

Business Review

Q3 2023

Talenom's growth fell short of the target but continued as strong. Profitability improvement measures progressed.

1 Jan to 30 September 2023
(unaudited)



Business Review Q3 2023:

Talenom's growth fell short of the target but continued as strong. Profitability improvement measures progressed.

January–September 2023 in brief

- Net sales EUR 92.0 million (75.8), growth 21.4% (24.1)
- EBITDA EUR 24.9 million (25.4), 27.0% (33.6) of net sales
- Comparable operating profit (EBIT)* EUR 9.5 (13.1) million, 10.3% (17.2) of net sales
- Operating profit (EBIT) EUR 6.4 million (13.1), 6.9% (17.2) of net sales
- Net profit EUR 2.5 million (10.0)
- Earnings per share EUR 0.06 (0.23)

July–September 2023 in brief

- Net sales EUR 28.3 million (23.6), growth 20.0% (21.7)
- EBITDA EUR 7.6 million (7.3), 27.0% (30.8) of net sales
- Comparable operating profit (EBIT)* EUR 2.4 (3.1) million, 8.4% (13.0) of net sales
- Operating profit (EBIT) EUR -0.8 million (3.1), -2.7% (13.0) of net sales
- Net profit EUR -1.7 million (2.2)
- Earnings per share EUR -0.04 (0.05)

Key figures

Group	1–9/2023	1–9/2022	Change, %	7–9/2023	7–9/2022	Change, %
Net sales, EUR 1,000	92,012	75,763	21.4%	28,292	23,575	20.0%
Net sales, increase %	21.4%	24.1%		20.0%	21.7%	
EBITDA, EUR 1,000	24,855	25,427	-2.3%	7,627	7,272	4.9%
EBITDA of net sales, %	27.0%	33.6%		27.0%	30.8%	
Operating profit (EBIT), EUR 1,000	6,350	13,067	-51.4%	-772	3,074	-125.1%
Operating profit (EBIT), as % of net sales	6.9%	17.2%		-2.7%	13.0%	
Comparable operating profit, EUR 1,000 *)	9,509	13,067	-27.2%	2,387	3,074	-22.4%
Comparable operating profit, as % of net sales	10.3%	17.2%		8.4%	13.0%	
Return on investment (ROI), % (rolling 12 months)	6.8%	14.8%		6.8%	14.8%	
Interest-bearing net liabilities, EUR 1,000	71,368	51,225	39.3%	71,368	51,225	39.3%
Net gearing ratio, %	130.1%	96.0%		130.1%	96.0%	
Equity ratio, %	31.6%	35.9%		31.6%	35.9%	
Net investments, EUR 1,000	30,888	31,919	-3.2%	6,040	16,481	-63.4%
Liquid assets, EUR 1,000	14,895	17,755	-16.1%	14,895	17,755	-16.1%
Earnings per share, EUR	0.06	0.23	-75.1%	-0.04	0.05	-176.2%
Weighted average number of shares during the period	45,096,411	44,242,888	1.9%	45,279,665	44,242,888	2.3%
Net profit, EUR 1,000	2,530	9,964	-74.6%	-1,689	2,165	-178.0%

*) Operating profit excluding software-related write-downs

Guidance for 2023 (updated on 12 October 2023)

Talenom estimates that 2023 net sales will be around EUR 120–125 million, EBITDA around EUR 30–34 million, comparable operating profit excluding software-related write-downs around EUR 10–13 million and operating profit around EUR 7–10 million.

CEO Otto-Pekka Huhtala

The digitalization of the European accounting market will progress strongly in the coming years, for example due to the binding legislation of EU's e-Invoicing Directive. We have systematically developed our software platform to respond to the change in the operating environment brought on by digitalization. We believe that the digitalization development will enable faster organic growth. Our strategic focus on international growth has, together with the weak economic cycle, weakened our relative profitability in the short term, as planned. After a strong acquisition-driven growth phase, we will for the time being focus on improving profitability and increasingly on organic growth.

During January-September, we systematically promoted our strategic priorities:

1. Digital sales progressed supported by a unified brand and productization, new website and more attractive productization. The digital purchasing path has been simplified. The measures are beginning to show as higher customer numbers.
2. Distribution of banking services progressed and Talenom Accounts kicked-off nicely. There is a clear demand for a comprehensive solution, including bank account, software and accounting services, especially in the small enterprise segment, for which the Talenom One product has been developed.
3. In Sweden, the implementation of our own platform has been gradually expanded one office at a time after all critical features were completed. We also started selling the platform in new customer acquisition. Based on the experience in Finland, the introduction of Talenom's processes and platform enables reducing routine work to up to a quarter of the current time spent on such tasks. For transferred customers the customer-specific savings in working time have been significant.

In January-September, Group net sales grew by 21.4% (24.1) to EUR 92.0 million (75.8). The growth was based on several acquisitions in Sweden and Spain, and organic growth in Finland. Net sales were below the targeted level due to the effects of a general economic slowdown in Finland and Sweden and the weak Swedish krona. The weak cycle resulted in a decrease in customer-specific invoicing as customers' businesses contracted.

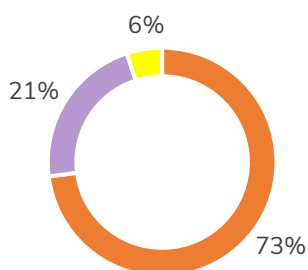
The Group's EBITDA for January-September was EUR 24.9 million (25.4), which meant that the operating cash flow remained strong. The EBITDA margin was 27.0% (33.6). In addition to the slowdown in the economy, relative profitability was depressed by our planned frontloaded investments in growth, wage inflation, the system platform acquired in Spain last year, as well as integration and other non-recurring expenses related to acquisitions.

Comparable operating profit excluding software write-downs was EUR 9.5 million (13.1), or 10.3% (17.2) of net sales. We have renewed the architecture of our software platform to expand its use in new countries. As a result, old software used in Finland will be decommissioned, and in the third quarter we made a non-recurring write-down of around EUR 3.2 million on software investments. After this, operating profit was EUR 6.4 million. During spring, we launched profitability improvement measures for the entire Group. The impact of the measures is witnessed in improved euro-denominated EBITDA in the third quarter compared to the comparison period. The improvements create a good profitability base for next year while maintaining the prerequisites for growth in line with the strategy. The company's business is still very profitable relative to the industry.

We lowered our guidance earlier this month as a result of slower than expected growth. However, we look positively into the future and estimate that the digitalization of the European accounting market creates good growth conditions.

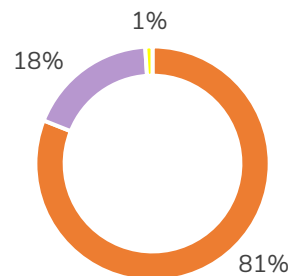
Group financial development January–September 2023

Net sales by country 1–9/2023



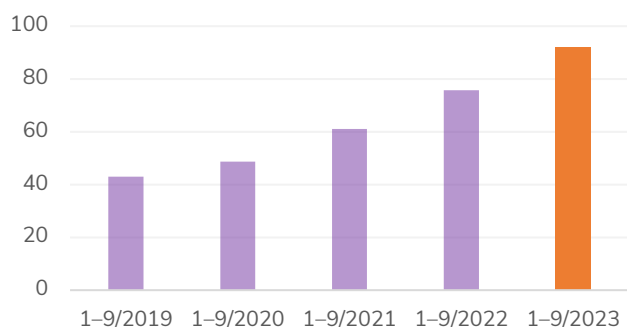
■ Finland ■ Sweden ■ Other countries

Net sales by country 1–9/2022

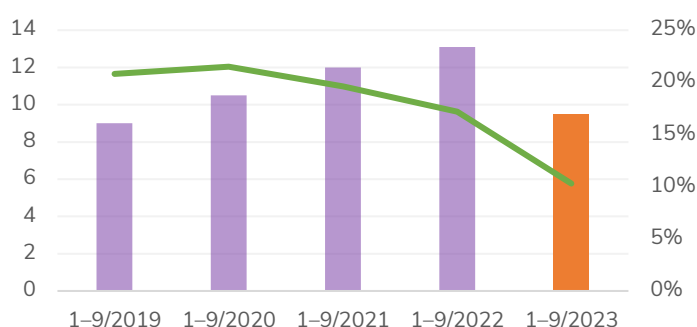


■ Finland ■ Sweden ■ Other countries

Net sales development, EUR million



Comparable EBIT development, EUR million



Net sales increased by 21.4% to EUR 92.0 million (75.8). Some two-thirds of net sales growth came from acquisitions mainly in Sweden and Spain and roughly one-third organically through active sales and sales of value-added services in Finland.

Personnel costs amounted to EUR 53.4 million (39.8) representing 58.0% (52.6) of net sales. Other operating expenses, including materials and services, totalled EUR 14.1 million (11.1) or 15.4% (14.6) of net sales.

EBITDA decreased by -2.3% to EUR 24.9 million (25.4) or 27.0% (33.6) of net sales. Comparable operating profit decreased by -27.2% to EUR 9.5 million (13.1) or 10.3% (17.2) of net sales. Comparable operating profit does not include the non-recurring write-down of EUR 3.2 million related to software. Profitability was depressed by frontloaded investments in growth, wage inflation, the system platform acquired in Spain in 2022, as well as integration and other costs arising from acquisitions. Operating profit decreased by -51.4% to EUR 6.4 million (13.1) or 6.9% (17.2) of net sales. Net profit decreased by -74.6% to EUR 2.5 million (10.0). Net financial expenses rose to EUR 2.6 million (0.5).

In August, Talenom agreed with Danske Bank Finland's branch A/S on a secured loan of EUR 10 million, with a maturity of three years and the loan period can be extended twice by one year at a time for a maximum maturity date of 30 September 2028. At the same time, the loan term of the previous loans of

EUR 60 million was agreed to be extended so that the repayment date for all loans is 30 September 2026, and the loan period can be extended twice by one year at a time for a maximum maturity date of 30 September 2028. The company also agreed on a EUR 20 million credit facility, from which a EUR 5 million loan was drawn in September, which matures on 30 September 2024.

Group financial development July–September 2023

Net sales increased by 20.0% to EUR 28.3 million (23.6). Some two-thirds of the increase in net sales came from acquisitions mainly in Sweden and Spain and one-third organically through active sales and sales of value-added services mainly in Finland.

EBITDA increased by 4.9% to EUR 7.6 million (7.3) or 27.0% (30.8) of net sales. Comparable operating profit decreased by -22.4% to EUR 2.4 million (3.1) or 8.4% (13.0) of net sales. Comparable operating profit does not include the non-recurring write-down of EUR 3.2 million related to software. The operating result decreased by -125.1% to EUR -0.8 million (3.1) or -2.7% (13.0) of net sales. Relative profitability was depressed by frontloaded investments in growth, wage inflation, the system platform acquired in Spain in 2022, as well as integration and other costs arising from acquisitions. Net profit decreased by -178.0% to EUR -1.7 million (2.2).

Country-specific financial development

Finland

	1–9/2023	1–9/2022	Change, %	7–9/2023	7–9/2022	Change, %
Net sales, EUR 1,000	66,971	61,190	9.4%	20,262	18,821	7.7%
Net sales growth, %	9.4%	15.1%		7.7%	12.3%	
EBITDA, EUR 1000	24,387	23,803	2.5%	7,765	7,017	10.7%
EBITDA of net sales, %	36.4%	38.9%		38.3%	37.3%	
Depreciation and amortisations, EUR 1,000	-15,958	-11,042	44.5%	-7,429	-3,734	99.0%
Operating profit, EUR 1,000	8,429	12,762	-33.9%	336	3,284	-89.8%
Operating profit of net sales, %	12.6%	20.9%		1.7%	17.4%	
Comparable operating profit, EUR 1,000 *)	11,588	12,762	-9.2%	3,495	3,284	6.4%
Comparable operating profit, as % of net sales	17.3%	20.9%		17.2%	17.4%	

*) Operating profit excluding software-related write-downs

January–September 2023

Net sales increased by 9.4 % to EUR 67.0 million (61.2). Net sales growth was organic and driven by active sales and sales of value-added services. The overall economic slowdown weakened growth, although new customer acquisition remained at a good level.

EBITDA was EUR 24.4 million (23.8) and the EBITDA margin was 36.4% (38.9). Talenom prepared for stronger growth with recruitments, which, together with weaker-than-expected net sales, depressed profitability. In the spring, Talenom started significant profitability improvement measures in the Finnish businesses.

July-September 2023

Net sales increased by 7.7% to EUR 20.3 million (18.8). Net sales growth was driven by active sales and sales of value-added services. Overall economic development was negatively reflected in growth. The general slowdown in the economy resulted in a reduction in volume-based invoicing per customer as customers' business activity declined, and in increased business closures, the effects of which became more strongly visible in the third quarter. Price adjustments made against inflationary cost increases were significantly eroded due to the effects of the general slowdown in the economy.

EBITDA increased slightly with the improvement measures, and we expect profitability to improve further as the measures progress. Relative profitability improved slightly measured by EBITDA and remained unchanged measured by comparable operating profit. Relative profitability was weakened by higher costs and lower than expected growth.

Sweden

	1-9/2023	1-9/2022	Change, %	7-9/2023	7-9/2022	Change, %
Net sales, EUR 1,000	19,545	13,605	43.7%	5,519	4,307	28.1%
Net sales growth, %	43.7%	75.5%		28.1%	75.4%	
EBITDA, EUR 1000	1,292	1,534	-15.8%	-48	240	-120.1%
EBITDA of net sales, %	6.6%	11.3%		-0.9%	5.6%	
Depreciation and amortisations, EUR 1,000	-1,874	-1,239	51.2%	-685	-434	57.8%
Operating profit, EUR 1,000	-582	294	-297.8%	-733	-195	-276.6%
Operating profit of net sales, %	-3.0%	2.2%		-13.3%	-4.5%	

January-September 2023

Net sales increased by 43.7% to EUR 19.5 million (13.6). Net sales growth came mainly from acquisitions. The weak Swedish krona had a negative impact on euro-denominated net sales development.

Relative EBITDA was 6.6% (11.3) and operating profit -3.0% (2.2) of net sales. The growth and profitability in Sweden were weakened by the effects of a general economic slowdown. Talenom prepared for stronger growth with recruitments, which, together with weaker-than-expected net sales, depressed profitability. Higher loan loss provisions and non-recurring items increased costs by a total of EUR 0.6 million. In addition, profitability in Sweden was still depressed by the planned acceleration of integration and the introduction of the new platform, as well as the resourcing required for these activities. In Sweden, after a period of strong growth, Talenom is slowing down the implementation of acquisitions for a restricted period focusing on improving efficiency and profitability by reaping economic benefits from a unified approach and the platform. The weak Swedish krona also had a negative impact on euro-denominated EBITDA development.

July-September 2023

Net sales increased by 28.1% to EUR 5.5 million (4.3). Net sales growth came mainly from acquisitions. Growth was slowed down by the effects of a general economic slowdown. In addition, the weak Swedish krona had a negative impact on euro-denominated net sales development.

Relative profitability decreased. The EBITDA margin was -0.9% (5.6) and the EBIT margin -13.3% (-4.5). Profitability in Sweden was still depressed by the planned acceleration of integration and the introduction of the platform, as well as the resourcing required for these activities. Higher loan loss provisions

increased costs by a total of EUR 0.1 million. The weak Swedish krona also had a negative impact on euro-denominated EBITDA development.

Other countries

	1-9/2023	1-9/2022	Change, %	7-9/2023	7-9/2022	Change, %
Net sales, EUR 1,000	5,496	969	467.1%	2,511	447	462.0%
Net sales growth, %	467.1%	546.4%		462.0%	198.1%	
EBITDA, EUR 1000	-794	-100	-693.7%	-90	15	-689.5%
EBITDA of net sales, %	-14.4%	-10.3%		-3.6%	3.4%	
Depreciation and amortisations, EUR 1,000	-673	-79.0	754.4%	-285	-30	857.4%
Operating profit, EUR 1,000	-1,467	-179.0	-720.5%	-375	-15	-2467.8%
Operating profit of net sales, %	-26.7%	-18.5%		-14.9%	-3.3%	

January-September 2023

Net sales increased by 467.1% to EUR 5.5 million (1.0). Net sales growth came mainly from acquisitions.

The business was loss-making. The Spanish accounting business is profitable measured by EBITDA, but profitability is depressed by the relative share of support functions. The profitability of the Spanish business is also burdened by the platform business acquired in autumn 2022, which aims to utilize the growth potential from the introduction of EU's e-Invoicing Directive. Talenom has leveraged its experience of establishing itself in Sweden and has strengthened management resources in a frontloaded manner, while simplifying and accelerating integration processes. In addition, the product offering has been harmonized to strengthen growth and robotics projects have been launched to improve process efficiency. Talenom expects the Spanish businesses to clearly improve their relative profitability as business volume grows and Talenom's efficient processes are implemented. With the acquisitions carried out during the year, the balance between volume and support functions has improved. Acquisitions carried out at the end of the period and future acquisitions support profitability development. In Italy, we continue to learn about the market and operating environment through the implemented acquisition.

July-September 2023

Net sales increased by 462.0% to EUR 2.5 million (0.4). Net sales growth came mainly from acquisitions.

The business was loss-making. The Spanish accounting business is profitable measured by EBITDA, but profitability is depressed by the relative share of support functions and the platform business acquired in Spain. As the business scaled in the third quarter, profitability has improved measured by EBITDA compared to previous quarters.

Unallocated items

Unallocated items include revenue and cost recognition of additional purchase prices related to acquisitions.

	1-9/2023	1-9/2022	Change, %	7-9/2023	7-9/2022	Change, %
Net sales, EUR 1,000						
Net sales growth, %						
EBITDA, EUR 1000	-30	190				
EBITDA of net sales, %						
Depreciation and amortisations, EUR 1,000						
Operating profit, EUR 1,000	-30	190				
Operating profit of net sales, %						

Investments and acquisitions during the review period

The total net investments during the review period were EUR 30.9 million (31.9).

Investments	1.1. -30.9.2023	1.1.-30.9.2022	Change
New customer agreements, EUR 1,000	2,298	2,422	-124
Software and digital services, EUR 1,000	10,600	8,434	2,167
Acquisitions in Finland, EUR 1,000 *)	0	857	-857
Acquisitions abroad, EUR 1,000 **)	15,577	19,623	-4,046
Other investments	2,412	583	1,829
Total net investments, EUR 1,000	30,888	31,919	-1,031

*) includes an estimated EUR 0 (116,000) in recorded additional deal prices

***) includes an estimated EUR 3,059,000 (5,183,000) in recorded additional deal prices

Share transactions in January-September:

- MTE Göteborg Ab, Sweden
- R2 Redovisning Ab, Sweden
- BKF Asesores, S.L., Spain
- Easycount Ab, Sweden
- Bv Coruña Asesoría De Empresas, S.L., Spain
- Consultoria Granadina S.L. and Grupo CG Consultores 2012 S.L., Spain
- LR Redovisning i Strängnäs Ab, Sweden
- Aditio Gestion S.L., Spain
- Advisoria Advocats I Economistes S.l.p., Spain
- Acega Asesores S.l.u., Spain
- VM Redovisning Ab, Sweden

Business acquisitions in January-September:

- Studio Gavazzi, Italy

Purchase prices, net sales and operating profit of the acquisition targets during the review period:

EUR 1,000	Share transactions	Business acquisitions
Total purchase prices	11,372	270
Maximum contingent consideration	3,798	170
Net sales, previous 12 months at time of purchase, total	10,422	553
Operating profit, previous 12 months at time of purchase, total	2,366	0

In acquisitions, part of the purchase price was paid with new Talenom Plc shares subscribed for in directed issues. A total of 386,638 shares were subscribed for in directed share issues related to acquisitions during the review period.

Acquisitions after the review period

Share transactions after the review period:

- Sant Cugat Consulting S.L., Spain
- Gesgal Asesores S.L., Spain

Purchase prices, net sales and operating profit of the acquisition targets after the review period:

EUR 1,000	Share transactions	Business acquisitions
Total purchase prices	2,015	0
Maximum contingent consideration	100	0
Net sales, previous 12 months at time of purchase, total	1,790	0
Operating profit, previous 12 months at time of purchase, total	365	0

Basis of preparation

This Business Review is not an Interim Financial Report prepared in accordance with the IAS 34 standard. The Company prepares its interim financial reporting in accordance with the Securities Market Act, in addition to which the Company releases Business Reviews for the first three and first nine months of the year. The Business Reviews contain key information regarding the financial position and development of the Talenom Group.

The figures of the Business Review are unaudited.

The Company reports commonly applied alternative performance measures to reflect the underlying business performance and enhance comparability between financial periods. Alternative performance measures i.e. performance measures not based on IFRS standards provide notable supplemental information to management, investors and other interested parties. Alternative performance measures may not be considered as a substitute for measures of performance in accordance with IFRS. Alternative performance measures used by the company include operating profit (EBIT), operating profit (EBIT) as % of net sales, EBITDA, EBITDA as % of net sales, comparable operating profit, return on investment (ROI) %, interest-bearing net liabilities, net gearing ratio %, equity ratio %, working capital and net investments. The formulas and explanations of alternative performance measures are presented below under section Formulas.

TABLES

Consolidated comprehensive income statement

EUR 1,000	1-9/2023	1-9/2022	1-12/2022
Net sales	92,012	75,763	102,107
Other operating income	362	536	1,625
Materials and services	-2,599	-3,105	-3,950
Employee benefit expenses	-53,383	-39,822	-55,682
Depreciation and amortisations	-18,504	-12,360	-17,128
Other operating expenses	-11,538	-7,946	-11,706
Operating profit	6,350	13,067	15,266
Financial income	483	276	542
Financial expenses	-3,116	-770	-1,254
Net financial expenses	-2,633	-494	-712
Profit (loss) before taxes	3,718	12,573	14,554
Income taxes	-1,187	-2,609	-2,753
Profit (loss) for the financial period	2,530	9,964	11,801
Other items of comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation differences	121	35	57
Total comprehensive income for the financial period	2,651	9,999	11,858

Consolidated balance sheet

EUR 1,000	30 Sep. 2023	30 Sep. 2022	31 Dec. 2022
ASSETS			
Non-current assets			
Goodwill	64,913	50,592	54,986
Other intangible assets	50,319	45,138	45,806
Right-of-use assets	9,776	8,273	9,922
Property, plant and equipment	4,231	2,647	2,752
Other non-current financial assets	154	854	254
Deferred tax assets	508	119	443
Capitalised contract costs	11,323	11,811	11,694
Total non-current assets	141,224	119,435	125,857
Current assets			
Trade and other receivables	16,920	11,900	14,178
Current tax assets	670	13	315
Cash and cash equivalents	14,908	17,861	15,970
Total current assets	32,498	29,774	30,463
Total assets	173,722	149,208	156,320
EQUITY			
Share capital	80	80	80
Reserve for invested unrestricted equity	30,189	26,398	26,861
Retained earnings	24,594	26,903	29,085
Total equity	54,863	53,381	56,026
LIABILITIES			
Non-current liabilities			
Financial liabilities	70,760	50,240	50,122
Trade payables and other liabilities	335	4,206	2,845
Lease liabilities	5,906	5,235	6,256
Deferred tax liabilities	4,136	2,753	3,040
Total non-current liabilities	81,137	62,433	62,263
Current liabilities			
Financial liabilities	5,109	10,096	10,001
Trade payables and other liabilities	28,405	19,758	23,724
Lease liabilities	3,876	3,114	3,705
Current tax liabilities	332	427	601
Total current liabilities	37,722	33,394	38,032
Total liabilities	118,858	95,827	100,295
Total equity and liabilities	173,722	149,208	156,320

Formulas

Net sales, increase %	=	$\frac{\text{net sales} - \text{net sales of the preceding year}}{\text{net sales of the preceding year}} \times 100$
Operating profit	=	net sales + other operating income - materials and services - personnel expenses - depreciations and amortisations - other operating expenses
Operating profit (EBIT), %	=	$\frac{\text{operating profit (EBIT)}}{\text{net sales}} \times 100$
Return on investment (ROI), % (rolling 12 months)	=	$\frac{\text{operating profit (EBIT) before taxes} + \text{interest and other financial expenses}}{\text{total equity and liabilities} - \text{non-interest-bearing liabilities (average of the accounting period)}} \times 100$
Interest-bearing net liabilities	=	interest-bearing liabilities - cash in hand and in banks
Net gearing ratio, %	=	$\frac{\text{interest-bearing liabilities} - \text{cash in hand and in banks}}{\text{capital and reserves}} \times 100$
Equity ratio, %	=	$\frac{\text{capital and reserves}}{\text{balance sheet total} - \text{advances received}} \times 100$
Working capital	=	inventories + non-interest-bearing current receivables - non-interestbearing current liabilities
Net investments	=	investments in tangible and intangible assets - sales of assets
Earnings per share	=	$\frac{\text{net profit of the review period}}{\text{Weighted average number of shares outstanding during the review x 100 period}} \times 100$
Compound annual growth rate (CAGR)	=	$\left(\frac{\text{net sales at the end of the period}}{\text{net sales in the beginning of the period}} \right)^{\frac{1}{\text{number of years}}} - 1$
EBITDA	=	operating profit + depreciation + amortisation
EBITDA, %	=	$\frac{\text{EBITDA}}{\text{Net sales}} \times 100$
Comparable operating profit	=	operating profit - software-related write-downs

Operating profit (EBIT) measures Talenom's ability to generate a profit in its business operations. Operating profit is a key metric of the company's profitability and financial performance, and indicates the profit generated from business operations.

Operating profit margin refers to operating profit as a percentage of net sales and is used to proportion operating profit in relation to net sales and improve comparability of operating profit over reporting periods.

Return on investment, meanwhile, measures operating result in relation to invested equity. It describes Talenom's relative profitability, in other words how effectively the company is able to generate profit for capital invested in the company

Interest-bearing net liabilities is the net sum of Talenom's debt financing. The metric provides information on the company's indebtedness and capital structure.

Net gearing ratio is the ratio between Talenom's equity and interest-bearing liabilities. It describes the level of risk associated with the company's financing and is a useful metric for tracking the company's debt to equity ratio.

Equity ratio is a financial structure metric that shows what proportion of the company's balance sheet is financed by its own equity. Equity ratio provides information on the level of risk associated with financing and the level of equity used in business operations, and describes the company's solvency and tolerance against loss in the long term.

Working capital measures the amount of financing committed in Talenom's business operations and describes the efficiency of capital use.

Net investments measure the amount of investments minus the sale of fixed assets. The metric offers additional information on the cash flow needs of business operations.

EBITDA is an important key figure that measures Talenom's ability to generate profit in business before depreciation, impairment and financial items.

EBITDA margin refers to EBITDA as a percentage of net sales and is used to proportion EBITDA in relation to net sales and improve comparability of EBITDA over reporting periods.

Comparable operating profit is operating profit excluding software-related write-downs.

TALENOM PLC

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