signed with the Finnish KEHA centre in January 2021. Several orders have been received under the frame agreements in addition to the employment services systems in relation to which Netum Group had already provided services to KEHA previously.

During the year, Netum Ltd made new customer deliveries to customers including three universities of applied sciences (Haaga-Helia, Laurea, and the Police University College). Further examples of new customers include Defence Properties Finland and the Union of the Lutheran Parishes of

Helsinki. Cerion Solutions Oy acquired several new customers during the year, including several municipalities. Netum Integrations Ltd also acquired new customers, and its revenue turned to growth in the autumn.

The Group's revenue grew organically and due to the acquisition of Cerion Solutions Oy. Relative profitability decreased somewhat year-on-year. This was attributable to forward-looking recruitment, the budgeted costs being exceeded in one fixed-price customer project, and the new costs associated with operating as a listed company.

## Financing and shares

The Annual General Meeting held on 18 February 2021 authorised the Board of Directors to resolve on the issuance of shares as well as the issuance of option rights and other special rights entitling to shares, as referred to in chapter 10, section 1 of the Limited Liability Companies Act, in one or several tranches, either against payment or without payment. The total number of shares to be issued may amount to a maximum of 4,000,000 shares. The authorisation is valid until the conclusion of the next Annual General Meeting, but no later than 30 March 2022.

In the Initial Public Offering held in May, the company issued a total of 2,535,000 new shares. Gross proceeds of EUR 8 million were raised in the Initial Public Offering. The total costs of the listing and the Initial Public Offering amounted to approximately EUR 875,000.

At the end of 2021, Netum Group Plc had 11,535,000 shares, each carrying equal rights to voting and dividends. Netum Group Plc owns all of the outstanding shares of Netum Ltd, Netum Integrations Ltd, Netum Service Channel Ltd and Cerion Solutions Oy.

The Group companies' holdings of their own shares are as follows:

- Netum Group Plc, 31,000 shares (0.3% of all shares)
- Netum Ltd, 37,000 shares (37.4% of all shares)
- Netum Integrations Ltd, 240 shares (30% of all shares)
- Netum Service Channel Ltd, 4,500 shares (4.1% of all shares)

	2021	2020
Capital loans included in liabilities, 1 January	€275,000.00	€1,200,000.00
Decreases	€-275,000.00	€-925,000.00
Capital loans included in liabilities, 31 December	€0.00	€275,000.00

At the beginning of the financial year, the company had a capital loan of EUR 275,000.00. The capital loan was repaid in February. The company does not currently have any capital loans.

## Capital expenditure

The Group's gross capital expenditure amounted to EUR 469,541 and was allocated to machinery and equipment, the continued development of the Netum Dux and Truugo software, and the design and renovation of the new office on Sumeliuksenkatu in Tampere.

## Research and development

Research and development activities were focused on the development of the Netum Dux and Truugo software. A total of EUR 313,136 in development costs was capitalised.

## Risk management

Netum Group Plc's key operational risks are associated with the recruitment and retention of highly competent personnel, cost management, success in tendering and project deliveries, and responding to changes in technology. Risks associated with the success of product development and cyber security risks, taking the company's business operations into account, are also subject to continuous monitoring. To ensure information security in operations and manage cyber security risks, Netum Ltd uses an ISO 27001 compliant information security management system that is audited annually by an authorised independent party. Instructions are also in place regarding compliance with the same principles in the Group's other companies.

The company protects itself from liability risks by conducting risk management assessments of its assets, processes and the liabilities arising from the provision of the company's services. The company has sought to take out insurance against all risks that are sensible to manage by means of insurance for financial reasons or other reasons. Risks associated with external financing are managed by means of interest rate hedging.

The company has no pending legal cases and the company's operations do not involve any other legal risks that the Board of Directors is aware of that would have a material impact on the result of the company's operations.

## Employees

During the financial year, Netum Group had a total of 176 employees on average. At the end of the financial year, Netum Group had 217 employees (2020: 128 employees on average, 2019: 109 employees on average).

The total amount of wages and salaries paid in 2021 amounted to EUR 10,394,445 (2020: EUR 7,487,252, 2019: EUR 6,539,178).

## Corporate responsibility

One of the focus areas of the corporate responsibility programme launched by Netum Group Plc last year is environmental responsibility. In practice, this is reflected in the Group in the use of green electricity and the appropriate recycling of hardware. These are important ways to reduce the adverse environmental impacts of the Group companies' operations. Netum's office on Yliopistonkatu in Tampere has been awarded a WWF Green Office certificate, which speaks to Netum's commitment to sustainable business practices. Certification efforts will continue at the Group's other offices in 2022.

## Governance

After the Annual General Meeting, the members of Netum Group Plc's Board of Directors were Olavi Kõngäs (Chairman), Repe Harmanen, Sari Helander, Lars Laaksonen and Jarmo Puputti. Before the General Meeting, the members of Netum Group Plc's Board of Directors were Olavi Kõngäs (Chairman), Lars Laaksonen, Pekka Levänen, Jari Lilja and Risto Toivola.

The Board of Directors convened 13 times during the financial year.

The company's CEO during the financial year was Matti Mujunen.

The company's auditor was Oy Tuokko Ltd, with Tuija Siuko, Authorised Public Accountant, as the principal auditor.

## Outlook and events after the reporting period

The demand outlook for the Group's products and services is positive. In particular, the demand for digital service development, data and analytics services, and cyber security services is expected to strengthen. Revenue and operating profit are expected to increase compared to the previous financial year. The recruitment of IT professionals is a challenge with regard to growth. To strengthen its competitiveness, the Group will continue the purposeful development of its service portfolio, using acquisitions if necessary. While the focus is still on the Finnish market, the Group aims to enter international markets (Northern Europe) with reproducible SaaS solutions.

The Group opened a new office in Jyväskylä in January 2022 and signed an agreement concerning new office premises in Helsinki.

## The impact of the coronavirus pandemic on the Group companies' operations

Netum Group transitioned to remote work in mid-March 2020. Remote work continued in 2021, for the most part, in accordance with the recommendations issued by the authorities. The company's remote work capabilities are good, as the personnel have had the opportunity to work remotely for several years, and the company's operations are fully digital. As Netum's customer base consists mainly of public sector organisations, the coronavirus pandemic has not had a significant negative impact on demand.

## The Board's proposal on the use of profit

On 31 December 2021, Netum Group Plc's distributable funds amounted to EUR 18,058,916.13, of which the profit for the financial year was EUR 1,433,645.07.

The Board of Directors proposes that a dividend of EUR 0.11 be paid for each outstanding share from the company's distributable funds, and that the remainder of the profit be transferred to retained earnings.

There have been no significant changes in the company's financial position after the end of the financial year. The company's liquidity is good, and the proposed distribution of profit does not, in the view of the Board of Directors, jeopardise the company's solvency.

In Helsinki, 7 March 2022

Netum Group Plc  
Board of Directors



# Financial statements

## Consolidated income statement

EUR	1.1.2021 - 31.12.2021	1.1.2020 - 31.12.2020
<b>REVENUE</b>	<b>22,401,074.38</b>	<b>17,541,303.32</b>
Other operating income	318,139.41	82,094.67
<b>Materials and services</b>		
Raw materials and consumables		
Purchases during the financial year	255,787.54	155,159.81
External services	3,669,483.78	3,378,176.86
<b>Total materials and services</b>	<b>-3,925,271.32</b>	<b>-3,533,336.67</b>
<b>Personnel expenses</b>		
Wages and salaries	10,394,445.37	7,487,252.32
Social security expenses		
Pension expenses	1,755,635.63	1,145,142.23
Other social security expenses	436,953.63	304,130.74
<b>Total personnel expenses</b>	<b>-12,587,034.63</b>	<b>-8,936,525.29</b>
<b>Depreciation and reduction in value</b>		
Depreciation according to plan	344,187.83	249,248.15
Depreciation of consolidated goodwill	1,141,488.60	977,051.51
<b>Total depreciation and reduction in value</b>	<b>-1,485,676.43</b>	<b>-1,226,299.66</b>
<b>Other operating expenses</b>	<b>-2,811,873.99</b>	<b>-1,911,093.36</b>
<b>OPERATING PROFIT (-LOSS)</b>	<b>1,909,357.42</b>	<b>2,016,143.01</b>
<b>Financial income and expenses</b>		
Other interest and financial income	9,003.69	143.16
Reduction in value of current asset securities	-10,892.89	0.00
Interest and other financial expenses	-962,932.09	-198,480.29
<b>Total financial income and expenses</b>	<b>-964,821.29</b>	<b>-198,337.13</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAX</b>	<b>944,536.13</b>	<b>1,817,805.88</b>
<b>Income tax</b>	<b>-415,312.83</b>	<b>-506,499.47</b>
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>529,223.30</b>	<b>1,311,306.41</b>

## Consolidated balance sheet

ASSETS		
EUR	31.12.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Development expenses	442,393.71	283,200.50
Intangible rights	27,916.65	32,916.65
Goodwill	463,041.65	552,516.65
Consolidated goodwill	11,995,961.38	6,559,967.08
<b>Total intangible assets</b>	<b>12,929,313.39</b>	<b>7,428,600.88</b>
<b>Tangible assets</b>		
Machinery and equipment	139,677.68	41,321.64
Other tangible assets	146,851.44	162,780.21
<b>Total tangible assets</b>	<b>286,529.12</b>	<b>204,101.85</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>13,215,842.51</b>	<b>7,632,702.73</b>
<b>CURRENT ASSETS</b>		
<b>Receivables</b>		
<b>Long term</b>		
Other receivables	6,405.00	18,140.36
<b>Total long term receivables</b>	<b>6,405.00</b>	<b>18,140.36</b>
<b>Short term</b>		
Account receivables	3,950,236.35	2,888,320.74
Loan receivables	3,042.99	4,562.43
Other receivables	23,724.75	846.44
Prepayments and accrued income	807,109.11	231,794.16
<b>Total short term receivables</b>	<b>4,784,113.20</b>	<b>3,125,523.77</b>
<b>Total receivables</b>	<b>4,790,518.20</b>	<b>3,143,664.13</b>
<b>Investments</b>		
Other investments	1,329,729.74	75,000.00
<b>Total investments</b>	<b>1,329,729.74</b>	<b>75,000.00</b>
Cash in hand and at banks	941,394.60	1,274,777.41
<b>TOTAL CURRENT ASSETS</b>	<b>7,061,642.54</b>	<b>4,493,441.54</b>
<b>TOTAL ASSETS</b>	<b>20,277,485.05</b>	<b>12,126,144.27</b>

<b>EQUITY AND LIABILITIES</b>		
<b>EUR</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>EQUITY</b>		
<b>Subscribed capital</b>		
Subscribed capital	80,000.00	2,500.00
Reserve for invested non-restricted capital	11,430,000.00	3,507,500.00
<b>Retained earnings gain (loss)</b>	246,975.26	257,934.84
<b>Profit (loss) for the financial year</b>	529,223.30	1,311,306.41
<b>TOTAL EQUITY</b>	<b>12,286,198.56</b>	<b>5,079,241.25</b>
<b>Provisions</b>		
Other provisions	0.00	14,053.00
<b>TOTAL PROVISIONS</b>	<b>0.00</b>	<b>14,053.00</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	2,548,148.03	3,185,185.11
<b>Total non-current liabilities</b>	<b>2,548,148.03</b>	<b>3,185,185.11</b>
<b>Current liabilities</b>		
Capital loan	0.00	275,000.00
Loans from credit institutions	637,037.08	637,037.08
Account payables	585,043.15	794,395.06
Other payables	1,657,084.21	556,782.71
Accruals and deferred income	2,563,974.02	1,584,450.06
<b>Total current liabilities</b>	<b>5,443,138.46</b>	<b>3,847,664.91</b>
<b>TOTAL LIABILITIES</b>	<b>7,991,286.49</b>	<b>7,032,850.02</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,277,485.05</b>	<b>12,126,144.27</b>

## Consolidated statement of cash flows

EUR	1.1.2021 - 31.12.2021	1.1.2020 - 31.12.2020
<b>CASH FLOW FROM OPERATIONS:</b>		
Profit/loss before appropriations and taxes (+/-)	944,536.13	1,817,805.88
Adjustments (+/-):		
Depreciation and amortisation	1,485,676.43	1,226,299.66
Other income and expenses without payments	-24,945.89	14,206.07
Financial expenses	964,821.29	198,337.13
Cash flow before change in working capital	3,370,087.96	3,256,648.74
Change in working capital:		
Interest-free current receivables increase (-) /decrease (+)	-626,802.89	-568,406.63
Interest-free current liabilities increase (-) /decrease (+)	226.83	-30,602.42
Cash flow before financial items and taxes	2,743,511.90	2,657,639.69
Interests paid	-1,004,517.25	-163,341.10
Interests received	9,003.69	143.16
Income tax paid (-)	-535,691.15	-381,422.86
<b>Cash flow from operating activities</b>	<b>1,212,307.19</b>	<b>2,113,018.89</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investments in tangible and intangible assets (-)	-466,391.68	-273,248.61
Investments in subsidiary shares (-)	-5,602,000.87	-299,960.00
<b>Cash flow from investing activities</b>	<b>-6,068,392.55</b>	<b>-573,208.61</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Paid increase of own capital	8,000,000.00	980,000.00
Purchase of own shares (-)	0.00	-33,332.71
Sales of own shares	0.00	7,840.00
Non-current receivables, increase (-), decrease (+)	11,735.36	5,295.00
Repayments of current loans (-)	-912,037.08	-577,777.81
Repayments of non-current loans (-)	0.00	-825,000.00
Dividend paid (-)	-1,322,265.99	-425,000.00
<b>Cash flow from financing activities</b>	<b>5,777,432.29</b>	<b>-867,975.52</b>
<b>Change in cash flows, increase (+) / decrease (-)</b>	<b>921,346.93</b>	<b>671,834.76</b>
<b>Cash at the beginning of the financial period</b>	<b>1,349,777.41</b>	<b>677,942.65</b>
<b>Cash at the end of the financial period</b>	<b>2,271,124.34</b>	<b>1,349,777.41</b>

## Parent company's income statement

EUR	1.1.2021 - 31.12.2021	1.1.2020 - 31.12.2020
<b>Personnel expenses</b>		
Wages and salaries	74,857.16	0.00
Social security expenses		
Other social security expenses	954.08	0.00
<b>Total personnel expenses</b>	<b>-75,811.24</b>	<b>0.00</b>
<b>Other operating expenses</b>	<b>-259,038.23</b>	<b>-38,358.56</b>
<b>OPERATING PROFIT (-LOSS)</b>	<b>-334,849.47</b>	<b>-38,358.56</b>
<b>Financial income and expenses</b>		
Income from Group undertakings	1,300,000.00	575,000.00
Other interest and financial income from Group companies	23.58	0.00
Other interest and financial income	8,923.01	0.00
Reduction in value of current assets securities	-10,892.89	0.00
Interest and financial expenses for Group companies	0.00	-9,187.73
Other interest and financial expenses	-960,425.72	-197,127.70
<b>Total financial income and expenses</b>	<b>337,627.98</b>	<b>368,684.57</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAX</b>	<b>2,778.51</b>	<b>330,326.01</b>
<b>Appropriations</b>		
Intra-Group transfer	1,465,000.00	1,090,000.00
<b>Income tax</b>	<b>-34,133.44</b>	<b>-129,683.61</b>
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>1,433,645.07</b>	<b>1,290,642.40</b>



## Parent company's balance sheet

ASSETS		
EUR	31.12.2021	31.12.2020
NON-CURRENT ASSETS		
Investments		
Holdings in Group undertakings	20,769,920.68	13,507,552.68
Total investments	20,769,920.68	13,507,552.68
TOTAL NON-CURRENT ASSETS	20,769,920.68	13,507,552.68
CURRENT ASSETS		
Receivables		
Long term		
Amounts owed by Group companies	70,000.00	70,000.00
Total long term receivables	70,000.00	70,000.00
Short term		
Other receivables	11,919.10	210.33
Prepayments and accrued income	37,716.33	17,000.00
Total short term receivables	49,635.43	17,210.33
Total receivables	119,635.43	87,210.33
Investments		
Other investment	1,279,648.61	75,000.00
Total investments	1,279,648.61	75,000.00
Cash in hand and at banks	740,170.31	1,274,631.44
TOTAL CURRENT ASSETS	2,139,454.35	1,436,841.77
TOTAL ASSETS	22,909,375.03	14,944,394.45

EQUITY AND LIABILITIES		
EUR	31.12.2021	31.12.2020
<b>EQUITY</b>		
<b>Subscribed capital</b>		
Subscribed capital	80,000.00	2,500.00
Reserve for invested non-restricted capital	11,430,000.00	3,507,500.00
<b>Retained earnings gain (loss)</b>	5,195,271.06	4,658,024.65
<b>Profit (loss) for the financial year</b>	1,433,645.07	1,290,642.40
<b>TOTAL EQUITY</b>	<b>18,138,916.13</b>	<b>9,458,667.05</b>
<b>PROVISIONS</b>		
Other provisions	0.00	10,111.00
<b>TOTAL PROVISIONS</b>	<b>0.00</b>	<b>10,111.00</b>
<b>LIABILITIES</b>		
<b>Non-current</b>		
Loans from credit institutions	2,548,148.03	3,185,185.11
<b>Total non-current liabilities</b>	<b>2,548,148.03</b>	<b>3,185,185.11</b>
<b>Current</b>		
Capital loan	0.00	275,000.00
Loans from credit institutions	637,037.08	637,037.08
Account payables	5,447.53	11,844.31
Amounts owed to Group companies	463,964.66	1,179,419.33
Other liabilities	1,100,000.00	0.00
Accruals and deferred income	15,861.60	187,130.57
<b>Total current liabilities</b>	<b>2,222,310.87</b>	<b>2,290,431.29</b>
<b>TOTAL LIABILITIES</b>	<b>4,770,458.90</b>	<b>5,475,616.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,909,375.03</b>	<b>14,944,394.45</b>

## Parent company's statement of cash flows

EUR	1.1.2021 - 31.12.2021	1.1.2020 - 31.12.2020
<b>CASH FLOW FROM OPERATIONS:</b>		
Profit/loss before appropriations (+/-)	2,778.51	330,326.01
Adjustments (+/-):		
Other income and expenses without payments	-21,003.89	-4,216.00
Financial income and expenses	-337,627.98	-368,684.57
Cash flow before change in working capital	-355,853.36	-42,574.56
Change in working capital:		
Interest-free current receivables increase /decrease	-29,023.82	-16,799.18
Interest-free current liabilities increase /decrease	-721,851.65	687,658.18
Cash flow before financial items and taxes	-1,106,728.83	628,284.44
Interests paid	-1,002,010.88	-171,176.24
Dividends received from operations	1,300,000.00	575,000.00
Interests received	8,946.59	0.00
Income tax paid (-)	-167,218.33	0.00
<b>Cash flow from operating activities</b>	<b>-967,011.45</b>	<b>1,032,108.20</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investments in subsidiary shares (-)	-6,162,368.00	-299,960.00
<b>Cash flow from investing activities</b>	<b>-6,162,368.00</b>	<b>-299,960.00</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Paid increase of own capital	8,000,000.00	980,000.00
Purchases of own shares (-)	0.00	-33,332.71
Sales of own shares	0.00	7,840.00
Non-current receivables, increase (-), decrease (+)	0.00	110,000.00
Repayments of current loans (-)	-912,037.08	-577,777.81
Repayments of non-current loans (-)	0.00	-1,211,156.00
Dividend paid (-)	-753,395.99	-425,000.00
Group subsidies	1,465,000.00	1,090,000.00
<b>Cash flow from financing activities</b>	<b>7,799,566.93</b>	<b>-59,426.52</b>
<b>Change in cash flows, increase (+) / decrease (-)</b>	<b>670,187.48</b>	<b>672,721.68</b>
<b>Cash at the beginning of the financial period</b>	<b>1,349,631.44</b>	<b>676,909.76</b>
<b>Cash at the end of the financial period</b>	<b>2,019,818.92</b>	<b>1,349,631.44</b>

# Notes

## Accounting policies

### Valuation and accrual principles and methods

#### Valuation of non-current assets

Depreciation according to plan has been deducted from the acquisition cost of intangible and tangible assets entered in the balance sheet. Acquisition cost includes variable costs incurred in acquisition and manufacturing. Grants received have been recorded as a deduction from the acquisition cost.

Acquisition cost of non-current assets with a probable useful life is a maximum of three years and small acquisitions within the meaning of the Business Tax Act are fully recorded for the period of the acquisition.

Product development costs that generate income for three or more years have been capitalised in the balance sheet development costs and will be eliminated over five years.

The company's investments in subsidiaries have been valued at their acquisition cost.

Depreciation according to plan is calculated based on the economic life as follows:

	2021 Parent company	2021 Consolidated
Development expenses	-	Depreciation in 5 years
Intangible rights	-	Depreciation in 10 years
Goodwill	-	Depreciation in 10 years
Machinery and equipment	-	25 % residual depreciation
Other tangible assets	-	Depreciation in 5 years
Consolidated goodwill	-	Depreciation in 10 years

#### Valuation of financial securities

Financial securities and other such financial assets are valued at their acquisition cost or lower than their probable fair market price.

#### Accounting principles of the cash flow statement

Cash flow statements have been prepared according to Kila yleisohje (30 January 2007). Cash flow from operating activities is presented in accordance with the indirect presentation.

#### Company structure

The parent company is Netum Group Oyj, registered in Helsinki. The copy of financial statements of Netum Group Oyj are available in the company's office at Yliopistonkatu 58 B, 33100 Tampere.

#### Accounting principles of consolidated financial statements

The company's subsidiaries are Netum Oy (100%) since 4 February 2017, Jab Oy (100%) 6 February 2017 – 30 September 2019, Netum Service Channel Oy (100%) since 24 November 2017, Netum Integrations Oy since 29 June 2019 and Cerion Solutions Oy since 1 October 2021.

The company's subsidiary Jab Oy has merged to other subsidiary Netum Oy on 30 September 2019.

Consolidated financial statements have been prepared using the acquisition cost method.

Intra-group transactions, internal ownership, internal receivables and liabilities and internal profit distribution have been eliminated in the consolidated financial statements.

The bookings related to the merger have been eliminated and the depreciation of the merged company's group assets have been continued in accordance with the depreciation plan.

## Exceptional events during the financial year

Netum Group's companies moved to remote working in mid-March 2020, and in 2021, working mainly remotely continued in accordance with the recommendations of the authorities. The company has good remote working capabilities, because the personnel has had the opportunity to work remotely for years, and the operations have been completely digitised. Netum Group's clientele consists of mainly public administration, where Covid-19 had no negative impact on the company's net sales and profit.

Netum Integrations Oy (AgentIT Finland Oy) has received a grant from Business Finland for an internationalisation project of 35.000 euros and development funding in the disruption situation of 66.736,00 euros. The portion of grants received for 2021 has been booked in other operating income.

Netum Oy has received a grant from Business Finland for the projects. The portion of grants received for 2021 has been booked in other operating income.



## Notes to the income statement

Revenue	2021	2020	2021	2020
Geographical distribution	Parent company	Parent company	Consolidated	Consolidated
Finland	0.00	0.00	22,324,453.40	17,319,610.05
Rest of Europe	0.00	0.00	76,620.98	221,693.27
	2021	2020	2021	2020
Other operating income	Parent company	Parent company	Consolidated	Consolidated
Grants / Business Finland	0.00	0.00	128,631.42	82,094.67
Other income	0.00	0.00	189,507.99	0.00
		2021	2021	
Depreciation according to plan		Parent company	Consolidated	
Development expenses		0.00	153,942.61	
Intangible rights		0.00	5,000.00	
Goodwill		0.00	89,475.00	
Machinery and equipment		0.00	37,647.63	
Other tangible assets		0.00	58,122.59	
Consolidated goodwill		0.00	1,141,488.60	
		0.00	1,485,676.43	
Personnel		2021	2021	
		Parent company	Consolidated	
Average number of personnel during the financial year		0	176	
Management salaries and fees		74,857.16	352,363.06	
Auditor's fees		2021	2021	
		Parent company	Consolidated	
Audit		15,915.00	33,565.00	
Other services		64,472.50	64,472.50	

## Notes to the assets

ACQUISITION AND DEPRECIATION OF FIXED ASSETS		
	2021	2021
	Parent company	Consolidated
INTANGIBLE ASSETS		
DEVELOPMENT EXPENSES		
Acquisition cost 1 January	0.00	283,200.50
Investments	0.00	313,135.80
Acquisition cost 31 December	0.00	596,336.30
Depreciation for the financial year	0.00	-153,942.61
Accounting value 31 December	0.00	442,393.71
INTANGIBLE RIGHTS		
Acquisition cost 1 January	0.00	32,916.65
Acquisition cost 31 December	0.00	32,916.65
Depreciation for the financial year	0.00	-5,000.00
Accounting value 31 December	0.00	27,916.65
GOODWILL		
Acquisition cost 1 January	0.00	552,516.65
Acquisition cost 31 December	0.00	552,516.65
Depreciation for the financial year	0.00	-89,475.00
Accounting value 31 December	0.00	463,041.65
CONSOLIDATED GOODWILL		
Acquisition cost 1 January	0.00	6,559,967.08
Investments	0.00	6,577,482.90
Acquisition cost 31 December	0.00	13,137,449.98
Depreciation for the financial year	0.00	-1,141,488.60
Unamortised consolidated goodwill 31 Dec	0.00	11,995,961.38
TANGIBLE ASSETS		
MACHINERY AND EQUIPMENT		
Acquisition cost 1 January	0.00	41,321.64
Investments	0.00	136,003.67
Acquisition cost 31 December	0.00	177,325.31
Depreciation for the financial year	0.00	-37,647.63
Accounting value 31 December	0.00	139,677.68
OTHER TANGIBLE ASSETS		
Acquisition cost 1 January	0.00	162,780.21
Investments	0.00	42,193.82
Acquisition cost 31 December	0.00	204,974.03
Depreciation for the financial year	0.00	-58,122.59
Accounting value 31 December	0.00	146,851.44

RECEIVABLES	Parent company	Consolidated
Amounts owed by Group member companies		
Reserve for invested non-restricted capital	70,000.00	0.00
Accruals and deferred income	Parent company	Consolidated
Accruals related to personnel expenses	0.00	13,484.75
Taxation	3,401.28	30,039.21
Sales accrual	0.00	200,760.00
Business Finland grant accruals	0.00	72,690.09
Other accrued income	34,315.05	490,135.06
Total	37,716.33	807,109.11
FINANCIAL SECURITIES	Parent company	Consolidated
	Accounting value	Accounting value
Financial securities	1,279,648.61	1,329,729.74
Market value	1,279,648.61	1,345,376.47

## Notes to the liabilities

Amounts owed to Group member companies	Parent company	Consolidated
Accounts payable	4,191.20	0.00
Short-term accruals	459,773.46	0.00
	463,964.66	0.00
Accruals and deferred expenses		
Accruals related to personnel expenses	0.00	2,414,129.03
Taxation	0.00	128,015.39
Other deferred expenses	15,861.60	21,829.60
Total	15,861.60	2,563,974.02

## Commitments and contingent liabilities

	2021	2020	2021	2020
<b>Lease liabilities</b>	Parent company	Parent company	Consolidated	Consolidated
Lease liabilities for business premises (incl. liability of EUR 8,520.00 VAT 0%)	0.00	0.00	284,965.16	190,553.53
<b>Leasing liabilities</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Due in next financial year	9,439.43	0.00	142,743.58	0.00
Due later	23,256.30	0.00	202,801.07	0.00
Total	32,695.73	0.00	345,544.65	0.00
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Business credit cards</b>	Parent company	Parent company	Consolidated	Consolidated
Amount used	0.00	0.00	4,982.79	6,966.83
Amount unused	0.00	0.00	27,852.77	0.00
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Credit account limit</b>	Parent company	Parent company	Consolidated	Consolidated
Limit, unused	300,000.00	300,000.00	300,000.00	300,000.00
<b>Commitments given</b>				
		Parent company	Consolidated	
Business mortgages		-	5,500,000.00	

### Contingent liabilities given on behalf of Group companies

Netum Group Plc has issued a comprehensive guarantee on behalf of Netum Oy, Netum Service Channel Oy and Netum Integrations Oy. In addition, the shares of Netum Oy have been attached.

## Change in capital and reserves

	2021	2020	2021	2020
	Parent company	Parent company	Consolidated	Consolidated
<b>1. Subscribed capital</b>				
Subscribed capital total 1 January	2,500.00	2,500.00	2,500.00	2,500.00
Increase of subscribed capital	77,500.00	0.00	77,500.00	0.00
Subscribed capital total 31 December	80,000.00	2,500.00	80,000.00	2,500.00
<b>2. Unrestricted capital</b>				
Reserve for invested non-restricted capital 1 January	3,507,500.00	2,527,500.00	3,507,500.00	2,527,500.00
Increase from issue of shares	8,000,000.00	980,000.00	8,000,000.00	980,000.00
Decrease, increase of subscribed capital	-77,500.00	0.00	-77,500.00	0.00
Reserve for invested non-restricted capital 31 December	11,430,000.00	3,507,500.00	11,430,000.00	3,507,500.00
Retained earnings gain 1 January	4,658,024.65	3,243,326.98	257,934.84	571,255.50
Transfer of profit/loss for the financial year	1,290,642.40	1,865,190.38	1,311,306.41	137,172.05
Dividends paid	-753,395.99	-425,000.00	-1,322,265.99	-425,000.00
Decrease, purchase of own shares	0.00	-33,332.71	0.00	-33,332.71
Increase, sales of own shares	0.00	7,840.00	0.00	7,840.00
Retained earnings gain 31 December	5,195,271.06	4,658,024.65	246,975.26	257,934.84
Profit for the financial year	1,433,645.07	1,290,642.40	529,223.30	1,311,306.41
Unrestricted capital total 31 December	18,058,916.13	9,456,167.05	12,206,198.56	5,076,741.25
Capital and reserved total 31 December	18,138,916.13	9,458,667.05	12,286,198.56	5,079,241.25

### Repurchase of own shares

The accounting value of the 31,000 shares held by the company at the balance sheet date is EUR 25,492.71. The market value of the shares is EUR 138,260.00.

### Statement of distributable equity

	Parent company
Reserve for invested non-restricted capital	11,430,000.00
Retained earnings gain	5,195,271.06
Profit for the financial year	1,433,645.07
Unrestricted capital total 31 December	18,058,916.13
Distributable equity total	18,058,916.13



## Signature of the financial statements

Helsinki, 7 March 2022

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Olavi Kõngäs  
Chairman of the Board

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Lars Laaksonen  
Member of the Board

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Repe Harmanen  
Member of the Board

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Jarmo Puputti  
Member of the Board

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Sari Helander  
Member of the Board

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Matti Mujunen  
CEO

## The Auditor's note

A report on the audit performed has been issued today.

Tampere, 7 March 2022

Oy Tuokko Ltd  
Authorised Public Accountants

Tuija Siuko  
Authorised Public Accountant (KHT)

The financial statements and the Auditor's note have been signed electronically.

# Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of Netum Group Plc

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Netum Group Plc (business identity code 2804021-5) for the financial year 1.1. - 31.12.2021. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the Group as well as for the parent company.

In our opinion, the financial statements, in which the parent company's income statement shows a profit of 1.433.645,07 euros, give a true and fair view of the Group's and 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.

### 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the CEO for the Financial Statements

The Board of Directors and the CEO are responsible for the preparation 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 the 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 the 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 scepticism 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 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 company 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.

## Other reporting requirements

### Other information

The Board of Directors and the CEO are responsible for the other information. The other information comprises the report of the Board of Directors. 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 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. 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, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Tampere, 7 March 2022

Oy Tuokko Ltd  
Audit Firm

(electronically signed)  
Tuija Siuko  
Authorised Public Accountant (KHT)