



HALF-YEAR FINANCIAL REPORT

1 January – 30 June 2022



ADMINISTER GROUP



Administer Plc: Half-year financial report 1 January – 30 June 2022

Administer Plc: IMPLEMENTATION OF GROWTH STRATEGY PROCEEDS, DRIVEN BY ACQUISITIONS

Figures in parenthesis refer to the comparison period in the previous year, unless otherwise stated.

January–June 2022

Key figures

- Net sales EUR 23.9 million (19.8), showing an increase of 20.5%. The growth was mainly attributed to acquisitions carried out in the second half of 2021 and the first half of 2022. Compared to the comparison period, net sales were burdened by customer losses in Adner in 2021.
- EBITDA EUR 1016 thousand (600), or 4.2% (3.0%) of the net sales. The main growth drivers were the profitability improvement in Silta and the inclusion of EmCe in Administer Group in the autumn of 2021. EBITDA was burdened by higher than anticipated overlapping costs for the old and new system stemming from Adner's system reform.
- Operating loss EUR -495 thousand (-254), or -2.1% (-1.3%) of the net sales. Amortisation of goodwill from the acquisitions amounting to EUR -1,046 thousand (-500) increased the operating loss.

Key events

- In February 2022, the payroll services of Konjunkturi Oy, based in Varkaus, became part of the service offering of Administer Group company Tilikamut Oy through an asset acquisition, and the Group got a new office in Varkaus.
- In March 2022, Administer strengthened its expertise in international financial and payroll management by acquiring WaBuCo Financial Services Oy. The purchase price was paid by carrying out a directed share issue to the owners of WaBuCo.
- Sydän-Suomen Taloushallinta became part of Administer Group in April 2022. The Administer chain got new offices in Pihtipudas and Kinnula.
- Payroll and HR services expert Silta Oy, part of Administer Group, took charge of the payroll services of Neste Oyj from 1 April 2022 onwards.
- Kuhmoinen municipality chose Kuntalaskenta Oy, part of Administer Group, as its financial management partner from 1 January 2022 onwards.
- The business of Tiltoimisto Ollikainen became part of Administer Group in June 2022. Administer Group got a new office in Mikkeli.

KEY FIGURES

EUR million unless otherwise stated	1-6/ 2022	1-6/ 2021	Change, %	2021
Net sales	23.9	19.8	+20.5%	41.9
EBITDA	1.0	0.6	+69.2%	2.3
% of net sales	4.2%	3.0%		5.5%
Operating profit adjusted by amortisation of goodwill (EBITA)	0.6	0.2	+125.0%	1.5
% of net sales	2.3%	1.2%		3.6%
Operating profit/loss	-0.5	-0.3	-94.5%	0.1
Profit/loss before appropriations and tax	-0.5	-0.4	-44.3%	-1.7
Profit/loss adjusted by amortisation of goodwill	0.5	0.1	+547.5%	-0.3
% of net sales	2.0%	0.4%		-0.8%
Earnings per share (EPS)	-0.05	-0.04		-0.17
Return on equity (ROE), %	-9.4%	14.6%		-8.6%
Equity ratio, %	68.0%	37.6%		68.4%
Debt-to-equity ratio, %	14.8%	67.8%		13.4%
Personnel on average	576	563	+2.3%	569

CEO's review

In the first half of 2022, acquisitions increased our net sales, but our result was burdened by the customer losses that took place in Adner in 2021 and its resulting poor financial performance. Our net sales increased by 20.5% to EUR 23.9 million (19.8) in the review period. Our EBITDA was EUR 1,016 thousand (600), or 4.2% (3.0) of the net sales.

During the review period, we already carried out four acquisitions, which have given the company three new offices in Finland while strengthening its international expertise. In addition, we announced the fifth acquisition of the year in August. In payroll management services, the highlight of the first half of the year was the transfer of Neste Oyj's payroll management to Silta from April 2022 onwards. In the municipal sector, Kuhmoinen municipality became our new customer, and TTS (Työteho-seura) returned as our software customer. We have also gotten a delightful number of new customers in the SME (small and medium-sized enterprises) segment, although their impact on net sales is smaller.

During the review period, we accelerated the development of the consulting business area. We offer consulting services in the areas of financial leadership, taxation, corporate law and HR services. Mikko Vahtera started as the head of consulting business area in April.

We have continued to invest in product development and developed proprietary technology particularly to create a better customer experience. The synergy benefits of the EmCe acquisition carried out last year are beginning to take shape, as we have been able to use EmCe software solutions in payroll management accounts. We have also continued to expand our nation-wide sales organisation.

In accordance with our strategy, we are investing significantly in employee experience, and during the review period, we have launched a large project to develop and improve supervisory work. In the one-year project, we will create a new leadership model for the company and determine the values that guide our everyday work.

In August, we lowered our outlook for net sales and profitability for 2022 due to the impact of general economic uncertainty on the activity of our customers. In addition, customer losses in Adner in 2021 and higher than anticipated overlapping costs for the old and new system stemming from Adner's system reform have impacted profitability negatively also during the current year. Furthermore, net sales from system consulting and expert work in EmCe's customer projects have been slightly lower than expected.

Despite this, we continue to implement our growth strategy according to plan. So far, the war in Ukraine has not had significant impacts on our business, but the uncertainties in the global economic situation are reflected in our operations through our customers.

Peter Aho
CEO



Outlook

On 12 August 2022, Administer lowered its outlook for net sales and profitability for 2022. The updated outlook for 2022 is as follows:

Administer seeks to continue growth investments as well as organic and inorganic growth in 2022. The company aims to make 5–10 acquisitions over the course of 2022. Administer estimates that its net sales will be EUR 47–49 million and its EBITDA margin will be 5–7% in 2022.

Previous outlook:

Administer seeks to continue growth investments as well as organic and inorganic growth in 2022. The company aims to make 5–10 acquisitions over the course of 2022. Administer estimates that its net sales will increase to at least EUR 51 million and its EBITDA margin will be at least 8% in 2022.

Market environment

Administer operates in the market for services and software for financial and payroll management, as well as HR and other professional services supporting the business of companies. Although the market is very defensive by nature, economic changes impact the Finnish corporate landscape in general and thereby also the customers of the financial management industry. During the review period, the market environment has remained quite stable, but the increased uncertainty of the global economy impacts the activity of financial administration customers and transaction volumes of services.

Net sales and profitability

January–June 2022

Net sales increased by 20.5% compared to the corresponding period in the previous year and were EUR 23,9 million (19.8). The increase was mainly attributed to acquisitions carried out in the second half of 2021 and the first half of 2022, the most significant of which was the acquisition of EmCe in August 2021. Net sales were burdened by the impacts of general economic uncertainty on customer activity as well as by the customer losses in Adner in 2021.

Personnel expenses were EUR 15.9 (14.1) million, making up 67% (71%) of the net sales. The increase of personnel expenses in euros was caused mainly by the EmCe acquisition as well as investments in sales and administration in line with the growth strategy.

EBITDA was EUR 1,016 million (600), or 4.2% (3.0%) of the net sales. The main growth drivers were the profitability improvement in Silta and the inclusion of EmCe in Administer Group. EBITDA was burdened by customer losses in Adner in 2021 and its resulting poor financial performance. Additionally, the result was weighed by investments in technology and strengthening the organisation in line with the growth strategy.

Operating profit adjusted with amortisation of goodwill (EBITA) was EUR 551 thousand (245), or 2.3% (1.2%) of the net sales.

Operating loss was EUR -495 thousand (-254), or -2.1% (-1.3%) of the net sales. Amortisation of goodwill from the acquisitions amounting to EUR -1,046 thousand (-500) increased the operating loss.

Loss before appropriations and tax was EUR -543 thousand (-377) and loss for the review period was EUR -568 thousand (-426). Earnings per share (EPS) were EUR -0.05 (-0.04)^[1].

Cash flow and financing

Cash flow

In January–June 2022, cash flow from operations was EUR 0.4 million (0.6), cash flow from investment activities was EUR -1.7 million (-0.6) and cash flow from financing activities was EUR 0.4 million (0.4). Change in cash and cash equivalents was impacted in particular by acquisitions paid in cash, repayments of financing loans taken by the Group and an increase in sales receivables.

Financing

The cash funds accumulated by the company from the initial public offering, low indebtedness and strong balance sheet enable for their part the implementation of the growth strategy, including potential acquisitions.

Interest-bearing debt decreased during the review period and was EUR 4.8 million on 30 June 2022 (30 June 2021: EUR 6,1 million). Debt-to-equity ratio was 14.8% (30 June 2021: 67.8%).

The Group's liquidity has remained good. Administer's cash and cash equivalents on 30 June 2022 totalled EUR 11.3 million (1.3). On 30 June 2022, the total amount of external financing agreed upon by Administer was EUR 6.1 million, of which drawn loans totalled EUR 4.8 million and undrawn loans totalled EUR 1.3 million. The drawn amount consists of bank loans totalling EUR 4.3 million. Administer's drawn loans will mature according to a repayment schedule agreed upon with the financiers so that the last instalment of the financing is repaid in May 2024.

¹ The comparison figure for the number of shares adjusted with the share split carried out 4 November 2021

Equity was EUR 32.2 million on 30 June 2022 (30 June 2021: 9.0) and equity ratio was 68.0% (30 June 2021: 37.6%).

Personnel

During the review period, the Group employed 576 people on average (563).

Changes in Management Team

Mikko Vahtera started in the position of Business Area Director, Consulting Services on 7 April 2022. Administer seeks a significant market share in financial and payroll management services and solutions as well as the consulting business. Consulting services are mainly related to financial leadership, payroll and HR services. The largest section is consulting related to financial leadership, e.g. CFO and controller services.

Kati Lehesmaa, Director of Marketing and Communications, decided to pursue a new path as an entrepreneur and left the operative responsibilities in the company on 31 May 2022.

The Group Management Team on 30 June 2022:

Name	Position
Peter Aho	CEO
Johan Idman	CFO
Kati Paulin	Chief Strategy Officer
Outi Tenhola	Chief Human Resources Officer
Jussi Jaakkola	Sales Director
Mikko Vahtera	Business Area Director, Consultancy Services
Jukka Iivonen	CIO
Markus Backlund	CEO, EmCe Solution Partner Oy
Pertti Vartiamäki	CEO, Kuntalaskenta Oy
Kimmo Herranen	CEO, Silta Oy

Changes in Management Team after the review period

Outi Tenhola, Chief Human Resources Officer, left the company to pursue new challenges. The Group has appointed from within the company Paula Niemi, who has extensive experience of HR administration in Administer Group, as Acting Chief Human Resources Officer and member of the Management Team beginning from 1 August 2022.

Governance

Annual General Meeting

The Annual General Meeting of Administer Plc was held in Helsinki on 18 May 2022. The Annual General Meeting was held in accordance with exceptional meeting procedures pursuant to the temporary legislation enacted by the Finnish Parliament to limit the spread of the Covid-19 pandemic. Shareholders in the company and their proxy representatives were allowed to participate in the Annual General Meeting and use their shareholder rights only by voting in advance and by making counterproposals and presenting questions in advance.

The Annual General Meeting adopted the financial statements for the financial year of 2021 and discharged the members of the Board of Directors and the CEO from liability.

The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial year ended on 31 December 2021.

Composition of the Board of Directors

The number of the members of the Board of Directors was confirmed to be five (5). Jukka-Pekka Joensuu, Peter Aho, Julianna Borsos and Risto Koivula were re-elected as board members and Minna Vanhala-Harmanen was elected as new board member.

The company's Board of Directors held its organizing meeting after the Annual General Meeting on 18 May 2022. In the organizing meeting, the Board of Directors elected the Chair of the Board. Jukka-Pekka Joensuu was elected as the Chair of the Board of Directors.

The Board of Directors as of 18 May 2022:

Name	Function in the Board	Nationality	Year of birth	Year of appointment to the Board
Jukka-Pekka Joensuu	chairman	Finnish	1966	2016
Peter Aho	member	Finnish	1970	1994
Juliana Borsos	member	Finnish	1971	2018
Risto Koivula	member	Finnish	1968	2021
Minna Vanhala-Harmanen	member	Finnish	1968	2022

The Chairman of the Board shall be paid an annual remuneration of EUR 50,000 and other members of the Board of Directors who are not employed by the company shall each be paid an annual remuneration of EUR 25,000. If a Board member resigns during his/her term of office, the remuneration will be paid in proportion to the term of office actually taken place.

Should the Board of Directors during its term resolve to establish committees, the committee chairman shall be paid EUR 500 per meeting and other committee members shall be paid EUR 300 per meeting. The travel expenses of the members of the Board of Directors and the committees are reimbursed in accordance with the company's travel policy.

Election of the Auditor

Ernst & Young Oy, authorized public accountants, was re-elected as the company's auditor for the term ending at the close of the next Annual General Meeting. Ernst & Young Oy has announced that it will appoint Johanna Winqvist-Ilkka, APA, as the auditor with principal responsibility.

The auditor's fees will be paid against the auditor's reasonable invoice approved by the company.

Authorizing the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares

In accordance with the Board of Directors' proposal, the Board of Directors was authorized to decide on the repurchase and/or on the acceptance as pledge of a maximum of 1,432,941 of the company's own shares. The proposed number of shares corresponds to approximately ten (10) percent of all shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorization.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Shares can be repurchased using, among other things, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the existing shareholders (directed repurchase).

The authorization allows the repurchase and/or the acceptance as pledge of shares in order to, among other things, develop the company's capital structure, to finance or implement eventual acquisitions, investments or other arrangements that are part of the business, or to be used in the company's incentive or reward systems.

The authorization is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2023.

Authorizing the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares

The Board of Directors was authorized to decide on the issuance of shares and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act. The

authorization covers a maximum of 1,432,941 shares, which corresponds to approximately ten (10) percent of all shares in the company.

The Board of Directors decides on all terms of the issuance of shares and of special rights entitling to shares.

The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' preemptive rights (directed issue).

The authorization is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2023.

Establishment of a Shareholders' Nomination Board

In accordance with the Board's proposal, the Annual General Meeting resolved that a Shareholders' Nomination Board be established to prepare future proposals concerning the number, election and remuneration of the members of the Board of Directors and remuneration of the members of the Committees of the Board of Directors to the next Annual General Meetings and, if needed, to Extraordinary General Meetings. In addition, the Shareholders' Nomination Board is responsible of searching for new board member candidates. The Shareholders' Nomination Board shall be established for the time being.

The General Meeting also decided to adopt The Charter of the Shareholders' Nomination Board.

Establishment of Audit Committee

On 25 May 2022, the Board of Directors of the company decided to establish an Audit Committee, of which Jukka-Pekka Joensuu (Chairman) and Risto Koivula were elected as members.

The Audit Committee shall be responsible for, among other things:

- monitoring and evaluating the company's financial reporting system,
- monitoring and evaluating the effectiveness of the company's internal auditing, inspection and risk management systems,
- monitoring and evaluating how the activities, contracts and other legal proceedings between the company and its related parties meet the requirements for normal operations and market conditions,
- monitoring and evaluating the auditor's independence, and in particular the provision of non-audit services by the auditor,
- assessing compliance with laws, regulations and company practices; and
- carrying out other activities authorized by the Board of Directors.

Of the members of the Audit Committee, Jukka-Pekka Joensuu is not independent of the company but independent of the major shareholders of the company, and Risto Koivula is independent of the company and its major shareholders.

Product development

Product and software development has continued with special attention to improving customer experience. During the review period, we have begun to build a Group approach to software and product development by virtually combining the product development organisations of the software business (EmCe), payroll management (Silta) and accounting firm business (Administer). The target is faster, more agile and more cost-efficient product development that takes into account synergies across the entire Group.

The proprietary technology Administer uses for producing services and developing software requires considerable investments in research and development. There are approximately 60 people working in product development. In the company's view, automation and artificial intelligence will steer financial management services in the future, which is why Administer is investing significantly in technology development. In January–June 2022, product development expenses amounting to EUR 0.7 million (0.5) were capitalised in the balance sheet.

Significant events in the review period

Silta to handle the payroll services of Neste Oyj

Payroll and HR services expert Silta Oy, part of Administer Group, is handling the payroll services of Neste Oyj from 1 April 2022 onwards. With the multi-year agreement, Silta provides Neste with comprehensive outsourced payroll services. In connection with the agreement, six payroll experts from Neste's payroll services transferred to Silta as part of a business transfer.

Administer acquired WaBuCo Financial Services Oy

In March 2022, Administer acquired WaBuCo Financial Services Oy. The acquisition supports Administer's strategy, according to which the company seeks a significant share in financial and payroll management services and consulting in Finland, in an excellent way. In addition, the company seeks to expand its international business. The acquisition was carried out through a directed share issue to the owners of WaBuCo. Due to the share issue, the number of shares in Administer increased from 14,194,110 to 14,329,414 shares.

Administer acquired the payroll services of Konjunkturi

In February 2022, the payroll services of Konjunkturi Oy, based in Varkaus, became part of the service offering of Administer Group company Tilikamut Oy through an asset acquisition, and the Group got a new office in Varkaus.

Sydän-Suomen Taloushallinta Oy became part of Administer Group

Sydän-Suomen Taloushallinta Oy, operating in Pihtipudas and Kinnula, joined Administer Group through an asset acquisition in March 2022. The acquisition strengthens the Group's operations and service offering in the Central Finland area.

Tilitoimisto Ollikainen joins Administer Group

Administer continued to expand by acquiring the accounting firm business of Tilitoimisto Ollikainen Oy through an asset acquisition. With the acquisition, the Group got a new office in Mikkeli, strengthening operations in the South Savo area.

Shares and share capital

The acquisition carried out with WaBuCo Oy in March 2022 was paid with new shares in Administer. For this reason, Administer carried out a directed share issue to WaBuCo's owners based on the authorisation given by the General Meeting on 4 November 2021. The 121,129 new shares subscribed in the directed share issue were registered in the trade register on 30 March 2022. The 14,175 shares subscribed for the company itself in the share issue were registered in the trade register on 30 March 2022. Due to the share issues, the number of shares in Administer increased from 14,194,110 to 14,329,414 shares. At the end of June, Administer's share capital was EUR 80,000 and the total number of outstanding shares in the company was 14,194,110, as mentioned above.

Share trading volume between 1 January and 30 June 2022 was EUR 2.9 million in total. The highest trading price was EUR 3.61 and the lowest was EUR 3.38. The closing price at the end of the review period was EUR 3.40 and the market value based on the closing price was approximately EUR 48.7 million.

The company had 2,289 shareholders at the end of the review period. The company held no treasury shares at the end of the review period.

Risks and near-term uncertainties

Interruptions or disturbances in Administer's IT, network or communication systems may lead to unforeseen costs and malfunctions and be detrimental to the business operations of the company or its customers. Data security breaches targeted at IT systems and data links or other data security breaches may be detrimental to Administer or its customers and negatively impact Administer's business.

Administer's field of business is competitive and the competition is fragmented, which may have a negative impact on the company's operations, if Administer is unable to respond to competitor pricing or service quality or fails to develop new products or services.

Corporate acquisitions are an important part of the company's growth strategy. Administer may fail in integrating corporate acquisitions, in finding new acquisition targets or an acquisition may fail.

Administer's brand and reputation are important competitive advantages, and reputation damage might have negative impacts on Administer's business and market position.

There are uncertainties relating to Finland's economic development this year due to the global geopolitical situation. Administer has no business operations in Russia or Ukraine, but the reduced financial activity may also have negative impacts on Administer's net sales and result through customer companies. Accelerating inflation in Finland may spill into wages, and together with employee turnover, may increase costs at Administer and weaken profitability unless the higher costs can be transferred into the prices of services offered by the company.

Significant events after the review period

Administer lowers its outlook for net sales and profitability for 2022

On 12 August 2022, Administer lowered its outlook for net sales and profitability for 2022. The updated outlook for 2022 is as follows:

Administer seeks to continue growth investments as well as organic and inorganic growth in 2022. The company aims to make 5–10 acquisitions over the course of 2022. Administer estimates that its net sales will be EUR 47–49 million and its EBITDA margin will be 5–7% in 2022.

Previous outlook:

Administer seeks to continue growth investments as well as organic and inorganic growth in 2022. The company aims to make 5–10 acquisitions over the course of 2022. Administer estimates that its net sales will increase to at least EUR 51 million and its EBITDA margin will be at least 8% in 2022.

Administer strengthens its position in the Turku region by acquiring the business of Konsulttiliike Laine Oy

In August, Administer Plc and Konsulttiliike Laine Oy, operating in Raisio, agreed on an asset acquisition in which the accounting firm business and personnel of Konsulttiliike Laine were transferred to Administer. The asset acquisition further strengthens Administer's operations in the Turku region, where Administer Group already has an office.



Administer Plc
Board of Directors

More information

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Webinar

CEO Peter Aho and CFO Johan Idman will present the result in a webinar on 31 August 2022 at 11.00 a.m. EEST. Questions can be sent during the event via the chat function. The event will be held in Finnish, but questions can also be asked in English

You can join the webinar at <https://administer.videosync.fi/2022-q2-tulosjulkistus>.

A recording will be available after the event at <https://administergroup.com/sijoittajat/>.

ADMINISTER GROUP JANUARY-JUNE 2022 FINANCIAL STATEMENTS SUMMARY AND NOTES TO THE FINANCIAL STATEMENTS

The half-year financial report has been prepared based on the Accounting Act of Finland and FAS (Finnish Accounting Standards). The half-year financial report is unaudited.

CONSOLIDATED STATEMENT OF INCOME

Consolidated Income Statement

(TEUR)

	1 Jan - 30 Jun		1 Jan - 31 Dec	
	2022	2021	2021	2020
NET SALES	23,916	19,843	41,913	43,678
Other operating income	49	29	152	115
Materials and services				
Purchases	-3,028	-2,035	-5,042	-4,176
External services	-442	-271	-567	-1,233
Total	-3,470	-2,306	-5,609	-5,409
Personnel expenses				
Salaries and wages	-13,291	-11,789	-23,465	-23,632
Social security costs				
Pension costs	-2,143	-1,962	-3,954	-3,548
Other expenses related to personnel	-493	-391	-821	-744
Total	-15,926	-14,142	-28,239	-27,924
Depreciation, amortization and impairment				
Amortization of goodwill	-1,046	-500	-1,450	-960
Other depreciations according to plan	-465	-355	-747	-598
Total	-1,511	-855	-2,198	-1,559
Other operating expenses	-3,556	-2,841	-6,028	-6,139
Share of results of affiliates	3	18	62	127
OPERATING PROFIT (LOSS)	-495	-254	53	2,890
Financial income and expenses				
Other interest and financial income	44	6	23	14
Interest and other financial expenses	-92	-129	-1,820	-291
Total	-49	-122	-1,797	-278
PROFIT BEFORE APPROPRIATIONS AND TAX	-544	-377	-1,744	2,612
Income tax	-19	-41	-28	-634
Minority interest	-7	-8	-21	-23
PROFIT (LOSS) FOR THE PERIOD	-569	-426	-1,792	1,955

CONSOLIDATED BALANCE SHEET

(TEUR)	30 Jun		31 Dec	
	2022	2021	2021	2020
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Development expenditures	2,226	1,158	1,767	931
Intangible rights	458	521	476	532
Consolidated goodwill	22,375	12,816	22,755	13,253
Goodwill	1,316	655	594	718
Other capitalised long-term expenditures	930	1 197	1,112	1 142
Total	27,305	16,347	26,705	16,575
Tangible assets				
Land and water areas	36	36	36	36
Buildings and structures	165	172	169	176
Machinery and equipment	246	208	217	248
Other tangible assets	11	11	11	11
Total	459	428	433	472
Investments				
Shares in affiliated companies	292	236	282	230
Other shares	10	5	5	5
Total	302	241	287	234
NON-CURRENT ASSETS, TOTAL	28,066	17,016	27,425	17,281
CURRENT ASSETS				
Receivables				
Non-current				
Trade receivables	3	4	3	2
Other receivables	95	87	94	87
Total	98	91	97	89
Current				
Trade receivables	6,171	5,026	5,195	5,383
Loan receivables	33	1	32	4
Other receivables	132	9	114	10
Prepayments and accrued income	1,311	572	1,223	989
Total	7,647	5,608	6,564	6,386
Financing securities	308	0	308	0
Cash and cash equivalents	11,300	1,259	12,840	761
CURRENT ASSETS, TOTAL	19,353	6,958	19,809	7,236
TOTAL ASSETS	47,419	23,975	47,234	24,517

EQUITY AND LIABILITIES**EQUITY**

Share capital	80	3	80	3
Other reserves	30,657	5,554	30,142	5,554
Retained earnings (loss)	2,065	3,890	3,893	1,943
Profit (loss) for the period	-569	-426	-1,792	1,955

TOTAL EQUITY	32,233	9,021	32,323	9,455
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MINORITY INTEREST	19	13	25	24
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LIABILITIES

Non-current

Capital loan	500	500	500	500
Loans from financial institutions	1,859	2,798	2,061	3,726
Other liabilities	21	0	21	0
Total	2,380	3,298	2,582	4,226

Current

Loans from financial institutions	2,410	2,827	1,780	2,069
Trade payables	1,937	1,393	4,158	1,942
Other liabilities	2,032	2,609	1,633	2,669
Accrued expenses and deferred income	6,408	4,814	4,732	4,132
Total	12,786	11,642	12,303	10,812

TOTAL LIABILITIES	15,167	14,941	14,886	15,038
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TOTAL EQUITY AND LIABILITIES	47,419	23,975	47,234	24,517
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**Consolidated statement of
changes in equity**

(TEUR, unless otherwise indicated)	Share capital	Other reserves	Treasury shares	Retained earnings (loss)	Total equity
Equity 1 January, 2021	3	5,554	-12	3,911	9,455
Profit (loss) for the period				-426	-426
Translation differences				-1	-1
Dividend decision				-20	-20
Business acquisitions			12		12
Share capital increase					0
IPO					0
Equity 30 June, 2021	3	5,554	0	3,465	9,021

(TEUR, unless otherwise indicated)	Share capital	Other reserves	Treasury shares	Retained earnings (loss)	Total equity
Equity 1 January, 2022	80	30,142	0	2,100	32,323
Profit (loss) for the period				-569	-569
Translation differences				20	20
Dividend decision				-11	-11
Business acquisitions		466		4	470
IPO		48	-48		0
Equity 30 June, 2022	80	30,657	-48	1,544	32,233

CONSOLIDATED CASH FLOW STATEMENT

The primary sources of Administer's liquidity are cash flow from operating activities and external financing agreements, including credit limits, and funds raised in the IPO.

Condensed Consolidated Statement of Cash Flow

(TEUR)	1 Jan - 30 Jun		1 Jan - 31 Dec	
	2022	2021	2021	2020
Cash flow from operating activities	-286	650	2,398	3,471
Cash flow from investment activities	-1,671	-583	-1,886	-1,413
Cash flow from financing activities	417	432	11,566	-2,015
Change in cash and cash equivalents	-1,540	498	12,079	43
Cash and cash equivalents at the beginning of period	12,840	761	761	718
Cash and cash equivalents at the end of period	11,300	1,259	12,840	761



COVENANTS

Administer's financial agreements include bi-annually reviewed covenants related to interest-bearing debts. Interest-bearing liabilities to EBITDA ratio shall not be higher than 4,0 when reviewed June 30, 2022, and not higher than 2,75 when reviewed bi-annually thereafter. Additionally, Equity ratio shall be at least 30% when reviewed bi-annually. Administer fulfilled covenants during the reporting and comparison period.

KEY FIGURES

Administer presents alternative performance measures for the time period covered by the historical financial information supplementing the key figures presented in Administer's income statements, balance sheets and cash flow statements prepared in accordance with the FAS. The alternative performance measures should not be considered separately from the key figures prepared in accordance with the FAS or as substitutes for them. These alternative performance measures and their purpose are described in the section "Definitions and Calculation of Certain Alternative Key Figures and Other Key Figures".

Key Figures

(TEUR, unless otherwise indicated)

	1 Jan - 30 Jun		1 Jan - 31 Dec	
	2022	2021	2021	2020
Net sales	23,916	19,843	41,913	43,678
EBITDA	1,016	600	2,251	4,449
EBITDA, %	4.2 %	3.0%	5.4%	10.2%
Operating profit adjusted by amortization of goodwill	551	245	1,504	3,850
Operating profit adjusted by amortization of goodwill, %	2.3%	1.2%	3.6%	8.8%
Operating profit (loss)	-495	-254	53	2,890
Operating profit (loss), %	-2.1%	-1.3%	0.1%	6.6%
Profit before appropriations and tax	-544	-377	-1,744	2,612
Profit (loss) for the period	-569	-426	-1,792	1,955
Profit (loss) adjusted with amortization of goodwill	477	74	-342	2,915
Profit (loss) adjusted with amortization of goodwill, %	2.0%	0.4%	-0.8%	6.7%
Earnings per share (EPS) ¹⁾	-0.05	-0.04	-0.17	0.20
Return on equity, % (ROE)	-9.4%	14.6%	-8.6%	23.1%
Equity ratio, %	68.0%	37.6%	68.4%	38.3%
Debt-to-equity ratio, %	14.8%	67.8%	13.4%	65.1%
Net sales growth, %	20.5%	-11.2%	-4.0%	-3.5%
Number of personnel	576	563	569	597
Net sales per employee	42	35	74	74
Personnel expenses per employee	-28	-25	-50	47
Ratio of personnel expenses to net sale, %	66.6%	71.3%	67.4%	63.9%

¹⁾ 2020 comparison figures adjusted with the share split carried out on 4 November 2021.

DEFINITIONS AND CALCULATION OF CERTAIN ALTERNATIVE KEY FIGURES AND OTHER KEY FIGURES

Definitions and Calculation of Certain Alternative Key Figures and Other Key Figures

Key figure	Definition	Purpose
EBITDA	Operating profit (loss) + depreciation, amortization and impairment	Describes profitability of the operations without the effect of depreciation, amortization and impairment.
EBITDA, %	$\frac{\text{EBITDA}}{\text{Net sales}}$	x100 Describes the ratio of EBITDA to net sales.
Operating profit adjusted with amortization of goodwill	Operating profit (loss) + amortization of goodwill	Describes the performance of the business excluding the impact of amortization of goodwill.
Operating profit adjusted with amortization of goodwill, %	$\frac{\text{Operating profit adjusted by amortization of goodwill}}{\text{Net sales}}$	x100 Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Operating profit (loss)	Net sales + other operating income – materials and services – personnel expenses – other operating expenses – depreciation, amortization and impairment	Operating profit (loss) describes the profitability of the operations.
Operating profit (loss), %	$\frac{\text{Operating profit (loss)}}{\text{Net Sales}}$	x100 Describes the ratio of operating profit to net sales.
Profit adjusted with amortization of goodwill	Profit (loss) for the financial period + amortization of goodwill	Describes the profit of the operations without the effect of amortization of goodwill.
Profit adjusted with amortization of goodwill %	$\frac{\text{Profit adjusted by amortization of goodwill}}{\text{Net sales}}$	x100 Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Earnings per share (EPS)	$\frac{\text{Profit (loss) for the financial period without minority interest}}{\text{Average number of outstanding shares during the financial period adjusted with share issue}}$	x100 Describes the share of profit (loss) for the financial period in proportion to weighted average number of shares outstanding
Return on equity, % (ROE)	$\frac{\text{Profit (loss) for the financial period (rolling 12 months)}}{\text{Equity}}$	x100 Measures the result for the period in relation to equity.

	Average equity (rolling 12 months)		Average equity is an average of equity at the beginning of and at the end of a financial period.
Equity ratio, %	$\frac{\text{Equity at the end of period}}{\text{Total assets at the end of period – advances received}}$	x100	Describes the ratio of Administer's assets to equity
Debt-to-equity ratio, %	$\frac{\text{Interest-bearing liabilities}}{\text{(Equity + goodwill + minority interest+ accrued appropriations)}}$	x100	Reflects the total amount of Administer's external debt financing.
Net sales growth %	$\frac{\text{Net sales for the period – net sales for the reference period}}{\text{Net sales for the reference period}}$	x100	Describes operating growth between periods.