

Netum Group Plc

Financial statements release
1 January – 31 December 2024

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Contents

Netum Group Plc’s financial statements release 1 January–31 December 2024 (unaudited)	3
October–December 2024 in brief.....	3
January–December 2024 in brief.....	3
Group key figures.....	4
Outlook for 2025.....	4
CEO’s statement.....	5
Significant events during the reporting period.....	7
Financial review 1 January–31 December 2024	8
Revenue and profitability.....	8
Balance sheet, financing and cash flow.....	8
Investments.....	9
Research and development.....	9
Corporate transactions.....	9
Group structure.....	9
Changes in management.....	9
Personnel and management.....	9
Corporate responsibility.....	10
Annual General Meeting 2024.....	11
Share-based incentive plans.....	12
Shares and trading in shares.....	13
Shareholders.....	14
Near-term risks and business uncertainties.....	14
Strategy.....	14
Medium-term financial targets.....	15
Board of Directors’ proposal for distribution of profit.....	15
Events after the end of the financial period.....	16
Annual General Meeting 2025.....	16
Financial reporting in 2025.....	16
Tables	17
Accounting principles for the financial statements.....	17
Consolidated income statement.....	17
Consolidated balance sheet.....	18
Consolidated statement of cash flows.....	20
Consolidated statement of changes in equity.....	21
Commitments and contingent liabilities.....	22
Reconciliation of alternative performance measures.....	23
Calculation of key figures.....	24

Netum Group Plc's financial statements release 1 January–31 December 2024 (unaudited)

Significant growth and profitability improvement in 2024 – Q4 at the same level as comparison period

Netum Group's revenue for October–December 2024 decreased 2.2% on the comparison period. Comparable EBITA was EUR 0.8 (0.9) million or 7.4 (7.4) % of revenue. The Group's revenue for January–December 2024 grew 18.6% from the comparison period. Organic growth was 2.8%. Comparable EBITA was EUR 4.6 (2.8) million or 10.4 (7.4) % 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 review period. The figures for 2024 contained in this financial statements release are unaudited.

October–December 2024 in brief

- Revenue decreased 2.2% on the comparison period and was EUR 11.5 (11.7) million
- EBITDA amounted to EUR 0.8 (1.0) million or 6.8 (8.1) % of revenue
- EBITA was EUR 0.7 (0.9) million or 6.5 (7.8) % of revenue
- Comparable EBITA was EUR 0.8 (0.9) million or 7.4 (7.4) % of revenue
- Operating profit was EUR -0.1 (0.0) million or -1.3 (0.3) % of revenue
- Result for the period was EUR -0.4 (-0.3) million or -3.2 (-2.9) % of revenue
- Netum Ltd's holding in Optimo Systems Oy was reduced, and it decreased the Group's operating profit and result for the period by EUR 0.1 million

January–December 2024 in brief

- Revenue increased 18.6% on the comparison period and was EUR 44.0 (37.1) million. Organic growth was 2.8%.
- EBITDA was EUR 4.6 (2.6) million or 10.5 (7.1) % of revenue
- EBITA was EUR 4.5 (2.3) million or 10.2 (6.3) % of revenue
- Comparable EBITA was EUR 4.6 (2.8) million or 10.4 (7.4) % of revenue
- Operating profit was EUR 1.1 (-0.2) million or 2.6 (-0.6) % of revenue
- Result for the period was EUR -0.5 (-1.1) million or -1.0 (-2.9) % of revenue
- Earnings per share were EUR -0.04 (-0.09)
- Number of personnel at the end of the period was 394 (412)
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.05 (0.00) per share to be paid. In addition, the Board of Directors proposes that the AGM would authorise the Board of Directors to decide at its discretion on the payment of an additional dividend up to a maximum of EUR 0.03 per share.

Group key figures

EUR thousand unless otherwise stated	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Revenue	11,484	11,737	-2.2%	43,953	37,069	18.6%
Revenue growth, per cent	-2.2%	50.6%		18.6%	27.2%	
Organic growth, per cent	-2.2%	15.3%		2.8%	11.3%	
EBITDA	782	953	-17,9 %	4,607	2,614	76.2%
EBITDA, % of revenue	6.8%	8.1%		10.5%	7.1%	
Operating profit excluding goodwill amortisation (EBITA)	750	917	-18,2 %	4,477	2,341	91.2%
EBITA, % of revenue	6.5%	7.8%		10.2%	6.3%	
Comparable EBITA ¹⁾	849	865	-1,8 %	4,560	2,754	65.6 %
Comparable EBITA, % of revenue	7.4%	7.4%		10.4%	7.4%	
Operating profit (-loss)	-145	41		1,137	-235	
Operating profit (-loss), % of revenue	-1.3%	0.3%		2.6%	-0.6%	
Result for the reporting period	-369	-335		-456	-1,075	
Result for the reporting period, % of revenue	-3.2%	-2.9%		-1.0%	-2.9%	
Earnings per share, EUR				-0.04	-0.09	
Return on equity, %				-3.6%	-8.7%	
Equity ratio, %				43.2%	38.9%	
Number of employees, at the end of the period				394	412	
Overall capacity, own personnel (FTE), at the end of the period				379	392	

¹⁾ Items affecting comparability are presented in the table Comparable EBITA.

Outlook for 2025

Netum expects its revenue in the financial year 2024 to be EUR 41–46 million and comparable EBITA to be 7–10 % of revenue.

Netum expects the demand for IT services in the public sector to improve towards the end of the year, but intensified price competition to increase the challenge for the market. Global unprecedented uncertainty and unilateral decisions made by the major world powers create slowness and ambiguity in decision-making in the private sector. We believe that as the year progresses, adaptation to the new world situation will increase and the market will continue to grow.

CEO's statement



“The fourth quarter was challenging, and the general slowdown in the market and the postponement of customers' decisions concerning projects affected our growth. The Finnish Government's decisions on spending cuts, in particular, affected our customers' readiness to invest. In the fourth quarter, our revenue decreased by 2.2%, but we managed to maintain our comparable EBITA at the previous year's level. We can be fairly satisfied with our performance. However, price competition in the market intensified significantly, and it became more difficult to win profitable projects. Continuing brisk and profitable growth in Finland's current economic climate is increasingly challenging.

On the whole, 2024 was a continuation of Netum's significant growth and success. Our revenue for January–December increased by 18.6% year-on-year and amounted to EUR 44 million. It is particularly pleasing that organic growth represented 2.8% of this, in spite of the difficult market situation. Comparable EBITA improved significantly to EUR 4.6 million, representing 10.4% of revenue.

These achievements would not have been possible without our committed customers, dedicated personnel and strong stakeholders. I would like to extend my warmest thanks to all of you for your trust and contribution, which have helped to drive us forward. In particular, I would like to highlight the strong competence and professionalism of our employees. They enable us to provide our customers with high-quality, secure and effective IT solutions. Highly skilled personnel are at the heart of Netum, and innovation and commitment are directly reflected in customer satisfaction and the growth of our business.

Our customers' trust has also played a key role in our success. Long-term customer relationships and new partnerships are proof that the “Inspired by wisdom” thinking offered by Netum creates genuine value. We have successfully implemented several significant customer projects that have strengthened our position as a reliable IT service partner. Together with our customers, we develop responsible and secure digital solutions that support sustainable growth and meet the challenges of a changing world.

During the year, we have deepened our sustainability thinking, and its impacts are starting to become increasingly visible in both our internal processes and the services we offer to our customers. For us, sustainability is not just a word – it is the foundation of our operations and the core of our strategy. This means concrete action to reduce environmental impacts, promote ethical business and, above all, support the well-being of our employees. We believe that employee well-being is not only a resource in working life, but it also has more far-reaching impacts on the life of individuals and society. That is why we want to develop our work community where work-life balance, development opportunities and an appreciative culture support sustainable success.

The year 2025 has begun in the midst of unprecedented global uncertainty. Selfish and unilateral decisions made by the major world powers undermine global stability, exacerbate economic uncertainty and also weaken investor confidence in Finland as well as the rest of Europe. This is likely to be directly reflected in our customers' decision-making when investments are postponed or re-evaluated. In addition, the decisions on spending cuts made by the Finnish Government in late 2024 reduce the growth opportunities of the IT sector, while price competition in the domestic market is simultaneously intensifying and inflation leads to increased cost pressures. These factors may have an impact on the second half of the year in particular. Together, these factors create an exceptionally murky operating environment that underscores the importance of adaptability and agility.

We are responding to the growing uncertainty by strengthening our strategic planning and operational forecasting so that we can react quickly to changing circumstances. We are focusing on agility and cost efficiency while maintaining a high level of service for our customers. In addition, we are developing customer-oriented solutions that support their business even in uncertain times. This ensures that we are able to adapt to market changes and continue our sustainable growth even in challenging conditions. In 2025, we estimate revenue to be in the range of EUR 41–46 million and comparable EBITA to be 7–10% of revenue.

I have had an inspiring start to the year as Netum Group Plc's new CEO. While I am familiar with the company through my work on the Board of Directors, the new role provides me with fresh perspectives and the opportunity to focus even more deeply on the company's day-to-day operations. My meetings with our employees and customers have been particularly valuable – their thoughts and wishes guide us in building an even stronger Netum. These conversations strengthen my confidence in the future, and together with we can move the company forward!"

Repe Harmanen
CEO

Significant events during the reporting period

During the reporting period, Netum updated its strategy and financial targets to 2027.

On 9 October 2024, the company announced that Netum Group Plc's long-term CEO Matti Mujunen will retire.

On 1 November 2024 the Board of Directors of Netum Group Plc appointed Repe Harmanen as the company's new CEO as of 10 January 2025.

On 5 November 2024 the Board of Directors of Netum Group Plc decided to launch a stock option plan for the CEO based on the authorization granted by the Annual General Meeting of the Company on 27 March 2024.

Financial review 1 January–31 December 2024

Revenue and profitability

October–December 2024

Revenue for October–December decreased 2.2% from the comparison period and amounted to EUR 11.5 (11.7) million.

EBITDA was EUR 0.8 (1.0) million or 6.8 (8.1) % of revenue, and EBITA was EUR 0.7 (0.9) million or 6.5 (7.8) % of revenue. Comparable EBITA was EUR 0.8 (0.9) million or 7.4 (7.4) % of revenue. Operating profit was EUR -0.1 (0.0) million, or -1.3 (0.3) % of revenue. Result for the reporting period was EUR -0.4 (-0.3) million or -3.2 (-2.9) % of revenue.

January–December 2024

Revenue for the full year 2024 grew 18.6% year-on-year and was EUR 44.0 (37.1) million. Organic growth was 2.8%.

EBITDA was EUR 4.6 (2.6) million or 10.5 (7.1) % of revenue, and EBITA was EUR 4.5 (2.3) million or 10.2 (6.3) % of revenue. Comparable EBITA was EUR 4.6 (2.8) million or 10.4 (7.4) % of revenue. Operating profit was EUR 1.1 (-0.2) million or 2.6 (-0.6) % of revenue. Result for the reporting period was EUR -0.5 (-1.1) million or -1.0 (-2.9) % of revenue.

Balance sheet, financing and cash flow

The Group's balance sheet total on 31 December 2024 was EUR 28.6 (32.9) million. The Group's equity at the end of the financial period was EUR 12.3 (12.8) million.

Liabilities at the end of the period amounted to EUR 16.2 (20.1) million.

The Group's long-term interest-bearing liabilities amounted to EUR 6.2 (7.9) million. Current interest-bearing liabilities amounted to EUR 1.7 (1.5) million. Interest-bearing liabilities consisted of bank loans.

At the end of 2024, the company's financial situation was satisfactory. At the end of the financial year, the equity ratio was 43.2 (38.9) %. At the end of the financial year, the Group's cash and cash equivalents were EUR 2.1 (0.5) million, of which cash in hand and at banks were EUR 1.9 (0.3) million and financial securities EUR 0.2 (0.2) million.

In January–December 2024, cash flow from operating activities was EUR 4.8 (0.3) million and cash flow from investments EUR -1.7 (-9.0) million.

Cash flow from financing activities was EUR -1.5 (5.6) million and consisted mainly of repayments of short-term loans.

Investments

At the end of June 2024, Netum Group Plc's subsidiary Netum Ltd participated in a directed share issue of Optimo Systems Oy, in which Optimo Systems Oy's ownership base was expanded and its financial position strengthened. After the financing round, Netum Ltd's holding in Optimo Systems Oy decreased from 49.8 per cent to 47.2 per cent. In December 2024, Netum continued to reduce its shareholding. At the end of the financial year, the company's holding in Optimo Systems Oy was 19.5 per cent.

Research and development

During January–December 2024, no research or development expenses were capitalised.

Corporate transactions

No significant acquisitions or divestments were made in 2024. In March 2024, Netum paid an additional purchase price of EUR 1.6 million related to the acquisition of Studyo Oy.

Group structure

On 31 December 2024, Netum Group consisted of the parent company Netum Group Oyj and its 100 per cent owned subsidiaries Netum Oy, Studyo Oy, Buutti Oy and Buutti Consulting Ab. Buutti Consulting Ab currently has no business operations.

Changes in management

Netum Group Plc's CFO and member of the Management Team Mari Ala-Sorvari moved to a new role within the company on 1 October 2024. Peter Ahlskog was appointed as Netum Group's new CFO and member of the Management Team as of 1 October 2024.

On 9 October 2024, the company announced that Netum Group Plc's long-term CEO Matti Mujunen will retire. On 1 November 2024 the Board of Directors of Netum Group Plc appointed Repe Harmanen as the company's new CEO. Harmanen started as CEO on 10 January 2025. At the same time, he stepped down from his position as a member of Netum's Board of Directors. Former CEO Matti Mujunen took over as an advisor to the Board of Directors and has focused on supporting the smooth transfer of the CEO's responsibilities to Harmanen.

Personnel and management

On 31 December 2024, the Group employed 394 (412) people. Personnel expenses 1 January–31 December 2024 were EUR 30.4 (26.5) million.

At the end of the financial year, the Group's Management Team consisted of Matti Mujunen, Altti Raali, Peter Ahlskog, Lina Kangas, Sami Rantanen, Juha-Pekka Leskinen, Kimmo Koivisto, Lauri Stigell and Mikko Koistinen.

Corporate responsibility

In May 2024, we published our updated strategy, which continues to focus on our sustainable operating methods. Netum supports the realisation of its customers' sustainable development goals by offering new kinds of solutions that benefit all of our stakeholders: the environment, our customers, our personnel, our shareholders, our business and the surrounding society. Sustainably designed, implemented and accessible services are a smart, future-forward choice in terms of the environment, energy consumption and costs.

A significant operator in society

Netum Group has extensive experience and strong competence in demanding and societally significant IT projects. Netum Ltd has accumulated experience and expertise by developing digital solutions for the central government, public sector and education, for example, and providing the expertise of Netum's professionals for several decades. Studyo Oy streamlines daily life in educational institutions and supports the development of the quality of education in more than 50 Finnish higher education institutions and upper secondary schools. Buutti Oy offers high-quality consultancy, recruitment and training services to our customers across Finland. We systematically measure the customer experience and customer satisfaction in order to maintain agile operating methods and an excellent service quality. Our customer satisfaction continues to be excellent. Among customers who responded to our survey, the Net Promoter Score (NPS) continued to rise in 2024 and was +65 (on a scale of -100 to +100), compared to +60 in 2023 and +52 in 2022.

In addition to customer relationships, the company's significance in society is also emphasised in, for example, our well-established cooperation with educational institutions and the training business of the subsidiary Buutti Oy. Buutti trains future IT professionals and recruits them for its partner companies. A total of nine short training courses were organised in 2024, and they had an excellent impact on employment figures. Some 85% of the partner companies recruited a new employee through the training programme, and the students gave the training package an overall score of 4.53/5. In 2024, we continued our extensive cooperation with various educational institutions and organisations in the form of company visits, recruitment events and student fairs. It is important for Netum to listen to the wishes and thoughts of students and others who are interested in the field of IT, and to provide them with practical examples of working life and career development as part of the development of Netum's employer image.

A high level of competence and well-being among the personnel

Employees who have a high level of competence and well-being are one of Netum's key strengths. In 2024, our employees made extensive use of opportunities for training and competence development alongside their work. Training opportunities ensure both the individual's career development and the effective functioning and adaptability of the work community. For us, sustainability means understanding our employees' different life stages and taking them into account in their duties. Diversity at Netum means, for example, having employees representing a wide range of educational backgrounds and ages, as well as diversity in terms of language and culture, and different family circumstances. We support our personnel in different life stages through flexible working hours and the possibility to work remotely. In addition, we provide care services for sick children, harmonised parental leave practices, extensive occupational health care and mental health services. It is important to us that our employees have a healthy work-life balance.

Dozens of community events of various sizes were organised at Netum across Finland in 2024. The events brought Netum employees together and enabled much-needed face-to-face interaction. In the latter part of the year, we conducted our annual personnel survey to assess job satisfaction, relevant issues and potential areas for development. The employees who participated in the survey highlighted the work atmosphere, the culture of helping each other and nice colleagues as Netum's particular strengths. The Group's employee turnover rate increased from 12% in 2023 to 17% in 2024. The increase was particularly attributable to the change negotiations held in the Group.

Taking the environment into consideration in operating practices

We continued to develop our operating practices, also with regard to environmental responsibility. The use of Netum's internal device marketplace, which was launched in autumn 2023, has increased further. Employees can use the device marketplace to choose used devices, such as laptops and phones, instead of new devices. The aim of the device marketplace is to encourage employees to take concrete sustainability action and provide a transparent solution for controlling and developing device life-cycle management.

We promote environmentally friendly commuting by offering employees an annual commuting benefit for public transport and by ensuring that our offices have good facilities for storing bicycles and showering, for example. As a rule, public transport must be used for business travel at Netum. In 2024, we also focused on the energy efficiency of our business premises, and we moved our Turku office to a more central location to enable even better public transport connections and more efficient use of the premises. We improved our Group-wide carbon footprint calculation in 2024, which will enable us to set increasingly concrete environmental targets and monitor our progress in the future.

A double materiality assessment to prepare for sustainability reporting

In 2024, we also prepared for reporting in compliance with the EU's Corporate Sustainability Reporting Directive by carrying out a double materiality assessment. The double materiality assessment enabled us to identify the most significant and material sustainability themes in Netum's business operations, taking into account the entire value chain. The assessment is based on the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The participants in the assessment included Netum's senior management as well as other internal specialists engaged by means of workshops, surveys and interviews, for example. In the double materiality assessment, we took advantage of Netum's previous sustainability efforts and internal guidelines as well as external sources concerning the sustainability themes that are typical to our industry. The views of the company's stakeholders were also taken into consideration by conducting a survey to identify the impacts of the sustainability themes and assess their materiality. More in-depth information was collected by means of interviews. Netum's most important stakeholders include customers, employees, investors, partners and subcontractors, educational institutions, organisations and communities, as well as potential employees.

In the double materiality assessment, Netum's material sustainability themes were identified as climate change, resource use and circular economy, own workforce, consumers and end-users, as well as business conduct. We will review our materiality assessment for each strategy period or more frequently if there are significant changes in our company's business activities or operating environment. In 2025, we will prepare for sustainability reporting by developing a data collection and reporting model, and we will revise, develop and harmonise the targets and metrics of our Group's sustainability programme.

Annual General Meeting 2024

The Annual General Meeting of Netum Group Plc held on 27 March 2024 adopted the 2023 financial statements and discharged the members of the Board of Directors and the CEO from liability.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that no dividend will be paid for the financial year 2023.

The General Meeting resolved to elect five (5) members to the Board of Directors for a term ending at the close of the next Annual General Meeting following their election. Current Board members Repe Harmanen, Olavi Kõngäs, Marja-Liisa Permikangas, Kirsi Mettälä and Jarmo Puputti were re-elected as

Board members. In its constitutive meeting, Netum Group's Board of Directors re-elected Olavi Kõngäs as the Chairman of the Board.

It was resolved that the members of the Board of Directors be paid the following fees: the Chairman of the Board of Directors shall be paid a fee of EUR 2,000 per month and the other members each EUR 1,500 per month. Board members shall be paid meeting fees for each committee meeting as follows: the Chairman of the committee EUR 600 for a meeting and the other members of the committee EUR 400 for a meeting. In addition, the members of the Board of Directors shall be paid reasonable travel expenses arising from the meetings.

The General Meeting elected the audit firm Oy Tuokko Ltd as the company's auditor for a term ending at the conclusion of the next Annual General Meeting following the election. Tuija Siuko, Authorised Public Accountant, acts 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 authorisation shall re-main valid until the conclusion of the next Annual General Meeting, but no later than 31 March 2025. 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 authorisation is valid until 31 March 2025, and it replaces the previous unused authorisations granted to the Board of Directors.

Share-based incentive plans

Netum Group Plc has two separate share-based incentive plans; Performance Share Plan 2022–2026 and CEO's option plan.

Performance Share Plan 2022–2026

The objective of the share-based incentive plan 2022–2026 is to align the objectives of the management and Netum Group Plc's shareholders through long-term shareholding, to increase the value of the company in the long term and to commit the management to the company.

The Performance Share Plan 2022–2026 has three performance periods: the financial years 2022–2024, 2023–2025 and 2024–2026. In the plan, the participant can earn Netum Group Plc's shares based on the Group's financial performance. The Board of Directors decides on the performance criteria of the plan and the targets to be set for each performance criterion at the beginning of the performance period. The potential rewards of the plan will be paid after the end of each performance period.

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. No share rewards were paid for the performance period 2022–2024, because the set minimum targets were not reached.

CEO's option plan

The Board of Directors of Netum Group Plc's decided to launch a stock option plan for the CEO based on the authorization granted by the Annual General Meeting of the Company on 27 March 2024. The purpose of the stock options is to merge the objectives of the company's shareholders and the CEO in order to increase the value of the company, to engage the CEO to the company and to offer him a competitive remuneration system.

The maximum total number of stock options issued is 70,000 and they entitle the CEO to subscribe for a maximum total of 70,000 new shares in the company if predetermined conditions are met. Of the stock options, 10,000 are marked with the symbol 2024A, 30,000 are marked with the symbol 2024B and 30,000 are marked with the symbol 2024C. The Board of Directors has the right to transfer options in possession of the Company, from one option scheme to another. The stock options are issued gratuitously.

The subscription price of a share subscribed for with an option right 2024A, 2024B and 2024C is EUR 2.51 per share. The subscription price is based on the trade volume weighted average price of the company's share on Nasdaq Helsinki Ltd from 4 to 31 October 2024, from which 10% has been deducted.

The share subscription price will be credited to the reserve for the company's invested unrestricted equity. As a result of the share subscriptions with option rights, the number of shares in the company may increase by a maximum of 70,000 shares, and this maximum amount corresponds to approximately 0.5 per cent of all shares and votes in the company after any share subscriptions on the date of the release.

The share subscription period, for stock options 2024A, is 15 March 2026–30 March 2028, for stock options 2024B 15 March 2027–30 March 2028, and for stock options 2024C, 15 March 2028–30 March 2028.

The right of the option holder to exercise the options arises as follows:

- the right to exercise the 2024A option rights arises on 15 March 2026 if the targets set by the company's Board of Directors for the financial year 2025 are met; The target is met if the EBITA for the financial year 2025 is at least 11 per cent and the operational target set in January 2025 is achieved. The EBITA target weight is 70% and the operational target is 30%.
- the right to exercise the 2024B option rights arises on 15 March 2027 if the targets set by the company's Board of Directors for the financial year 2026 are met; The target is met if the EBITA for the financial year 2026 is at least 12 per cent and the operational target set in January 2026 is achieved. The EBITA target weight is 70% and the operational target is 30%.
- the right to exercise option rights 2024C arises on 15 March 2028 if the targets set by the company's Board of Directors for the financial year 2027 are met. The target is met if the EBITA for the financial year 2027 is at least 12 per cent and the operational target set in January 2027 is achieved. The EBITA target weight is 70% and the operational target is 30%.

Each financial year, the company's Board of Directors assesses the achievement of the objectives for each financial year of the strategy confirmed by the company's Board of Directors for the strategy period 2025–2027. If, in the opinion of the Board of Directors, the objectives in question have not been met for the financial year under review, the option rights expire in this respect.

Shares and trading in shares

The company has one series of shares, and all shares have equal rights. On 31 December 2024, Netum Group Plc's share capital consisted of 12,786,351 (12,786,351) registered shares, and the company held 156,216 (156,216) treasury shares, which corresponded to 1.22 (1.22) % of all shares.

The company's shares are traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd. During the review period, the highest share price was EUR 3.12 (3.90) and the lowest price EUR 2.40 (2.52). The weighted average price of the share during the review period was EUR 2.79 (2.97). The closing price on 30 December 2024 was EUR 2.56 (2.62). The market value of

the share capital at the closing price of the review period was EUR 32,333,146 (33,090,954) without the treasury shares held by the company.

Shareholders

On 31 December 2024, Netum Group Plc had 2,901 (3,221) shareholders. The number of nominee registered shares was 51,400 (52,511), representing 0.40 (0.41) % of the total number of shares. At the end of 2024, the members of the Board of Directors, the President and CEO and their related parties held a total of 3,614,527 (3,600,695) shares, i.e. 28.27 (28.16) % of the company's share capital. A list of the company's largest shareholders as well as management ownership and transactions are available on the company's website at netum.fi/en/investors/shareholders/.

Near-term risks and business uncertainties

Netum's key operational risks are related to customer acquisition, cost control, success in tenders and project deliveries, and responding to technological changes such as the development of artificial intelligence. The risks related to information security, considering 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 are 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 increased geopolitical uncertainty causes strong effects on the global economy, on the general cost level and on the companies' willingness to invest.

Netum Group Plc's Board of Directors assesses the risks regularly as part of the strategy and business planning process.

Strategy

At the end of May 2024, The Board of Directors of Netum Group Plc approved the company's updated strategy and medium-term financial targets for the strategy period 2025–2027. The updated strategy supports Netum's goal of profitable growth and leads the company towards its vision of being the most trusted partner and preferred work community in the industry in responsible and secure digital transformation. We aim for profitable growth in the IT service and product market, both organically and through acquisitions.

Our growth strategy:

- we seek further growth from public service efficiency improvement projects and corporate customers
- we expand and develop our service offering to both existing and new customers, especially

- those in the social welfare and healthcare, security and industrial sectors
- we invest in utilising AI in our services
- we expand our business to the Nordic countries

In developing our service offering, we will be investing heavily in the use of artificial intelligence in the services we offer our customers. We recognise the potential of AI to create significant added value for our customers, improve our operational efficiency and support sustainable growth. The deeper integration of AI into our business operations is therefore a central part of our strategy and will be an essential part of our culture in the future.

Our sustainable operating methods are also reflected in our strategy. The main themes of our sustainability programme cover services, the work community, the environment, and business operations.

We want to act as a pioneer in sustainable digitalisation and offer new kinds of solutions that benefit us all: the environment, our customers, our personnel, our business, and the surrounding society.

During the strategy period, we will start building the Group's international business. Our goal is to expand our business to the Nordic countries.

Cornerstones of our strategy:

- maintaining a high level of customer confidence and satisfaction
- a top work community that attracts competent experts
- systematic development of competence and effective recruitment
- a flat organisational structure
- a people-centric management approach that supports continuous learning and self-direction
- active cooperation with our partner network and developing partnerships
- strengthening our brand and renewing our brand strategy
- a uniform, goal-oriented management model

Medium-term financial targets

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

- Growth: Our goal is to grow organically by 30 per cent in the strategy period 2025–2027. In addition, we will strengthen our expertise and service offering through acquisitions.
- Profitability: Our goal is to achieve profitable growth and an annual operating profit of at least 12 per cent (EBITA).
- Dividend policy: Our dividend policy takes into account the investment and financing needs required to achieve our financial objectives. The company intends to distribute approximately 40 per cent of its annual operating profit before goodwill amortisation (EBITA) if its financial standing allows it.

Board of Directors' proposal for distribution of profit

The distributable funds of the parent company Netum Group Plc on 31 December 2024 amounted to EUR 27,425,906.58, of which the profit for the financial year was EUR 2,775,802.46. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.05 per share be paid for 2024. According to the proposal, the dividend shall be paid to a shareholder who on the record date of the dividend payment, 27 March 2025, are registered in the company's shareholders' register maintained by Euroclear Finland Ltd. The Board of Directors proposes to the Annual General Meeting that the dividend be paid on 7 April 2025.

The Board of Directors further proposes that the Annual General Meeting authorises the Board, at its discretion, to resolve on the distribution of an additional dividend up to a maximum of EUR 0.03 per share. The company will publish the Board of Directors' possible dividend payment decisions separately and confirm the payment record and payment dates at the same time. The Board of Directors may also decide not to exercise this authorisation. The authorisation is proposed to remain in effect until 1 December 2025.

Events after the end of the financial period

Netum Group Plc's new CEO Repe Harmanen started in his position on 10 January 2025. At the same time, he stepped down from his position as a member of Netum's Board of Directors. The previous CEO, Matti Mujunen, left his position in the Management Team on 10 January 2025 and took over as an advisor to the Board of Directors. In 2025, Mujunen will focus on supporting the smooth transfer of the CEO's responsibilities to Harmanen.

On 13 February 2025, a total of 43,514 treasury shares held by Netum Group Plc were transferred to the participants of the personnel offering in accordance with the terms and conditions of the matching share plan 2022. In the matching share plan, the participant was able to earn time-based matching shares for each share subject to the share ownership requirement after the end of the approximately two-year vesting period. No new shares were issued in connection with the payment of the share rewards and the resolution will have no diluting effect. After the transfer of the shares, Netum Group Plc holds 112,702 treasury shares.

Annual General Meeting 2025

Netum Group Plc's Annual General Meeting is planned to be held Tuesday, 25 March 2025. The company's Board of Directors will convene the Annual General Meeting separately at a later date.

Financial reporting in 2025

In 2025, Netum Group Plc will publish the following financial reports:

- annual report for 2024 during week 10/2025 (week commencing on 3 March 2025)
- business review for January–March 2025 on Tuesday 29 April 2025
- half-year report for January–June 2025 on Tuesday 19 August 2025
- business review for January–September 2025 on Tuesday 4 November 2025

Tables

Accounting principles for the financial statements

This financial statements release has been prepared in accordance with Finnish Accounting Standards (FAS). 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 2024 in this financial statements release are not audited. Netum Group Plc's Annual Report for 2024, including the report of the Board of Directors, financial statements and the auditor's report, will be published during the week commencing 3 March 2025.

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 and comparable EBITA. 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	1-12/2024	1-12/2023	Change
Revenue	43,953	37,069	18.6%
Other operating income	64	54	17.8%
Materials and services	-4,176	-3,383	23.4%
Personnel expenses	-30,391	-26,500	14.7%
Depreciation and amortisation	-3,470	-2,849	21.8%
Other operating expenses	-4,843	-4,626	4.7%
Operating profit/loss	1,137	-235	538.9%
Financing income and expenses	-819	-462	77.3%
Profit/loss before tax	318	-696	145.7%
Income tax expenses	-774	-378	104.6%
Profit/loss for the period	-456	-1,075	57.6%

Consolidated balance sheet

EUR 1,000	31 Dec 2024	31 Dec 2023
Assets		
Non-current assets		
Intangible assets		
Development expenses	41	125
Intangible rights		
Goodwill	193	284
Consolidated goodwill	20,346	23,175
Total intangible assets	20,580	23,584
Tangible assets		
Machinery and equipment	32	43
Other tangible assets	40	46
Total tangible assets	72	89
Investments		
Participating interests		515
Other shares and investments	155	25
Total investments	155	540
Total non-current assets	20,808	24,213
Current assets		
Receivables		
Long-term receivables		
Receivables		52
Loan receivables	33	40
Other receivables	131	72
Total long-term receivables	164	164
Short-term receivables		
Account receivables	4,845	7,114
Loan receivables		0
Other receivables	14	55
Prepayments and accrued income	679	853
Total short-term receivables	5,538	8,022
Total receivables	5,703	8,186
Investments in total	201	201
Cash in hand and at banks	1,873	285
Total current assets	7,776	8,673
Total assets	28,584	32,886

EUR 1,000	31 Dec 2024	31 Dec 2023
Equity and liabilities		
Equity		
Share capital	80	80
Reserve for invested unrestricted equity	15,390	15,390
Retained earnings gain (loss)	-2,674	-1,599
Profit (loss) for the financial year	-456	-1,075
Total equity	12,340	12,796
Provisions		
Liabilities		
Non-current liabilities		
Loans from credit institutions	6,227	7,900
Prepayments	5	12
Other creditors		1,100
Total non-current liabilities	6,232	9,012
Current liabilities		
Loans from credit institutions	1,673	1,521
Prepayments	627	441
Account payables	591	729
Other creditors	2,197	3,700
Accruals and deferred income	4,924	4,687
Total current liabilities	10,012	11,077
Total liabilities	16,244	20,089
Total equity and liabilities	28,584	32,886

Consolidated statement of cash flows

EUR 1,000	1-12/2024	1-12/2023
Cash flow from operations		
Profit (+) / loss (-) before appropriations	318	-615
Adjustments (+/-)		
Depreciation and amortisation	3,470	2,768
Other income and expenses without payments	95	31
Financial income and expenses	819	462
Cash flow before change in working capital	4,702	2,645
Change in working capital		
Current receivables increase (-) / decrease (+)	2,502	-2,126
Interest-free current liabilities increase (-) / decrease (+)	-1,066	234
Cash flow before financial items and taxes	6,137	753
Interests paid	-496	-276
Interests received	7	14
Income tax paid	-817	-215
Cash flow from operations	4,832	275
Cash flow from investing activities		
Investments in tangible and intangible assets (-)	-29	-302
Investments in other shares and investments	-239	
Proceeds from investments	185	
Investments in subsidiary shares (-)	-1,621	-8,701
Cash flow from investing activities	-1,703	-9,003
Cash flow from financing activities		
Non-current receivables, increase (-) / decrease (+)	-14	5
Non-current interest-free liabilities, increase (+) / decrease (-)	-7	-13
Repayments of current loans (-)	-1,521	-727
Withdrawals of non-current loans		7,600
Dividend paid (-)		-1,294
Cash flow from financing activities	-1,541	5,571
Change in cash, increase (+) / decrease (-)	1,587	-3 157
Cash at the beginning of the financial period	486	3 643
Cash at the end of the financial period	2,074	486

Consolidated statement of changes in equity

EUR 1,000	1-12/2024	1-12/2023
Restricted equity		
Share capital at beginning of the reporting period	80	80
Increase of share capital		
Total restricted equity	80	80
Unrestricted equity		
Unrestricted equity reserve at beginning of the reporting period	15,390	12,107
Increase of share capital		
Share issue		3,283
Unrestricted equity reserve at end of the reporting period	15,390	15,390
Retained earnings (loss) at beginning of the reporting period	-1,599	-489
Dividend paid		-1,294
Purchases of own shares		
Sales of own shares		
Retained earnings at end of the reporting period	-1,075	185
Profit for the period	-456	-1,075
Total unrestricted equity	12,260	12,716
Equity total	12,340	12,796

Commitments and contingent liabilities

EUR 1,000	1-12/2024	1-12/2023
Lease liabilities for business premises		
Lease liabilities for business premises	490	1,005
Total	490	1,005
Leasing liabilities		
Due in the next financial year	934	1,005
Due later	763	1,016
Total	1,698	2,021
Business credit cards		
Used amount	13	11
Limit	200	20
Total	213	31
Credit account limit		
Unused limit	1,200	1,200
Total	1,200	1,200

Reconciliation of alternative performance measures

EBITA and EBITDA

EUR 1,000	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Operating profit (-loss)	-145	41	1,137	-235
Consolidated goodwill amortisation	872	854	3,249	2,485
Goodwill amortisation	23	22	91	89
EBITA	750	917	4,477	2,341
Depreciation and amortisation	32	35	130	273
EBITDA	782	953	4,607	2,614

Comparable EBITA

EUR 1,000	10-12/2024	10-12/2023	1-12/2024	1-12/2023
EBITA	750	917	4,477	2,341
Items affecting comparability				
Loss of investment (Optimo Systems Oy)	95		95	
Proceeds for equipment sales/leaseback	4	15	17	45
Change negotiations		39	13	39
Items affecting comparability of salaries		-187	-59	59
Double materiality assesment			18	
Transfer of the Netum DUX business		81		252
Transaction expenses for the acquisition				17
Items affecting comparability in operating profit total	99	-52	84	413
Comparable EBITA	849	865	4,560	2,754

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
Earnings per share	= Result for the reporting period / 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
Number of employees, at the end of the period	Number of employees at the end of the review period
Overall capacity, own personnel (FTE)	The Overall Capacity, FTE (Full Time Equivalent) figure shows the overall capacity of the Group's personnel, converted into a value corresponding to the number of full-time employees. The figure includes the entire personnel, regardless of their role. The figure is not affected by annual leave, overtime leave, sick leave or other short-term absences. Part-time agreements and other long-term deviations from normal working hours reduce the amount of overall capacity in comparison with the total number of employees. The capacity of acquired companies' personnel has been considered as of the acquisition date.
Personnel turnover rate, %	= Number of employees resigned during the reporting period / Number of personnel at end of period * 100

In Helsinki, 25 February 2025

Netum Group Plc
Board of Directors

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