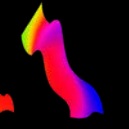




4 March 2021 at 8:30 a.m.

FINANCIAL STATEMENTS RELEASE 2020

AWIDLY



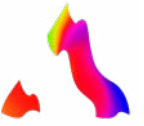
AVIDLY'S FINANCIAL STATEMENTS RELEASE 2020

REVENUE INCREASED BY 13 PER CENT TO 25.0 MILLION EUROS AND PROFITABILITY IMPROVED SIGNIFICANTLY

The measures taken to improve Avidly's profitability began to show during the second half of the year, and the operating profit of both business segments was positive in July–December 2020. The COVID-19 pandemic slowed down the demand for Marketing Services, but Inbound Services continued good growth. The full-year revenue increased by 13 per cent to 25.0 million euros (22.1)¹ and adjusted operating result² increased to 0.3 million euros (-2.1).

1) Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period, i.e. the same period last year

2) Adjusted operating result = Operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses as well as expenses associated with the share-based incentive scheme pursuant to IFRS.



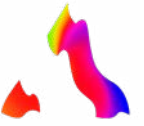
JULY–DECEMBER 2020

- Revenue was 12,007 thousand euros (10,350), an increase of 16.0%.
- Gross profit was 9,323 thousand euros (7,851), an increase of 18.7%. Continuous services accounted for approximately 41% (38%) of gross profit.
- EBITDA was 1,194 thousand euros (-1,031), an increase of 215.8%.
- Adjusted operating result¹ improved to 626 thousand euros (-1,925).
- The Group's operating profit was 342 thousand euros (-2,093), or 2.8% of revenue (-20.2%).
 - The operating profit of Marketing Services was 144 thousand euros (-1,417).
 - The operating profit of Inbound Services was 198 thousand euros (-676).
- The profit for the period was 123 thousand euros (-2,050), or 1.0% of revenue (-19.8%).
- Earnings per share were 0.02 euros (-0.84).

1) Adjusted operating result = Operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses as well as expenses associated with the share-based incentive scheme pursuant to IFRS.

JANUARY–DECEMBER 2020

- Revenue was 24,970 thousand euros (22,131), an increase of 12.8%.
- Gross profit was 18,649 thousand euros (17,266), an increase of 8.0%. Continuous services accounted for approximately 42% (35%) of gross profit.
- EBITDA was 1,724 thousand euros (-603), an increase of 386%.
- Adjusted operating result¹ improved to 337 thousand euros (-2,065).
- The Group's operating profit was -61 thousand euros (-2,392), or -0.2% of revenue (-10.8%). The operating profit includes an expense of some 50 thousand euros associated with the rights issue that ended in June (expenses relating to cooperation negotiations of 98 thousand euros in the reference period).
 - The operating profit of Marketing Services was -301 thousand euros (-1,301).
 - The operating profit of Inbound Services was 240 thousand euros (-1,091). In the reference period, this item included some 130 thousand euros of organizational costs relating to acquisitions.
- The profit for the period was -342 thousand euros (-2,478), or -1.4% of revenue (-11.2%).
- Cash flow from operations was 1,611 thousand euros (-467).
- Earnings per share were -0.09 euros (-1.03).
- The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year 2020 (0.00 euros for 2019).



OUTLOOK FOR 2021

Avidly estimates that its revenue will grow in 2021 (revenue in 2020: 25.0 million euros) and that its adjusted operating result will be profitable (adjusted operating result in 2020: 0.3 million euros).

Adjusted operating result refers to operating result (EBIT) adjusted for the acquisition costs and allocated depreciation of acquired businesses as well as expense associated with the share-based incentive scheme pursuant to IFRS.

We continuously monitor the impacts of the COVID-19 pandemic on our customers' business and our demand outlook and, if necessary, will adjust our operations to match the demand.

CEO JESSE MAULA:

We succeeded in turning the direction of our financial development during the second half of 2020. Our market environment in 2020 was impaired as a result of the COVID-19 pandemic, but Avidly's comprehensive service portfolio, extensive customer base and strong digital expertise turned out to be strengths and were reflected in the profitable growth of both Marketing Services and Inbound Services. Avidly's revenue increased by 16.0% to 12.0 million euros in July–December (10.4), and the operating profit for the period was 0.3 million euros (-2.1).

Full-year revenue increased by 12.8% to 25.0 million euros, and our operating profit improved clearly year-on-year to -0.1 million euros (-2.4). However, our adjusted operating result¹ was already 0.3 million in the black.

I am pleased that, together with all Avidly employees, we succeeded in one of the most important goals we set for 2020: strengthening the foundation of the company's business. Underlying the favorable financial development is a large number of diverse development projects with which we have developed our mindset, sales and marketing process, monitoring of the profitability of customer projects and internal costs, organization and management model as well as the predictability of business. I would like to thank all Avidlyans for their ability to innovate and for their active participation in the implementation of internal development projects.

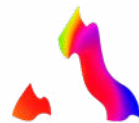
The rights issue carried out in June and the long-term financing arrangement signed in June were also a key part of the rehabilitation of our business and stabilizing our finances.

We also set two other key goals for 2020: clarifying the strategy and Avidly's brand reform. Our Impact

Driven Growth strategy updated in December 2020 positioned us strongly as a martech service provider, and it is based on offering comprehensive digital marketing and sales services and solutions to customers in order to achieve a positive change. Our strategy emerged through cooperation involving all Avidlyans, and we all are committed to reaching the growth and profitability goals set in it and to achieving the impact described in the strategy reaching for 2025. The new Avidly brand we launched in early March 2021 supports our goals.

Even though we have succeeded in turning the direction of our financial development for the better, a lot remains to be done in getting our business to the targeted profitability level. The estimated strong future growth of the martech industry will also provide us with lots of opportunities. Our long-term strategic goals are profitable growth, thought leadership, best place to work and most loyal customers, and we will continue the work to reach these in 2021.

1) Adjusted operating result = Operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses as well as expenses associated with the share-based incentive scheme pursuant to IFRS.



KEY FIGURES

EUR 1,000	1-12 2020	1-12 2019	Change, %
Revenue	24,970	22,131	12.8
Gross profit	18,649	17,266	8.0
EBITDA	1,724	-603	385.9
Operating profit	-61	-2,392	97.4
Profit before taxes	-400	-2,593	84.6
Personnel, average	228	246	-7.3
Earnings/share, EUR	-0.09	-1.03	91.6
Earnings/share, diluted, EUR	-0.08	-1.03	92.1
Equity ratio, %	40.9	38.5	
ROE, %	-4.1	-32.2	
Equity/share, EUR	1.85	2.84	-34.7
Gearing, %	14.3	60.7	
Number of outstanding shares, weighted average during the period	3,954,023	2,409,549	
Number of outstanding shares, at the end of the period	5,279,531	2,473,290	
Number of outstanding shares adjusted for dilution, weighted average during the period	4,218,683	2,409,549	

MARKET SITUATION

According to the Business Tendency Survey (January 2021) carried out by the Confederation of Finnish Industries, service companies in the information and communications industry in Finland consider the business situation to have continued to be moderate during the early winter. Sales have increased, but expectations of sale growth for the coming months are weak. However, it seems that recovery will continue during the coming months.¹

A total of 1,126 million euros was spent on media advertising in 2020 and the volume of advertising decreased by 11.3% year-on-year. The impact of the COVID-19 crisis on the volume of advertising was at its highest in April–May, but the situation began to normalize during the summer and autumn, and changes in advertising volume in the last months of the year were already moderate.²

Online advertising was the only media group to grow in 2020 (+2%). The share of online advertising increased to almost one-half of all advertising in Finland, accounting for 47%. Within online advertising, the fastest growth was seen in social media advertising (approximately 8%) and search engine advertising (approximately 5%).³

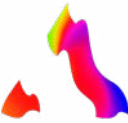
Group M estimates that global media advertising decreased by some 4.8% in 2020, while it is estimated to grow by 10.2% in 2021. Digital advertising accounted for some 59% of global media advertising in 2020, and

it is estimated to increase by some 14% in 2021. Search engine advertising is estimated to increase by some 11% and other digital advertising by some 16% in 2021.⁴

The size of the global Martech market in 2019 was estimated to be \$121.5 billion, and market growth in 2020 was forecasted at 22 percent.⁵ Avidly estimates that martech’s rapid growth will continue in 2021. Hubspot forecasts that its revenue will increase by over 30% in 2021. Between Q3 2014 and Q4 2020 its CARG has been 40%.⁶

According to Avidly’s view, total investments in marketing in the existing markets will increase during 2021, with strong growth continuing in the martech sector in particular.

1) Source: Confederation of Finnish Industries Business Tendency Survey, January 2021.
2) Source: Kantar & IAB Finland.Kantar’s monthly media monitoring as well as an annual separate study, with partners from media associations.
3) Source: Kantar & IAB Finland. The figures for search engine and social media advertising are estimates by IAB Finland.
4) Source: GroupM (This Year Next Year Global End-of-Year Forecast, December 2020). The figures include political advertising in the US. Global media advertising excluding political advertising in the US decreased by 5.8% in 2020, while it is estimated to grow by 12.3% in 2021.
5) Source: BDO, WARC & Bristol University: Martech 2020 & beyond.
6) Hubspot Q4 and FY 2020 earnings release and presentations at ir.hubspot.com/news.



SIGNIFICANT EVENTS DURING THE REVIEW PERIOD

Cooperation negotiations to increase operational efficiency

Due to Avidly's financial loss for 2019 and need for reforming the organization, the Avidly Group commenced cooperation negotiations concerning all of the employees of Avidly Marketing Oy, Avidly Media Oy and Avidly Inbound Finland Oy and the employees in Avidly Plc's Helsinki office. As a result of the cooperation negotiations, the employment relationships of 13 employees were terminated and three employees were temporarily laid off during 2020. In addition, some employees resigned during the negotiations.

With the adjustment measures, the Avidly Group aimed at savings of approximately 1.0 million euros during 2020, the majority of which concerned the second half of the year. The non-recurring expenses associated with the adjustment measures were some 50 thousand euros in the first half of the year.

Rights issue of 2.5 million euros to strengthen the company's equity

In May, the Board of Directors of Avidly Plc decided on a directed rights issue to shareholders based on the authorization granted by the Annual General Meeting of 2020. The purpose of the issue was to strengthen the company's equity. The issue was fully subscribed, as a result of which the number of shares doubled from 2,487,502 to 4,975,004 shares.

The subscription price of the share was 1.00 euros in the issue, i.e. the total size of the issue was approximately 2.5 million euros. Non-recurring expenses associated with the issue were approximately 0.1 million euros in the first half of the year, so the net impact of the issue on equity was approximately 2.4 million euros.

Financing arrangement of 2.5 millions to improve the company's liquidity

At the end of June, Avidly announced that it had agreed on long-term debt financing of 2.5 million euros with the company's current bank and two Finnish insurance companies to strengthen the company's liquidity and support growth. The financing arrangement includes a third-party guarantee.

The first instalment of the financing arrangement, 1.5 million euros, was taken out on 30 June 2020, and the second instalment at the end of 2020. The financing agreement includes terms and conditions ordinary for financing agreements, such as a covenant relating to equity ratio.

Payment of the earn-out of the NetPress GmbH acquisition and directed issue to the sellers of NetPress

Avidly Plc paid the earn-out of 357,184.72 euros to the sellers of NetPress on July 23, 2020. The earn-out was paid in full with a directed issue of 238,282 new Avidly shares without consideration, and it did not include a cash portion. The shares issued as the earn-out are subject to a limitation on disposal valid until August 29, 2021.

Furthermore, the Board of Directors decided on a targeted share issue to the sellers of NetPress, accelerating the integration process and committing the sellers of NetPress more strongly to the Avidly Group. A total of 76,718 new Avidly shares were offered in the share issue for consideration with a subscription price of EUR 1.499 per share. The total subscription price of the share issue was 115,000.00 euros.

Updated strategy and financial objectives

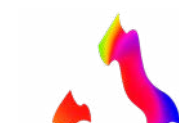
The Board of Directors of Avidly Plc approved the company's updated strategy on December 10, 2020. Avidly pursues impact, profitable growth and a leading position as a European martech service provider. The strategic targets approved by the Board of Directors are:

- **Most loyal customers**
- **Best place to work**
- **Thought leader**
- **Profitable growth.**

In addition, the Board of Directors approved the following financial targets for the strategy period extending to 2025:

- **Growth**
 - Annual growth of more than 10% in organic revenue, faster international growth.
 - Revenue of more than 50 million euros in 2025.
- **Profitability**
 - Positive adjusted operating result (EBITA¹⁾ in 2021.
 - Adjusted operating result (EBITA) at least 10% of revenue in 2025.
- **Dividend policy**
 - The company's aim is to use the net profit for growth and not distribute dividends until further notice.

1) EBITA = Operating result (EBIT) plus allocated depreciation and impairment of acquired businesses



FINANCIAL DEVELOPMENT

Revenue and gross profit

Avidly Group’s revenue increased by 12.8% to 24,970 thousand euros (22,131) in 2020. Revenue increased by 6.0% in Marketing Services and by 34.0% in Inbound Services.

REVENUE BY SEGMENT

EUR 1,000	7-12 2020	7-12 2019	Change, %	1-12 2020	1-12 2019	Change, %
Marketing Services	8,475	7,548	12.3	17,725	16,723	6.0
Inbound Services	3,532	2,802	26.1	7,245	5,408	34.0
Avidly Group, Total	12,007	10,350	16.0	24,970	22,131	12.8

Gross profit increased by 8.0% during the review period to 18,649 thousand euros (17,266). Gross profit grew at a slower rate than revenue, influenced by the inclusion of SOK’s outsourcing agreement that expired in 2019 in the reference figures for 2019, the increase in the relative share of pass-through-invoiced

media advertising from the reference year and the partnership model in use in Germany. Continuous services accounted for approximately 42 % (35%) of gross profit. Avidly signed several new continuous service agreements during the year.

GROSS PROFIT BY SEGMENT

EUR 1,000	7-12 2020	7-12 2019	Change, %	1-12 2020	1-12 2019	Change, %
Marketing Services	6,150	5,291	16.2	12,388	12,299	0.7
Inbound Services	3,173	2,560	23.9	6,262	4,967	26.1
Avidly Group, Total	9,323	7,851	18.7	18,649	17,266	8.0

FINANCIAL RESULT

The Group’s profit improved in 2020 following growth in revenue, increased operational efficiency and measures to adjust costs.

Employee benefit expenses decreased by 2.6% from the reference year to 13,558 thousand (13,924), while the average number of personnel decreased by 7.3%. A total of -169 thousand euros (0) of cost pursuant to IFRS associated with the share-based incentive scheme (technical, no impact on cash flow) was recognized in the Group’s employee benefit expenses in the second half of the year. The Group’s EBITDA improved clearly

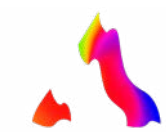
to 1,724 thousand euros (-603), or 6.9% of revenue (-2.7%).

EBITA¹ increased to 168 thousand euros (-2,195), or 0.7% of revenue (-9.9%). Considering also the expenses associated with the share-based incentive scheme pursuant to IFRS, the adjusted operating profit increased to 337 thousand euros (-2,065). Avidly’s operating profit improved to -61 thousand euros (-2,392). Operating profit accounted for -0.2% of revenue (-10.8%) and for -0.3% (-13.9%) of gross profit. The Group’s operating profit adjusted for organizational costs of acquisitions was -61 thousand euros (-2,262) in 2020.

OPERATING PROFIT BY SEGMENT

EUR 1,000	7-12 2020	7-12 2019	Change, %	1-12 2020	1-12 2019	Change, %
Marketing Services	144	- 1,417	110.2	-301	-1,301	76.9
Inbound Services	198	-676	129.3	240	-1,091	122.0
Avidly Group, Total	342	-2,093	116.3	-61	-2,392	97.4

1) EBITA = Operating result (EBIT) plus allocated depreciation and impairment of acquired businesses



ADJUSTED OPERATING PROFIT* BY SEGMENT

EUR 1,000	7-12 2020	7-12 2019	Change, %	1-12 2020	1-12 2019	Change, %
Marketing Services	144	-1,417	110.2	-301	-1,301	76.9
Inbound Services	198	-612	132.4	240	-961	125.0
Avidly Group, Total	342	-2,029	116.9	-61	-2,262	97.3

* Avidly publishes its operating profit adjusted for acquisition costs as an alternative performance measure (APM). This alternative performance measure is not defined or specified in IFRS. Its purpose is to describe the financial development of continuous business operations and enhance comparability from period to period. In 2020, Avidly had no acquisition costs. In the reference period, acquisition costs amounted to EUR 130 thousand.

BALANCE SHEET AND FINANCIAL POSITION

On December 31, 2020, Avidly’s balance sheet total was 23,935 thousand euros (18,258). The share issue and financing arrangement carried out during the review period increased the balance sheet total.

The goodwill on the balance sheet amounted to 7,687 thousand euros at the end of the review period (7,731). The change in goodwill was due to the earn-out of NetPress GmbH, acquired in 2019, being determined in more detail during the review period. The impairment tests carried out in connection with the preparation of the financial statements did not reveal any indications of the impairment of assets.

The first instalment of the financing arrangement announced in late June, 1.5 million euros, was taken

out on June 30, 2020, and the second instalment of 1.0 million euros at the end of 2020, which can be seen as an increase in financial liabilities. The earn-out of 357 thousand euros relating to the NetPress GmbH acquisition completed in 2019, paid in 2020, and earn-out of 80 thousand euros relating to the acquisition of the marketing communications agency Pakkahuone completed in 2017 had an impact on the other liabilities on the balance sheet.

The Group’s equity increased by 2,487,502 euros as a result of the rights issue primarily carried out during the review period and decreased due to the loss for the review period. The Group’s equity totaled 9,792 thousand euros at the end of December (7,034). The equity ratio was 40.9% (38.5%) on December 31, 2020. Equity per share was 1.85 euros (2.84).

ASSETS BY SEGMENT

EUR 1,000	Dec. 31, 2020	Dec. 31, 2019	Change, %
Marketing Services	19,172	14,897	28.7
Inbound Services	4,763	3,361	41.7
Avidly Group, Total	23,935	18,258	31.1

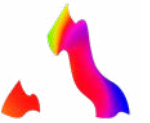
LIABILITIES BY SEGMENT

EUR 1,000	Dec. 31, 2020	Dec. 31, 2019	Change, %
Marketing Services	9,232	7,779	18.7
Inbound Services	4,911	3,445	42.6
Avidly Group, Total	14,143	11,224	26.0

The Group’s cash flow from operations was 1,611 thousand euros (-467), influenced by the significant improvement of the operating result and change of more than 300 thousand euros in working capital in particular.

Cash flow from financing was 3,933 thousand euros (3,362), and it was particularly affected by the rights issue and financing arrangements implemented during the review period.

The Group’s interest-bearing net debt was -1,404 thousand euros (-4,271) and gearing 14.3% (60.7%) on December 31, 2020. If not for IFRS-compliant lease liabilities, gearing would have been -17.5% (33.1%). The non-interest bearing restructuring debt of one of the Group’s subsidiaries was fully repaid in accordance with the program in 2020, and this item has, therefore, been derecognized from financial liabilities.



INVESTMENTS AND R&D EXPENSES

Avidly's cash flow from investments totaled 133 thousand euros (-5,436) in 2020. During the review period, Avidly received 100 thousand euros of funding for business development projects from Business Finland for the disruption caused by the COVID-19 pandemic. In the reference year, the adoption of IFRS 16 Leases had an impact of -2,664 thousand euros, acquisitions of -1,839 thousand euros and other investments of -933 thousand euros.

OTHER EVENTS DURING THE REVIEW PERIOD

Changes in reporting structure

The Board of Directors of Avidly Plc decided to amend Avidly's reporting practice on December 10, 2020. Avidly is discontinuing separate reporting on the Marketing Services and Inbound Services segments and will report its operations based on two geographical segments, Finland and Other countries, for the financial period starting January 1, 2021. Reference figures pursuant to the new segment reporting will be published by April 29, 2021. In addition, the company will begin to publish business reviews for the periods January 1–March 31 and January 1–September 30.

Avidly Plc's disclosure policy has been updated correspondingly, and it is available at investors.avidlyagency.com/en/governance/disclosure-policy

Mergers and acquisitions and changes in Group structure

Avidly did not carry out new acquisitions in 2020. During the year, the company paid the earn-out for NetPress GmbH, acquired in 2019, and the marketing communications agency Pakkahuone, acquired in 2017, to the sellers of these companies. The earn-outs were paid on account of the favorable financial development of the acquired companies.

The Group clarified its group structure and the Group's fully owned subsidiaries Avidly Nitroid Oy and Avidly Media Oy were merged into Avidly Plc as subsidiary mergers on 30 November 2020.

PARENT COMPANY

The revenue of the Group's parent company Avidly Plc for 2020 amounted to 9,314 thousand euros (7,843), operating profit to -193 thousand euros (-470) and profit for the period -280 thousand euros (-411).

At the end of December 2020, the parent company's balance sheet total was 21,202 thousand euros (14,356) and equity 12,861 thousand euros (9,899). The equity ratio was 60.7% (68.9%).

PROPOSAL OF THE BOARD OF DIRECTORS CONCERNING THE USE OF PROFITS

The Board of Directors of Avidly Plc proposes to the Annual General Meeting that no dividends be distributed for 2020.

PERSONNEL

During the financial period, the Group had an average of 228 (246) employees. At the end of the financial period, the number of employees was 223 (239). The number of personnel decreased as the result of the cooperation negotiations completed in March, among other reasons. Salaries and other remuneration paid for the financial year totaled 11,683 thousand euros (11,800), which includes a technical expense of -169 thousand euros (0) with no cash flow impact pursuant to IFRS associated with the management's long-term share-based incentive scheme.

Due to the corona pandemic, our way of operating changed significantly in 2020. We moved to operate remotely, from recruitment and induction to leadership. We also spent significant time building our corporate culture and human resources practices to best support Avidly's strategic goals in the future. The definition of personnel processes and operating methods, the specification of the targets for leadership and management, and the building of basic elements related to well-being have also created the basis for building the company of the future.

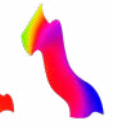
CORPORATE RESPONSIBILITY

For Avidly, sustainability means above all social responsibility, ensuring the well-being of personnel and creating an inspiring work environment that promotes creativity.

Avidly invests strongly in personnel development and well-being at work, wanting to provide its employees with an enthusiastic working community that pulls together. In conjunction with the company's strategy update in December 2020, Avidly's values were crystallized. The new values are Ambition, Respect and Courage.

Employee satisfaction is surveyed on a bi-weekly basis. According to the survey, Avidly people's satisfaction with their work and employer is at a good level. The company's eNPS was 19 on December 2020. In addition, Avidly measures customer satisfaction. Based on the results, customer satisfaction developed positively in 2020 and is at a good level.

Avidly's environmental impacts have been estimated to be minor, and they are associated with the environmental impacts of normal office-based knowledge work, such as the electricity consumption of IT hardware, printing, recycling, general energy use and travel by the personnel. In 2020, business travel decreased as a result of the COVID-19 pandemic and, therefore, the carbon footprint of business travel also decreased significantly.



Avidly works pro bono every year for the item of its choice. In 2020, the target was Planet Company, a startup that specializes in developing a community of responsible business practices. During the year, Avidly was chosen as the partner of FIBS ry, the largest corporate responsibility network in the Nordic countries, for 2021–2022. Avidly's pro bono partnership includes the implementation of the FIBS corporate responsibility survey aimed at Finnish large corporation, and Avidly will also be involved in developing corporate responsibility communications to FIBS member companies in the years to come.

Avidly is also involved in the Corporate Social Responsibility working group of the AMIN advertising agency network. In September 2020, the working group published a report on the expectations of the general public of business and brands in a situation in which climate change, inequality, COVID-19 and racial equality have emerged as symbols of a new era. The report is available here:

www.aminworldwide.com/wp-content/uploads/2020/09/AMIN-CSR-Ebook.pdf

Avidly's subsidiary Sugar Helsinki, established in 2015, is a PR office focusing on sustainable and ecological values. The competitive advantages of the customers of Sugar Helsinki are, without exceptions, based on an ecologically sustainable operating model or products

In accordance with Avidly's Impact Driven Growth strategy published in December 2020, Avidly is a

growth company. Profitable growth continues to be at the core of the company's financial responsibility. Alongside it, Avidly's mission is to achieve positive change by revising the business of our customers.

Avidly plans to define during 2021 the key areas of corporate responsibility from the point of view of its own business, how they will be measured and how the company's corporate responsibility will be reported on going forward.

SHARES AND SHARE CAPITAL

The Company has a single share series. Each share confers one vote. Avidly Plc's shares are listed on the Nasdaq First North Growth Market marketplace in Helsinki under the code AVIDLY.

Trading in shares and market capitalization

In 2020, a total of 2,143,933 (369,664) Avidly shares were traded, representing approximately 54% (15%) of all shares (based on the average number of shares during the period). On the final trading day of the reporting period, the share price was EUR 3.98 (5.02). The highest quoted price during the year was EUR 5.22 (6.64) and the lowest EUR 1.10 (4.61). The market value of Avidly Plc's outstanding shares at the end of the year was 21,013 thousand euros (12,416).

Share capital, number of shares and share ownership

At the beginning of 2020, the number of Avidly shares was 2,487,502, the share capital was 322 thousand euros and the total number of shareholders was 847.

In May, the Board of Directors of Avidly Plc decided on a directed rights issue to shareholders to strengthen the company's equity based on the authorization granted by the Annual General Meeting of 2020. All of the shares offered were subscribed for in the rights issue, and the number of shares increased by 2,487,502 shares as a result of the issue. The subscription price of the share was 1.00 euros in the issue, i.e. the total size of the issue was approximately 2.5 million euros.

The Board of Directors decided on two directed share issues in July. The earn-out for the NetPress GmbH acquisition was paid in full with a directed issue of 238,282 new Avidly shares without consideration. The shares issued as the earn-out are subject to a limitation on disposal valid until August 29, 2021. The Board of Directors also decided on a targeted share issue to the sellers of NetPress, accelerating the integration process and committing the sellers of NetPress more strongly to the Avidly Group. A total of 76,718 new Avidly shares were offered in a share issue for consideration in July with a subscription price of EUR 1.499 per share. The total subscription price of the share issue was 115,000 euros, which was recognized in Avidly's invested non-restricted equity reserve.

At the end of December, the number of company shares was 5,290,004, of which 5,279,531 were outstanding. The share capital continued to be 322 thousand euros. The number of shareholders increased from the reference year to 1,243 (847).

The average number of shares during the review period was 3,954,023 (2,409,549) and in July–December 5,202,356 (2,454,380).

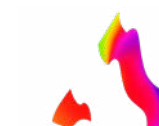
Holdings of the Board of Directors and the CEO

The holdings of the Board of Directors, the CEO and the bodies they control (directly or indirectly) totaled approximately 15% (13.5%) at the end of December.

Management's share-based incentive scheme

In July, the company's Board of Directors decided to establish a new long-term share-based incentive scheme for the Group's management. The purpose of the incentive scheme is to align the goals of the shareholders and management to increase the company's long-term value, increase the commitment of the management to the company and offer them a competitive remuneration plan. The target group of the incentive scheme includes CEO Jesse Maula, CFO Hans Parvikoski and COO Ingunn Bjøru.

The incentive scheme has one earnings period (1 June 2020–31 May 2023), during which the participants of the incentive scheme can earn an investment-based reward and a performance-based reward. If the terms



and conditions of the incentive scheme are met, the rewards will be paid in full as shares in the company by the end of September 2023.

The company's Board of Directors decides on whether new shares in the company, treasury shares or cash will be granted as the reward. The rewards paid based on the earnings period are a maximum of 569,580 company shares, which corresponds to a dilution effect of a maximum of 10.27 per cent if the reward is paid in full as new shares in the company.

The terms and conditions of the incentive scheme and conditions relating to the issue of the shares are described in more detail in the company release issued on July 15, 2020

investors.avidlyagency.com/en/company-news?news=70DOA1F4CE568A07

Treasury shares

The number of treasury shares held by the company decreased by a total of 3,739 shares in 2020. At the end of December, the company held 10,473 treasury shares, accounting for 0.2% of all shares and votes.

Valid authorizations

The Annual General Meeting of Avidly authorized on April 1, 2020 that, revoking prior unused authorizations, the Board of Directors to decide on the repurchase of shares in one or more tranches as proposed by the Board of Directors. The number of shares to be repurchased may be a maximum of 248,750 shares, corresponding to a maximum of approximately

10% of all shares in Avidly Plc on the date of the notice of the AGM (approximately 5% at the end of the review period). Treasury shares may only be acquired using the company's non-restricted equity and at the price determined in trading on the Nasdaq First North Growth Market marketplace maintained by Nasdaq Helsinki Ltd (Helsinki Stock Exchange) at the time of the acquisition.

The Board of Directors is authorized to decide on all of the conditions of the repurchase, including how the shares will be acquired, in other respects. The acquired treasury shares may be held by the company, cancelled or transferred. The authorization is valid until June 30, 2021. During the review period, Avidly did not repurchase shares based on this or a prior authorization.

The Annual General Meeting of April 1, 2020 also authorized the Board of Directors to decide on one or several share issues for and/or without consideration, including the right to issue new shares or transfer treasury shares held by the company or decide on option rights or other special rights entitling to shares referred to in chapter 10, section 1 of the Limited Liability Companies Act.

The maximum number of shares that can be issued under the authorization, either by issuing new shares, transferring treasury shares held by the company or by issuing option and other special rights entitling to shares referred to in chapter 10, section 1 of the Limited Liability Companies Act, is 3,700,000 shares,

which corresponds to a maximum of approximately 59.8% of all shares in Avidly Plc after the shares issued and/or transferred by a decision made under the authorization and/or shares issued based on option rights and other special rights entitling to shares referred to in chapter 10, section 1 of the Limited Liability Companies Act. The authorization does not exclude the right of the Board of Directors to resolve upon directed issues of shares or option and other special rights entitling to shares as set out in chapter 10, section 1 of the Limited Liability Companies Act.

The company's Board of Directors used the authorization in May to decide on the issue of 2,487,502 new shares to shareholders in a rights issue and in July to decide on a share issue directed at the sellers of NetPress and for the management's share-based incentive scheme. At the end of December 2020, the number of shares in the unused authorization was 327,918 shares. The authorization is valid until June 30, 2021.

The resolutions of the Annual General Meeting are available in full on Avidly's website

investors.avidlyagency.com/en/company-news

CORPORATE GOVERNANCE

Annual General Meeting

Avidly's Annual General Meeting was held in Helsinki, Finland, on April 1, 2020. The AGM adopted the financial statements and consolidated financial

statements for 2019 and discharged the Board members and CEO from liability for the financial year 2019.

The AGM decided in accordance with the proposal of the Board of Directors that the losses indicated by the balance sheet adopted for the financial year ended December 31, 2019 be carried over in retained earnings and that no dividends be paid from distributable assets.

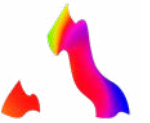
The AGM elected Joakim Fagerbakk, Juha Mikkola, Ville Skogberg and Jari Tuovinen as members of the Board of Directors for a term ending at the close of the company's next Annual General Meeting. In its first meeting, the Board of Directors elected Joakim Fagerbakk as the chair of the Board.

Changes in company management

Jesse Maula, M.Soc.Sc., started as Avidly's CEO on January 1, 2020, and Hans Parvikoski, M.Sc.(Econ.) started as the company's CFO on February 1, 2020.

Jufo Peltomaa was appointed as Chief Creative Officer of Avidly Plc and member of the management team on June 16, 2020. He assumed his post on August 1, 2020.

Barbro Fagerbakk was appointed as Avidly Plc's Chief Revenue Officer and member of the management team as of October 10, 2020. As Avidly's Chief Revenue Officer, Fagerbakk is responsible for the sales of Avidly's services and solutions and their comprehensive management, coordination and development. In addition, she is responsible for



coordinating Avidly's own marketing at the Group level.

In 2020, the company's management team also included Deputy CEO Ismo Nikkola, Teea Björklund, COO for Finland, and Ingunn Bjøru, COO for international operations.

Avidly's corporate governance principles are available on the company's investor site at: investors.avidlyagency.com/en/governance

CERTIFIED ADVISOR

The Company's certified advisor, as required by the Nasdaq First North Growth Market marketplace rules, has been Oaklins Merasco Oy during the accounting period.

AUDITOR

The AGM of 2020 elected Authorized Public Accountant Jari Paloniemi as the auditor of Avidly Plc and its Group and Authorized Public Accountant Veikko Terho as the deputy auditor.

SIGNIFICANT SHORT-TERM RISKS AND UNCERTAINTIES

Avidly's short-term risks and uncertainties are associated with the development of the general economy. A possible third wave of the COVID-19 pandemic in the countries in which Avidly operates can affect our customers' conditions for business and the demand for our services even rapidly. We monitor the impacts of the pandemic on our customers' business and our demand outlook and, if necessary, will adjust our operations to match the demand.

In the short and medium term, risks relating to acquisitions and internationalization can weaken the company's profitability.

In the long term, the company's solvency can cause uncertainty if the company is unable to retain its profitability.

The company's risks are described in more detail in the 2020 Annual Report, which will be published on the week beginning on March 8, 2021.

EVENTS AFTER THE END OF THE ACCOUNTING PERIOD

Transfer of management incentives

The incentive of Avidly Plc's former CEO Jyrki Vaittinen, 17,813 shares in Avidly Plc, and former CFO Mikko Marttinen's incentive of 10,000 shares in

Avidly Plc were transferred to current members of the company's management team in share transactions between the buyers and sellers on January 28, 2021.

Recognitions received

Avidly reached the finals in the Vuoden Toimisto 2021 (Office of the Year 2021) in the advertising agencies with gross profit of more than 5 million euros category. The Vuoden Toimisto survey by Regi Research & Strategi is the most significant recognition in the marketing communications industry in both Finland and Sweden.

In early February, Avidly won the esteemed global partner of the year award at HubSpot's 2020 Impact Awards for the second consecutive year. The recognition received is very much in line with Avidly's crystallized strategy.

Avidly provided preliminary information on the 2020 performance

On 16 February 2021, Avidly published preliminary information for the financial development for July – December 2020 and for the full year 2020, as the company did not have financial guidance for 2020 in place. In its preliminary information, Avidly estimated that the company's revenue in July–December 2020 will increase to approximately EUR 12.0 million and operating profit to approximately EUR 0.3 million. Revenue for the full year 2020 was estimated to increase to approximately EUR 25.0 million and the operating result to be approximately EUR -0.1 million.

FINANCIAL INFORMATION IN 2021

Avidly will publish the Annual Report 2020, containing the Report of the Board of Directors and financial statements for 2020, on week 10, 2021. Avidly's financial reports will be published as follows:

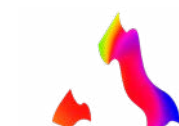
- Business Review January–March 2021: April 30, 2021
- Half-Year Report January–June 2021: August 27, 2021
- Business Review January–September 2021: October 29, 2021

Annual General Meeting is planned to be held on 13 April, 2021.

Helsinki, 4 March, 2021

AVIDLY PLC

BOARD OF DIRECTORS



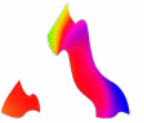
ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with the IFRS recognition and measurement principles. The accounting principles are presented on the company's website at [Investors.avidlyagency.com](https://investors.avidlyagency.com). The financial statements are reported in thousands of euros. The disclosed figures are rounded off. The figures from the financial statements 2020 and 2019 included in the release have been audited. An auditor's report was issued on March 3, 2021.

CONSOLIDATED INCOME STATEMENT, IFRS

EUR 1,000	7-12 2020	7-12 2019	1-12 2020	1-12 2019
REVENUE	12,007	10,350	24,970	22,131
Other operating income	165	7	258	21
Materials and services	-2,849	-2,506	-6,579	-4,886
Employee benefit expenses	-6,476	-6,732	-13,558	-13,924
Depreciation and amortization	-851	-1,062	-1,785	-1,790
Other operating expenses	-1,654	-2,140	-3,368	-3,935
Share of profit in associated companies	0	-10	0	-10
OPERATING PROFIT	342	-2,093	-61	-2,392
Financial income and expenses	-232	-82	-339	-201
PROFIT BEFORE TAX	110	-2,174	-400	-2,593
Income taxes	13	124	58	115
Profit for the period	123	-2,050	-342	-2,478
Attributable to:				
Parent company shareholders	123	-2,050	-342	-2,478
Minority shareholders	0	0	0	0
Earnings per share calculated from profit attributable to parent company shareholders, EUR:				
Undiluted	0.02	-0.84	-0.09	-1.03
Diluted	0.02	-0.84	-0.08	-1.03

EUR 1,000	7-12 2020	7-12 2019	1-12 2020	1-12 2019
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, EUR 1,000				
Profit for the period	123	-2,050	-342	-2,478
Items that may be reclassified to profit or loss in subsequent periods				
Translation differences	4	-8	-38	-7
Total comprehensive profit for the period	127	-2,058	-380	-2,485
Total comprehensive income attributable to:				
Parent company shareholders	127	-2,058	-380	-2,485
Minority shareholders	0	0	0	0



CONSOLIDATED BALANCE SHEET, IFRS

EUR 1,000	Dec. 31, 2020	Dec. 31, 2019
ASSETS		
Non-current assets		
Intangible rights	540	774
Goodwill	7,687	7,731
Buildings	2,483	2,176
Machinery and equipment	780	1,006
Other tangible assets	106	83
Investments in associated companies	316	316
Deferred tax assets	525	551
Total non-current assets	12,437	12,636
Current assets		
Work in process	645	1,061
Accounts receivables	3,278	2,642
Deferred tax assets	388	388
Other receivables	463	432
Prepayments and accrued income	563	614
Cash and cash equivalents	6,161	484
Total current assets	11,498	5,621
Total assets	23,935	18,258

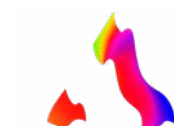
EUR 1,000	Dec. 31, 2020	Dec. 31, 2019
EQUITY AND LIABILITIES		
Equity		
Share capital	322	322
Invested unrestricted equity fund	12,659	9,690
Retained earnings	-3,189	-2,978
Total equity	9,792	7,034
Non-current liabilities		
Financial liabilities	4,316	3,243
Deferred tax liabilities	209	289
Total non-current liabilities	4,525	3,532
Current liabilities		
Financial liabilities	3,249	1,512
Received advances	609	226
Accounts payable	1,174	1,888
Other liabilities	2,636	2,542
Accrued expenses and deferred income	1,950	1,524
Total current liabilities	9,618	7,692
Total liabilities	14,143	11,224
TOTAL EQUITY AND LIABILITIES	23,935	18,258



CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-12 2020	1-12 2019
CASH FLOW FROM OPERATIONS		
Operating profit	-61	-2,392
Adjustments to operating profit	1,890	1,790
Change in working capital	-6	337
Received financial income	18	17
Financial expenses paid	-233	-218
Taxes paid	3	-1
Cash flow from operations	1,611	-467
Cash flow from investments		
Investments in tangible and intangible assets	133	-3,597
Business acquisitions	0	-1,839
Cash flow from investments	133	-5,436

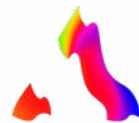
EUR 1,000	1-12 2020	1-12 2019
Cash flow from financing		
Business acquisitions	-80	372
Changes in short-term loans	1,737	1,061
Changes in long-term loans	1,073	2,670
Dividends	0	-188
Sale of treasury shares	10	29
Share issue	2,592	688
Lease payments	-1,399	-1,271
Cash flow from financing	3,933	3,362
Total cash flows		
	5,677	-2,541
Changes in cash and cash equivalents	5,677	-2,541
Cash and cash equivalents at 1 Jan	484	3,025
Cash and cash equivalents at 31 Dec	6,161	484



CHANGES IN CONSOLIDATED EQUITY, IFRS

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
Equity at 1 January 2019	322	8,338	-305	8,355
Share issue		1,323		1,323
Dividends			-188	-188
Transfer of treasury shares		29		29
Translation difference			-7	-7
Profit for the period			-2,478	-2,478
Equity at 31 December 2019	322	9,690	-2,978	7,034

EUR 1,000	Share capital	Invested unrestricted equity fund	Retained earnings	Total
Equity at 1 January 2020	322	9,690	-2,978	7,034
Share issue		2,959		2,959
Transfer of treasury shares		10		10
Share-based incentive program			169	169
Translation difference			-38	-38
Profit for the period			-342	-342
Equity at 31 December 2020	322	12,659	-3,189	9 792



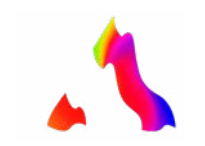
FINANCIAL LIABILITIES

Book value		
EUR 1,000	2020	2019
Non-current financial liabilities valued at amortized cost		
Loans from credit institutions	2,440	885
Finance lease liabilities + rental properties	1,876	1,360
Contingent purchase price liabilities	0	501
Checking account limit	0	497
Total	4,316	3,243
Current financial liabilities valued at amortized cost		
Loans from credit institutions	904	137
Restructing debt	0	583
Factoring	1,105	398
Finance lease liabilities + rental properties	1,240	806
Total	3,249	1,924
Total financial liabilities valued at amortized cost		
	7,565	5,167

The book value for loans from credit institutions has been calculated with the effective interest method and the fair value has been defined using the discounted cash flow method where the discount rate used has been a rate at which the Group could receive a similar external loan at the end of the accounting period. All loans from credit institutions are denominated in euros.

CONTINGENT LIABILITIES

Guarantees given on own behalf		
EUR 1,000	2020	2019
Corporate mortgages	4,600	2,100
Total	4,600	2,100



CALCULATION OF KEY FINANCIAL FIGURES

Gross Profit	= Revenue + Other Operating Income - Materials and Services
EBITDA	= Earnings before interest, tax, depreciation and amortisation
Earnings / share	= Profit for the period / Number of outstanding shares (weighted average during the period)
Earnings / share, diluted	= Profit for the period / Diluted number of outstanding shares (weighted average during the period)
Equity ratio, %	= Total equity / Balance sheet total x 100
Return on equity, ROE	= Profit for the period / Total equity (average) x 100
Equity/share	= Total equity / Number of outstanding shares at the end of the period (undiluted)
Gearing, %	= (Interest bearing debt - Cash and cash equivalents) / Total equity x 100

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