ADMINISTER GROUP

ANNUAL REPORT

2023

CONTENT

ADMINISTER GROUP IN BRIEF

Administer Group is a multi-talent in payroll and financial management services, software services, consulting, as well as personnel and international services. We are the largest payroll outsourcing partner in Finland and the leading expert in preventing grey economy. Our services are used by more than 5,000 customers, from SMEs to large companies, as well as municipalities and other public sector actors. Founded in 1985, the company is listed on the First North marketplace of Nasdaq Helsinki.

Administer Group consists of payroll management service company Silta Oy, accounting firm Administer, business service and employment expert Econia Oy, and software company EmCe Solution Partner Oy. In addition, the Group includes, for example, Adner Oy and Kuntalaskenta Oy.

SILTA ADMINISTER econia emce

+5,000
CUSTOMERS

+1,000
EMPLOYEES

EUR 76 MILLION
NET SALES IN 2023

38
OFFICES

WE PROCESS
EUR 1 BILLION
WORTH OF PURCHASE INVOICES PER YEAR

WE PAY MORE THAN
135,000
SALARIES EACH MONTH

KEY EVENTS IN 2023

In early 2023, we emphasised growth and focused on integrating Econia into the Group. In addition, we made three acquisitions, which strengthened our accounting business. In May, Kimmo Herranen started as the new CEO of Administer Group. Towards the end of the year, our focus shifted from growth to increasing profitability and preparing our strategy for the 2024–2026 period.

A significant new customer for Silta in payroll management outsourcing

Silta Oy, part of Administer Group, gained a significant new customer in the energy sector in January 2023. Through a multi-year agreement of over EUR 2 million, Silta offers its customer comprehensive outsourced payroll and working time management services.

Kimmo Herranen started as the CEO of the Group

Kimmo Herranen started as the new CEO of Administer Group on 1 May 2023. He has served in different roles in Administer Group since 2005, transferring to his new role from the position of CEO of Silta Oy. The previous CEO of the Group, Peter Aho, started as Business area director, financial management services.

Administer expanded its Compliance service offering through an acquisition

Econia, part of Administer Group, continued to execute its growth strategy by carrying out a corporate acquisition in June that supports the growth of its Compliance services. With the acquisition of its own service platform, Econia can provide significantly better and more comprehensive services for preventing grey economy and ensuring regulatory compliance.

Administer's accounting firm business acquired three accounting firms

In January, Administer acquired the business operations of Ruukintili Oy in the Kouvola region, marking the company's first foray into South-Eastern Finland.
In May, Administer acquired the accounting business of Varkauden Educa Oy, strengthening the company's regional accounting and payroll management services. Also in May, Administer acquired Tilitoimisto Kirsi Lehtinen Oy's business in Jämsä, boosting the company's regional operations and increasing its market share.

Profitability programme

In August, Administer began the implementation of a Group-wide profitability programme, which targets an annual profitability improvement of approximately EUR 7 million. It is estimated that this will realise in its entirety during 2024. The profitability programme includes different measures in different Group companies, including actions for improving sales margins, reducing fixed costs, and personnel reductions.

As part of the programme, Administer executed change negotiations in October and November, leading to a reduction of 17 employees, a few lay-offs, and changing some positions to part-time ones. In 2023, the Group rationalised its office network and centralised its HQ operations in Vallila, Helsinki.

Management Team

The company streamlined and optimised the Group's Management Team. Starting from November 2023, the number of people in the Management Team was reduced from 13 to 8. The Management Team is comprised of the Group's CEO, CFO, directors of the largest businesses, and HR director.

Henrik Enbom: "Paperless Cloud"

Strategy work

In August, Administer initiated strategy work, which will result in setting new long-term targets, among other things. The company has made good progress towards its net sales target, but both net sales and profitability have remained below the target level.

CEO'S REVIEW

TOWARDS PROFITABLE GROWTH

We can describe the year 2023 as both eventful and twofold for Administer. Early in the year, we focused on growth and began to integrate Econia into the Group. We also carried out three acquisitions, which strengthened our accounting firm business. In May, we went through a CEO change as I took the helm of the Group. Towards the end of the year, we switched our focus from growth to improving profitability and started preparing our strategy for the 2024–2026 period.

Our net sales grew solidly during the year, mainly due to the Econia acquisition, but also organically in some of our businesses. However, I need to admit that we fell a bit short of our targets. The general economic downturn was reflected negatively in our operations and was most visible in staffing services. Competition continued to be tough in all our primary markets. Together with the cost and wage inflation, this had a negative impact on net sales and the profitability of our operations.

In the payroll service business, we are the market leader in Finland. Our subsidiary, Silta, continued its good organic growth, gaining significant new customers e.g. in the energy and finance sectors. We also had growth in software services in both the private and public sectors.

Our financial performance was unsatisfactory, which is why we began the determined implementation of a profitability programme that aims to achieve an annual profitability improvement of approximately EUR 7 million. We estimate that the target will be reached in its entirety during 2024. Relative to our Group size, the programme is significant, even ambitious, and it is progressing as planned. As a part of this process, we had to implement unfortunate but necessary personnel reductions.

We advanced our corporate responsibility and related reporting by conducting a double materiality assessment and determining the material sustainability themes for the Group. We will continue this work in 2024 by determining the metrics and targets for the chosen themes.

Balancing Together

During the year, we launched the slogan “Balancing Together”. It is based on our view that our customers are equal partners with us, and that we are balancing together with them. Together, we are more than the sum of our parts. Additionally, we have multiple strong brands in our Group that are all balancing together through close cooperation. We are also balancing together as a work community, and we treat each other equally and respectfully.

We advanced the focus areas of our completed strategy period in many ways. To achieve the best personnel, we invested on managerial work and continued regular measurements of employee satisfaction, which formed a basis for remedial actions to ensure an even better corporate culture and working environment. We have also built training and growth paths for our personnel. I’m happy to report that employee satisfaction developed in line with the target during the year and staff turnover ratio decreased. We will continue to work on these themes in 2024.

We regularly monitor customer satisfaction to attain the best possible customer experience. We invested in harmonising customer programmes and continued to revamp our products and services. One example of this is the new multi-year partnership between Silta and CGI, which focuses on offering HR and payroll administration services and product development. Econia strengthened its grey economy services by acquiring its own service platform and new specialists via a corporate acquisition. In software services, EmCe launched a whistleblowing platform, and in consultation services, we focused on developing our legal services. Regarding our tools, we always offer customers the most suitable solutions and utilise the best technology available.

"

I HAVE A FIRM BELIEF THAT WITH OUR PROFITABILITY PROGRAMME AND THE NEW STRATEGY ANNOUNCED IN EARLY 2024, WE ARE ABLE TO IMPROVE OUR COMPETITIVENESS AND ACCOMPLISH THE SET TARGETS.

Looking into the future

We have found the right focus and development areas, and our development work is well underway, as we have more actively identified synergies and competitive advantages between different businesses. Our main focus will now be on improving profitability and maintaining growth. We will continue to seek growth through acquisitions and organic growth in Finland and the Baltic Sea region. I have a firm belief that with our profitability programme and the new strategy announced in early 2024, we are able to improve our competitiveness and accomplish the set targets.

Besides profitable growth, our new strategy is founded on the efficient utilisation of business synergies with customers and in internal processes. We understand our customers’ service and technology needs, enabling us to offer the most suitable solutions from our unique portfolio. We also want to further improve the responsibility of our business. Our target is to reach annual net sales of EUR 100 million and an EBITDA margin of 15% in 2026. In line with our dividend policy, we aim to distribute a yearly dividend amounting to a minimum of 30% of our profit, adjusted by the amortisation of goodwill.

Finally, I want to give special thanks for the year to our personnel, who are the heart and backbone of our operations. I also want to thank our customers and investors for trusting us and other stakeholders for your co-operation in 2023.

Kimmo Herranen
CEO

STRATEGY 2024–2026

WE ARE A MULTI-TALENT IN HR AND FINANCIAL MANAGEMENT SERVICES

In March 2024, Administer Group announced its new strategy and financial targets for 2024–2026. The company aims to ensure growth, improve long-term profitability, and develop its business in a sustainable way.

WE INTEGRATE, CLARIFY AND STREAMLINE OUR PROCESSES

We are actively seeking synergies between our business operations. Our target is to decrease the environmental impact of our services and use resources responsibly.

WE TRAIN OUR EXPERTS AND DEVELOP OUR LEADERSHIP

We help and support each other, regardless of our business or position. We train our personnel and improve our ways of working so that we learn to identify and meet challenges and produce better services. We develop our leadership in line with the jointly created leadership vision.

WE INVEST IN CUSTOMER EXPERIENCE

We understand our customers' service and technology needs, enabling us to offer the most suitable solutions from our unique portfolio. We invest in the well-being of our personnel and customer experience.

WE GROW PROFITABLY IN FINLAND AND SELECTED MARKETS IN THE BALTIC REGION

We believe in partnerships. Everything we do is profitable and based on responsible business.

TRUST

COURAGE TO RESOLVE

PARTNERSHIP

RESPONSIBILITY

SUSTAINABILITY

We continued to implement the three focus areas of our sustainability strategy, launched in 2022.

We also started to prepare for being compliant with the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) starting from 2025. As part of the preparation, we conducted a double materiality assessment, including a personnel survey, customer interviews, and engaging with other stakeholders. Based on the assessment, we defined the following themes on which Administer's impact is the most significant material and which have financial impacts on Administer:

- Energy efficiency and carbon neutrality
- Well-being at work and commitment of employees
- Ethical business practices
- Cyber security and data privacy

Our next step is determining the targets and metrics for the material themes during 2024.

Ethical and responsible business

Ethics and responsibility are at the core of our operations, and robust data protection is a prerequisite for our business. Our data protection and data security policies determine the principles and practices that ensure that the legal rights and requirements relating to the processing of personal data of our customers, personnel, and other stakeholders are observed.

All our personnel are required to be familiarised with our Code of Conduct. It addresses compliance with laws and regulations, environmental aspects, human rights, prevention of bribery, confidentiality obligations, and responsibility for the personnel. The Code of Conduct is complemented by more detailed rules and guidelines such as equality rules, occupational safety rules, and guidelines for early intervention. Orientation trainings for the Code of Conduct were continued in 2023, and the training is part of the orientation of new employees. In addition, we organised comprehensive training on preventing money laundering in 2023.

Data protection and data security trainings were also continued. We have a clear process for potential violations of data protection. Regarding the incidents processed during the year, no further measures were taken by the data security authorities.

We do not tolerate any illegal activity, financial malpractice, exposure of the public or the environment to hazards or any harassment or inappropriate behaviour at the workplace. The Group uses an anonymous whistleblowing channel. It is also available to the Group's external stakeholders, such as customers, suppliers, and partners. We also use internal reporting channels.

We pay our taxes in Finland, in every municipality in which we operate. We want to support the vitality of every corner of the country and offer our clients local service everywhere in Finland.

Climate friendliness and environmental consciousness

A significant part of our carbon footprint is due to the energy use of our offices and digital financial and payroll management. During the year, we optimised our office space use in multiple locations, for example, by centralising our Helsinki operations to the Vallila office. This decreased our office space from 2,000 square metres to 700 square metres in Helsinki alone.

When purchasing goods or materials, we favour sustainable products and services. In 2023, we changed our personnel's car policy to favour electric and hybrid vehicles instead of combustion engine cars. We primarily give intangible products as business gifts and other commemorations.

We offer our personnel extensive possibilities for remote work, which lessens the need to travel to the office and, consequently, decreases emissions. We also avoid unnecessary travel within the scope of our work and maintain close contact with our customers and colleagues online and by phone. Thanks to our geographically broad network of offices, we can be close to our customers and have face-to-face discussions without making long-distance trips.

People and the work environment

The well-being of our employees is of utmost importance to us, and we provide our personnel with comprehensive occupational health care as well as versatile exercise and well-being services. We aim to continuously develop our corporate culture and work environment across the Group.

During 2023, we launched a Responsibility Challenge campaign for our personnel, aiming to define 12 concrete sustainability actions. We want these actions to stimulate people to think about how they can promote everyday sustainability with their own actions both at home and at work. The Group Management Team started the challenge by visiting the Ukrainian Association in Finland and getting to know the proper ways to aid Ukraine. Administer offers the association accounting services free of charge.

Our employees have versatile possibilities to develop their capabilities and professional skills. We support job rotation and encourage our employees to seize new opportunities within the Group. We actively cooperate with educational institutions and offer future financial and payroll management and HR experts trainee opportunities in our offices around Finland. In 2023, Administer Group provided a trainee position for 75 students or persons starting a career in a new industry.

We respect human rights in everything we do and have zero tolerance for discrimination, harassment, or bullying.

CORPORATE GOVERNANCE AND REMUNERATION

Administer's governance is divided between governing bodies such as the General Meeting, Board of Directors and CEO, in accordance with the Finnish Companies Act and the company's Articles of Association. The Management Team assists the CEO in the day-to-day operations of the company.

The company's decision-making process and corporate governance comply with the Finnish Companies Act, the company's Articles of Association, the rules of First North, securities market legislation and other regulations applied to the company. As Administer's shares are not listed on the stock exchange list of Nasdaq Helsinki or any other regulated market, the company is not required to comply with the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association in effect as of 1 January 2020.

Shareholders use the rights to which they are entitled mainly in the General Meeting, which is usually convened by the company's Board of Directors. In addition, Extraordinary General Meetings must be held when requested in writing by the auditor of the company or by shareholders of the company holding at least 10 per cent of all the shares in the company.

Remuneration of the Board of Directors

According to the Finnish Companies Act, the General Meeting of Shareholders decides on the fees payable to the members of Administer's Board of Directors. The Annual General Meeting on 16 May 2023 decided that the Chair 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. Additionally, should the Board of Directors elect a Deputy Chair, the Deputy Chair's annual remuneration shall be EUR 35,000.

The committee members shall be paid EUR 500 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.

Remuneration of the Management Team

Administer offers short-term incentive plans to the Group's personnel and the members of the Management Team based on their performance. In addition, the company has a share-based long-term incentive plan for the Group's key personnel established in November 2023. The aim of the plan is to align the objectives of the company, its shareholders and key employees and thereby to increase the company's value in the long term, to commit the key employees to the company and to offer them competitive incentive plans that are based on

earning and accumulating the company's shares as well as the increase in share value.

The share-based incentive plan for 2024–2028 consists of three (3) three-year (3) earning periods: the calendar years 2024–2026, 2025–2027 and 2026–2028.

As part of the plan, each participant can earn Administer Plc's shares based on the fulfilment of the earning criteria. The Board of Directors will decide on the earning criteria and the targets set for each earning criterion at the beginning of each earning period. The possible rewards under the incentive plan will be paid after the end of each earning period.

In the 2024–2026 earning period, the earning of rewards will be based on the following earning criteria:

- The company's EBITDA (60%) in 2024–2026
- The company's net sales (40%) in 2024–2026

The gross rewards payable under the 2024–2026 earning period correspond to the value of an approximate maximum total of 306,061 Administer Plc shares, including the portion to be paid in cash. In the 2024–2026 earning period, the target group of the share-based incentive plan comprises key employees determined by the Board of Directors, including the Group's CEO and Management Team.

The rewards from the share-based incentive plan will be paid partly in Administer Plc's shares and partly in cash. The cash portion is intended for covering taxes and tax-related costs arising from the reward to the participant. In general, no reward will be paid if a participant's employment or service in the Group ends during the earning period.

A member of the Management Team is obligated to hold at least 25% of the net shares received under the new plans until the total value of their shareholding in the company corresponds to 35% of the value of their annual salary. This shareholding must be retained as long as the participant is a member of the Management Team.

SALARIES AND FEES PAID TO THE CEO, THE MANAGEMENT TEAM AND THE BOARD OF DIRECTORS IN 2020–2023

EUR thousand	2023	2022	2021	2020
CEO	258.8*	218.0	208.0	207.7
Other Management Team members	1,364.1	901.2	727.6	622.7
Board of Directors	145.9	160.9	61.0	56.0
Total	**1,768.9**	**1,280.1**	**996.6**	**886.4**

* Peter Aho from 1 January 2023 until 30 April 2023. Kimmo Herranen from 1 May 2023 until 31 December 2023.

BOARD OF DIRECTORS 31 December 2023

JUKKA-PEKKA JOENSUU

- Chair of the Board of Directors (2018–), Member of the Board of Directors (2016–)
- Born 1966
- Master of Law, Lawyer
- Not independent of the company but independent of the major shareholders of the company
- Shares: 3,750*

MILJA SAKSI

- Member of the Board of Directors (2023–)
- Born 1976
- Master of Science (Economics)
- Independent of the company and of the major shareholders of the company
- Shares: -

PETER AHO

- Member of the Board of Directors (1994–)
- Born 1970
- Vocational Qualification in Business and Administration, studied economic sciences
- Not independent of the company nor of one of its major shareholders
- Shares: 6,880,980

LEENA SIIRALA

- Member of the Board of Directors (2023–)
- Born 1960
- Master of Laws, eMBA
- Independent of the company and of the major shareholders of the company
- Shares: -

RISTO KOIVULA

- Member of the Board of Directors (2021–)
- Born 1968
- Master of Science (Technology), Executive Master in Business Administration
- Independent of the company and of the major shareholders of the company
- Shares: -

MINNA VANHALA-HARMANEN

- Member of the Board of Directors (2022–)
- Born 1968
- Bachelor of Laws, Master of Laws with court training
- Independent of the company and of the major shareholders of the company
- Shares: -

* Joensuu does not directly hold Administer shares. Joensuu holds 65% of the shares of a shareholder of the company, Delfyne Oy, which holds 3,750 shares in the company.

MANAGEMENT TEAM 31 December 2023

KIMMO HERRANEN

- CEO (2023–)
- Born 1973
- Master of Science (Economics and Business Administration)
- Shares: 231,700

PETER AHO

- Business Area Director, Financial Management Services (2023–)
- Born 1970
- Vocational Qualification in Business and Administration, studied economic sciences
- Shares: 6,880,980

MARKUS BACKLUND

- CEO, EmCe (2008–)
- Born 1968
- Vocational Qualification in Business and Administration
- Shares: 5,000*

ARTTU ERÄPALO

- Director, Econia Ltd (2015–)
- Born 1975
- Master of Science (Technology)
- Shares: 580

TONI LEPPÄNEN

- CEO, Silta Oy (2023–)
- Born 1974
- Bachelor of Business Administration
- Shares: -

MIKKO VAHTERA

- Business Area Director, Consultancy Services (2022–)
- Born 1986
- Master of Science (Economics and Business Administration)
- Shares: 1,100

KALLE LEHTONEN

- CFO (2023–)
- Born 1974
- M.Sc. (Econ.)
- Shares: -

PAULA NIEMI

- Chief Human Resources Officer (2022–)
- Born 1977
- Bachelor of Business Administration and HR Manager examination
- Shares: -

* Backlund holds 27% of Sijoitus Oy MC Invest Ab's shares and 26.7% of its votes. Sijoitus Oy Mc Invest AB holds 1,205,508 shares in the company.

INFORMATION FOR INVESTORS

Administer engages in continuous dialogue with the investor community. Its objective is to ensure that the markets always have accurate, sufficient, and up-to-date information for defining the value of the company's share. We follow the principles of transparency and fairness and strive to serve all stakeholders in the best possible manner.

Annual General Meeting and Financial Reporting in 2024

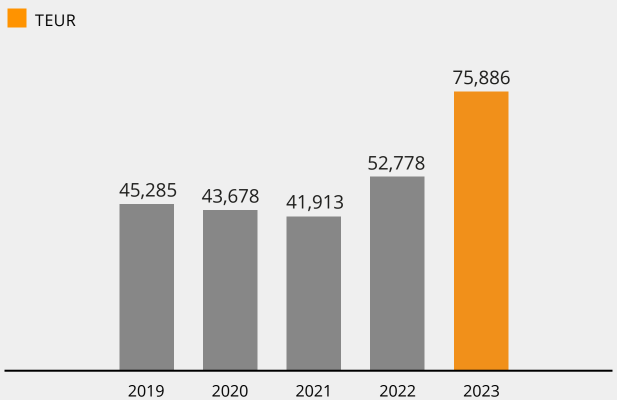
The Annual General Meeting of Administer Plc will be held in Helsinki on Wednesday, 10 April 2024.

Financial reporting in 2024:

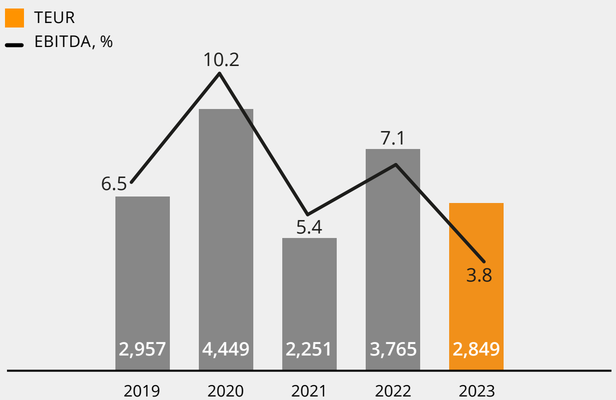
- Financial statements release 2023 on Wednesday, 6 March 2024
- Business review January–March 2024 on Wednesday, 8 May 2024
- Half-year review, January–June 2024 on Thursday, 15 August 2024
- Business review January–September 2024 on Wednesday, 6 November 2024.

The Annual Report 2023, including the financial statements and the Board of Directors' Report, will be published on week 12 (w/c 18 March) in 2024.

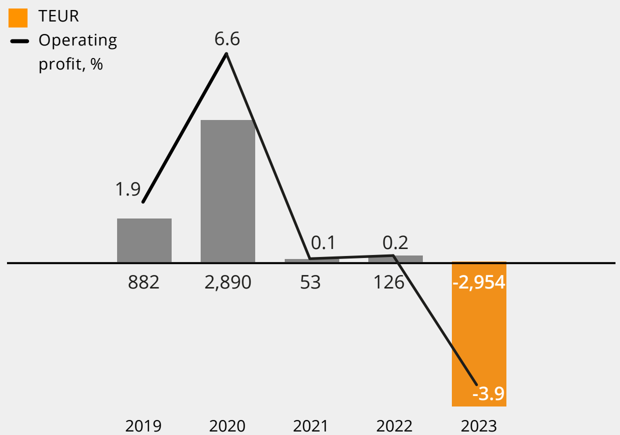
NET SALES



EBITDA AND MARGIN



OPERATING PROFIT AND MARGIN



Shareholders

Administer Plc shares are listed in the First North marketplace of Nasdaq Helsinki. According to Euroclear Finland Oy, the company had 1,960 shareholders (2,047 on 31 December 2022) at the end of 2023. The table below presents the largest shareholders. The list of the largest shareholders is updated monthly and available at **administergroup.com/en/investors**.

ADMINISTER'S 20 LARGEST SHAREHOLDERS ON 31 DECEMBER 2023

		Number of shares	% of shares
1	Aho Peter Olof Alexander	6,880,980	48.02
2	Ilmarinen Mutual Pension Insurance Company	1,250,000	8.72
3	Sijoitus Oy Mc Invest AB	1,205,508	8.41
4	Oy Fincorp Ab	421,736	2.94
5	Varma Mutual Pension Insurance Company	337,093	2.35
6	Elo Mutual Pension Insurance Company	306,817	2.14
7	Salmivala Maria-Elina	283,221	1.98
8	Herranen Kimmo	231,700	1.62
9	Rantalainen-Yhtiöt Oy	186,100	1.30
10	Oy Talcom Ab	142,810	1.00
11	Oy Cata-Holding Ab	118,413	0.83
12	Husu Päivi Marianna	115,756	0.81
13	Bähar Investment Ltd Ab	91,945	0.64
14	Taavi Capital Oy	91,540	0.64
15	Mandatum Life Insurance Company Limited	72,078	0.50
16	JP Accounting Oy AB	72,000	0.50
17	Rantanplan Oy	57,100	0.40
18	Kempe Anna	51,250	0.36
19	K22 Finance Oy	47,153	0.33
20	Herranen Vesa Reijo Olavi	46,680	0.33
	20 largest in total	**12,009,880**	**83.81**
	Nominee registered in total	**356,248**	**2.49**
	Other shareholders	**1,963,286**	**13.70**
	All shares in total	**14,329,414**	**100.00**

Analysts monitoring the company

- Evli
- Inderes

Forecasts and views presented by the analysts are their own, and the company is not responsible for them.

Contact information for investor relations

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A ADMINISTER GROUP

FINANCIAL REVIEW

CONTENT

BOARD OF DIRECTORS' REPORT

ADMINISTER IN BRIEF

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Administer Group consists of payroll management service company Silta Oy, accounting firm Administer, business service and employment expert Econia Oy, and software company EmCe Solution Partner Oy. In addition, the Group includes, for example, Adner Oy and Kuntalaskenta Oy.

THE YEAR 2023 IN BRIEF

- Net sales EUR 75.9 million (52.8), showing an increase of 43.8%. The increase was caused particularly by the corporate acquisitions made and the growth achieved by Silta.
- EBITDA EUR 2.8 million (3.8), or 3.8% (7.1%) of the net sales.
- Operating profit EUR –3.0 million (0.1), or –3.9% (0.2%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR –4.0 million (–2.5) in total.
- Kimmo Herranen started as the new CEO of Administer Group on 1 May 2023.
- Econia, part of Administer Group, continued to execute its growth strategy by carrying out a corporate acquisition that supports the growth of its international and Compliance services. With the acquisition of its own service platform, Econia can provide significantly better and more comprehensive services for preventing grey economy and ensuring regulatory compliance.
- Administer's accounting firm business carried out three accounting firm acquisitions.
- Silta, part of Administer Group, entered into a significant agreement with an energy industry company relating to outsourced payroll and working time management services.
- The company started a profitability programme focusing on improving long-term result and profitability.

CONSILIDATED KEY FIGURES

(TEUR, unless otherwise indicated)	2023	2022	2021	2020
Net sales	75,886	52,778	41,913	43,678
EBITDA	2,849	3,765	2,251	4,449
EBITDA, %	3.8%	7.1%	5.4 %	10.2%
Operating profit adjusted by amortization of goodwill	1,002	2,668	1,504	3,850
Operating profit adjusted by amortization of goodwill, %	1.3%	5.1%	3.6 %	8.8%
Operating profit (loss)	-2,954	126	53	2,890
Operating profit (loss), %	-3.9%	0.2%	0.1%	6.6%
Profit before appropriations and tax	-3,939	-279	-1,744	2,612
Profit (loss) for the period	-3,886	-703	-1,792	1,955
Profit (loss) adjusted with amortization of goodwill	70	1,839	-342	2,915
Profit (loss) adjusted with amortization of goodwill, %	0.1%	3.5%	-0.8%	6.7%
Earnings per share (EPS)	-0.27	-0.05	-0,13	0.20
Return on equity, % (ROE)	-14.1%	-2.2%	-8.6%	23.1%
Equity ratio, %	44.0%	48.7%	68.4%	38.3%
Debt-to-equity ratio, %	53.6%	51.1%	13.4%	65.1%
Net sales growth, %	43.8%	25.9%	-4.0%	-3.5%
Number of personnel	1,087	657	569	597
Net sales per employee	70	80	74	74
Personnel expenses per employee	-51	-53	-50	-47
Ratio of personnel expenses to net sale, %	73.0%	66.1.%	67.4%	63.9 %

MARKET ENVIRONMENT

Administer operates in the market for services and software for financial and payroll management, as well as HR, staffing, and other professional services supporting companies' businesses. Although our market, excluding staffing, is very defensive by nature, economic changes impact the Finnish corporate landscape in general and, thereby, also the customers of our industries. During the last two years, the macroeconomy has gone through significant changes. After Russia started its war of aggression in early 2022, inflation started to quickly accelerate. The sharp rise in inflation rates forced the European Central Bank to raise their interest rate, which led to a sharp rise in all interest rates after the summer of 2022. These factors have had a negative effect on the profitability of the company business. Also, the uncertainty in the economy has increased.

NET SALES AND PROFITABILITY

Net sales increased by 43.8% compared to the previous year and were EUR 75.9 million (52.8). The increase was caused particularly by the corporate acquisitions made and the growth achieved by Silta.

Personnel expenses were EUR 55.4 (34.9) million, making up 73% (66%) of the net sales. The increase in personnel expenses in euros was caused mainly by acquisitions and salary inflation. Acquiring the staffing business as a part of the Group increased the relative share of personnel expenses.

EBITDA was EUR 2.8 million (3.8), or 3.8% (7.1%) of the net sales. EBITDA was weakened in payroll services and staffing as well as due to non-recurring items of EUR 0.4 million.

Operating profit adjusted with amortisation of goodwill (EBITA) was EUR 1.0 million (2.7), making up 1.3% (5.1%) of the net sales.

Operating profit was EUR –3.0 million (0.1), or –3.9% (0.2%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR –4.0 million (–2.5) in total.

Loss before appropriations and tax was EUR –3.9 million (–0.3) and loss for the financial period was EUR –3.9 million (–0.7). Earnings per share (EPS) were EUR –0.27 (–0.05).

CASH FLOW AND FINANCING

Cash flow

Cash flow from operations was EUR 5.4 million (2.3). Cash flow from investments was EUR –4.1 million (–22.8) and cash flow from financing EUR –2.4 million (12.1). The change in cash and cash equivalents during the financial year was EUR –1.2 million (–8.4). The changes in cash flow were mainly driven by investments and amortisation of loans.

Financing

Interest-bearing debt decreased during the review period and was EUR 14.8 million on 31 December 2023 (31 December 2022: EUR 16.4 million). Debt-to-equity ratio was 53,6% (31 December 2022: 51.1%).

The Group's liquidity has remained good. Administer's cash and cash equivalents on 31 December 2023 totalled EUR 3.3 million (4.4). On 31 December 2023, the total amount of external financing agreed upon by Administer was EUR 17.3 million, of which drawn loans totalled EUR 14.8 million and loans not drawn totalled EUR 2.5 million. The drawn amount consists mainly of bank loans totalling EUR 14.3 million.

Bank loans include a covenant, which reviews the Group's net liabilities to EBITDA ratio. The covenant was not fulfilled during the reporting period. Breaching the covenant has been negotiated with the financiers, all of whom have granted immunity from liability for breaching the covenant.

Equity was EUR 27.5 million on 31 December 2023 (31 December 2022: 32.1) and equity ratio was 44.0% (31 December 2022: 48.7%). Dividends totalling EUR 0.7 million were paid for the financial period 1 January–31 December 2022.

Internal loans have been described in more detail in thenotes of the financial statements.

PERSONNEL

The Group employed on average 1,087 (657) people in January–December 2023.

MANAGEMENT TEAM AND BOARD OF DIRECTORS

The members of the Management Team and the Board of Directors are introduced in section 'Board of Directors and Management Team' of the Annual Report. Their remuneration and shareholding is presented in section 'Governance and Remuneration' of the Annual Report and on the Group website at **www.administergroup.com/en/investors/**.

Changes in the Board of Directors

Milja Saksi ja Leena Siirala were elected as new member of the Board of Directors by Administer Plc's Annual General Meeting on 16 May 2023. Julianna Borsos was not available for re-election.

Changes in Management Team

On 1 May 2023, Kimmo Herranen was appointed as CEO. He has worked in various roles in Administer Group from 2005. He transferred to his new role from the position of CEO in Silta Oy, subsidiary of Administer Plc. Previous CEO Peter Aho transferred to the position of Business area director, financial management services.

On 1 May 2023, Toni Leppänen, member of Silta's management team, started as Silta Oy's CEO and member of Administer Group's Management Team.

Paula Niemi, who has served as Administer Group's acting Chief Human Resources Officer and member of the≈Management Team from August 2022, was appointed as the Group's permanent Chief Human Resources Officer from 1 June 2023 onwards.

Kalle Lehtonen was appointed as the Chief Financial Officer from 21 August 2023 onwards. He transferred to Administer from Martela Corporation, where he served as CFO from 2018. Lehtonen has more than 20 years' experience in financial management leadership positions in different companies and industries. Administer's previous CFO Johan Idman left the company in April 2023.

During autumn 2023, the company streamlined and optimised its Management Team operations. From November onwards, the composition of the Management Team has been eight (8) members, down from the earlier 13. Arttu Eräpalo from Econia Oy started as the new member of the Management Team. Eräpalo has been in a leadership position in Econia since 2015. Before that, he had leadership positions in the fields of financial management and sales.

The Group Management Team as of 01 November 2023:

Name	Area of responsibility
Kimmo Herranen	CEO
Peter Aho	Administer, Financial Management Services
Markus Backlund	EmCe Solution Partner Oy
Toni Leppänen	Silta Oy
Arttu Eräpalo	Econia Oy
Mikko Vahtera	Consultancy Services
Kalle Lehtonen	Finances
Paula Niemi	Personnel

ANNUAL GENERAL MEETING

The Annual General Meeting of Administer Plc (the "Company") was held today on 16 May 2023 in Helsinki, Finland. The meeting was held as a hybrid meeting in accordance with Chapter 5, Section 16, Subsections 1 and 2 of the Finnish Companies Act (621/2006, as amended).

The Annual General Meeting adopted the financial statements for the financial year of 2022 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 a dividend of EUR 0.05 per share be paid based on the balance sheet adopted for the financial year ended 31 December 2022. The dividend shall be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date 18 May 2023. The dividend will be paid on 25 May 2023.

The number of the members of the Board of Directors was confirmed to be six (6). Jukka-Pekka Joensuu, Peter Aho, Risto Koivula, and Minna Vanhala-Harmanen were re-elected as board members and Leena Siirala and Milja Saksi were elected as new board members.

The annual remuneration of the Chair and members of the Board of Directors shall remain unchanged and therefore the Chair of the Board shall be paid an annual remuneration of EUR 50,000 and other members of the Board shall each be paid an annual remuneration of EUR 25,000. Additionally, should the Board of Directors elect a Deputy Chair, the Deputy Chair's annual remuneration shall be EUR 35,000. 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.

The committee members shall be paid EUR 500 per meeting. Board members' and committee members' travel expenses shall be reimbursed in accordance with the Company's travel policy.

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. The Board of Directors was authorized to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares. The authorization covers a maximum of 1,432,941 shares, which corresponds to approximately 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, tofinance 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 2024.

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 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' pre-emptive rights (directed issue).

The authorization is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2024.

The Annual General Meeting further resolved in accordance with the proposal of the Board of Directors to amend the Articles of Association by adding a new provision no. 11 which enables organising a general meeting in Espoo and Vantaa in addition to the domicile of the Company as well as entirely without a meeting venue as a so-called virtual meeting. The provision reads as follows:

"11. GENERAL MEETING'S PLACE AND VIRTUAL MEETING
A General Meeting may be organized at the domicile of the company, in Espoo or in Vantaa as decided by the Board of Directors.

The Board of Directors may decide that the General Meeting is arranged without a meeting venue in a manner where shareholders exercise their full decision-making powers in real time during the General Meeting using telecommunications and technical means (virtual meeting)."

In other respects, the Articles of Association remained unchanged.

PRODUCT DEVELOPMENT

The proprietary technology Administer uses for producing services and developing software requires considerable investments in research and 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 2023, product development expenses amounting to EUR 2.1 million (1.9) were capitalised in the balance sheet.

During 2023, a significant number of new functionalities and improvements were made to the eFina system. Utilising AI more extensively in financial management processes has created marked improvements in efficiency and quality in producing financial management services.

EmCe products saw significant improvements in the visual appearance and accessibility of applications, further developments in open API interface, investments in financial and salary automation, as well as in integrative solutions.

During the operative year, Administer acquired its own service platform for managing subcontracting chains, Sedatus, by purchasing Enersense Solutions Oy, which will strengthen the services for preventing grey economy.

SIGNIFICANT EVENTS IN THE REVIEW PERIOD

Administer expanded to South-Eastern Finland by acquiring the business operations of Ruukintili Oy

Administer is continuing its national expansion and announced in January 2023 the acquisition of the business operations of Ruukintili Oy, operating in the Kouvola region. The acquisition marks Administer's first foray into South-Eastern Finland, where the company will now have an office.

Administer clarified and simplified its Group structure

In January 2023, Administer announced it had started a corporate reorganisation, in which some subsidiaries owned solely by Administer Plc are merged with the parent company. The merged companies include the Group's regional offices and previously acquired accounting companies that had operated using their own trade name within the Administer chain. In addition, a new company named Silta Employer Services Oy, operating as a subsidiary of Silta Oy, was established. This company took over the PEO business. The merger took place on 1 May 2023.

The goal of the reorganisation is to clarify and simplify the Group's structure. The reorganisation does not have any direct effects on employees, the terms of all employment relationships remain essentially the same. The reorganisation does not affect the number of offices either; all offices continue their operations as before.

New significant customer account for Silta in outsourcing of payroll management

Silta Oy, part of Administer Group, gained a significant new customer account in the energy sector in January 2023. Through a multi-year agreement of over EUR 2 million, Silta offers its customer comprehensive outsourced payroll and working time management services.

Administer strengthened its operations in Varkaus by acquiring the accounting firm business of Varkauden Educa

In May 2023, Administer and Varkauden Educa Oy agreed on an acquisition whereby Administer acquired Varkauden Educa Oy's accounting business. Administer already has its own accounting and payroll management office in Varkaus, which was acquired in 2022. The acquisition strengthens the company's regional operations.

Administer strengthened its business in Jämsä by acquiring the business of Tilitoimisto Kirsi Lehtinen
In May 2023, Administer and Tilitoimisto Kirsi Lehtinen Oy agreed on an acquisition whereby Administer acquired Tilitoimisto Kirsi Lehtinen Oy's business. Administer already has its own accounting firm in Jämsä, which has been in operation for many years. This acquisition strengthens the company's regional operations and increases its market share.

Administer expanded its Compliance service offering through a corporate acquisition
In June, Econia Oy, part of Administer Group, agreed on an acquisition in which the share capital of Enersense Solutions Oy is transferred from Enersense International Plc to Econia. In connection with the acquisition, the service platform managed by Enersense Solutions Oy, the company's personnel and customer contracts are transferred to Econia. The purchase price of the share capital was EUR 1.0 million. It was paid partly in cash at the time of the closing, and the remainder is paid in monthly instalments during the following year. The transaction is financed with Econia's cash flow and a loan. The acquired business is consolidated into Administer Group's financial information from 1 July 2023 onwards.

Administer launched a profitability programme
In autumn 2023, the company launched a profitability programme, which targets a profitability improvement of EUR 7 million. The programme is estimated to actualise in its entirety during 2024. The programme focuses on improving long-term results and profitability. As a part of the programme, some of the Group companies executed change negotiations. Personnel activity in seeking solutions reflected positively on the negotiation results, and only 17 positions were terminated. In addition, five (5) people were laid off, and three (3) positions were changed to part-time ones.

SHARES AND SHARE CAPITAL

At the end of December 2023, Administer's share capital was EUR 80,000 and the total number of outstanding shares in the company was 14,329,414.

On 31 March 2023, the Board of Directors resolved on a directed share issue without consideration of a total of 10,222 shares held by the company. The shares were issued to the owners of WaBuCo Financial Services to pay an additional purchase price based on the authorisation given by the Annual General Meeting on 18 May 2022. Consequently, the number of treasury shares held by the company decreased to 3,953 shares, representing approximately 0.03 per cent of all shares in Administer.

The company had 1,960 (2,047) shareholders at the end of the review period.

Share trading volume between 1 January and 31 December 2023 totalled 815,731 shares, corresponding to EUR 2.39 million. The highest trading price was EUR 3.73 and the lowest was EUR 2.30. The closing price at the end of the review period was EUR 2.41 and the market value based on the closing price was approximately EUR 34.5 million.

Long-term incentive plan
On 27 November 2023, the Board of Directors decided to establish a new share-based long-term incentive plan for the Group's key personnel. The aim of the plan is to align the objectives of the company, its shareholders, and key employees and thereby increase the company's value in the long term, to commit the key employees to the company and to offer them competitive incentive plans that are based on earning and accumulating the company's shares as well as the increase in share value.

The share-based incentive plan for 2024–2028 consists of three (3) three-year earning periods: the calendar years 2024–2026, 2025–2027, and 2026–2028.

As part of the plan, each participant can earn Administer Plc's shares based on the fulfilment of the earning criteria. The Board of Directors will decide on the earning criteria and the targets set for each earning criterion at the beginning of each earning period. The possible rewards under the incentive plan will be paid after the end of each earning period.

The gross rewards payable under the 2024–2026 earning period correspond to the value of an approximate maximum total of 306,061 Administer Plc shares, including the portion to be paid in cash. In the 2024–2026 earning period, the target group of the share-based incentive plan comprises key employees determined by the Board of Directors, including the Group's CEO and Management Team.

PROPOSAL FOR DISTRIBUTION OF PROFITS

The Board of Directors proposes to the General Meeting to be held on 10 April 2024 that no dividend be paid for the financial year 1 January–31 December 2023.

REPORT ON NON-FINANCIAL INFORMATION

Operating model

Administer is a Finnish Group established in 1985, which offers financial and payroll management services, consultancy services and software services. Administer's goal is to transform the financial management services market, which has historically been perceived as rigid and lacking innovation, by developing new technologies and new solutions. The company's management estimates that measured in net sales, Administer is one of the largest financial management service providers in Finland, and measured in number of payslips, the largest HR and payroll service provider in Finland.

The Group includes a total of 16 companies, the most significant of which are the parent company Administer Plc as well as its directly or indirectly owned Silta Oy, which provides HR and payroll administration services, EmCe Solution Partner Oy, Econia Oy, which is an expert company specialised in financial management, and Adner Oy, which provides financial management outsourcing and consultancy services. In addition, Administer holds a stake in Kuntalaskenta Oy, which provides financial management services to the public sector, and in Yrittäjän Polku Oy and Serveria Oy, which, however, are not part of the Group.

Administer's main business areas are financial management services and HR and payroll management services. The financial management services provided by Administer include accounting and reporting services as well as digital financial management.

Administer applies the software and software solutions it has developed as part of the larger service packages it offers. In addition, Administer sells its EmCe software to its customers for independent use outside service packages. The consulting services provided by Administer create added value for customers and provide Administer with sales with a higher margin.

Administer's own sales of services and solutions are the most important enabler of Administer's growth. Professional and active sales activities create the foundation for increasing net sales, which is supported with business acquisitions.

Operating principles and policies

Administer Group's Code of Conduct applies to all employees in the Group. The Code of Conduct defines the general guidelines that Administer Group's personnel, including the management, and other stakeholders, such as suppliers, are expected to follow. The Code of Conduct is available to the entire personnel and new employees familiarise themselves with it during their orientation.

The Code of Conduct addresses compliance with laws and regulations, the environmental point of view, human rights, prevention of bribery, confidentiality obligations, and responsibility for the personnel. To complement this general guideline, the Group companies have more detailed rules and instructions, including an occupational health and safety action plan, instructions on preventing money laundering, instructions relating to information security and data protection, work safety rules, and guidelines for early intervention.

The Group has a whistleblowing channel through which employees and third parties can report observed or suspected cases of misconduct or non-compliance with the Code of Conduct. The whistleblowing channel was taken into use in December 2021. During 2023, seven reports were made through the whistleblowing channel, and they were handled in the appropriate manner.

In 2022, Administer Group drafted its first sustainability strategy, whose key focus areas are ethical and responsible business, climate friendliness and environmental consciousness, as well as people and the work environment. We will develop the Group's sustainability efforts based on this strategy.

Environmental sustainability

Although the direct environmental impacts of Administer Group are relatively small, we pay attention to environmental matters in our business operations. We are a pioneer in digital services and favour them in our service production. This way, we reduce the use of paper in our own operations as well as that of our customers.

Among other things, we strive to reduce travel and increase videoconferencing, reduce printing and develop and use different electronic tools in customer interaction. Remote working has become more prevalent due to the COVID-19 pandemic, and it has contributed to the reduction in travel and thereby reduced emissions related to transportation.

In our own offices, we recycle, strive to reduce energy use, and favour sustainable solutions and recycled materials. We are committed to using environmentally friendly products and solutions in our procurement.

Administer has not identified any environmental risks in its operations.

Social sustainability

Responsibility for our own personnel is a key factor in the Group's social sustainability. The starting point for all operations is a good work community and respect for each individual. We abide by labour legislation and the collective agreement of our industry. We cherish equality and do not allow bullying, harassment, or discrimination.

We take care of the well-being of our employees andprovide our entire personnel with comprehensive occupational health care as well as versatile exercise and well-being services. We work continuously to develop the job content, work community, and work environment in a way that allows our employees to thrive and enjoy their work. We are mindful of the different life situations of our employees.

We carry out regular pulse surveys for the personnel throughout the Group. The results are discussed e.g. in unit meetings, and the themes that arise from the responses are discussed in the management teams of Group companies. We continuously develop our operations based on the responses. Employee satisfaction is one factor of managers' targets and KPIs.

Administer's employees have versatile possibilities to develop their capabilities and professional skills. Our extensive training portfolio includes different ways of studying for different needs. We encourage our employees to take, among others, a KLT degree for accountants or the corresponding PHT degree for payroll experts, and we take care of both training and expenses for taking the exam.

At the end of the financial period, the Group employed a total of 1,071 people, of which 68% were women and 32% were men, in 36 locations around Finland and in Stockholm and Tallinn.

As a risk relating to social sustainability, Administer has identified the possibility that it fails to recruit and retain competent personnel and key personnel, which may have an adverse effect on Administer's business. Administer's industries generally suffer from high personnel turnover and a shortage of personnel, which, if prolonged, could result in customer dissatisfaction.

Respect for human rights

We respect national and internationally recognised human rights as they are described in the UN's Universal Declaration of Human Rights. We see the following human rights, among others, as basic and universal: freedom of thought, freedom of opinion and expression, freedom of religion and freedom of peaceful assembly aswell as freedom from discrimination based on race, age, nationality, gender, or sexual orientation.

Administer has not identified any human rights risks in its own business operations. Indirect human rights risks may exist relating to the supply chain, for instance the working conditions of service providers. Administer expects that its subcontractors also comply with the company's Code of Conduct when it comes to humanrights as well as concerning other aspects.

Prevention of corruption and money laundering
Administer Plc works with the financial management and accounting of its customers, which makes the recognition and prevention of money laundering and corruption particularly important in the Group's operations. TheGroup has comprehensive instructions on recognising money laundering and complying with thelegislation on money laundering, as well as axreporting process that is used in cases of suspected money laundering if the company's requests for information are not answered in a satisfactory manner. The Group has an expert responsible for prevention of money laundering, who handles contacts with the authorities and reports to the Financial Intelligence Unit. The Group companies offering accounting and taxconsulting services are registered in the anti-money laundering register maintained by the Regional State Administrative Agencies. There were no suspected cases of money laundering in 2023.

RISK MANAGEMENT

The objective of risk management is to continuously obtain information about, assess, and manage the possibilities, threats, and risks that relate to Administer's operations so that the company can realise its objectives and ensure the continuity of itsoperations without disruption.

The objectives, principles, organisation, responsibilities, and practices of Administer's risk management are described in the principles of risk management. Risk management is part of the internal control and a significant component in monitoring and ensuring the continuity of operations. The Board of Directors and the senior management of the company monitor the performance of the risk management process.

Sharing of risk management responsibilities
In accordance with the Finnish Companies Act, the Board of Directors is to see to the governance of the company and ensure the appropriate organisation of its operations. In addition, the Board shall monitor and assess the efficiency of the internal control and the risk management system. The Board approves the principles concerning internal control and risk management as well as any changes to these principles. The Board also manages any significant risks and uncertainties that relate to the company's operations.

The CEO, in cooperation with the management team, is responsible for establishing the principles concerning risk management and ensuring that risk management is implemented methodically and appropriately. The CEO ensures that the company's risk management process is comprehensive and assesses the implementation of the risk management process. The CEO reports risk management related findings to the Board of Directors. The members of the management team are responsible for planning, implementing, and monitoring the risk management practices in their own areas of responsibility.

The principles of risk management
The company regularly tracks changes in risks and their effects on the business operations. The company continuously and methodically applies risk management practices according to the risk management process to ensure the continuity of operations. The manager in charge of the development of business continuity supervises the annual processing of known risks and potential new risks as per the areas of responsibility of the management team members. These risks are assessed based on their probability and effects on the business operations and the data protection of the staff, and the company records the measures that can be taken to reduce these risks.

Administer's subsidiaries have their own practices to reduce risks so that they can ensure the continuity of their operations and the quality and validity of their services. According to the requirements of the company's various business activities, the continuity and recovery capabilities of the subsidiaries' operations will be tested and audited in different risk scenarios each year.

The business risks are also examined when drafting customer and partner agreements. The objective is to acknowledge the potential risks and uncertainties concerning the agreement and to agree on the ways in which the risks are shared if they materialise.

Risks and uncertainties

The company has identified the most significant risks and divided them into ten categories. The risks are described and itemised in more detail in the subsidiary-specific risk mappings and matrices, in which each risk has been assessed based on its probability, severity of consequence, and impact on personal data. The description of each risk includes the measures that will be taken to reduce its impact. The company has also created various risk scenarios and action plans based on the identified risks.

Administer has identified the most significant risks as follows:

- Risks concerning macroeconomics
- Risks related to the market environment
- Risks related to the organising of business operations
- IT system related risks
- Personnel related risks
- Data protection related risks
- Risks concerning the quality of service
- Legal risks
- Financial risks
- Risks concerning misconduct

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 or 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 businessand market position.

There are uncertainties relating to the development of the Finnish economy, as economic growth turned negative in the latter half of 2022. 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.

The acceleration of inflation in Finland may also be reflected in wages and, together with personnel turnover, increase Administer's expenses and weaken profitability if the company is not able to transfer the increased expenses into the prices of the services it produces. The acceleration of the inflation may also increase interest levels and thereby impact the price of external funding of Administer.

The company may not succeed in acquiring funding with affordable terms or at all, and its financial expenses may increase. Also, breaching the covenants included in the credit agreements of the company and its Group companies may complicate the availability of funding for the company, increase the company's financial expenses, or lead to premature maturity of the Group loans.

OUTLOOK

Administer seeks to continue growth investments as well as organic and inorganic growth in 2024.

Administer estimates that its net sales will be EUR 76–81 million and its EBITDA margin will be 6–9% in 2024.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

Administer continues to implement its growth strategy and announced in January 2024 that it will acquire the accounting business of Pohjanmaan Laskenta Oy, operating in the Vaasa region. The acquisition strengthens the company's operations in the Vaasa region, where Administer already has its own office.

On 2 January 2023, Administer Plc's Board of Directors resolved a directed share issue based on the authorisation given by the Annual General Meeting on 16 May 2023. The share issue is connected to the asset deal where Administer acquired the accounting business of Pohjanmaan Laskenta Oy. Part of the total price was paid with 24,730 new Administer shares through a directed share issue to Pohjanmaan Laskenta Oy. The subscription price of the shares is EUR 2.4869 per share based on the volume weighted average price of Administer's share between 14 and 29 December 2023. The number of shares in Administer increased due to the directed share issue to the Seller to a total of 14,354,144 shares. The new shares represent approximately 0.17 per cent of all shares and votes in Administer immediately after the consummation of the acquisition. The new shares yield shareholder rights in the company from the moment of their registration. Shares were registered in the trade registeron 15 January 2024.

On 31 January 2023, Administer's Shareholders' nomination Board proposed to the Annual General Meeting 2024 that the company's Board of Directors is to comprise six (6) ordinary members. The Nomination Board further proposes, that of the current Board members, Peter Aho, Jukka-Pekka Joensuu, Risto Koivula, Milja Saksi, Leena Siirala and Minna Vanhala-Harmanen be re-elected.

Administer Plc
Board of Directors

CALCULATION OF 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, %	$\frac{\text{EBITDA}}{\text{Net sales}} \times 100$	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, %	$\frac{\text{Operating profit adjusted by amortization of goodwill}}{\text{Net sales}} \times 100$	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.
Earnings per share (EPS)	$\frac{\text{Profit (loss) for the financial period (rolling 12 months)}}{\text{Average equity (rolling 12 months)}} \times 100$	Describes the share of profit (loss) for the financial period in proportion to weighted average number of shares outstanding
Return on equity, % (ROE)	$\frac{\text{Profit (loss) for the financial period (rolling 12 months)}}{\text{Average equity* (rolling 12 months)}} \times 100$	Measures the result for the period in relation to equity. Average equity is an average of equity at the beginning of and at the end of a financial period.
Equity ratio, %	$\frac{\text{Equity at the end of period}}{\text{Total assets at the end of period – advances received}} \times 100$	Describes the ratio of Administer's assets to equity
Debt-to-equity ratio, %	$\frac{\text{Interest-bearing liabilities}}{\text{(Equity + goodwill + minority interest+ accrued appropriations)}} \times 100$	Reflects the total amount of Administer's external debt financing.

Financial statements

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
NET SALES	75,886,208.69	52,778,369.13
Other operating income	453,041.96	120,921.43
Materials and services		
Purchases	-6,649,172.70	-6,087,976.37
External services	-1,743,080.08	-1,057,217.53
Total	-8,392,252.78	-7,145,193.90
Personnel expenses		
Salaries and wages	-45,748,732.22	-28,885,890.79
Social security costs		
Pension costs	-7,892,890.56	-4,930,371.42
Other expenses related to personnel	-1,763,696.64	-1,064,650.79
Total	-55,405,319.41	-34,880,913.00
Depreciation, amortization and impairment		
Total	-5,802,831.12	-3,638,310.23
Other operating expenses	-9,509,266.31	-7,134,784.60
Share of results of affiliates	-183,762.48	26,128.00
OPERATING PROFIT (LOSS)	-2,954,181.46	126,216.82

CONSOLIDATED INCOME STATEMENT	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Financial income and expenses		
Other interest and financial income	39,417.73	78,434.77
Imapirment of non-current financial assets	-114,675.50	-85,324.50
Interest and other financial expenses	-909,403.34	-398,618.42
Total	-984,661.11	-405,508.15
PROFIT BEFORE APPROPRIATIONS AND TAX	-3,938,842.57	-279,291.33
Income Tax	82,593.74	-405,374.02
Minority interest	-30,108.90	-18,148.85
PROFIT (LOSS) FOR THE PERIOD	-3,886,357.72	-702,814.19

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	31 Dec 2023	31 Dec 2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditures	4,421,324.51	3,122,489.78
Intangible rights	95,739.82	354,769.92
Consolidated goodwill	35,627,800.43	38,475,146.38
Goodwill	3,675,111.36	3,638,712.39
Other capitalised long-term expenditures	1,125,364.48	1,210,445.26
Total	44,945,340.61	46,801,563.73
Tangible assets		
Land and water areas	36,357.84	36,357.84
Buildings and structures	227,312.40	236,783.76
Machinery and equipment	700,767.53	605,372.02
Other tangible assets	11,128.70	11,128.70
Total	975,566.47	889,642.32
Investments		
Shares in affiliated companies	126,137.55	309,900.03
Other shares	192,744.29	308,273.79
Total	318,881.84	618,173.82
NON-CURRENT ASSETS, TOTAL	46,239,788.92	48,309,379.87

CONSOLIDATED BALANCE SHEET	31 Dec 2023	31 Dec 2022
CURRENT ASSETS		
Receivables		
Non-current		
Trade receivables	0.00	2,094.58
Other receivables	76,057.20	104,944.72
Total	76,057.20	107,039.30
Current		
Trade receivables	10,986,337.53	10,992,286.86
Loan receivables	21,742.26	28,299.45
Other receivables	286,193.02	370,893.92
Prepayment and accrued income	1,661,662.78	1,645,588.12
Total	12,955,935.59	13,037,068.35
Financing securities	0.00	108,000.00
Cash and cash equivalents	3,261,783.06	4,411,995.53
CURRENT ASSETS, TOTAL	16,293,775.84	17,664,103.18
TOTAL ASSETS	62,533,564.76	65,973,483.05

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	80,000.00
Other reserves	30,608,753.61	30,608,753.61
Retained earnings (loss)	698,712.00	2,135,383.71
Profit (loss) for the period	-3,886,357.72	-702,814.19
TOTAL EQUITY	27,501,107.89	32,121,323.13
MINORITY INTEREST	32,851.33	20,742.44
LIABILITIES		
Non-current		
Capital loan	500,000.00	500,000.00
Loans from financial institutions	8,964,167.04	12,193,894.99
Other liabilities	500.00	2,021,500.00
Total	9,464,667.04	14,715,394.99
Current		
Loans from financial institutions	5,287,895.29	3,730,416.46
Trade payables	5,545,874.97	3,897,352.00
Other liabilities	6,058,756.75	3,381,052.53
Accrued expenses and deferred income	8,642,411.49	8,107,201.51
Total	25,534,938.50	19,116,022.50
TOTAL LIABILITIES	34,999,605.54	33,831,417.49
TOTAL EQUITY AND LIABILITIES	62,533,564.76	65,973,483.05

CONSOLIDATED STATEMENT OF CASH FLOW

CONSOLIDATED STATEMENT OF CASH FLOW	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Cash flow from operating activities		
Revenue-based financing		
Profit (loss) for the period	-2,954,181.46	126,216.82
Share of results of affiliates	183,762.48	-26,128.00
Depreciation, amortization and impairment	5,802,831.12	3,638,310.23
Financial income	39,417.73	78,434.77
Financia expenses	-809,281.67	-395,786.88
Income tax	-122,658.93	-405,374.02
Change in net working capital		
Decrease (+) / increase (-) in trade and other receivables	310,639.34	-1,321,926.46
Decrease (-) / increase (+) in trade and other payables	2,940,310.91	653,653.89
Increase (+) / decrease (-) of long-term trade and other receivables	30,982.10	4,032.71
Cash generated from operations	5,421,821.61	2,351,433.07

CONSOLIDATED STATEMENT OF CASH FLOW	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Cash flow from investment activities		
Change in financing securities	108,000.00	0.00
Purchases of other tangible and intangible assets	-3 388 873,68	-2,893,773.89
Purchases of subsidiaries	-863,638.24	-19,932,817.38
Purchases of tangible and intangible assets	-4,144,511.92	-22,826,591.27
Cash flow before financing activiites	1,277,309.70	-20,475,158.20
Cash flow from financing activities		
Increase (+) / decrease (-) in long-term liabilities	-3,250,727.95	10,132,013.95
Increase (+) / decrease (-) in current loans from financial institutions	1,557,478.83	1,926,738.16
Dividend paid	-734,273.05	-11,250.00
Change in cash and cash equivalents	-1,150,212.47	-8,427,656.09
Cash and cash equivalents at the beginning of the period	4,411,995.53	12,839,651.62
Cash and cash equivalents at the end of the period	3,261,783.06	4,411,995.53
Change	-1,150,212.47	-8,427,656.09

PARENT COMPANY INCOME STATEMENT

PARENT COMPANY INCOME STATEMENT	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
NET SALES	14,424,187.56	10,155,877.84
Other operating income	11,034.39	13,676.70
Materials and services		
Materials		
Purchases	-551,535.80	-406,865.23
External services	-3,300,690.38	-3,469,783.84
Total	-3,852,226.18	-3,876,649.07
Personnel expenses		
Salaries and wages	-7,009,429.11	-3,932,218.19
Social security costs		
Pension costs	-1,253,031.28	-627,140.78
Other expenses related to personnel	-216,698.57	-86,035.04
Total	-8,479,158.96	-4,645,394.01
Depreciation, amortization and impairment		
Depreciations according to plan	-842,793.52	-396,002.48
Total	-842,793.52	-396,002.48
Other operating expenses	-2,613,444.20	-1,763,887.11
OPERATING PROFIT (LOSS)	-1,352,400.91	-512,378.13

PARENT COMPANY INCOME STATEMENT	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Financial income and expenses		
Other interest and financial income	1,504,612.80	69,983.49
Imapirment of non-current financial assets	2,360.66	168,166.47
Interest and other financial expenses	-882,206.95	-365,103.95
Total	624,766.51	-126,953.99
PROFIT BEFORE APPROPRIATIONS AND TAX	-727,634.40	-639,332.12
Group contributions	1,564,000.00	2,066,000.00
Income tax	241,943.74	-273,350.45
PROFIT (LOSS) FOR THE PERIOD	1,078,309.34	1,153,317.43

PARENT COMPANY BALANCE SHEET

PARENT COMPANY BALANCE SHEET	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditures	1,572,998.78	1,123,701.50
Intangible rights	9,029.05	59,489.40
Consolidated goodwill	5,170,971.73	1,902,218.74
Other capitalised long-term expenditures	63,659.24	138,902.49
Total	6,816,658.80	3,224,312.13
Tangible assets		
Land and water areas	36,357.84	0.00
Buildings and structures	155,407.39	0.00
Machinery and equipment	152,196.41	157,028.71
Other tangible assets	8,113.13	0.00
Total	352,074.77	157,028.71
Investments		
Shares in affiliated companies	49,042,410.18	45,016,690.07
Participating interest	102,850.00	101,600.00
Receivables from the Group companeis	200,000.00	200,000.00
Other shares	2,500.00	2,500.00
Total	49,347,760.18	45,320,790.07
NON-CURRENT ASSETS, TOTAL	56,516,493.75	48,702,130.91

PARENT COMPANY BALANCE SHEET	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
CURRENT ASSETS		
Receivables		
Non-current		
Receivbales from Group companies	782,000.00	3,885,466.65
Other receivables	57,602.98	24,705.54
Total	839,602.98	3,910,172.19
Current		
Trade receivables	1,305,047.57	748,409.77
Receivables from Group companies	2,787,132.79	4,107,007.36
Loan receivables	0.00	3,374.58
Other receivables	4,718.54	24,663.72
Prepayment and accrued income	292,213.19	135,733.41
Total	4,389,112.09	5,019,188.84
Cash and cash equivalents	89,289.61	457,870.28
CURRENT ASSETS, TOTAL	5,318,004.68	9,387,231.31
TOTAL ASSETS	61,834,498.43	58,089,362.22

PARENT COMPANY BALANCE SHEET

PARENT COMPANY BALANCE SHEET	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	80,000.00
Other reserves	30,608,753.61	30,608,753.61
Retained earnings (loss)	4,744,171.96	4,307,127.58
Profit (loss) for the period	1,078,309.34	1,153,317.43
TOTAL EQUITY	36,511,234.91	36,149,198.62
LIABILITIES		
Non-current		
Loans from financial institutions	8,699,215.60	12,053,636.80
Liabilities to the Group companies	4,704,406.08	889,659.05
Other liabilities	0.00	2,000,000.00
Total	13,403,621.68	14,943,295.85
Current		
Loans from financial institutions	4,538,587.57	3,315,785.84
Trade payables	1,563,327.76	643,759.10
Liabilities to the Group companies	1,800,657.18	1,471,835.27
Other liabilities	2,622,502.31	562,683.63
Accrued expenses and deferred income	1,394,567.02	1,002,803.91
Total	11,919,641.84	6,996,867.75
TOTAL LIABILITIES	25,323,263.52	21,940,163.60
TOTAL EQUITY AND LIABILITIES	61,834,498.43	58,089,362.22

PARENT COMPANY STATEMENT OF CASH FLOW

PARENT COMPANY STATEMENT OF CASH FLOW	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Cash flow from operating activities		
Revenue-based financing		
Profit (loss) for the period	-1,352,400.91	-512,378.13
Depreciation, amortization and impairment	842,793.52	396,002.48
Financial income	1,506,973.46	238,149.96
Financial expenses	-882,206.95	-365,103.95
Income tax	-113,556.19	-273,350.45
Change in net working capital		
Decrease (+) / increase (-) in trade and other receivables	906,994.82	-185,514.55
Decrease (-) / increase (+) in trade and other payables	2,134,318.11	-458,267.94
Increase (+) / decrease (-) of long-term trade and other receivables	-736,846.59	1,175.18
Cash generated from operations	2,306,069.27	-1,159,287.40

PARENT COMPANY STATEMENT OF CASH FLOW	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Cash flow form investment activities		
Purchases of subsidiaries	0.00	-19,932,817.38
Purchases of other tangible or intangible assets	-641,293.85	-2,489,121.10
Purchase of tangible or intangible assets	-641,293.85	-22,421,938.48
Cash flow before financing activities	-1,664,775.42	-23,581,225.88
Cash flow from financig activities		
Increase (+) / decrease (-) in long-term liabilities	-3,019,153.14	11,181,467.88
Increase (+) / decrease (-) in current loans	952,070.10	1,925,614.00
Group contributions	750,000.00	-588,000.00
Dividends paid	-716,273.05	0,00
Change in cash and cash equivalents	-368,580.67	-11,062,144.00
Cash and cash equivalents at the beginning of the period	457,870.28	11,520,014.28
Cash and cash equivalents at the end of the period	89,289.61	457,870.28
Change	-368,580.67	-11,062,144.00

NOTES TO THE FINANCIAL STATEMENTS

Basis of preparation and accounting policies

Financial statements for the Group and the Company and other financial information has been prepared in accordance with Finnish Accounting Standards ("FAS"). Comparative figures presented are based on and should be read in conjunction with the audited consolidated financial statements for the Group for the financial period of 1 January 2022 to 31 December 2022.

Valuation principles and methods

The company's non-current assets have been valued at the acquisition costs deducted with depreciations according to plan.Receivables have been valued at the nominal value, however not higher than the fair value.Debts are valued at their nominal value.

Project deferrals

The costs of phase-in projects and system migration projects for large customers are sequenced over three years from the start of the project, provided that the customer has a fixed-term contract period of at least that length.

Accruals and deferrals

Non-current assets are depreciated as deductible costs in taxation.

Foreign currency items

Receivables and liabilities in foreign currencies have been valued in reporting currency by using the exchange rate from the last date of the reported financial period.

Deferred taxes

Deferred taxes apply to the Group. In the parent company, they are not recognised. If necessary, a deferred tax liability or asset has been calculated for temporary differences between taxation and financial statements. The tax rate for the following years, as established at the balance sheet date, has been used in the calculation. Any deferred tax liability included in the balance sheet is in its entirety in balance sheet items, and the deferred tax asset is equal to the estimated probable asset. Deferred taxes are presented in the balance sheet item Other receivables.

GROUP COMPANIES

Parent company:	Administer Oyj			

Subsidiary:		**Number of shares**	**Group holding**	
Administer Sverige AB, Ruotsi	559066-3752	500	500	100%
Administer Oy Jämsä	0842285-7	100	85	85%
Administer Oy Uusimaa	2660592-1	500,000	500,000	100%
Administer Group Services Oy	3106561-6	100,000	100,000	100%
Adner Oy	2239866-2	12,500	12,500	100%
Silta Oy	0107636-5	63	63	100%
Silta Oü, Viro	12622209	1	1	100%
Silta Employer Services Oy	3320767-3	1,100	1,100	100%
EmCe Solutions Partner Oy	0351135-9	63,767	63,767	100%
EmCe Yritysjärjestelmä Oy	0519607-3	660	660	100%
EmCe Enterprise Solutions Oy	2044366-9	266,941	266,941	100%
WaBuCo Financial Services Oy	0721798-2	100	100	100%
Sydän-Suomen Taloushallinta Oy	0758388-6	30	30	100%
Econia Oy	1054184-7	2,236,680	2,236,680	100%
Econia Solutions Oy[3)]	0720264-1	100	100	100%
Administer Oy Tampere[1)]	0424269-9	333,333	333,333	100%
Administer IT Oy[1)]	2385453-5	200,000	200,000	100%
Administer Oy Jyväskylä[1)]	2385460-7	1,500,000	1,500,000	100%
Administer Oy Turku[1)]	2405732-7	250,000	250,000	100%
Administer Oy Vantaa[1)]	0625777-1	5,000	5,000	100%
Tilitoimisto Polojärvi Oy[1)]	0668263-9	100	100	100%
Muonion Taloushallinto Oy[2)]	2462658-5	100	100	100%
E-Tilipalvelut Oy City[1)]	1932692-4	800	800	100%
Waasa Profit Counter Oy Ab[1)]	2508646-1	100	100	100%
Tilikamut Oy[1)]	0711872-2	60	60	100%
Silta Group Oy[1)]	2473255-6	407,500	407,500	100%

Associated companies:				
Serveria Oy[4)]	2453145-5	250,000	125,000	50%
Kuntalaskenta Oy	1911246-7	1,000	499	49.9%
Yrittäjän Polku Oy[5)]	2960548-4	250,000	250,000	100%

1) Merged to parent company on May 1, 2023
2) Merged to Tilitoimisto Polojärvi Oy on March 1, 2023
3) Consolidated to Group figures since 1 July 2023
4) Not consolidated because no authority
5) Share of control 20 %, not consolidated to Group figures

Internal shareholdings

Consolidated financial statements have been prepared based on the acquisition cost method. The difference of the acquisition cost of the shares of each subsidiary, associate or joint venture and the Company's share of shareholders' equity at the date of acquisition is reported as consolidated goodwill.

Internal transactions and internal margins

Internal business transactions, unrealised internal margins, mutual receivables and liabilities, and Group contributions have been eliminated.

Minority interest

Minority interest has been separated from the consolidated shareholders equity and from the profit (loss) for the period and has been shown as a separate item.

Changes in group structure

Ten (10) 100% owned subsidiaries of the parent company merged with the parent company on 1 May 2023. The merged companies are presented in the list on the previous page. Muonion Taloushallinto Oy merged with its parent company, Tilitoimisto Polojärvi Oy, on 1 March 2023.

Amortization of consolidated goodwill

Consolidated goodwill is amortised over a period of 10 years. Consolidated goodwill from acquisition of Silta companies is amortised over a period of 20 years. Consolidated goodwill from acquisition of Silta companies is tested for impairment when preparing the annual financial statements, and if the net present value of the expected cash flows was lower that the depreciated book value of consolidated goodwill, the difference would be booked as impairment.

NOTES TO INCOME STATEMENT

	Consolidated		Parent company	
Net sales	2023	2021	2023	2022
	75,886,208.69	52,778,369.13	14,424,187.56	10,155,877.84
Total	75,886,208.69	52,778,369.13	14,424,187.56	10,155,877.84

Depreciations according to plan

The acquisition costs of intangible and tangible assets owned by the company except land are depreciated according to the plan.

Assets	Depreciation method
Development expenditures	5–10 years straight-line
Intangible rights	5–10 years straight-line
Consolidated goodwill	10–20 years straight-line
Goodwill	10 years straight-line
Other capitalised long-term expenditures	5–6 years straight-line
Machinery and equipment	15–25% residual depreciation

Non-current assets the expected economic lifespan of which is less than three years and purchases under 850 euros are booked fully as costs when acquired.

The company has evaluated its depreciation plans and harmonised the depreciation principles between the acquired companies in the Group and adjusted the depreciation periods to correspond with the expected duration of future economic benefits. Development expenditure and intangible rights are depreciated over five years, or if intellectual property rights have formed to any Group companies from those, and The Board of Directors expects the economic benefit to be substantially longer, they are depreciated over ten years. The company assesses its deprecation plans whenever there is an indication that the asset may be impaired.

Research and product development expenditures are recognised as an expense in profit or loss at its creation. Product development costs are capitalised into intangible assets on the balance sheet when it can be demonstrated that the completion of the intangible asset is technically feasible in such a way that the asset is available for use or sale, the Group has the intention to complete and use the asset or sell the asset. It is likely that the intangible asset will generate future financial benefits in the Administer Group companies that are capitalising. Companies have sufficient technical, financial, and other resources at their disposal to complete the development work and are able to reliably determine the costs of the intangible asset during its development phase. The asset will be removed during its expected useful life.

Capitalised development costs are generally recognised as a straight-line depreciation expense in profit or loss at a time when projects are expected to generate revenue. Capitalised development costs are related to the Group's own programs and the Group has full ownership and control rights over them.

BREAKDOWN OF FINANCIAL INCOME AND EXPENSES

	Parent company	
	2023	2022
Income from holdings in the Group companies	1,504,612.80	69,983.49
Other interest and financial income from the Group companies	0.00	165,061.48
Other interest and financial income from others	2,360.66	3,104.99
Interest and other financial expenses to the Group companies	-111,463.68	-33,269.44
Interest and other financial expenses to others	-770,743.27	-331,758.31
Total financial income and expenses	**624,766.51**	**-126,877.79**

NOTES TO ASSETS

NON-CURRENT ASSETS

	Consolidated		Parent company	
INTANGIBLE ASSETS	2023	2022	2023	2022
Development expenditures				
Acqusition cost as of 1 January	4,677,317.71	2,971,585.55	2,297,781.63	1,970,100.40
Increases	1,569,328.75	1,705,732.16	620,164.88	327,681.23
Acqusition cost as of 31 December	6,246,646.46	4,677,317.71	2,917,946.51	2,297,781.63
Accumulated depreciation and write-downs as of 1 January	-1,554,827.93	-1,204,869.04	-1,174,080.13	-1,040,816.73
Depreciations for the period	-270,494.02	-349,958.89	-170,867.60	-133,263.40
Accumulated depreciation as of 31 December	-1,825,321.95	-1,554,827.93	-1,344,947.73	-1,174,080.13
Balance sheet value as of 31 December	4,421,324.51	3,122,489.78	1,572,998.78	1,123,701.50
Intangible rights				
Intangible rights	1,597,484.94	1,574,275.17	227,601.58	227,601.58
Acqusition cost as of 1 January	22,400.79	23,209.77	8,683.50	0.00
Increases	1,619,885.73	1,597,484.94	236,285.08	227,601.58
Accumulated depreciation and write-downs as of 1 January	-1,242,715.02	-1,098,138.18	-168,112.18	-108,178.93
Depreciations for the period	-281,430.89	-144,576.84	-59,143.85	-59,933.25
Accumulated depreciation as of 31 December	-1,524,145.91	-1,242,715.02	-227,256.03	-168,112.18
Balance sheet value as of 31 December	95,739.82	354,769.92	9,029.05	59,489.40
Consolidated goodwill				
Acqusition cost as of 1 January	44,767,815.51	26,745,403.25		
Increases	970,569.69	18,022,412.26		
Acqusition cost as of 31 December	45,738,385.20	44,767,815.51		
Accumulated depreciation and write-downs as of 1 January	-6,292,669.13	-3,990,028.93		
Depreciations for the period	-3,817,915.64	-2,302,640.20		
Accumulated depreciation as of 31 December	-10,110,584.77	-6,292,669.13		
Balance sheet value as of 31 December	35,627,800.43	38,475,146.38		

	Consolidated		Parent company	
INTANGIBLE ASSETS	2023	2022	2023	2022
Goodwill				
Acqusition cost as of 1 January	4,576,674.67	1,293,067.32	2,239,562.32	518,217.32
Increases	2,323,823.43	3,283,607.35	3,767,360.20	1,721,345.00
Acqusition cost as of 31 December	6,900,498.10	4,576,674.67	6,006,922.52	2,239,562.32
Accumulated depreciation and write-downs as of 1 January	-937,962.28	-698,741.73	-337,343.58	-246,254.43
Depreciations for the period	-2,287,424.46	-239,220.55	-498,607.21	-91,089.15
Accumulated depreciation as of 31 December	-3,225,386.74	-937,962.28	-835,950.79	-337,343.58
Balance sheet value as of 31 December	3,675,111.36	3,638,712.39	5,170,971.73	1,902,218.74
Other capitalized long-term expenditures				
Acqusition cost as of 1 January	2,981,960.60	2,404,896.32	470,804.66	447,908.10
Increases	952,064.09	577,064.28	8,469.64	22,896.56
Acqusition cost as of 31 December	3,934,024.69	2,981,960.60	479,274.30	470,804.66
Accumulated depreciation and write-downs as of 1 January	-1,771,515.34	-1,292,753.23	-331,902.17	-253,801.22
Depreciations for the period	-1,037,144.87	-478,762.11	-83,712.89	-78,100.95
Accumulated depreciation as of 31 December	-2,808,660.21	-1,771,515.34	-415,615.06	-331,902.17
Balance sheet value as of 31 December	1,125,364.48	1,210,445.26	63,659.24	138,902.49
Intangible assets total	**44,945,340.60**	**46,801,563.73**	**6,816,658.80**	**3,224,312.13**

	Consolidated		Parent company	
TANGIBLE ASSETS	2023	2022	2023	2022
Land and water areas				
Acqusition cost as of 1 January	36,357.84	36,357.84	0.00	0.00
Increases	0.00	0.00	36,357.84	0.00
Acqusition cost as of 31 December	36,357.84	36,357.84	36,357.84	0.00
Balance sheet value as of 31 December	36,357.84	36,357.84	36,357.84	0.00
Buildings and structures				
Acqusition cost as of 1 January	299,825.20	224,404.00	0.00	0.00
Increases	16,478.22	75,421.20	159,724.27	0.00
Acqusition cost as of 31 December	316,303.42	299,825.20	159,724.27	0.00
Accumulated depreciation and write-downs as of 1 January	-63,041.44	-55,776.18	0.00	0.00
Depreciations for the period	-25,949.58	-7,265.26	-4,316.88	0.00
Accumulated depreciation as of 31 December	-88,991.02	-63,041.44	-4,316.88	0.00
Balance sheet value as of 31 December	227,312.40	236,783.76	155,407.39	0.00
Machinery and equipment				
Acqusition cost as of 1 January	904,069.65	400,078.17	292,361.30	202,706.15
Increases	662,951.54	577,255.21	77,410.45	117,500.00
Decreases	-28,736.10	-56,957.58	0.00	-27,844.85
Transfer between items	0.00	-16,306.15	0.00	0.00
Acqusition cost as of 31 December	1,538,285.09	904,069.65	369,771.75	292,361.30
Accumulated depreciation and write-downs as of 1 January	-298,697.63	-182,811.24	-135,332.59	-101,716.87
Depreciations for the period	-538,819.93	-115,886.39	-82,242.75	-33,615.72
Accumulated depreciation as of 31 December	-837,517.56	-298,697.63	-217,575.34	-135,332.59
Balance sheet value as of 31 December	700,767.53	605,372.02	152,196.41	157,028.71

	Consolidated		Parent company	
TANGIBLE ASSETS	2023	2022	2023	2022
Other tangible assets				
Acqusition cost as of 1 January	27,702.89	27,702.89	0.00	0.00
Increases	0.00	0.00	8,113.13	0.00
Acqusition cost as of 31 December	27,702.89	27,702.89	8,113.13	0.00
Accumulated depreciation and write-downs as of 1 January	-16,574.19	-16,574.19	0.00	0.00
Accumulated depreciation as of 31 December	-16,574.19	-16,574.19	0.00	0.00
Balance sheet value as of 31 December	11,128.70	11,128.70	8,113.13	0.00
Depreciation for the period	975,566.47	889,642.32	352,074.77	157,028.71

	Parent company	
INVESTMENTS	2023	2022
Shares in affiliated companies		
Acqusition cost as of 1 January	45,016,690.07	21,933,623.81
Increases	14,858,118.52	23,083,066.26
Decreases	-10,832,398.41	0.00
Acqusition cost as of 31 December	49,042,410.18	45,016,690.07
Balance sheet value as of 31 December	49,042,410.18	45,016,690.07

	Parent company	
	2023	2022
Accounts receivable from affiliated companies		
As of 1 January	200,000.00	200,000.00
As of 31 December	200,000.00	200,000.00
Balance sheet value as of 31 December	200,000.00	200,000.00

	Consolidated		Parent company	
	2023	2022	2023	2022
Participating interests				
Acqusition cost as of 1 January	309,900.03	282,125.03	101,600.00	101,600.00
Increases	0.00	27,775.00	1,250.00	0.00
Acqusition cost as of 31 December	309,900.03	309,900.03	102,850.00	101,600.00
Impairment	-183,762.48	0.00	0.00	0.00
Accumulated depreciation as of 31 December	-183,762.48	0.00	0.00	0.00
Balance sheet value as of 31 December	126,137.55	309,900.03	102,850.00	101,600.00
Other shares				
Acqusition cost as of 1 January	308,273.79	4,786.00	2,500.00	2,500.00
Increases	0.00	188,812.29	0.00	0.00
Decreases	-115,529.50	0.00	0.00	0.00
Transfer between items	0.00	114,675.50	0.00	0.00
Balance sheet value as of 31 December	192,744.29	308,273.79	2,500.00	2,500.00

CURRENT ASSETS

RECEIVABLES	Parent company 2023	Parent company 2022
Receivables from group companies		
Trade receivables	1,610,498.98	2,153,007.36
Prepayment and accrude income	1,176,634.00	1,954,000.00
Loan receivables [1]	782,000.00	3,885,466.65
Capital loan [2]	200,000.00	200,000.00
Total	3,769,132.98	8,192,474.01

[1] The loan receivables are under normal market conditions, and the loan interest rate is 4% or 6%. The loans are valid for an indefinite period and are due for payment upon request.

[2] The parent company has granted its subsidiary a capital loan that meets all the conditions of the Limited Liability Companies Act Chapter 12. No other essential conditions. The agreed interest rate on the capital loan is 6%. The loan includes unaccounted interest income of EUR 60,433.33.

	Consolidated		Parent company	
	2023	2022	2023	2022
Material items included in prepayments and accrued income				
Accrued income	688,058.55	847,081.19	104,333.34	56,258.16
Prepaid expenses	445,381.96	419,220.96	1,880.54	71,094.29
Tax accrual	729.66	12,305.72	0.00	0.00
Other prepayments or accrued income	527,492.61	366,980.25	79,689.21	8,380.96
Total	1,661,662.78	1,645,588.12	185,903.09	135,733.41

Cash received in merger

396,756.65 euros was received when 10 subsidiares merged in to the parent company in 1 May 2023.

OTHER RECEIVABLES – DEFERRED TAX ASSETS OR LIABILITIES

	Consolidated		Parent company	
	2023	2022	2023	2022
Deferred tax assets				
Appropriations	91,696.48	0.00	0.00	0.00
Total	91,696.48	0.00	0.00	0.00

NOTES TO EQUITY AND LIABILITIES

CHANGES IN SHAREHOLDERS EQUITY

	Consolidated		Parent company	
	2023	2022	2023	2022
Restricted shareholders' equity				
Share capital				
As of 1 January	80,000.00	80,000.00	80,000.00	80,000.00
As of 31 December	80,000.00	80,000.00	80,000.00	80,000.00
Restricted shareholders' equity total	80,000.00	80,000.00	80,000.00	80,000.00
Non-restricted shareholders' equity				
Invested non-restricted equity fund				
As of 1 January	30,608,753.61	30,142,335.79	30,608,753.61	30,142,335.79
Increases	0.00	466,417.82	0.00	466,417.82
As of 31 December	30,608,753.61	30,608,753.61	30,608,753.61	30,608,753.61
Retained earnings (loss)	1,432,569.52	2,100,445.87	5,460,445.01	4,307,127.58
Shares held by the group	0.00	12,197.56	0.00	0.00
Dividends paid	-734,273.05	-11,250.00	-716,273.05	0.00
Translation differences	415.53	33,990.28	0.00	0.00
Profit (loss) for the period	-3,886,357.72	-702,814.19	1,078,309.34	1,153,317.43
Retained earnings (loss)	-3,187,645.72	1,432,569.52	5,822,481.30	5,460,445.01
Non-restricted shareholders' equity total	27,421,107.89	32,041,323.13	36,431,234.91	36,069,198.62
Shareholders' equity total	**27,501,107.89**	**32,121,323.13**	**36,511,234.91**	**36,149,198.62**

	Parent company	
	2023	2022
Distributable equity		
Fund for non-restricted shareholders' equity	30,608,753.61	30,608,753.61
Retained earnings (loss)	5,460,445.01	4,307,127.58
Development expenditures	-1,572,998.78	-1,123,701.50
Profit (loss) for the period	1,078,309.34	1,153,317.43
Distributable equity	35,574,509.18	34,945,497.12

	Consolidated		Parent company	
	2023	2022	2023	2022
Capital loans				
Received capital loans	500,000.00	500,000.00	0.00	0.00
Total	500,000.00	500,000.00	0.00	0.00

The capital loan meets all the conditions of the Limited Liability Companies Act Chapter 12. No other essential conditions. The agreed interest rate on the capital loan is 6%. The loan includes unaccounted interest income of 187,333.33 euros.

LIABILITIES

	Consolidated		Parent company	
	2023	2022	2023	2022
Loans from financial institutions	14,252,062.33	15,924,311.45	13,237,803.17	15,369,422.64
Total	14,252,062.33	15,924,311.45	13,237,803.17	15,369,422.64

Covenants included in financing agreementst

The following covenants are included in the financing agreements:

1) Equity ration shall be at least 35% reviewed bi-annually June 30 and December 31
2) Interest-bearing liabilities to EBITDA ratio shall not be higher than 3.35x reviewed 31.12.2022 and shall not be higher than 2.75x reviewed 31 December 2023, and after this, not higher than 2.75 bi-annually reviewed (30 June and 31 December)

Fulfillment of covenants

On December 31, 2023 the covenant was not fulfilled. Breaching the covenant has been negotiated with the financiers, all of whom have granted immunity from liability for breaching the covenant.

MATERIAL ITEMS INCLUDED IN ACCRUED EXPENSES AND DEFERRED INCOME

	Consolidated		Parent company	
	2023	2022	2023	2022
Accrued holiday pay including social security costs	6,358,260.78	5,981,010.16	1,280,841.93	584,530.51
Pension liabilities	81,145.88	83,271.79	0.00	0.00
Other mandatory insurance costs	125,292.69	29,025.03	0.00	0.00
Other accrued personnel expenses	28.46	34.07	0.00	0.00
Subcontracting and services	137,476.19	136,604.28	0.00	0.00
Other accrued expenses and deferred income	1,940,207.49	1,572,823.59	113,725.09	164,545.66
Total	8,642,411.49	7,802,768.92	1,394,567.02	749,076.17
Tax liabilities	36,114.12	304,432.59	0.00	253,727.74

LIABILITIES TO OTHER GROUP COMPANIES

	Parent company	
	2023	2022
Trade payables	1,369,553.45	883,835.27
Other liabilities	4,704,406.08	889,659.05
Accrued expenses and deferred income	431,103.73	588,000.00
Total	6,505,063.26	2,361,494.32

NOTES TO CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

CONTINGENT LIABILITIES

	Consolidated		Parent company	
Credit limit agreements	2023	2022	2023	2022
Granted credit limit in total	4,500,000.00	2,713,500.00	2,500,000.00	1,000,000.00
Credit in use	1,971,684.43	553,549.74	1,722,891.53	524,875.43

	Consolidated		Parent company	
Guarantees on behalf of other Group companies	2023	2022	2023	2022
On behalf of other Group companies	2,112,815.00	3,465,634.00	2,112,815.00	3,465,634.00

	Consolidated		Parent company	
Leasing liabilities	2023	2022	2023	2022
Liabilities to be paid for leasing agreements				
Due within 12 months	289,460.48	302,134.02	136,278.96	79,140.66
Due later	316,246.90	297,595.72	138,522.92	120,066.08
Total	605,707.38	599,729.74	274,801.88	199,206.74

Leasing agreements are mainly three-year contracts with no redemption obligation.

	Consolidated		Parent company	
Other contingent liabilities	2023	2022	2023	2022
Lease guarantees paid	84,562.24	66,883.71	57,602.98	23,235.85
Lease guarantees given	158,851.88	204,274.10	78,887.88	72,512.00

	Consolidated		Parent company	
Collaterals for own loans	2023	2022	2023	2022
Loans from financial institutions				
Real estate mortages	300,000.00	300,000.00	300,000.00	0.00
Business mortages	26,554,563.79	33,840,456.38	24,000,000,00	19,000,000.00
Pledged shares	35,809,205.05	42,809,132.86	35,809,205.05	28,041,572.86
Total	62,663,768.84	76,949,589.24	60,109,205.05	47,041,572.86

PURCHASE OBLIGATION FOR SYSTEM SERVICES

	Consolidated	
	2023	2022
Year 2023	2,557,000.00	2,300,000.00

Other off-balance sheet liabilities

The Administer has a contractual obligation to pay the additional purchase price for corporate and business acquisitions, subject to the terms and conditions agreed upon on a case-by-case basis. In the company's view, these acquisitions are not yet certain at the balance sheet date and are reported as off-balance sheet liabilities. The total liability related to the additional purchase prices at the balance sheet date is a maximum of EUR 2,155,000.

NOTES FOR FEES PAID TO EXTERNAL AUDITOR

AUDIT FEES

	Consolidated		Parent company	
	2023	2022	2023	2022
Audit fees	194,495.69	94,403.50	104,278.50	48,978.50
Separate assignments and statements	2,000.00	9,900.00	0.00	9,900.00
Total	196,495.69	104,303.50	104,278.50	58,878.50

NOTES FOR PERSONNEL, CEO AND BOARD OF DIRECTORS

AVERAGE NUMBER OF PERSONNEL

	Consolidated		Parent company	
During the period, company employed	2023	2022	2023	2022
Employees total	1,087	657	177	100

FEES AND BENEFITS OF THE BOARD OF DIRECTORS AND CEO(S)

	Consolidated		Parent company	
	2023	2022	2023	2022
CEO	258,797.27	218,030.00	258,797.27	218,030.00
Board of Directors	145,924.09	160,857.00	145,924.09	160,857.00
Total	404,721.36	378,887.00	404,721.36	378,887.00

No financial loans or guarantees given for the CEO or members of the board of directors. The CEO is part of TyEL/YEL pension scheme. No other pension commitments have been made on behalf of the CEOs or members of the board of directors.

SIGNING OF THE REVIEW BY THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

Helsinki 14 March 2024

Jukka-Pekka Joensuu
Chair of the Board of Directors

Peter Aho
Member of the Board of Directors

Milja Saksi
Member of the Board of Directors

Risto Koivula
Member of the Board of Directors

Minna Vanhala-Harmanen
Member of the Board of Directors

Leena Siirala
Member of the Board of Directors

Kimmo Herranen
CEO

AUDIT RECORD

Auditor's report has been given today for the audit conducted.

Helsinki 15 March 2024

Ernst & Young Oy

Johanna Winqvist-Ilkka
Authorized Public Accountant

LIST OF ACCOUNTING RECORDS

Company bookkeeping has been carried out in accounting system eFina.

ACCOUNTING RECORDS

Annual statements and breakdown of balance sheet	digital
Balance sheet by account	digital
Income statement by account	digital
Charter of accounts	digital
Journal	digital
General ledger	digital
Accounts receivable	digital
Accounts payable	digital
Payroll	digital

VERIFICATE TYPES

Type	No. from	Repository
OR Purchase invoices	1	digital
MY Sales invoices	10,000	digital
T1 Bank verificates	30,000	digital
Bank statements		digital
PA Payroll	50,000	digital
MU Others	60,000	digital
JA Accruals and deferrals	70,000	digital
LI Appendix verificates		digital

AUDITOR'S REPORT (Translation of the Finnish original)

TO THE ANNUAL GENERAL MEETING OF ADMINISTER PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Administer Plc (business identity code 0593027-4) for the year ended 31 December, 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland an comply with statutory requirements. The Board of Directors and theManaging Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, orthe override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER REPORTING REQUIREMENTS

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information that we have obtained prior to the date of this auditor's report is the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 15 March 2024

Ernst & Young Oy
Authorized Public Accountant Firm

Johanna Winqvist-Ilkka
Authorized Public Accountant

ADMINISTER GROUP

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