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Netum Group Plc Financial statements release

1 January–31 December 2022

Contents

July–December 2022 in brief	2
January–December 2022 in brief	2
Group key figures	3
CEO's statement	4
Significant events during the reporting period	6

Financial review 1 January–31 December 2022..... 6

Revenue, profitability and result.....	6
July–December 2022.....	6
January–December 2022.....	7
Balance sheet, financing and cash flow	7
Investments.....	7
Research and development.....	7
Acquisitions.....	8
Group structure	8
Changes in management.....	8
Personnel and management.....	8
Corporate responsibility	8
Annual General Meeting 2022	9
Personnel share issue 2022.....	10
Share-based incentive plans.....	10
Directed share issue without payment 2022	10
Shares and trading in shares	10
Shareholders	11
Operating environment.....	11
Near-term risks and business uncertainties.....	11
Strategy.....	11
Medium-term financial targets	12
Board of Directors' proposal for measures related to profit.....	12
Events after the reporting period	12
Annual General Meeting 2023	12
Financial reporting in 2023	12

Tables 13

Accounting principles for the financial statements	13
Consolidated income statement	13
Consolidated balance sheet.....	14
Consolidated statement of cash flows.....	16
Consolidated statement of changes in equity	17
Commitments and contingent liabilities.....	18
Reconciliation of alternative performance measures.....	19
Calculation of key figures.....	20

Netum Group Plc's financial statements release 1 January–31 December 2022

Revenue grew by 30% in a challenging operating environment

Revenue for January–December 2022 grew 30.1% from the comparison period. Organic growth was 21.8%. Inorganic growth based on the acquisition of Cerion Solutions Oy on 1 October 2021 was 8.3%. EBITA amounted to EUR 2.5 (3.1) million or 8.5 (14.0) % of revenue.

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. The figures for the financial year 2022 in this financial statements release are not audited.

July–December 2022 in brief

- On 29 December 2022, Netum Group Plc announced having signed an agreement to acquire 100% of Studyo Oy
- Revenue increased 14.7% from the comparison period to EUR 13.7 (12.0) million
- EBITDA amounted to EUR 0.9 (1.5) million or 6.9 (12.8) % of revenue
- EBITA was EUR 0.8 (1.4) million or 5.5 (11.6) % of revenue
- Comparable EBITA was EUR 0.8 (1.5) million, or 5.8 (12.4) % of revenue
- Operating profit was EUR -0.1 (0.7) million, or -0.8 (5.8) % of revenue
- Result for the reporting period was EUR -0.3 (0.4) million, or -2.2 (3.7) % of revenue, and comparable result excluding goodwill amortisation was EUR 0.6 (1.2) million, or 4.3 (10.2) % of revenue
- Comparable earnings per share excluding goodwill amortisation were EUR 0.05 (0.11)

January–December 2022 in brief

- Revenue increased 30.1% from the comparison period to EUR 29.1 (22.4) million
- EBITDA amounted to EUR 2.8 (3.4) million, or 9.7 (15.2) % of revenue
- EBITA was EUR 2.5 (3.1) million or 8.5 (14.0) % of revenue
- Comparable EBITA was EUR 2.6 (3.1) million or 8.8 (14.0) % of revenue
- Operating profit was EUR 0.8 (1.9) million, or 2.6 (8.5) % of revenue
- Result for the reporting period was EUR 0.2 (0.5) million, or 0.6 (2.4) % of revenue, and comparable result excluding goodwill amortisation was EUR 2.0 (2.5) million, or 6.8 (10.9) % of revenue
- Comparable earnings per share excluding goodwill amortisation were EUR 0.17 (0.24)
- Number of employees at the end of the period was 276 (217), year-on-year growth was 27.2%
- Netum Group Plc's Board of Directors proposes to the Annual General Meeting that for the accounting period of 1 January–31 December 2022, a dividend of EUR 0.11 per share be shared

Group key figures

EUR thousand unless otherwise stated	7-12/2022	7-12/2021	Change	1-12/2022	1-12/2021	Change
Revenue	13,719	11,965	14.7%	29,146	22,401	30.1%
Revenue growth, per cent	14.7%	33.4%		30.1%	27.7%	
Organic growth, per cent	3.8%	18.6%		21.8%	20.1%	
EBITDA	943	1,535	-38.6%	2,817	3,395	-17.0%
EBITDA, % of revenue	6.9%	12.8%		9.7%	15.2%	
Operating profit excluding goodwill amortisation (EBITA)	754	1,389	-45.7%	2,485	3,140	-20.9%
EBITA, % of revenue	5.5%	11.6%		8.5%	14.0%	
Comparable EBITA ¹⁾	798	1,482	-48.6%	2,561	3,129	-18.2%
Comparable EBITA, % of revenue	5.8%	12.4%		8.8%	14.0%	
Operating profit (-loss)	-108	692	-115.6%	761	1,909	-60.1%
Operating profit (-loss), % of revenue	-0.8%	5.8%		2.6%	8.5%	
Result for the reporting period	-308	444	-169.4%	185	529	-65.1%
Profit for the period excluding goodwill amortisation	554	1,141	-51.4%	1,909	1,760	8.5%
Comparable profit excluding goodwill amortisation ¹⁾	589	1,216	-51.6%	1,969	2,451	-19.7%
Earnings per share, EUR	-0.03	0.04	-161.3%	0.02	0.05	-69.2%
Earnings per share excluding goodwill amortisation, EUR	0.05	0.11	-57.1%	0.16	0.17	-4.2%
Comparable earnings per share excluding goodwill amortisation, EUR	0.05	0.12	-57.2%	0.17	0.24	-29.1%
Number of employees at the end of the period				276	217	27.2%
Equity ratio, %				59.6%	60.6%	-1.7%
Return on equity, %				1.5%	6.1%	-74.9%

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

Outlook for 2023

Netum expects its revenue to grow at least 20% from the previous year and EBITA to be at least 10% of revenue in the financial year 2023.

Overall, the outlook for the IT services market for 2023 is positive, and especially the development of digital services and the demand for data and analytics services as well as for cyber security services are expected to remain good.

CEO's statement



"Although the year 2022 was surprisingly challenging, we reached our revenue growth target in line with our guidance. Our growth was supported by continued good demand in the IT services market. Public administration customers were particularly active, and geopolitical or economic development did not have a significant impact on public sector IT projects. The growth is an indication that our customers trust us, and it is also reflected in the results of customer satisfaction measurements. Our revenue grew 30 per cent year on year and amounted to EUR 29.1 million.

Revenue increased primarily due to the long framework agreements with our current customers, but during the year we also signed significant new agreements with, for example, Kuntien Tiera Oy, Istekki Oy, 2M IT Oy and LapIT Oy, which operate in the health and social services sector. We also signed agreements on continuous service with the KEHA Centre and on the development services of the "Peppi" student administration system with Haaga-Helia University of Applied Sciences. In addition, we received several smaller new

contracts from municipalities, the education sector and companies. New important customers for us were Kela, the City of Lahti, the University of Oulu and Jukkatalo Oy. For corporate customers, we are particularly pleased with the agreement on integration services for Colliers in their entire EMEA region.

In 2022, we continued to invest in growth in line with our targets with a special focus on recruitment and awareness growth. Our invoicing rates were challenged by front-loaded recruitments, internal development projects and sick leaves of personnel due to the coronavirus. The decline in our profitability in 2022 was due to product development costs and higher general costs, as well as a higher than usual subcontracting volume in the first half of the year. EBITA was 8.5 per cent of revenue.

To strengthen our ability to reach our medium-term profitable growth targets in line with our strategy, we clarified and simplified the Group's organisational structure by merging all acquired companies acquired through acquisitions into Netum Oy under a common brand. In addition, we will continue to serve our customers with industry-specific teams. With the changes, we aim to improve the efficiency of customer service and customer relationship management, as well as to further improve job satisfaction.

Our number of employees increased by 59 during the year, and by the end of the year there was already 276 of us. We opened new offices in Jyväskylä and Hämeenlinna and moved to new premises in the Kampin Huippu property in Helsinki. With the acquisition of Studyo Oy in January 2023, our operations also expanded to the Kuopio economic region, and we further strengthened our product and service offering in the education sector.

Our goal is to be the preferred work community in our industry, and here we are on a good path. In 2022, our personnel turnover rate was still low, 8 per cent. During the year, we focused especially on job satisfaction, and in the spring of 2022, we received the Great Place to Work award.

In September, 145 staff members participated in the personnel share issue, which is also a testament to our personnel's commitment to Netum and its goals. The new employee incentive package also includes a share-based incentive plan for the extended management team, which commits and guides the management to the implementation of our growth strategy.

Our corporate responsibility programme has been in operation since 2021. During the year, we received the Green Office certificate also for our second office in Tampere, and we will continue to certify other offices. Our goal is to increase the diversity of our personnel. Our age range is already

wide, and in 2022, the share of women in our personnel increased to 18 per cent from the previous year's 14. Our employee net promoter score (eNPS) was 58, up from 46 the year before. We are currently updating our responsibility programme, which is expected to be published during the first half of this year.

In spring 2022, we updated our strategy. As part of our strategy, we intend to strengthen our brand, expand our operations regionally in Finland and continue to invest in our work community, and we have succeeded well in this in 2022. In 2022, approximately one-fifth of our revenue came from corporate sales. In the implementation of our strategy, this year we will focus especially on developing our corporate customer business and partnerships, which is supported by the changes we have made to our organisational structure.

Our medium-term financial targets updated in spring 2022 remain unchanged. We continue to aim for a revenue of EUR 50 million by 2025, profitable growth and EBITA of at least 14 per cent of revenue. Overall, the outlook for the IT services market for 2023 is positive, and especially the development of digital services and the demand for data and analytics services as well as for cyber security services are expected to remain good. We estimate that our revenue will grow in 2023 by at least 20% from the previous year. EBITA is estimated to be at least 10% of net sales.

My warmest thanks for the past year to our committed personnel, all our partners and customers, as well as our investors.”

Matti Mujunen
CEO
Netum Group Plc

Significant events during the reporting period

During the reporting period, Netum updated its strategy and financial targets to 2025. The company also clarified its organisational structure to meet customer needs even better and to make its operations more efficient. The new structure also supports the achievement of the company's strategic goals. As of 1 October 2022, Netum's operations have been divided into services business and product business. On 31 December 2022, Cerion Solutions Oy and Netum Integrations Oy merged with Netum Oy.

Netum Group Plc established a share-based incentive plan for the management of the Group. The objective of the share-based incentive plan is to align the objectives of the management and Netum Group Plc's shareholders through long-term shareholdings, to increase the value of the company in the long term and to commit the management to the company. The company also arranged a personnel share issue.

In December 2022, Netum Group Plc arranged a share issue without payment to the company itself. The share issue would prepare for the needs of Netum Group Plc's share-based incentive plan for the management and the matching share plan for personnel issue, as well as for the use of the shares in possible acquisitions.

On 29 December 2022, Netum Group Plc announced having signed an agreement whereby it would purchase the entire share capital of Studyo Oy. The acquisition was completed on 2 January 2023.

In the reporting period, the company opened new offices in Jyväskylä and Hämeenlinna and relocated to new, comfortable premises in the Kampin Huippu property in Helsinki.

Most significant new orders during the review period were:

- Haaga-Helia University of Applied Sciences, the "Peppi" student administration system maintenance and development project
- Kuntien Tiera Oy, professional knowledge management expert services for the Kainuu Joint Municipal Authority for Social and Health Care (Kainuu Health and Social Services)
- Delivery of the Netum Dux system for IT asset management to a large public administration end customer
- Istekki Oy, an electronic service and management system for research activities for the well-being services counties of Pirkanmaa and Northern Savonia
- 2M-IT Oy, business intelligence and data warehouse services for the development of social and healthcare operations
- LapIT Oy, ICT expert services for municipalities, joint municipal authorities, and the social and healthcare sector in Northern Finland
- KEHA Centre (Development and administration centre for the Centres for Economic Development), an assignment agreement for continuous services

Financial review 1 January–31 December 2022

Revenue, profitability and result

July–December 2022

Revenue for July–December grew 14.7% from the comparison period and amounted to EUR 13.7 (12.0) million. Organically revenue grew 3.8%.

EBITDA was EUR 0.9 (1.5) million or 6.9 (12.8) % of revenue, and EBITA was EUR 0.8 (1.4) million or 5.5 (11.6) % of revenue. Comparable EBITA was EUR 0.8 (1.5) million or 5.8 (12.4) % of revenue. Operating

profit was EUR -0.1 (0.7) million, or -0.8 (5.8) % of revenue. Result for the reporting period was EUR -308 (444) thousand, or -2.2 (3.7) % of revenue. Comparable result excluding goodwill amortisation was EUR 0.6 (1.2) million, or 4.3 (10.2) % of revenue.

January–December 2022

Revenue for the full year 2022 grew 30.1% from the comparison period and amounted to EUR 29.1 (22.4) million. Organically revenue grew 21.8%.

EBITDA was EUR 2.8 (3.4) million or 9.7 (15.2) % of revenue, and EBITA was EUR 2.5 (3.1) million or 8.5 (14.0) % of revenue. Comparable EBITA was EUR 2.6 (3.1) million or 8.8 (13.7) % of revenue. Operating profit was EUR 0.8 (1.9) million or 2.6 (8.5) % of revenue. Result for the reporting period was EUR 0.2 (0.5) million or 0.6 (2.4) % of revenue. Comparable result excluding goodwill amortisation was EUR 2.0 (2.5) million, or 6.8 (10.9) % of revenue, and comparable earnings per share excluding goodwill amortisation were EUR 0.17 (0.24).

Balance sheet, financing and cash flow

The Group's balance sheet total on 31 December 2022 was EUR 20.0 (20.3) million. At the end of the review period, the Group's equity was EUR 11.9 (12.3) million.

At the end of the period, liabilities amounted to EUR 8.1 (8.0) million.

The Group's long-term interest-bearing liabilities were EUR 1.9 (2.5) million. Current interest-bearing liabilities were EUR 0.6 (0.6) million. Interest-bearing liabilities consist of bank loans.

At the end of 2022, the company's financial situation was good. The equity ratio at the end of the period was 59.6 (60.6) %. At the end of the review period, the Group's cash and cash equivalents were EUR 3.6 (2.3) million, of which cash and cash equivalents were EUR 3.6 (0.9) million euros and financial securities EUR 0.1 (1.3) million.

In January–December 2022, cash flow from operating activities was EUR 3.1 (1.2) million and cash flow from investments EUR -0.4 (-6.1) million. The change in the cash flow from investments was due to the acquisition of Cerion Solutions Oy in 2021.

Cash flow from financing activities was EUR -1.3 (5.8) million which included, among other things, paid increases in equity of EUR 0.7 (8.0) million, repayments of short-term loans EUR -0.6 (-0.9) million and dividends paid of EUR -1.3 (-1.3) million.

Investments

The investments EUR 0.5 (0.5) million recognised in the Group's balance sheet during the reporting period related to further development of Netum DUX and Truugo software.

Research and development

In 2022, research and development expenditure was EUR 0.5 (0.3) million, or 1.6 (1.4) % of revenue. The research and development activities covered further development of Netum DUX and Truugo software.

Acquisitions

On 29 December 2022, Netum Group Plc announced having signed an agreement to buy 100% of Studyo Oy. The acquisition was completed on 2 January 2023.

Group structure

At the end of the review period, Netum Group consisted of the parent company Netum Group Plc and its subsidiaries Netum Oy and Netum Service Channel Oy. After the review period, as of 2 January 2023, Netum Group consists of the parent company Netum Group Plc and its 100 per cent owned subsidiaries Netum Oy, Netum Service Channel Oy and Studyo Oy.

Changes in management

As of 1 October 2022, Netum's operations have been divided into services business and product business. As of 1 October 2022, the members of Netum Group Plc's Management Team are

- Matti Mujunen, CEO;
- Altti Raali, Director, Services business and CEO, Netum Oy;
- Pekka Levänen, Director, Finance;
- Liina Kangas, Director, HR and marketing;
- Jussi Vasama, Director, Sales;
- Juha-Pekka Leskinen, Director, Partnerships, and
- Kimmo Koivisto, Director, IT and security.

After the review period, Lauri Stigell, CEO of Studyo Oy, was appointed as a member of Netum Group Plc's Management Team as of 16 January 2023.

Personnel and management

On 31 December 2022, the Group employed 276 (217) people. The increase in the number of personnel was due to active recruiting. Personnel costs from 1 January to 31 December 2022 were EUR 18.0 (12.6) million.

At the end of the review period, the Group's Management Team consisted of Matti Mujunen, Altti Raali, Pekka Levänen, Liina Kangas, Jussi Vasama, Juha-Pekka Leskinen and Kimmo Koivisto.

Corporate responsibility

The corporate responsibility programme launched by Netum in 2021 emphasises social responsibility and diversity. The concept of well-being at work has expanded in society, and the meaningfulness of work is increasingly important for personnel. By operating in socially significant projects, Netum contributes to increasing the efficiency, accessibility and safety of services.

An essential part of Netum's sustainability work is interaction with stakeholders, the aim of which is to identify the needs and expectations of different stakeholders. The company evaluates its stakeholder interaction, for example, through personnel surveys and by measuring customer experience as well as through other continuous and regular surveys.

Netum evaluates its interaction with the personnel with an annual personnel survey, which measures the meaningfulness of work and coping at work. The measurement results have improved since the first survey in 2017 and remained at a high level also in 2022. The employee Net Promoter

Score (eNPS) was 58, up from 46 the year before. Netum's goal is to increase the diversity of personnel. The age range of the company's personnel is wide, and in 2022, the share of women among the personnel increased to 18.1 per cent from the previous year's 14.3. In 2022, Netum also received the Great Place to Work certification for a good employer.

Environmental values are important to Netum, which is reflected in the responsible use of resources and in sustainable, nature-friendly and low-emission solutions, such as the use of green electricity and the careful recycling of equipment. They are important ways to reduce the environmental impact of the company's operations.

The company's commitment to sustainable practices is evidenced by the WWF's Green Office certificates received by the company for both offices in Tampere, and the certification work will continue at other locations in 2023.

Netum was not aware of any suspected misconduct during 2022. Netum has a Whistleblowing channel through which you can anonymously report suspected misconduct.

Netum is currently updating its sustainability program, which is planned to be published during the first half of 2023.

Annual General Meeting 2022

The Annual General Meeting of Netum Group Plc held on 29 March 2022 adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the reporting period of 1 January–31 December 2021.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that a dividend of EUR 0.11 per share be paid for the financial year 2021. The dividend payment date was 7 April 2022.

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, Olavi Kõngäs, Lars Laaksonen and Jarmo Puputti were re-elected, and Marja-Liisa Niinikoski was elected as a new Board member. In its constitutive meeting, Netum Group's Board of Directors re-elected Olavi Kõngäs as the Chairman of the Board.

The General Meeting re-elected the audit firm Oy Tuokko Ltd as the company's auditor. Tuija Siuko, Authorised Public Accountant, shall act as the auditor with principal responsibility. The auditor's fee shall be paid in accordance with an invoice approved by the company.

The General Meeting resolved to authorise 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 in one or several instalments, either against payment or without payment. The total number of shares to be issued may amount to a maximum of 2,000,000 shares. The General Meeting also resolved to authorise the Board of Directors to decide on the repurchase of a maximum of 500,000 of the company's own shares otherwise than in proportion to the shareholdings of the shareholders, in one or several instalments, using the company's unrestricted equity. The authorisations shall remain valid until the conclusion of the next Annual General Meeting, but no later than 31 March 2023. The authorisations replace the previous authorisations granted to the Board of Directors.

Personnel share issue 2022

The Board of Directors of Netum Group Plc decided on 2 September 2022, based on the authorisation given by the Annual General Meeting on 29 March 2022, to arrange a personnel issue to offer new shares in the company for subscription by the Group's personnel. On 23 September 2022, the Board of Directors approved a total of 185,500 subscriptions for new shares in the share issue. The total subscription price of the new shares was EUR 677,075. The shares subscribed for in the personnel share issue together represented approximately 1.6 per cent of shares and votes in the company. Subscriptions were made by a total of 145 members of the Group's personnel. The new shares were entered into the Trade Register on 28 October 2022. After the entry of the new shares in the Trade Register, the total number of shares in Netum Group Plc was 11,720,500 shares.

Share-based incentive plans

On 23 September 2022, the Board of Directors of Netum Group Plc decided to establish a new share-based incentive plan for the management of Netum Group Plc. The objective of the share-based incentive plan is to align the objectives of the management and Netum Group Plc's shareholders through long-term shareholdings, to increase the value of the company in the long term and to commit the management to the company.

The share-based incentive plan 2022–2026 has three performance periods covering the financial years 2022–2024, 2023–2025 and 2024–2026. During the performance period 2022–2024, the target group consists of approximately 15 people, including the CEO and other members of the management teams of Netum Group Plc and Netum Oy.

Directed share issue without payment 2022

On 14 December 2022, based on the authorisation given by the Annual General Meeting held on 29 March 2022, the Board of Directors of Netum Group Plc decided on a share issue of a total of 200,000 new shares without payment to the company itself. The share issue would prepare for the needs of Netum Group Plc's share-based incentive plan for the management and the matching share plan for personnel issue, as well as for the use of the shares in possible acquisitions. The new shares were entered in the Trade Register on 3 January 2023. After the registration of the new shares, the total number of shares in the company is 11,920,500, of which 231,000 shares are held by the company as treasury shares.

Shares and trading in shares

The company has one series of shares, and all shares have equal rights. On 31 December 2022, Netum Group Plc's share capital consisted of 11,720,500 (11,535,000) registered shares, and the company held 231,000 (31,000) of the company's own shares, which corresponded to approximately 0.26 (0.27) % 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 4.60 (4.85) and the lowest price EUR 3.55 (3.90). The weighted average price of the share during the review period was EUR xx (4.34). The closing price on 30 December 2022 was EUR 3.75 (4.46). The market value of the share capital at the closing price of the review period was EUR 43,835,625 (51,307,840) without the company's own shares held by the company.

Shareholders

On 31 December 2022, Netum had 3,532 (3,860) shareholders. The number of nominee-registered shares was 22,007 (18,121), which corresponded to 0.19 (0.16) % of the share capital. At the end of 2022, the members of Netum Group Plc's Board of Directors and the Group's CEO and their related parties held a total of 4,842,041 (4,820,926) shares, i.e., 41.31 (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 2022, 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. The geopolitical and economic uncertainty caused by the war in Ukraine have increased the demand on cyber security services in particular.

Netum operates in the IT services market in both the private and public sectors and is agile in offering its customers a wide range of services. 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

Netum Group Plc's key operational risks are related to attracting and retaining skilled personnel, cost control, success in tenders and project deliveries, and responding to technological changes. The risks related to the success of product development and information security, taking into account the company's business operations, are also subject to continuous monitoring. To ensure information security in operations and to manage information security risks, the company has an ISO 27001 certified Information Security Management System. All Group companies are instructed to comply with the principles of the system.

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. Insurances 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.

Russia's attack to Ukraine has created political and economic threats. As the crisis has continued, there have been strong negative effects on the global economy and on the general cost level.

Strategy

Netum's strategy supports the company's goal of being the most trusted partner in its industry and the preferred work community in responsible digital transformation. The company seeks growth by continuing to invest in its core areas of expertise, strengthening its brand and its work community. Additional growth is sought especially from corporate customers, expanding the company's service offering and repeatable services, for example in connection with cyber security. The company is expanding its operations regionally in Finland. Netum's SaaS products are the spearheads of its

internationalisation, and the company is exploring opportunities to expand its business also to the Nordic and Baltic countries.

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 per cent 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 2,121,728.20. The Board of Directors proposes to the Annual General Meeting to be held on Wednesday 29 March 2023 that for the accounting period of 2022, a dividend of EUR 0.11 per share be shared from the company's distributable funds.

Events after the reporting period

The transaction between the shareholders of Netum Group Plc and Studyo Oy was completed on 2 January 2023, and Studyo Oy became a 100 percent owned subsidiary of Netum Group Plc.

On 16 January 2023, Lauri Stigell, CEO of Studyo Oy, was appointed as a member of the Management Team of Netum Group Plc.

On 20 January 2023, the Board of Directors of Netum Group Plc decided on a directed share issue in which shares held by the company were transferred to the key employees of Studyo Oy as part of the basic purchase price of the acquisition of Studyo Oy. After the transfer of the shares, Netum Group Plc holds 156,216 of its own shares. The number of shares in Netum Group Plc remains unchanged at 11,920,500 shares.

Annual General Meeting 2023

Netum Group Plc's Annual General Meeting will be held on Wednesday, 29 March 2023, at 10:00 a.m. EET at the company's office at Kansakoulunkatu 1B, 00100 Helsinki, Finland. Shareholders can also participate in the meeting through a remote connection.

Financial reporting in 2023

Netum Group Plc will publish the following financial releases in 2023:

- Half-year financial report January-June 2023 on 15 August 2023

Tables

Accounting principles for the financial statements

This financial statements release has been prepared in accordance with Finnish Accounting Standards (FAS). Netum Group Plc's Annual Report including the report of the Board of Directors, financial statements and the auditor's report will be available on the company's investor website at <https://www.netum.fi/en/investors/reports-and-presentations/> on 10 March 2023 at the latest. 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 figures 2022 in this financial statements release are not 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 for the reporting period excluding goodwill amortisation and comparable profit excluding goodwill amortisation. The calculation of the alternative indicators is presented in the section 'Reconciliation of alternative performance measures'. The principles for calculating key figures and alternative key figures are presented in the section 'Calculation of key figures'.

Consolidated income statement

EUR 1,000	7-12/2022	7-12/2021	Change, %	1-12/2022	1-12/2021	Change, %
Revenue	13,719	11,965	14.7%	29,146	22,401	30.1%
Other operating income	23	75	-69.9%	72	318	-77.4%
Materials and services	-1,624	-2,045	-20.6%	-4,398	-3,925	12.0%
Personnel expenses	-9,159	-6,860	33.5%	-17,998	-12,587	43.0%
Depreciation and amortisation	-1,051	-844	24.5%	-2,055	-1,486	38.4%
Other operating expenses	-2,017	-1,599	26.1%	-4,006	-2,812	42.5%
Operating profit/loss	-108	692	-115.6%	761	1,909	-60.1%
Financing income and expenses, net	-84	-70	20.3%	-130	-965	-86.5%
Profit/loss before tax	-192	621	-130.9%	631	945	-33.2%
Income tax expenses	-116	-178	-34.9%	-447	-415	7.5%
Profit/loss for the period	-308	444	-169.4%	185	529	-65.1%

Consolidated balance sheet

EUR 1,000	31 Dec 2022	31 Dec 2021
Assets		
Non-current assets		
Intangible assets		
Development expenses	668	442
Intangible rights	23	28
Goodwill	374	463
Consolidated goodwill	10,361	11,996
Total intangible assets	11,425	12,929
Tangible assets		
Property, plant and equipment	57	140
Other tangible assets	104	147
Total tangible assets	161	287
Total non-current assets	11,586	13,216
Current assets		
Receivables		
Long-term receivables		
Loan receivables	47	
Other receivables	50	
Total long-term receivables	97	6
Short-term receivables		
Account receivables	3,723	3,950
Loan receivables		3
Other receivables	9	24
Prepayments and accrued income	893	807
Total short-term receivables	4,625	4,784
Total receivables	4,722	4,791
Investments in total	50	1,330
Cash in hand and at banks	3 593	941
Total current assets	8,365	7,062
Total assets total	19,952	20,277

EUR 1,000	31 Dec 2022	31 Dec 2021
Equity and liabilities		
Equity		
Share capital	80	80
Reserve for invested unrestricted equity	12,107	11,430
Retained earnings gain (loss)	-489	247
Profit (loss) for the financial year	185	529
Total equity	11,883	12,286
Provisions		
Liabilities		
Non-current liabilities		
Loans from credit institutions	1,911	2,548
Total non-current liabilities	1,911	2,548
Current liabilities		
Loans from credit institutions	637	637
Account payables	843	585
Other creditors	1,440	1,657
Accruals and deferred income	3,238	2,564
Total current liabilities	6,158	5,443
Total liabilities	8,069	7,991
Total equity and liabilities	19,952	20,277

Consolidated statement of cash flows

EUR 1,000	1-12/2022	1-12/2021
CASH FLOW FROM OPERATIONS		
Profit (+)/loss (-) before appropriations	631	945
Adjustments (+/-)		
Depreciation and amortisation	2,055	1,486
Other income and expenses without payments	11	-25
Financial income and expenses	130	965
Cash flow before change in working capital	2,827	3,370
Change in working capital		
Current receivables increase (-) /decrease (+)	430	-627
Interest-free current liabilities increase (-) /decrease (+)	793	0
Cash flow before financial items and taxes	4,050	2,744
Interests paid	-146	-1,005
Interests received	2	9
Income tax paid	-792	-536
Cash flow from operations	3,114	1,212
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-501	-466
Proceeds from the disposal of tangible and intangible assets	76	0
Investments in subsidiary shares		-5,602
Cash flow from investing activities	-426	-6,068
CASH FLOW FROM FINANCING ACTIVITIES		
Paid increase of own capital	677	8,000
Non-current receivables, increase (-) or decrease (+)	-91	12
Repayments of current loans	-637	-912
Dividend paid	-1,265	-1,322
Cash flow from financing activities	-1,316	5,777
Change in cash, increase (+)/ decrease (-)	1,372	921
Cash at the beginning of the financial period	2,271	1,350
Cash at the end of the financial period	3,643	2,271

Consolidated statement of changes in equity

EUR 1,000	1-12/2022	1-12/2020
Restricted equity		
Share capital at beginning of the reporting period	80	3
Increase of share capital		78
Total restricted equity	80	80
Unrestricted equity		
Unrestricted equity reserve at beginning of the reporting period	11,430	3,508
Increase of share capital		-78
Share issue	677	8,000
Unrestricted equity reserve at end of the reporting period	12,107	11,430
Retained earnings (loss) at beginning of the reporting period	247	258
Dividend paid	-1,265	-1,322
Sales of own shares		
Purchases of own shares		
Retained earnings (loss) at end of the reporting period	529	1,311
Profit for the period	185	529
Total unrestricted equity	11,803	12,206
Equity total	11,883	12,286

Commitments and contingent liabilities

EUR 1,000	1-12/2022	1-12/2021
Lease liabilities for business premises		
Lease liabilities for business premises	705	285
Total	705	285
Leasing liabilities		
Due in the next financial year	811	143
Due later	1,027	203
Total	1,838	346
Business credit cards		
Used amount	15	5
Unused amount	20	28
Total	35	33
Total	2,578	663
Credit account limit		
Unused limit	600	300
Total	600	300

Reconciliation of alternative performance measures

EBITA and EBITDA

EUR 1,000	1-12/2022	1-12/2021
Operating profit (-loss)	761	1,909
Consolidated goodwill amortisation	1 635	1,141
Goodwill amortisation	89	89
EBITA	2,485	3,140
Depreciation and amortisation	331	255
EBITDA	2,817	3,395

Comparable EBITA

EUR 1,000	1-12/2022	1-12/2021
EBITA	2,485	3,140
Items affecting comparability in operating profit total	76	-11
Comparable EBITA	2,561	3,129

Profit for the reporting period excluding goodwill amortisation

EUR 1,000	1-12/2022	1-12/2021
Profit for the reporting period	185	529
Consolidated goodwill amortisation	1,635	1,141
Goodwill amortisation	89	89
Profit for the reporting period excluding goodwill amortisation	1,909	1,760

Comparable profit excluding goodwill amortisation

EUR 1,000	1-12/2022	1-12/2021
Profit for the reporting period excluding goodwill amortisation	1,909	1,760
Items affecting profitability		
Financial expenses related to the IPO		875
Proceeds for equipment sales/leaseback	49	-104
Image campaign	27	
Transaction expenses for the acquisition		93
Tax effect	-15	-173
Items affecting comparability total		691
Comparable profit excluding goodwill amortisation	1,969	2,451

Calculation of key figures

EBITDA	= operating profit + consolidated goodwill amortisation + goodwill amortisation + depreciation and amortisation
EBITA	= operating profit + consolidated goodwill amortisation + goodwill amortisation
Comparable EBITA	= operating profit + consolidated goodwill amortisation + goodwill amortisation + items affecting comparability in operating profit
Result for the reporting period excluding goodwill amortisation	= Result for the reporting period + consolidated goodwill amortisation + goodwill amortisation
Comparable result excluding goodwill amortisation	= Result for the reporting period + consolidated goodwill amortisation + goodwill amortisation + items affecting profitability
Earnings per share	= Result for the reporting period / Average number of shares outstanding during the period (average of beginning and end of period)
Earnings per share excluding goodwill amortisation	= Result for the reporting period excluding goodwill amortisation / Average number of shares outstanding during the period (average of beginning and end of period)
Comparable earnings per share excluding goodwill amortisation	= Comparable result excluding goodwill amortisation / Average number of shares outstanding during the period (average of beginning and end of period)
Equity ratio	= (Equity total + non-current capital loan + current capital loan) / Total equity and liabilities
Return on equity	= Result for the reporting period / Average equity (average of beginning and end of period)
Personnel turnover rate	= Number of employees resigned during the reporting period / Number of personnel at end of period * 100

In Helsinki, 7 March 2023

Netum Group Plc
Board of Directors

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