



**netum**

**Netum Group Plc**  
**Financial statements**  
**release**  
1 January–31 December 2021

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# Netum Group Plc's financial statements release 1 January–31 December 2021

## A year of significant events, profitable growth continued

Revenue for January–December 2021 grew organically 20.1% from the comparison period. Comparable EBITA amounted to EUR 3.1 (3.1) million or 14.0 (17.6) % of revenue. In June 2021, Netum Group Plc was listed on Nasdaq Helsinki Oy's First North Growth Market Finland marketplace. The share issue was oversubscribed 7.4-fold.

Unless otherwise stated, the figures in brackets refer to the comparison period and are in the same unit as the figures for the reporting period.

## July–December 2021 in brief

- On 1 October 2021, Netum Group Plc announced having signed an agreement to acquire 100% of Cerion Solutions Oy, a company specialising in knowledge management and digitalisation
- Revenue increased 33.4% from the comparison period to EUR 12.0 (9.0) million
- EBITDA amounted to EUR 1.5 (1.7) million or 12.8 (18.9) % of revenue
- Comparable EBITA was EUR 1.5 (1.5) million, or 12.4 (17.1) % of revenue
- Operating profit was EUR 0.7 (0.5) million, or 5.8 (5.2) % of revenue
- Result for the reporting period was EUR 0.4 (0.0) million, or 3.7 (-0.4) % of revenue, and comparable result excluding goodwill amortisation was EUR 1.2 (1.0) million, or 10.2 (11.5) % of revenue
- Comparable earnings per share excluding goodwill amortisation were EUR 0.11 (0.12)

## January–December 2021 in brief

- In June 2021, Netum Group Plc was listed on Nasdaq Helsinki Oy's First North Growth Market Finland marketplace
- Revenue increased 27.7% from the comparison period to EUR 22.4 (17.5) million
- EBITDA amounted to EUR 3.4 (3.2) million, or 15.2 (18.5) % of revenue
- Comparable EBITA was EUR 3.1 (3.1) million or 14.0 (17.6) % of revenue.
- Operating profit was EUR 1.9 (2.0) million, or 8.5 (11.5) % of revenue
- Result for the reporting period was EUR 0.5 (1.3) million, or 2.4 (7.5) % of revenue, and comparable result excluding goodwill amortisation was EUR 2.4 (2.4) million, or 10.9 (13.6) % of revenue
- Comparable earnings per share excluding goodwill amortisation were EUR 0.24 (0.27)
- Non-recurring financial expenses related to the listing affecting comparability were EUR 0.9 million
- Number of employees at the end of the period was 217 (130)
- Netum Group Plc's Board of Directors proposes to the Annual General Meeting that for the accounting period of 1 January–31 December 2021, a dividend of EUR 0.11 per share be shared



## Group key figures

EUR thousand unless otherwise stated	7-12/2021	7-12/2020	Change	1-12/2021	1-12/2020	Change
Revenue	11,965	8,967	33.4%	22,401	17,541	27.7%
Revenue growth, per cent	33.4%	31.8%		27.7%	31.1%	
Organic growth, per cent	18.6%	31.8%		20.1%	27.0%	
EBITDA	1,535	1,695	-9.4%	3,395	3,242	4.7%
EBITDA, % of revenue	12.8%	18.9%		15.2%	18.5%	
Operating profit excluding goodwill amortisation (EBITA)	1,389	1,536	-9.5%	3,140	3,083	1.9%
EBITA, % of revenue	11.6%	17.1%		14.0%	17.6%	
Comparable EBITA <sup>1)</sup>	1,482	1,536	-3.5%	3,129	3,083	1.5%
Comparable EBITA, % of revenue	12.4%	17.1%		14.0%	17.6%	
Operating profit (-loss)	692	469	47.5%	1,909	2,016	-5.3%
Operating profit (-loss), % of revenue	5.8%	5.2%		8.5%	11.5%	
Result for the reporting period	444	-33		529	1,311	-59.6%
Profit for the period excluding goodwill amortisation	1,141	1,760	-35.2%	1,760	2,378	54.2%
Comparable profit excluding goodwill amortisation <sup>1)</sup>	1,216	1,033	17.6%	2,451	2,378	3.1%
Earnings per share, EUR	0.04	0.00		0.05	0.15	-65.6%
Earnings per share excluding goodwill amortisation, EUR	0.11	0.12	-5.8%	0.17	0.27	-36.8%
Comparable earnings per share excluding goodwill amortisation, EUR	0.12	0.12	0.4%	0.24	0.27	-12.0%
Number of employees at the end of the period				217	130	66.9%
Equity ratio, %				60.6%	44.2%	37.1%
Return on equity, %				6.1%	31.5%	-80.7%

<sup>1)</sup> Items affecting comparability are presented in the table Comparable profit excluding goodwill amortisation.

## Outlook for 2022

Netum expects its revenue to grow at least 30% from the previous year and EBITA to over 14% in the financial year 2022.

The estimate is based on the positive demand outlook for the Group's products and services. In particular, it is expected that digital services development and the demand for data and analytics services as well as for cyber security services will grow.

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.

## CEO's statement



"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

## Significant events during the reporting period

In January 2021, Netum signed an agreement with the KEHA Centre on the delivery of expert services for solution development and maintenance. Netum estimates that the company's share of the total value of the six-year framework agreement is between EUR 11 million and EUR 13 million. The framework agreement does not contain a quantity purchase obligation. The agreement follows on from the long-standing cooperation between Netum and the KEHA Centre.

Netum Group Plc's Annual General Meeting held on 18 February 2021 resolved to convert the company form into a public limited liability company. It was also resolved at the Annual General Meeting to amend the Articles of Association to meet the requirements of Nasdaq First North Growth Market Finland marketplace.

On 21 May 2021, the Group's Board of Directors decided on an IPO, and trading in Netum Group Plc's shares started on Nasdaq Helsinki Ltd's First North Growth Market Finland marketplace on 2 June 2021 under the ID NETUM.

On 1 October 2021, Netum Group Plc announced having signed an agreement to acquire 100% of Cerion Solutions Oy. With the acquisition, Netum strengthened its knowledge management expertise and digital development resources as well as its foothold in the Turku economic area. The net debt-free purchase price of the acquisition, EUR 6.0 million, was paid in cash. In addition, a possible additional purchase price of up to EUR 1.1 million will be paid. The calculation period for the additional purchase price tied to Cerion Solutions' EBIT target is 1 October 2021–30 June 2022.

# Financial review 1 January–31 December 2021

## Revenue, profitability and result

### July–December 2021

Revenue for July–December grew 33.4% from the comparison period and amounted to EUR 12.0 (9.0) million. Organically revenue grew 18.6%.

EBITDA was EUR 1.5 (1.7) million or 12.8 (18.9) % of revenue, and EBITA was EUR 1.4 (1.5) million or 11.6 (17.1) % of revenue. Comparable EBITA was EUR 1.5 (1.5) million or 12.4 (17.1) % of revenue. Operating profit was EUR 0.7 (0.5) million, or 5.8 (5.2) % of revenue. Result for the reporting period was EUR 444 (-33) thousand, or 3.7 (-0.4) % of revenue. Comparable result was EUR 1.2 (1.0) million, or 10.2 (11.5) % of revenue.

### January–December 2021

Revenue for the full year 2021 grew 27.7% from the comparison period and amounted to EUR 22.4 (17.5) million. Organically revenue grew 20.1%.

EBITDA was EUR 3.4 (3.2) million or 15.2 (18.5) % of revenue, and EBITA was EUR 3.1 (3.1) million or 14.0 (17.6) % of revenue. Comparable EBITA was EUR 3.1 (3.1) million or 13.7 (17.6) % of revenue. Operating profit was EUR 1.9 (2.0) million or 8.5 (11.5) % of revenue. Result for the reporting period was EUR 0.5 (1.3) million or 2.4 (7.5) % of revenue. Result for the period was burdened by expenses of EUR 0.9 million related to the First North listing. Comparable result was EUR 2.4 (2.4) million, or 10.9 (13.6) % of revenue.

## Balance sheet, financing and cash flow

The Group's balance sheet total on 31 December 2021 was EUR 20.3 (12.1) million. The increase was mainly due to the IPO during the period, which resulted in the Group's reserve for invested unrestricted capital increasing to EUR 11.4 million (31 December 2020: EUR 3.5 million). At the end of the review period, the Group's equity was 12.3 (5.1) million euros.

At the end of the period, liabilities amounted to EUR 8.0 (7.0) million. The change in liabilities was mainly due to preparing for a possible additional purchase price for the acquisition of Cerion Solutions Oy.

The Group's long-term interest-bearing liabilities were EUR 2.5 (3.2) million. Current interest-bearing liabilities were EUR 0.6 (0.6) million euros. Interest-bearing liabilities consist of bank loans.

At the end of 2021, the company's financial situation was good. The equity ratio at the end of the period was 60.6 (44.2) %. The increase in the equity ratio was mainly due to the share issue.

The Group's financial position is strong. At the end of the review period, the Group's cash and cash equivalents were EUR 0.9 (1.3) million, of which cash and cash equivalents were EUR 0.9 (1.3) million euros and the financial securities EUR 1.3 (0.1) million.

In January–December 2021, cash flow from operating activities was EUR 1.2 (2.1) million and cash flow from investments EUR -6.1 (-0.6) million. The change in the cash flow from investments was due to the acquisition of Cerion Solutions Oy.

Cash flow from financing activities was EUR 5.8 (-0.9) million and included an increase in paid equity of EUR 8.0 (1.0) million, repayments of long-term loans EUR 0 (-0.8) million and dividends paid of EUR -1.3 (-0.4) million.

## Investments

The investments EUR 0.5 (0.3) million recognised in the Group's balance sheet during the reporting period related to machinery and equipment, further development of Netum DUX and Truugo software, as well as to design and renovation of the new office in Tampere.

## Acquisitions

On 1 October 2021, Netum Group Plc announced having signed an agreement to buy 100% of Cerion Solutions Oy. Founded in 2004, Cerion Solutions is a knowledge management and digitalisation specialist in data warehouse and analytics solutions, as well as customised solutions to digitalise business processes. The company also provides support and maintenance services. The company is based in Turku, Finland, and at the time of the transaction, it had 38 employees. With the acquisition, Netum strengthened its knowledge management expertise and digital development resources as well as presence in the Turku economic region. The debt-free net purchase price was EUR 6.0 million, and it was paid in cash. There may also be an additional purchase price of no more than EUR 1.1 million. The additional purchase price is tied to Cerion Solutions' EBIT goal and will be calculated between 1 October 2021 and 30 June 2022.

## Research and development

In 2021, research and development expenditure was EUR 0.3 (0.2) million, or 1.4 (1.2) % of revenue. The research and development activities covered the further development of Netum DUX and Truugo software.



## Group structure

At the end of the review period, Netum Group Plc consisted of Netum Oy, Cerion Solutions Oy, Netum Service Channel Oy and Netum Integrations Oy (formerly AgentIT Finland Oy).

## Changes in management

The CEO of Cerion Solutions Oy, Altti Raali, was appointed a member of Netum Group Plc's Management Team as of 26 October 2021.

## Personnel and management

On 31 December 2021, the Group employed 217 (130) people. The increase in the number of personnel was due to active recruitment. Personnel costs from 1 January to 31 December 2021 were EUR 12.6 (8.9) million.

At the end of the review period, the Group's Management Team consisted of Matti Mujunen, Pekka Levänen, Liina Kangas, Jussi Vasama, Juha-Pekka Leskinen, Kalle Haviala, Olli Savolainen, Kimmo Koivisto, Tero Nummijärvi, Harri Suni and Altti Raali.

## Corporate responsibility

The key operating principles that guide Netum's responsible business, as well as the themes, indicators and targets related to social, economic and environmental responsibility, are described in the company's corporate responsibility programme. The programme is based on the company's Code of Conduct, environmental policy, the ISO 27001 certificate, UN Sustainable Development Goals, audits, and constant interaction with stakeholders. Above all, however, corporate responsibility is based on the continuous monitoring of the operating environment and business development.

The main themes of the responsibility programme are:

- Services that increase the responsibility and information security of the society
- Fair and pluralistic working community
- Professional personnel, personnel's well-being
- Environmentally friendly workplace
- Ethical and profitably growing business

Netum's Board of Directors has approved the contents of the corporate responsibility programme. Netum's Management Team is responsible for managing strategy and operations in accordance with the operating principles governing responsibility, and matters related to responsibility are generally handled by the Management Team. Significant decisions related to responsibility are made by the company's Board of Directors.

Netum's target is to be the most trusted partner in its industry and to help its customers in digital transformation in a responsible and secure way. The company participates in significant social projects and helps its customers to develop their business operations through digitalisation. The company measures its success in its goals with regards to its customers with both regular and continuous customer satisfaction surveys.

In the autumn of 2021, a customer satisfaction survey was conducted in connection with the stakeholder competitiveness analysis, in which the Net Promoter Score (NPS) was 38 (scale -100 - +100). Customers especially valued the expertise, flexibility and customer focus of Netum's personnel. In addition to the survey, Netum implements a continuous customer experience measurement, where the rating in January 2022 was 8.6 on a scale of 0-10 (n = 99).

During 2021, Netum was very successful in its recruitment. At the end of the year, there were 217 (130) employees and the number of employees increased by 87, of whom 38 came to the house in connection with the acquisition of Cerion Solutions Oy. Netum's goal is to increase the proportion of women in the personnel to 20% by 2023. In 2021, the proportion of women increased to 14.3% from 11.5% in the previous year.

The company evaluates its interaction with the personnel through an annual survey, which measures the meaningfulness of work and coping at work. The measurement results have improved since the first survey was conducted in 2017, and in the 2021 survey, Netum received the best figures in its measurement history.

During the coronavirus pandemic, the company has invested in creating remote working practices and conditions. A good working environment is reflected in the personnel turnover rate, which in 2021 was 6.8%. In 2021, Netum also received the Great Place to Work certification for a good employer. In addition, in 2021, Netum launched its Whistleblowing Channel, which allows anonymous reporting of suspected misconduct.

In addition to well-being and satisfied personnel, the responsibility program also emphasizes environmental friendliness, which is reflected, for example, in the use of green electricity and the careful recycling of equipment. The recycling rate of equipment (laptops, mobile devices, monitors, servers) in 2022 was 100%. Green electricity accounted for 81% of Netum's consumption at own offices. Our commitment to sustainable operations is reflected in Netum's WWF Green Office certificate for the Yliopistonkatu office in Tampere, Finland and the certification work will continue in other offices during 2022.

## Annual General Meeting 2021

Netum Group Plc's Annual General Meeting held on 18 February 2021 approved the profit and loss account and balance sheet and discharged the members of the Board of Directors and the CEO from liability for the financial year 1 January – 31 December 2020.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that a dividend of EUR 0.084 per share be paid for the financial year 2020. The dividend payment date was 1 March 2021.

The Annual General Meeting resolved that the Chairman of the Board of Directors shall be paid EUR 2,000 per month and the other members EUR 1,500 per month each.

The Annual General Meeting resolved that the number of members of the Board of Directors of the company is five (5). Repe Harmanen, Sari Helander, Olavi Köngäs, Lars Laaksonen and Jarmo Puputti were elected members of the Board of Directors. Olavi Köngäs was elected Chairman of the Board of Directors at the constitutive meeting of the Board of Directors.

The Annual General Meeting resolved that Oy Tuokko Ltd will continue as auditor and that the auditor's remuneration will be paid according to an invoice approved by the company.

The Annual General Meeting resolved to convert the company's form into a public limited liability company. At the Annual General Meeting, it was also decided to amend the Articles of Association so that the company's business name is Netum Group Oyj and Netum Group Plc in English.

The Annual General Meeting resolved on the increase in the share capital and authorised the Board of Directors to apply for trading on the Nasdaq First North Growth Market Finland marketplace. In addition, the Annual General Meeting authorised the Board of Directors to decide on the issue of shares, the repurchase of own shares and the taking as pledge.

## IPO 2021

Netum Group Plc announced on 21 May 2021 that it would commend the IPO and seek the admission of its shares to trading on the Nasdaq First North Growth Market Finland marketplace, maintained by Nasdaq Helsinki Ltd. The subscription periods were suspended due to over-marking at the first possible point of time at 4 p.m. on 28 May 2021.

The company tentatively offered a maximum of 2,535,000 new shares in the company. The company issued 2,535,000 new shares in the company as follows:

- 778,750 shares in the public offering to individuals and entities in Finland
- 1,406,250 shares in the institutional offering to institutional investors in Finland
- 350,000 shares in the personnel issue to permanent and temporary employees of the company and its subsidiaries, as well as to the members of the Company's Board of Directors and Management Team

The subscription price of the shares offered was EUR 3.20 per share in the public and institutional offering and EUR 2.88 per share in the personnel issue. The company raised gross proceeds of EUR 8.0 million through the IPO, and directly after the IPO, the valuation of the entire share capital was approximately EUR 37 million based on the subscription price of the institutional and public offerings. Netum received nearly 6,000 new shareholders in the IPO.

The goal of the listing and IPO was to accelerate Netum's organic and inorganic growth. The listing was also expected to promote the company's recruitment measures and raise the company's public awareness. The listing and increased liquidity would also enable the shares to be used more efficiently as consideration for possible acquisitions. If implemented, the listing would also enable the company to access the capital markets. The company intends to use the funds raised through the IPO to accelerate the implementation of its growth strategy and to meet the general business needs.

Trading in Netum Group Plc's shares began on Nasdaq Helsinki Ltd's Nasdaq First North Growth Market Finland on 2 June 2021 under the ID NETUM.

## Shares and trading in shares

The company has one series of shares, and all shares have equal rights. On 31 December 2021, Netum Group Plc's share capital consisted of 11,535,000 (9,000,000) shares, and the company held 31,000 (31,000) of the company's own shares, which corresponded to approximately 0.27 (0.34) % of all shares.

The company's share is traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd. During the review period, the highest share price was EUR 4.85 and the lowest price EUR 3.90. The weighted average price of the share during the review period was EUR 4.34. The closing price on 31 December 2021 was EUR 4.46. The market value of the share capital at the closing price of the review period was EUR 51,307,840 without the company's own shares held by the company.

## Shareholders

On 31 December 2021, Netum had 3,860 (19) shareholders. The number of nominee registered shares was 18,121 (0), which corresponded to 0.16 (0.00) % of the share capital. At the end of 2021, the members of Netum Group Plc's Board of Directors and the Group's CEO and their related parties held a total of 4,820,926 shares, i.e., 41.79% of the share capital. A list of the company's largest shareholders is available on the company's website at <https://www.netum.fi/en/investors/shareholders/>

## Operating environment

In 2021, the strong demand in the Finnish IT services market continued. The market can be divided into a market for new digital services and a traditional IT services market. In practice, the market for new digital services has emerged over the past ten years and is growing well faster than the traditional IT services market. Netum operates through its Legacy to Digi® concept between the two markets, benefiting from the change.

Netum operates in the IT services market in both the private and public sectors and is agile in providing the services of a large IT house. The company's competitor field is therefore quite extensive, and its competitors include companies focusing on new digital services, integrators, information security consultants and IT generalists.

## Near-term risks and business uncertainties

There have been no material changes in near-term risks during the review period.

The coronavirus pandemic can pose potential risks to both the demand for services and the company's personnel.

From the point of view of shareholder value, Netum Group Plc's key risks include risks related to the development and profitability of its subsidiaries' business operations, risks related to the availability of external financing and regulatory risks. Key personnel risk and risks related to information security, considering the company's business operations, are also subject to continuous monitoring. To ensure secure operations and manage security risks, the company has an ISO 27001 certified Information Security Management System that is audited annually by an independent authorised company.

The company has hedged against the risks of damage by assessing from the point of view of risk management its business assets, processes and the responsibilities resulting from the delivery of the company's services. The insurance is intended to cover all risks that make sense for financial or other reasons to be covered by insurance. The risks of external financing are hedged by interest rate hedging.

There are no litigations pending, and there are no other legal risks relating to the company's operations known to the Board of Directors that would have a significant impact on the company's operating result.

The global political and economic threats resulting from the crisis in Ukraine are increasing the demand for cybersecurity services in particular. If the crisis continues and widens, there could be strong negative effects on the global economy and, consequently, on the demand for IT services.

## Strategy

Our strategy supports our goal of being the most trusted partner in our industry and the preferred work community in responsible digital transformation. We seek growth by continuing to invest in our core areas of expertise, strengthening our brand and our work community. We are looking for additional growth especially from corporate customers, expanding 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 also to the North and Baltics.

## Medium-term financial targets

Netum's Board of Directors has set the following medium-term financial targets:

- Growth: Netum aims to achieve a revenue of EUR 50 million by 2025.
- Profitability: Netum aims to continue its profitable growth and achieve an EBITA of at least 14 per cent annually.
- Dividend policy: Netum aims to pay at least 40 percent of the EBITA as dividends.

## Board of Directors' proposal for measures related to profit

The parent company's profit for the reporting period totals EUR 1,433,645.07. The Board of Directors proposes to the Annual General Meeting to be held on 29 March 2022 that for the accounting period of 2021, a dividend of EUR 0.11 per share be shared from the company's distributable funds.

## Annual General Meeting 2022

Netum Group Plc's Annual General Meeting will be held on Tuesday, 29 March 2022, at 10:00 a.m. EET. The General Meeting will be held as an online meeting under special arrangements, without the presence of shareholders or their proxy representatives, at the company's head office at Yliopistonkatu 58 B, 33100 Tampere, Finland.

## Financial reporting in 2022

Netum Group Plc will publish the following financial releases in 2022:

- Half-year financial report January-June 2022 16 August 2022



# Tables

## Accounting principles for the financial statements

This financial statements release has been prepared in accordance with Finnish Accounting Standards (FAS). The financial statements are available on the company's investor website at <https://www.netum.fi/en/investors/reports-and-presentations/>. The figures presented are rounded from the exact figures. Due to rounding, the sum of the individual figures may differ from the amount shown. The financial statement figures 2021 and 2020 contained in this financial statements release have been audited.

The company presents commonly used alternative performance measures to describe the economic development of its businesses and to improve comparability between different reporting periods. Alternative indicators provide significant additional information to the company's management, investors and other parties.

The alternative key figures used by the company are EBITDA, EBITA, comparable EBITA, profit excluding goodwill amortisation for the review period and comparable result excluding amortisation of goodwill. The calculation of the exchangeable indicators is presented in the section Reconciliation of alternative indicators. The principles for calculating key figures and alternative key figures are presented in the section 'Accounting principles' of the KEY figures.

## Consolidated income statement

EUR 1,000	7-12/2021	7-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
<b>Revenue</b>	<b>11,965</b>	<b>8,967</b>	<b>33.4%</b>	<b>22,401</b>	<b>17,541</b>	<b>27.7%</b>
Other operating income	75	75	0%	318	82	287.5%
Materials and services	-2,045	-1,962	-4.2%	-3,925	-3,533	-11.1%
Personnel expenses	-6,860	-4,363	-57.3%	-12,587	-8,937	-40.9%
Depreciation and amortisation	-844	-1,226	31.2%	-1,486	-1,226	-21.2%
Other operating expenses	-1,599	-1,022	-56.5%	-2,812	-1,911	-45.4%
<b>Operating profit/loss</b>	<b>692</b>	<b>469</b>	<b>47.5%</b>	<b>1,909</b>	<b>2,016</b>	<b>-3.7%</b>
Financing income and expenses, net	-70	-103	32.0%	-965	-198	-403.2%
<b>Profit/loss before tax</b>	<b>621</b>	<b>366</b>	<b>70.0%</b>	<b>945</b>	<b>1,818</b>	<b>-48.0%</b>
Income tax expenses	-178	-399	55.4%	-415	-506	18.0%
<b>Profit/loss for the period</b>	<b>444</b>	<b>-33</b>	<b>1,427.9%</b>	<b>529</b>	<b>1,311</b>	<b>-59.6%</b>

## Consolidated balance sheet

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Development expenses	442	283
Intangible rights	28	33
Goodwill	463	553
Consolidated goodwill	11,996	6560
<b>Total intangible assets</b>	<b>12,929</b>	<b>7,429</b>
<b>Tangible assets</b>		
Property, plant and equipment	140	41
Other tangible assets	147	163
<b>Total tangible assets</b>	<b>287</b>	<b>204</b>
<b>Total non-current assets</b>	<b>13,216</b>	<b>7,633</b>
<b>Current assets</b>		
<b>Receivables</b>		
<b>Total long-term receivables</b>	<b>6</b>	<b>18</b>
Short-term receivables		
Accounts receivables	3,950	2,888
Loan receivables	3	5
Other receivables	24	1
Prepayments and accrued income	807	232
<b>Total short-term receivables</b>	<b>4,784</b>	<b>3,126</b>
<b>Total receivables</b>	<b>4,791</b>	<b>3,144</b>
Investments in total	1,330	75
Cash in hand and at banks	941	1,275
<b>Total current assets</b>	<b>7,062</b>	<b>4,493</b>
<b>Total assets total</b>	<b>20,277</b>	<b>12,126</b>

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	80	3
Reserve for invested unrestricted equity	11,430	3,508
Retained earnings gain (loss)	247	258
Profit (loss) for the financial year	529	1,311
<b>Total equity</b>	<b>12,286</b>	<b>5,079</b>
<b>Provisions</b>		<b>14</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	2,548	3,185
<b>Total non-current liabilities</b>	<b>2,548</b>	<b>3,185</b>
<b>Current liabilities</b>		
Capital loan		275
Loans from credit institutions	637	637
Accounts payables	585	794
Other creditors	1,657	557
Accruals and deferred income	2,564	1,584
<b>Total current liabilities</b>	<b>5,443</b>	<b>3,848</b>
<b>Total liabilities</b>	<b>7,991</b>	<b>7,033</b>
<b>Total equity and liabilities</b>	<b>20,277</b>	<b>12,126</b>

## Consolidated statement of cash flows

EUR 1,000	1-12/2021	1-12/2020
<b>CASH FLOW FROM OPERATIONS</b>		
Profit (+)/loss (-) before appropriations	945	1,818
Adjustments (+/-)		
Depreciation and amortisation	1,486	1,226
Other income and expenses without payments	-25	14
Financial income and expenses	965	198
Cash flow before change in working capital	3,370	3,257
Change in working capital		
Current receivables increase (-) /decrease (+)	-627	-568
Interest-free current liabilities increase (-) /decrease (+)	0	-31
Cash flow before financial items and taxes	2,744	2,658
Interests paid	-1,005	-163
Interests received	9	0
Income tax paid	-536	-381
<b>Cash flow from operations</b>	<b>1,212</b>	<b>2,113</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in tangible and intangible assets	-466	-273
Investments in subsidiary shares	-5,602	-300
<b>Cash flow from investing activities</b>	<b>-6,068</b>	<b>-573</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Paid increase of own capital	8,000	980
Purchases of own shares		-33
Sales of own shares		8
Non-current receivables, increase (-) or decrease (+)	12	5
Repayments of current loans	-912	-578
Repayments of non-current loans		-825
Dividend paid	-1,322	-425
<b>Cash flow from financing activities</b>	<b>5,777</b>	<b>-868</b>
<b>Change in cash, increase (+)/ decrease (-)</b>	<b>921</b>	<b>672</b>
<b>Cash at the beginning of the financial period</b>	<b>1,350</b>	<b>678</b>
<b>Cash at the end of the financial period</b>	<b>2,271</b>	<b>1,350</b>

## Consolidated statement of changes in equity

EUR 1,000	1-12/2021	1-12/2020
<b>Restricted equity</b>		
Share capital at beginning of the reporting period	3	3
Increase of share capital	78	
<b>Total restricted equity</b>	<b>80</b>	<b>3</b>
<b>Unrestricted equity</b>		
Unrestricted equity reserve at beginning of the reporting period	3,508	2,528
Increase of share capital	-78	
Share issue	8,000	980
Unrestricted equity reserve at end of the reporting period	11,430	3,508
Retained earnings (loss) at beginning of the reporting period	258	708
Dividend paid	-1,322	-425
Sales of own shares		-33
Purchases of own shares		8
Retained earnings (loss) at end of the reporting period	1,311	258
Profit for the period	529	1,311
<b>Total unrestricted equity</b>	<b>12,206</b>	<b>5,077</b>
<b>Equity total</b>	<b>12,286</b>	<b>5,079</b>



## Commitments and contingent liabilities

EUR 1,000	1-12/2021	1-12/2020
<b>Lease liabilities for business premises</b>		
Lease liabilities for business premises	285	191
<b>Total</b>	<b>285</b>	<b>191</b>
<b>Leasing liabilities</b>		
Due in the next financial year	143	
Due later	203	
<b>Total</b>	<b>346</b>	
<b>Business credit cards</b>		
Used amount	5	7
Unused amount	28	
<b>Total</b>	<b>33</b>	<b>7</b>
<b>Total</b>	<b>663</b>	<b>198</b>
<b>Credit account limit</b>		
Unused limit	300	300
<b>Total</b>	<b>300</b>	<b>300</b>

## Reconciliation of alternative performance measures

### EBITA and EBITDA

EUR 1,000	1-12/2021	1-12/2020
Operating profit (-loss)	1,909	2,016
Consolidated goodwill amortisation	1,141	977
Goodwill amortisation	89	90
<b>EBITA</b>	<b>3,140</b>	<b>3,083</b>
Depreciation and amortisation	255	160
<b>EBITDA</b>	<b>3,395</b>	<b>3,242</b>

### Comparable EBITA

EUR 1,000	1-12/2021	1-12/2020
EBITA	3,140	3,083
Items affecting comparability in operating profit total	-11	
<b>Comparable EBITA</b>	<b>3,129</b>	<b>3,083</b>

### Profit for the reporting period excluding goodwill amortisation

EUR 1,000	1-12/2021	1-12/2020
Profit for the reporting period	529	1,311
Consolidated goodwill amortisation	1,141	977
Goodwill amortisation	89	90
<b>Profit for the reporting period excluding goodwill amortisation</b>	<b>1,760</b>	<b>2,378</b>

### Comparable profit excluding goodwill amortisation

EUR 1,000	1-12/2021	1-12/2020
Profit for the reporting period excluding goodwill amortisation	1,760	2,378
Items affecting profitability		
Financial expenses related to the IPO	875	
Proceeds for equipment sales	-104	
Transaction expenses for the acquisition	93	
Tax effect	-173	
<b>Items affecting comparability total</b>	<b>691</b>	
<b>Comparable profit excluding goodwill amortisation</b>	<b>2,451</b>	<b>2,378</b>

## Calculation of key figures

<b>EBITDA</b>	= operating profit + consolidated goodwill amortisation + goodwill amortisation + depreciation and amortisation
<b>EBITA</b>	= operating profit + consolidated goodwill amortisation + goodwill amortisation
<b>Comparable EBITA</b>	= operating profit + consolidated goodwill amortisation + goodwill amortisation + items affecting comparability in operating profit
<b>Result for the reporting period excluding goodwill amortisation</b>	= Result for the reporting period + consolidated goodwill amortisation + goodwill amortisation
<b>Comparable result excluding goodwill amortisation</b>	= Result for the reporting period + consolidated goodwill amortisation + goodwill amortisation + items affecting profitability
<b>Earnings per share</b>	= Result for the reporting period / Average number of shares outstanding during the period (average of beginning and end of period)
<b>Earnings per share excluding goodwill amortisation</b>	= Result for the reporting period excluding goodwill amortisation / Average number of shares outstanding during the period (average of beginning and end of period)
<b>Comparable earnings per share excluding goodwill amortisation</b>	= Comparable result excluding goodwill amortisation / Average number of shares outstanding during the period (average of beginning and end of period)
<b>Equity ratio</b>	= (Equity total + non-current capital loan + current capital loan) / Total equity and liabilities
<b>Return on equity</b>	= Result for the reporting period / Average equity (average of beginning and end of period)

In Helsinki, 8 March 2022

**Netum Group Plc**  
Board of Directors

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