

Admicom Oyj

# ANNUAL REPORT 2021



admicom



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*We are a rapidly growing Finnish pioneer in SaaS ERP systems and automation of business processes and functions. We have the will and the skills to make the daily life of our customer companies as easy as possible. We work every day to create success stories.*

ERP ♥

## Admicom in brief

Established in 2004, Admicom is a pioneer in systems development and a comprehensive software and accounting services partner for small and medium-sized enterprises. Our company employs more than 200 professionals and has offices in Jyväskylä, Helsinki, Tampere, Oulu, Seinäjoki and Turku.

Our SaaS-based Adminet ERP system helps small and medium-sized enterprises improve their competitiveness by automating various worksite, production and office routines seamlessly ranging up to accounting.

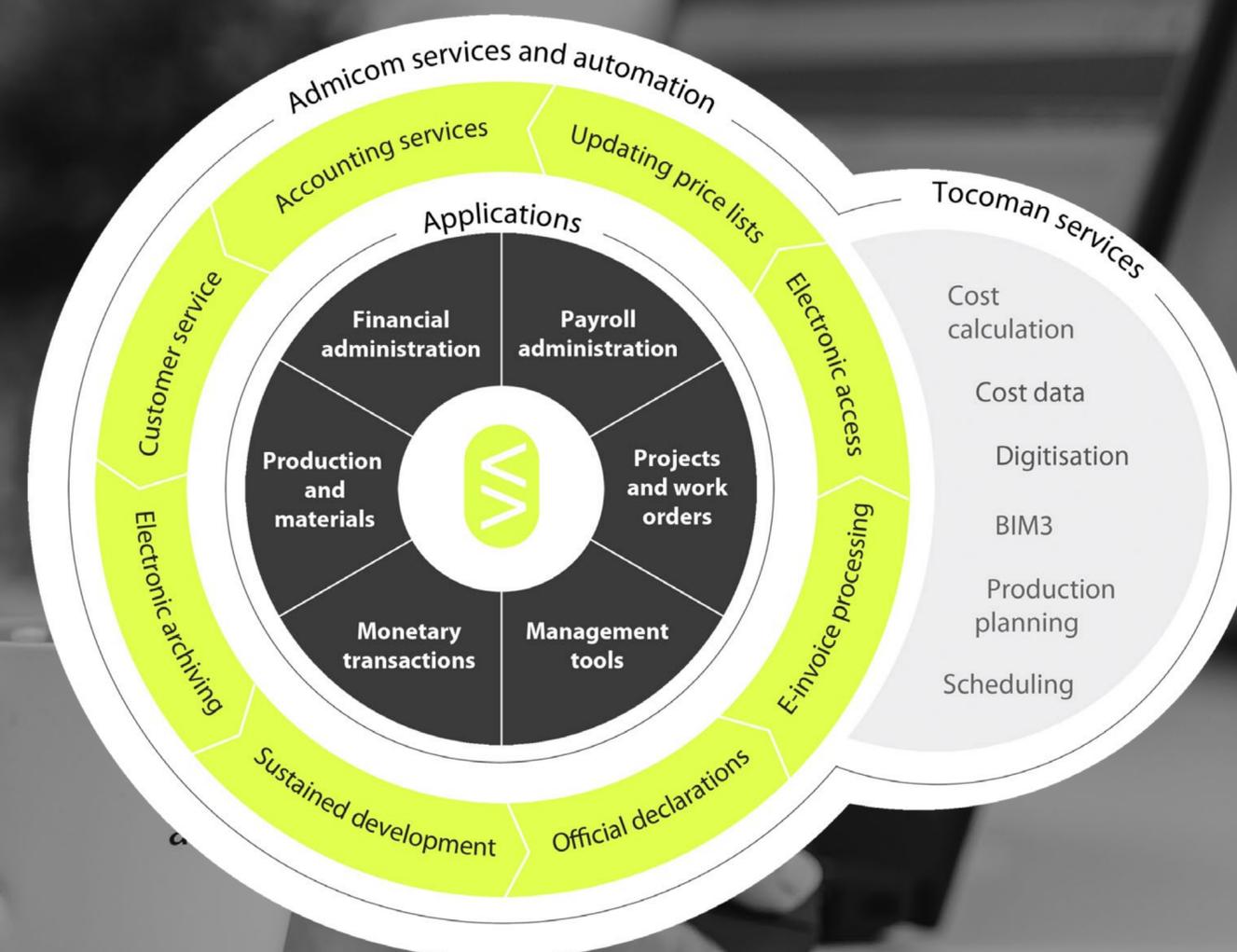
Our subsidiary Tocoman supplements our range of services by offering solutions for construction projects for cost calculation, production planning and scheduling, for example.

### Success factors

- **Improves the efficiency of the customer's operations:** The real-time data on business activities offered by Adminet improves the efficiency of the operational activities of entrepreneurs. The customer can access the system anywhere at any time.
- **Pioneer:** Admicom promotes digitalisation of its customer sectors through a highly automated and constantly developing ERP system.
- **Comprehensive solution:** Admicom offers an extensive software package and a wide range of services developed for the needs of companies in the construction, engineering and installations and industrial manufacturing sectors.
- **Rapid growth:** The revenue of Admicom has, on average, increased annually by more than 30 % during the past five years.
- **Profitable business model:** As the SaaS-business has grown, the company's operating margin has been improved from 9.7% in 2013 to 47.7% in 2021.



## APPLICATION AND SERVICE PACKAGE

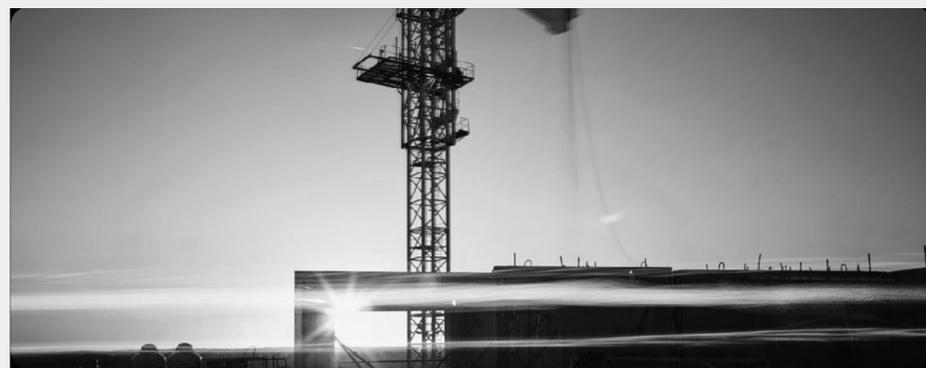


# Key events of 2021

## Changes in organisation

During the year, the organisation undergoes several changes by establishing and developing the operating methods of the new industry-specific organisation model, developing services, establishing a reward system for whole personnel, and carrying out three acquisitions. Changes also take place in key personnel. Changes in key roles are answered by using the company's internal expertise and by bringing in new experts from outside the company.

## Tocoman launches browser-based calculation software



Admicom's subsidiary Tocoman launches the first browser-based quantity and cost calculation software to the Finnish market, which will speed up construction cost calculation and the utilisation of cost data, as well as combine quantity surveying with cost calculation in a straightforward manner. Due to the browser-based design, users can enjoy a faster and more accessible software, automatic updates and location independence. Tocoman also offers solutions for production planning, scheduling and utilisation of building information models throughout construction production.

## Changes in the office network



In the Helsinki Metropolitan Area, Admicom and Tocoman personnel move into joint facilities in Helsinki. This change is based on improving the efficiency of mutual customers' service processes, communication between the organisations and allowing the Tocoman personnel to become an even more closely integrated part of the Admicom community. By the end of the year, Admicom serves its customers in six different cities, as new offices are opened in Seinäjoki and Turku.

## Investments in service business activities

Admicom's service business has grown strongly in recent years, and a large number of customers utilise not only software solutions but also the company's accounting services. Admicom ensures the availability of experts for customers by acquiring the business of Lakeus Tiltoimisto Oy, an accounting firm operating in Seinäjoki. The acquisition strengthens Admicom's accounting resources, supports the growth potential of the core business and enables a stronger allocation of resources to the development of the Adminet's financial automation. During the year, investments are also made in services by expanding the operations of the customer service unit.

## Development led by mobile solutions and usability

Product development work continues with the development of current software functions and the introduction of entirely new applications to our customers. Investments are made particularly in the development of usability and mobile tools, with the intention of ensuring even more effective processing of data, managing work processes and enabling faster daily entries of data through a clear and simple view. During the year, for example calendar functions and tools related to the management of industrial orders are also developed further.

## Significant investment in product development



At the end of the year Admicom strengthens its pioneering position and competitiveness by acquiring Aitio Finland Oy, a Jyväskylä-based company specialising in software development, and Hillava Oy, a software company belonging to the same group. Through acquisitions, Admicom's number of employees increases by more than 20 software developers and experts. Acquisitions strengthen the company's long-term competitiveness, continuity and market potential. Acquisitions also increase Admicom's integration capability, thus open new opportunities for acquisitions, partnership development and ecosystem expansion.

## From the CEO



”  
The accelerating digitalisation development of our industries and the transition to modern cloud-based software solutions offer Admicom significant growth opportunities in the long term.

The first year of the strategy period 2021-2023 was eventful for Admicom. As in the previous year, 2021 was marked with the uncertainty created by the coronavirus pandemic in the operating environment, which we were however more prepared to respond to as a result of the development of the organisation and operating models. Also, the adaptation to and development of the industry-

specific organisational model resulting from the strategy work continued, we launched new product solutions and services for the market, prepared for the introduction of a remuneration system and performance metrics for all personnel, carried out a comprehensive analysis of acquisition and investment opportunities, and finalised three acquisitions in the second half of the year. I would like to thank Admicom Group's personnel, customers and partners for the year 2021. Together, we enabled successful business development and growth despite challenging conditions.

Although our operating environment was challenging in many respects in 2021, we continued to grow profitably

during the review period and made investments in the continuous development of products, services and operations. The growth of our new sales was slowed down especially by the coronavirus pandemic, which is causing uncertainty in our customer base, complicating face-to-face sales work and slowing down the onboarding of new sales personnel. We still have to spend significantly more time and resources to every new contract than before the coronavirus pandemic. In the second half of the year, however, there have been signs of improving business conditions in our customer industries and an easing of corona related uncertainty, but it will take time for this to begin to show in new sales and revenue growth.

Tocoman's new cloud-based cost accounting version was launched in March 2021. The product was well received in the customer base and enables even wider development opportunities for our product portfolio and new product innovations. During the review period, we

recruited new experts to various parts of the Group to prepare for personnel changes, strengthening growth and developing our organisation. We will continue to invest in growth and competitiveness also in the coming years.

Several mergers and acquisitions took place in our industry during 2021, and Admicom also actively analysed acquisition opportunities to strengthen growth and competitiveness during the year, in line with the objectives of the strategy period. During 2021, we carried out a total of three acquisitions, the acquisition of the majority of the share capital of Aitio Finland Oy in Jyväskylä, which specialises in software development, the acquisition of the entire share capital of Hillava Oy, a software company belonging to the same group of companies, and the acquisition of the business operations of Lakeus accounting firm in Seinäjoki. Aitio Finland's and Hillava's personnel' expertise in software products, building technology and construction, as well as technology, is a great complement to Admicom's and Tocoman's expertise, and together we can take the development of our software solutions forward more quickly, utilise the growth investment opportunities we have identified and improve the customer experience. Lakeus's business supports Admicom's core business' growth opportunities, expands the Group's network of offices and outlets to new cities, and strengthens the resources of accounting services. Work to implement M&A that support growth, competitiveness and forerunner position, expand the partner network and grow the ecosystem will continue in the coming years.

The accelerating digitalisation development of our industries and the transition to modern cloud-based software solutions offer Admicom significant growth opportunities in the long term. I believe that with the development work, investments and growth efforts made in 2021, we will be more prepared to take advantage of these opportunities in 2022.

**Petri Aho**  
CEO (interim)  
CFO

# Vision and strategy

## The most advanced ERP system and the most superior service

Admicom's vision is to be a pioneer in developing ERP solutions for SMEs in selected industries. Our pioneering position is based on cloud-based software (SaaS), which enables comprehensive digitalisation of business processes, automation of routine work, real-time visibility into business development and continuous development. Our target group consists of SMEs in engineering and installations, construction and industrial manufacturing, for which we offer an efficient, fast-deployable, scalable and continuously updated overall solution that takes into account the specificities of industries.

Our goal is to provide our customers with the most superior service and value-added partnership, which together with our software solutions create the conditions for them to be more competitive than average in their industry. In addition, we want to be an active and proactive partner in designing future solutions for our customer industries. With our service offering, we ensure our customers smooth and efficient implementation, consultation, continuous operating support, accounting and payroll expert services, up to date contracts, as well as secure data maintenance and backup.

In accordance with our forerunner vision, we also invest in the continuous development of our own personnel's expertise, industry expertise and remuneration. We encourage staff to have an entrepreneurial and ownership-strengthening culture.

### Strategy for 2021-2023

Admicom's financial targets for the 2021-2023 strategy period are, on average, to increase revenue by more than 20% and to achieve profitability of 40-50% measured

by EBITDA. In terms of growth, we aim to achieve the goal both by organic growth in existing core businesses and through a more active acquisition strategy. In terms of profitability, we will continue to develop business efficiency and scalability during the strategy period, without forgetting resources and investments to ensure long-term growth, leading market position and competitiveness.

We continue to see significant growth opportunities in our current core target groups in building services engineering, construction and industrial manufacturing, which we are realizing by continuously developing our sales channel and services. In addition, we adapt to the changes caused by the coronavirus pandemic in our operating environment. New areas of investment during the strategy period include making extensive use of the opportunities offered by new cloud-based products, strengthening mobile capabilities and usability, and growing partnerships and collaborative networks.

During the current strategy period, we are more ready to strengthen our business through strategic acquisitions. Through acquisitions, our goal is to strengthen the competitiveness and growth potential of our customer industries, to increase the company's technological innovation capability and know-how, to ensure a leading market position and to respond to competition, and to take advantage of the opportunities offered by the international markets.

In the implementation of our strategy, the focus areas of our operations and critical success factors include pioneering, customer and employee experience, and strengthening ownership. In concrete terms, this means further development of automation and reporting intelligence, mobile features and usability, as well as industry-specific special features. In terms of personnel, we support entrepreneurial service attitude, continuous development of expertise, and cooperation.



Financial goals for strategy season 2021-2023:

**> 20 %**

revenue growth  
(on average)

**40-50 %**

EBITDA

# Operating environment

## Strong trends create growth opportunities in our market

In the enterprise software sector, cloud-based SaaS solutions are estimated to achieve an approximate growth of 15 % globally in the next few years (Gartner), and cloud-based services are still rapidly gaining ground over traditional locally installed and license-based solutions. Factors accelerating the change include, among other things, the flexibility and scalability offered by cloud-based services, the increased efficiency of automation and remote access, changes in government services and legislation, increased supply and the development of new technological solutions, such as artificial intelligence.

Another trend supporting our growth is the historically somewhat weak development of productivity and low rate of digitalisation in our target sectors. The construction sector has particularly fallen behind other sectors in this regard over the past decades. This creates significant growth opportunities on the market for modern software solutions like Adminet and Tocoman, which automate routines, improve the efficiency of activities from the office to the worksite and facilitate information-based management.

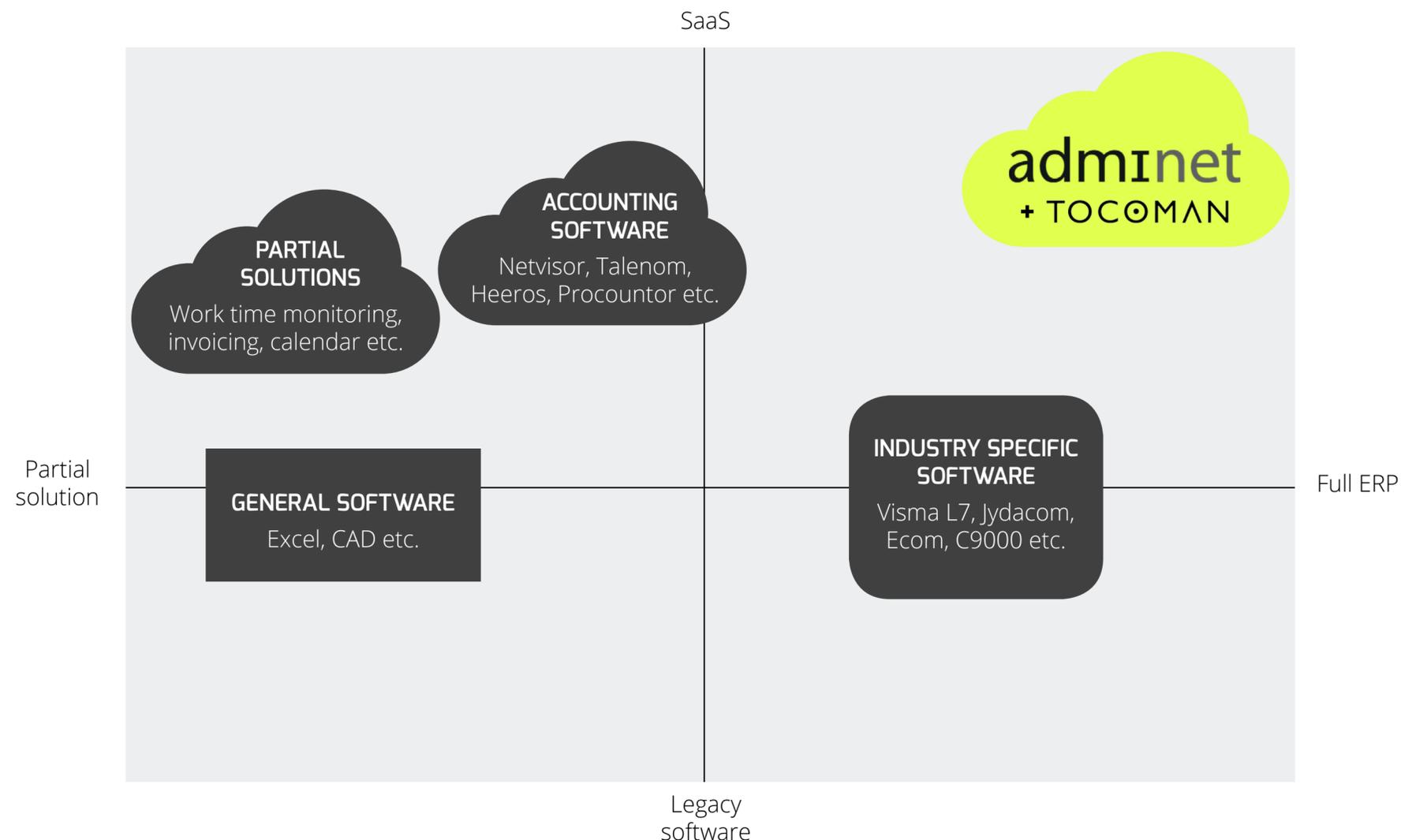
## Most comprehensive cloud-based solution in the field

The development of the enterprise software market is most rapid in cloud-based stand-alone systems, which are easy to implement but may pose challenges regarding their compatibility with other systems. The competitors on this sector typically consist of small local businesses. The most comprehensive stand-alone solutions can be used from work management to invoicing, while accounting and payroll are typically managed with a separate financial administration software solution.

In financial administration systems, cloud-based applications are no longer a fresh novelty, and instead developers have to offer great user experiences, automated interfaces and AI solutions to set themselves apart in the competition. The market is dominated by large operators. However, the calculation of costs and offers, as well as the monitoring of profitability for engineering and installations, construction and industrial projects and contracts often require a parallel system that can impede management and result in additional work for the company.

With ERP systems, the customer's choice is mainly affected by the specific characteristics of their sector, and the competition is fairly settled. A company that has used the same system for more than ten years is not a rare occurrence, and such systems are updated only infrequently. Admicom's ERP-service Adminet and the Tocoman software family together form a solution that fulfils the needs of businesses in the target sectors and seamlessly links activities ranging from the worksite and production to the office and accounting. Adminet and Tocoman software packages are cloud-based systems that are updated 5-7 times per year.

## Markets and competition



# Operating environment

## Targeting small and medium-sized companies

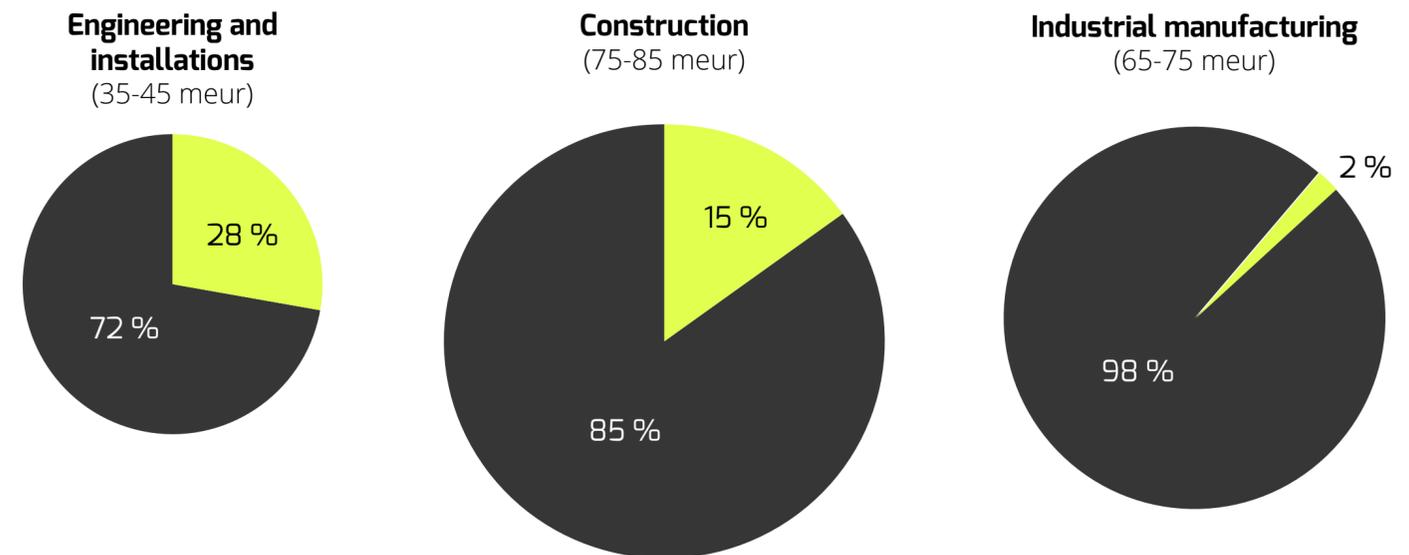
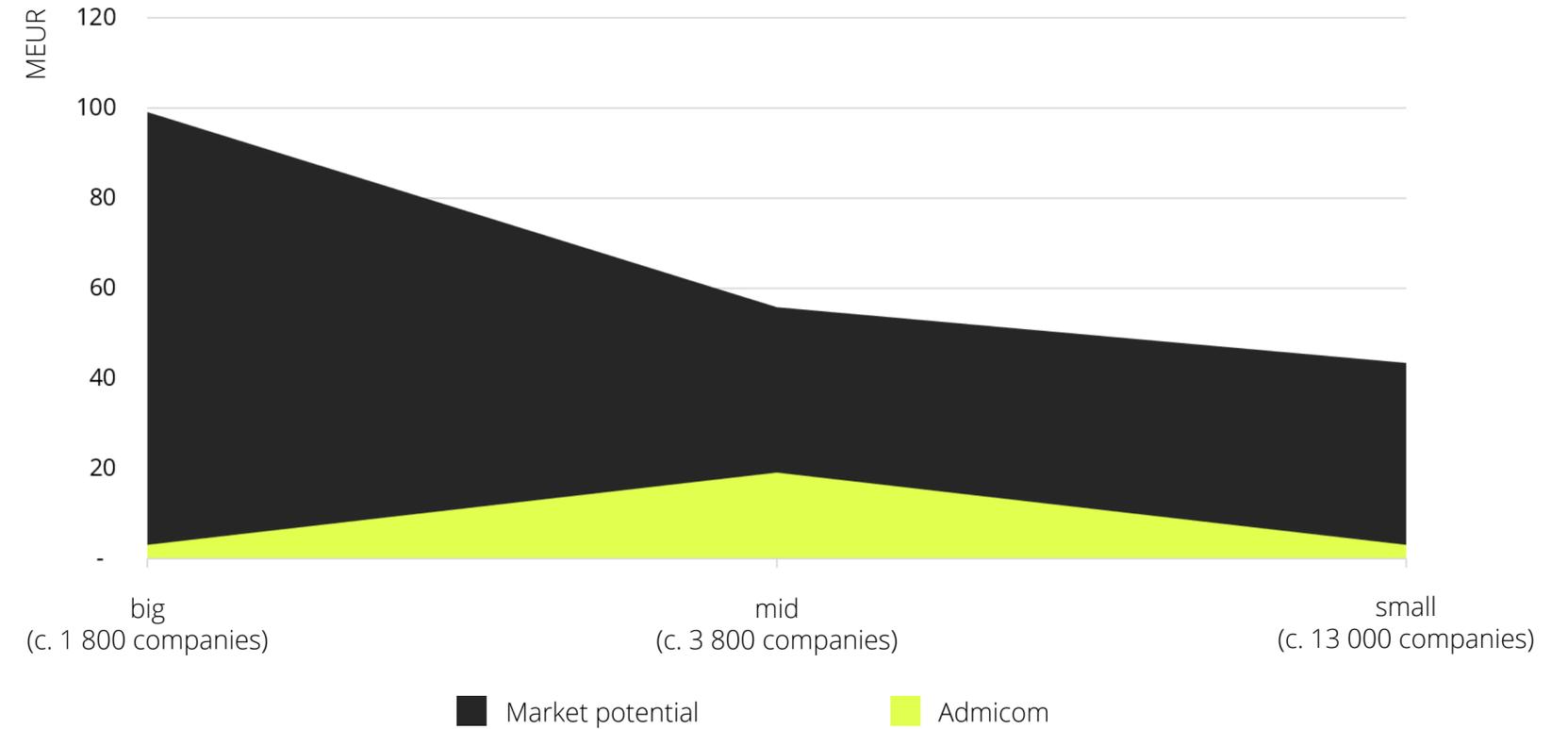
The current target market of Admicom comprises of small and medium-sized Finnish companies in the engineering and installations, construction and industrial manufacturing sectors. We estimate our overall market potential to 200 million euros. We are a market leader in our core target group in the sectors of engineering and installations and construction, but our share of the overall market currently only amounts to approximately 12%.

Our target market includes approximately 13,000 small businesses that have a turnover below one million euros, amounting to an estimated market potential of 44 million euros. In smaller businesses, management and supervision are typically handled alongside installation, manufacturing and construction activities. This usually restricts business growth, management and the entrepreneur's personal time management. Our concept for this target group is Adminet Lite, which is easy to implement, is highly automated and fulfils the specific needs of the sector in a cost-effective manner.

In our core target group consisting of medium-sized businesses with a turnover of 1–5 million euros, the need for efficient internal processes and management as well as up-to-date information is increased. To ensure that the company's processes, key personnel and management will not act as a bottleneck, the software solutions must be scalable and suitable for further development. Our concept for the core target group is Adminet, which is offered purely as a cloud-based service and is the most comprehensive solution on the market, covering the specific characteristics of the sector in a wide-ranging manner. The customer sectors comprising the core target group of Admicom includes approximately 3,800 companies in Finland, and they amount to an estimated market potential of 56 million euros.

The approximate number of relatively large companies with a turnover of 5–50 million euros in our target sectors is 1,800, and they amount to an estimated market potential of 100 million euros. At this size, software solutions that offer versatile functionalities, support business management, are integrated with the sector's key functions and enhance performance are typically critical factors of success. For this target group, Admicom and Tocoman offer a solution that comprises the most comprehensive set of applications and services, provides real-time visibility and highly automates routine tasks.

Total 200 MEUR market potential segmented by customer size



# REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS



# Report of the board of directors

Admicom is a forerunner and provider of ERP solutions especially for small and medium-sized construction, building services engineering and manufacturing companies. Admicom's cloud-based ERP system Adminet efficiently automates the customer company's routines from site and production functions to office processes. Admicom also provides training, consulting and accounting services. Our subsidiary Tocoman Oy's software are one of the leading software solutions especially in the construction industry. Our subsidiary Aitio Finland Oy provides its customers and Admicom Oyj with software solution development services, as well as related integration and maintenance services, mobile applications and cloud solutions. The subsidiary Hillava Oy develops and markets a cloud-based ERP system especially for field work planning and management. The parent company Admicom Oyj consists of the Group's administration.

## Key events during the financial year 2021

On December 22, 2021 The Group acquired a majority shareholding in Aitio Finland Oy based in Jyväskylä and the entire share capital of Hillava Oy, a software company belonging to the same group of companies. The shares of the Aitio Finland Oy's main shareholders Rouhee Group Oy and Toni Paloniemi, i.e. approximately 83.5 % of the company's share capital, was acquired through a share exchange, while the remaining shares are owned by the company's employees. The valuation of shares to be acquired through share exchange is EUR 5.313 million. Hillava Oy's share capital was acquired entirely by Admicom Finland Oy at a purchase price of EUR 2.531 million and the purchase price was paid in cash. Price per share was EUR 86,69, corresponding to the average trading volume-weighted average price of Admicom Oyj's share on Nasdaq First North Growth Market Finland from 1 October to 21 December 2021 and it was recorded in full in the company's reserve for invested unrestricted equity. The share subscription and payment date was December 22, 2021 and 61 287 shares were subscribed in total.

In addition, a significant investment during the financial year was the acquisition of Lakeus Tilitoimisto Oy's business by Admicom Finland Oy on 1 August 2021. The debt-free purchase price of the business totalled EUR 0.574 million.

Tocoman's new cloud-based cost accounting version was launched in March 2021. The product was well received in the customer base and enables even wider development opportunities for our product portfolio and new product innovations. Regarding Adminet's software development in 2021, we introduced our customers with an updated version of our mobile version,

more advanced calendar and resourcing features and numerous other improvements to the software's functionality.

Admicom Oyj's board of directors decided on June 4, 2021 to enable a reward system based on a personnel fund covering the Group's entire personnel. The purpose of the system is to support entrepreneurial culture, ownership within the personnel, and the company's strategic aims and competitiveness.

## The Group's revenue and financial development

The Group's revenue in the period of 1 January, 2021 – December 31, 2021 amounted to EUR 24.857 million (21.917). Revenue grew by 13.4 % from the previous year. Of the growth, 9.1 percentage points were organic and 4.3 percentage points structural. In terms of organic growth development, new sales was driven by the construction segment clientele, which including Tocoman accounted for more than half of the new sales of recurring revenues. The structural growth was affected during the financial year for January-February by Tocoman Oy's acquisition made in March 2020, and for August-December by the acquisition of Lakeus Tilitoimisto Oy's business operations. The acquisitions of Aitio Finland Oy and Hillava Oy completed in December 2021 did not have a significant impact on revenue for the financial year. The impact of the annual adjustment fees on the growth of revenue was -0,5 percentage points and revenue in the financial year included annual adjustment fees totalling EUR 0.973 million (1.085). SaaS invoicing accounted for 73 % (72 %) of revenues, accounting services, that consist mainly of recurring revenues, accounted for 22 % (21 %) of revenues, and customer onboarding and consulting revenues and other revenues accounted for 5 % (5 %) of revenues. In 2021, turnover was broken down by customer segment as follows: construction 49 % (incl. Tocoman), building services engineering 37 %, industrial manufacturing 6 % and others 8 %.

The Group's EBITDA for 2021 grew by 19.2 % to EUR 11.862 million (9.954) and was 47.7 % of revenue (45.4 %). Profitability improved as revenue growth created economies of scale and cost development was moderate especially in the beginning of the year. The better-than-expected development of annual adjustment fees invoicing also supported relative profitability. The Group's personnel expenses during the financial year were EUR -9.010 (-8.209), accounting for 36.2 % of revenues (37.5 %). Personnel expenses increased from the comparison period, especially due to the increase in the number of employees. Other operating expenses decreased slightly from the comparison period and totalled EUR -2.654 million (-2.699), accounting

for approximately 10.7 % of revenues (12.3 %). The decrease in expenses was partly due to the transfer to materials and services expenses previously reported in other operating expenses, improved cost efficiency, and the decline in certain expenses due to travel and private event restrictions caused by the coronavirus pandemic.

The Group's operating profit for the period January 1 – December 31, 2021 was EUR 10.374 million (8.618), an increase of 20.4% on last year. Depreciation for the financial year was EUR 1.488 million (1.336), most of which, EUR 1.097 million, were group-level goodwill amortizations related to the Tocoman acquisition. The acquisitions of Aitio and Hillava did not have impact to the group-level goodwill amortizations for the financial year 2021. Profit for the financial year was EUR 8.054 million (6.699).

Key figures, Admicom Group	2021	2020	2019
Revenue, 1000 eur (growth%)	24.857 (+13 %)	21.917 (+40 %)	15.641 (+37 %)
Operating profit, 1000 eur (operating margin)	10.374 (42 %)	8.618 (39 %)	6.613 (42 %)
EBITDA, 1000 eur (EBITDA-%)	11.862 (48 %)	9.954 (45 %)	7.155 (46 %)
Profit for the financial year, 1000 eur	8.054	6.699	5.291
Equity ratio, %	83 %	86 %	81 %
Return on equity, %	30 %	35 %	38 %
Earnings per share (EPS), EUR	1.63*	1.36	1.09
Equity per share, eur	6.37	4.58	3.34
Dividend per share, eur	1.50**	0.91	0.72
Return from invested unrestricted equity fund per share, eur	0.50**		
Dividend on profit, %	92.91 %**	66.93 %	66.49 %
Return from invested unrestricted equity fund on profit, %	30.97 %**		
Effective dividend and return of equity yield, %	2.37 %**	0.68 %	1.13 %
Price per earnings ratio (P/E)	51.69	99.11	58.97
Number of employees on average during the financial year	180	172	132
Number of employees at the end the period	209	162	145

\* The number of shares in the key figure includes 61,287 new shares issued in connection with the acquisition on December 22, 2021, registered on January 14, 2022.

\*\* The Board of Directors of the parent company proposes a dividend of EUR 1.50 per registered share and an additional equity repayment of EUR 0.50 per registered share.

# Report of the board of directors

## Outlook

In line with the Group's financial targets for the 2021-2023 strategy period, the Company guides for the 2022 financial year over 20% revenue growth and profitability to be 40-50% in terms of EBITDA.

The coronavirus pandemic continues to create uncertainty, especially regarding the success of new sales, and increases the risk of customer churn. In addition, the forecast for the revenue growth in the second half of the year is affected by the distribution of Aitio Finland Oy's revenues between external and internal customers.

## Annual General Meeting

The Annual General Meeting of Admicom Oyj on February 19, 2021 approved the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial period 2020. The Annual General Meeting confirmed that a dividend of EUR 0.91 per share and the dividend payment date to be March 2, 2021. The Annual General Meeting elected Kettunen Sami, Nokso-Koivisto Olli, Aaltola Pasi, Häll Timo, Suonpää Jarmo and Moisiö Kyösti as members of the Board of Directors. All the proposed members were also Board members in 2020 besides Olli Nokso-Koivisto and Kyösti Moisiö.

On 19 February 2021, the Annual General Meeting authorised the Board of Directors to decide on one or more of the several directed share issues related to acquisitions (18% of the share capital, 856,985) and employee share issues (2% of the share capital, 98,554). In December, approximately 7% (61,287) of the authorization was used in Aitio Finland Oy's acquisition.

In addition, the Annual General Meeting authorised the Board of Directors to decide on a free share issue (share split) to shareholders by the end of 2021. The Annual General Meeting resolved on the establishment of a Nomination Committee of the Board of Directors. The Committee shall make a proposal to the Annual General Meeting about the members and the remuneration of the Board of Directors

## Share and shareholders December 31, 2021

Information of shares and trading in a share*	31.12.2021	31.12.2020
Number of registered shares in the parent company at the end of the period	4 927 698	4 927 698
Issue-adjusted number of registered shares on average during the financial year (excluding own shares)	4 925 178	4 918 191
Shares in the parent company held by the subsidiary Admicom Finland Oy	2 520 (0.05 %)	2 520 (0.05 %)
Market value, eur	416 390 481	665 239 230
<b>Shareholders of parent company</b>		
Number of shareholders	2 698	2 462
Holding of the Board of Directors and the Executive Committee	0.03 % (1 570)	36.9 % (1 815 969)
Largest shareholders:		
- SEB AB (publ.), Helsinki Branch, (nominee-registered)	42.64 % (2 101 001)	24.1 % (1 186 132)
- Matti Häll	30.6 % (1 507 856)	30.7 % (1 510 743)
- Citibank Europe Plc, (nominee-registered)	3.9 % (190 589)	-
Total nominee-registered shareholders	50.2 % (2 473 705)	43.8 % (2 159 416)
<b>Development of Admicom Oyj's share</b>		
Shares traded, pcs	1 485 037	2 104 247
Market value total, eur	141 050 883	174 686 398
High, eur	158.00	139.00
Low, eur	75.20	48.40
Average, eur	94.59	83.02
Close, eur	84.50	135.00

\* The number of shares does not include the new shares (61,287) issued in connection with the acquisition on December 22, 2021, which were registered on January 14, 2022.

At the end of the financial year, Admicom Group consisted of parent company Admicom Oyj and 100 % owned subsidiaries Admicom Finland Oy, Tocoman Oy and Hillava Oy, which transferred to the Group through

an acquisition on December 22, 2021. In addition, Aitio Finland Oy, which is 83.47 % owned by the Group, was transferred to the Group through an acquisition on December 22, 2021.

## Risks and uncertainty factors

The main risks and uncertainties of Admicom Group's business include:

- 1) Focusing on specific customer segments increases the vulnerability for economic cyclical, which might slow down the growth or appear as unexpected customer churn due to bankruptcies. The Company aims at reducing the risk by supporting customers' business with consulting and improving customer service, and by offering customers solutions that enhance their cost-efficiency.
- 2) Technological risks and information security risks are critical areas for SaaS companies. The Company is constantly taking actions to detect and prevent technological risks and information security risks.
- 3) Reputation risk, which is essentially linked with information security risks and risks of service failures. To reduce the risk, employees of the Company are trained for information security and customer satisfaction is regularly measured.
- 4) Risks related to key personnel. The Company is constantly recruiting new talents in preparation for critical departures. In addition, the Company has invested in developing new reward systems during the ongoing year. Also, the risk from the Covid-19 pandemic is actively managed by supporting remote working and its management.
- 5) Risks related to changes in the field of competitors. Activities with acquisitions and foreign venture capitalists' and companies' interests in Finnish software companies seem to have increased, which might change the power dynamics in the field of competitors. Also, new small and focused software houses have been founded in the industry. The Company is actively observing the changes in the field of competitors and takes the changes into consideration in its strategic work and business operations.

# Report of the board of directors

- 6) Risks related to Admicom's possible acquisitions. These risks are typical when acquiring or integrating businesses. Integrating businesses during the acquisition of Tocoman Oy and broadening the know-how on mergers teaches the Company how to manage the risk better in the future.
- 7) Development of new sales and customer churn might be affected by the Covid-19 pandemic, which causes uncertainty within the customer base, makes face-to-face sales harder, and slows down the process of training new salespeople. The Company aims at controlling this risk by developing the sales processes and by focusing sales activities and customer service on the right customer target groups.

## Statement on R&D activities

Admicom's R&D investments focus in particular on updating and maintaining the software platform, improving the automation level, further developing existing applications, developing new products, and ensuring the reliability and quality of software. During 2021, product development priorities included updating the software platform, launching and further development of Tocoman's new browser-based software solution, and developing checkout, mobile and calendar applications. Product development costs, with the exception of Hillava Oy, have not been capitalised in the balance sheet in the financial year 2021, but have been treated as personnel costs. At the end of the year, Admicom Finland Oy's and Tocoman Oy's R&D personnel accounted for 19 % (2020: 19 %) of all staff. The accession of Aitio Finland Oy as part of the Admicom Group in December 2021 significantly increased the company's R&D resources, bringing a 6 percentage points increase in the relative share of R&D personnel, but this had no impact on the R&D investments in 2021.

## Personnel, Management and Board of Directors

On January 7, 2021, the company announced that Antti Seppä, CEO of parent company Admicom Oyj, will leave the company in the current year and on January 15, 2021 that the operational management responsibility of Admicom Finland Oy is transferred to CEO Anna-Maija Ijäs. Arttu Ruotsalainen, Admicom's Management Team Member and Director of The Building Services Division, announced that he will leave the company on

31 March 2021. On 7 April 2021, the renewal of the management team composition was announced so that, as of April 7, 2021, the management team of parent company Admicom Oyj was formed by Antti Seppä, CEO of Admicom Oyj, Petri Aho, CFO and Anna-Maija Ijäs and Miikka Enkovaara, Managing Directors of subsidiaries. Admicom Oyj's Board of Directors relieved Antti Seppä of his position as CEO on 4 June 2021 and appointed Petri Aho, CFO, as interim CEO. Admicom Group's Board of Directors announced on 22 December 2021 that it has decided to postpone the appointment of Admicom Oyj's CEO until 2022. The Board of Directors wants to carefully assess the impact of the acquisitions of 22 December 2021 on the Group's management structure and future director appointments. On December 22, 2021, Admicom's Board of Directors has decided to expand the Group's Executive Committee and appointed Thomas Raehalme, CEO of Aitio Finland Oy, as a member of the Executive Committee as of January 1, 2022.

On 31 December 2021, Admicom's Management Team consisted of Petri Aho, Interim CEO and CFO, and Anna-Maija Ijäs and Miikka Enkovaara, Managing Directors of Subsidiaries.

The parent company's Board of Directors is chaired by Timo Häll, Vice Chairman is Pasi Aaltola, and the members of the board are Sami Kettunen, Kyösti Moisio, Olli Nokso-Koivisto and Jarmo Suonpää.

At the end of the financial year, the Group had 209 employees, of whom 160 worked at Admicom Finland Oy, 4 in parent company Admicom Oyj, 20 in Tocoman Oy, 21 in Aitio Finland Oy and 4 in Hillava Oy. 31% of the personnel worked in accounting services, 25% in R&D and R&D services, 16 % in sales and marketing, 14% in customer onboarding services, 10% in the services unit and 4% in administration.

The parent company's audit firm is KPMG OY AB, with Anna-Riikka Maunula, APA as the principal auditor.

## Related party transactions

Admicom Finland Oy has granted Admicom Oyj a monetary loan of EUR 2,900,000. The loan period is at most 12 months. The loan period can be extended in segments of 3 months by mutual agreement, provided that there is a written agreement in place before the current period ends. The

interest of the loan is 3 %. The interest is charged at the end of the year, and the remainder when the loan matures. The related party transactions notes to the financial statements contain more detailed information on related party transactions.

## Proposal of the Board of Directors concerning profit for the financial year

The parent company's distributable funds amount to EUR 25,731,600.72 and the profit for the financial year to EUR 7,775,059.53. The Board of Directors of the parent company proposes a dividend of EUR 1.50 per registered share be paid of the profit for the financial period, a total of EUR 7,483,477.5, and an additional equity repayment of EUR 0.50 per registered share be distributed from the invested unrestricted equity fund, a total of EUR 2,494,492.5.

There have been no material changes in the company's financial position since the end of the financial year. The company's liquidity is good, and the proposed distribution of profits does not, in the view of the Board of Directors, jeopardise the company's solvency.

## Relevant events after the end of the reporting period

No material events.

## Key figures

<b>Admicom Group</b>	<b>1-12/2021</b>	<b>1-12/2020</b>	<b>Change %</b>	<b>7-12/2021</b>	<b>7-12/2020</b>	<b>Change %</b>
Revenue, 1 000 eur	24 857	21 917	13.4 %	12 493	11 178	11.8 %
EBITDA, 1 000 eur	11 862	9 954	19.2 %	5 940	5 315	11.8 %
% of revenue	47.7 %	45.4 %		47.5 %	47.5 %	
Operating profit, 1 000 eur	10 374	8 618	20.4 %	5 174	4 589	12.8 %
% of revenue	41.7 %	39.3 %		41.4 %	41.1 %	
Profit for the period, 1 000 eur	8 054	6 699	20.2 %	4 010	3 563	12.5 %
% of revenue	32.4 %	30.6 %		32.1 %	31.9 %	
Return on equity, %	29.8 %	34.5 %		29.7 %	34.4 %	
Return on invested capital, %	38.4 %	44.4 %		38.3 %	44.3 %	
Equity ratio, %	83.1 %	85.5 %		83.1 %	85.5 %	
Net gearing, %	-57.3 %	-61.4 %		-57.3 %	-61.4 %	
Earnings per share, EPS eur	1.63	1.36	20,0 %	0.81	0,72	13.3 %
Balance sheet total, 1 000 eur	37 934	26 335		37 934	26 335	
Number of employees at the end of the period	209	162		209	162	
Number of shares at the end of the period, 1 000 pcs <sup>1</sup>	4 986	4 925		4 986	4 925	
Issue-adjusted number of shares on average during the period, 1 000 pcs <sup>1</sup>	4 927	4 918		4 929	4 925	

<sup>1</sup> The number of shares on 31 December 2021 takes into account the shares (61,287 shares) recorded in the directed share issue on 22 December 2021 and eliminates the impact of the shares owned by the Group's companies (2,520).

# Calculations of financial ratios

$$\text{Operating profit, \% of revenue} = \frac{\text{Operating profit}}{\text{Revenue}} \times 100$$

$$\text{EBITDA, \% of revenue} = \frac{\text{Operating profit} + \text{depreciation and amortisation}}{\text{Revenue}} \times 100$$

$$\text{Return on equity, \%} = \frac{\text{Profit before taxes} - \text{income taxes}}{\text{Equity} + \text{minority interest (on average)}} \times 100$$

$$\text{Return on invested capital, \%} = \frac{\text{Profit before taxes} + \text{finance costs, net}}{\text{Total assets on average} - \text{non-interest-bearing liabilities on average}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity} + \text{Minority interest}}{\text{Total assets} - \text{advances share}} \times 100$$

$$\text{Net gearing, \%} = \frac{\text{Interest bearing liabilities} - \text{cash and cash equivalents}}{\text{Equity} + \text{minority interest}} \times 100$$

$$\text{Earnings per share (EPS), €} = \frac{\text{Profit for the period}}{\text{Issue-adjusted number of shares on average during the period}}$$

$$\text{Dividend on profit, \%} = \frac{\text{Dividend for the financial year}}{\text{Profit for the financial year}} \times 100$$

$$\text{Effective dividend yield, \%} = \frac{\text{Dividend per share}}{\text{Share price at the balance sheet date}} \times 100$$

$$\text{Price per earnings ratio (P/E)} = \frac{\text{Share price at the balance sheet date}}{\text{Earnings per share}}$$

# Group consolidated financial statements

## Income statement, group (FAS)

	1.1. - 31.12.2021	1.1. - 31.12.2020
<b>REVENUE</b>	<b>24 857 313.18</b>	<b>21 916 697.41</b>
Other operating income	63 486.29	3 972.83
<b>Materials and services</b>		
<b>Materials and supplies</b>		
Purchases during the financial year	-845 579.55	-607 745.20
Change in inventories	438.00	1 262.00
External services	-549 608.05	-452 158.41
<b>Total materials and services</b>	<b>-1 394 749.60</b>	<b>-1 058 641.61</b>
<b>Personnel expenses</b>		
Wages and salaries	-7 506 657.21	-6 944 412.38
<b>Social security expenses</b>		
Pension expenses	-1 259 719.10	-1 081 867.47
Other social security expenses	-243 416.74	-182 413.39
<b>Total personnel expenses</b>	<b>-9 009 793.05</b>	<b>-8 208 693.24</b>
<b>Depreciation and amortisation</b>		
Consolidated goodwill amortisation	-1 097 137.95	-926 971.17
Depreciation and amortisation according to plan	-390 742.51	-408 753.21
Other operating expenses	-2 654 319.38	-2 699 343.16
<b>OPERATING PROFIT (LOSS)</b>	<b>10 374 056.98</b>	<b>8 618 267.85</b>
<b>Financial income and expenses</b>		
Other interest and financial income	3 413.88	7 252.86
Interest expenses and other financial expenses	-46 364.66	-16 429.49
<b>PROFIT BEFORE TAXES</b>	<b>10 331 106.20</b>	<b>8 609 091.22</b>
Income taxes	-2 273 932.25	-1 909 609.99
Minority interests	-2 952.51	0.00
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>8 054 221.44</b>	<b>6 699 481.23</b>

## Balance sheet, group (FAS)

	31.12.2021	31.12.2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Development expenses	314 572.66	379 114.14
Immaterial rights	93 805.52	134 191.86
Goodwill	526 533.35	0.00
Other long-term expenses	2 087.62	4 870.90
Consolidated goodwill	15 898 301.40	9 486 491.13
<b>Total intangible assets</b>	<b>16 835 300.55</b>	<b>10 004 668.03</b>
<b>Tangible assets</b>		
Machinery and equipment	213 442.17	250 922.03
<b>Total tangible assets</b>	<b>213 442.17</b>	<b>250 922.03</b>
<b>Investments</b>		
Other shares and holdings	2 540.00	2 540.00
<b>Total investments</b>	<b>2 540.00</b>	<b>2 540.00</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>17 051 282.72</b>	<b>10 258 130.06</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Materials and supplies	14 988.00	14 550.00
<b>Total inventories</b>	<b>14 988.00</b>	<b>14 550.00</b>
<b>Long-term receivables</b>		
Other receivables	21 241.00	0.00
<b>Total long-term receivables</b>	<b>21 241.00</b>	<b>0.00</b>
<b>Short-term receivables</b>		
Trade receivables	2 584 060.03	2 031 651.11
Other receivables	108 355.56	124 189.94
Prepayments and accrued income	98 743.57	88 523.03
<b>Total short-term receivables</b>	<b>2 791 159.16</b>	<b>2 244 364.08</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	18 055 285.16	13 817 998.44
<b>TOTAL CURRENT ASSETS</b>	<b>20 882 673.32</b>	<b>16 076 912.52</b>
<b>TOTAL ASSETS</b>	<b>37 933 956,04</b>	<b>26 335 042,58</b>

	31.12.2021	31.12.2020
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital and other corresponding capital	106 000.15	106 000.15
Reserve for invested unrestricted equity	17 801 530.39	12 488 565.99
Retained earnings	5 433 886.10	3 216 316.84
Profit for the financial year	8 054 221.44	6 699 481.23
<b>TOTAL EQUITY</b>	<b>31 395 638.08</b>	<b>22 510 364.22</b>
<b>MINORITY INTERESTS</b>	<b>111 681.45</b>	<b>0.00</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Received advances	0.00	108.20
Trade payables	77 938.85	54 098.12
Other payables	1 152 242.15	812 161.15
Accruals	5 196 455.52	2 958 310.89
<b>Total current liabilities</b>	<b>6 426 636.52</b>	<b>3 824 678.36</b>
<b>TOTAL LIABILITIES</b>	<b>6 426 636.52</b>	<b>3 824 678.36</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37 933 956.04</b>	<b>26 335 042.58</b>

## Cash flow statement, group

	1.1. - 31.12.2021	1.1. - 31.12.2020
<b>Cash flow from operating activities:</b>		
Profit before taxes	10 331 106.19	8 609 091.22
Adjustments:		
Depreciation and amortisation	1 487 880.46	1 335 724.38
Financial income and expenses	42 950.78	9 176.63
Other adjustments	-50 000.00	0.00
<b>Cash flow before changes in working capital</b>	<b>11 811 937.43</b>	<b>9 953 992.23</b>
<b>Change in working capital:</b>		
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-63 759.39	54 830.93
Increase (-) / decrease (+) in inventories	-438.00	-1 262.00
Increase (+) / decrease (-) in trade and other payables	471 944.63	-602 966.20
<b>Cash flow from operating activities before financial items and taxes</b>	<b>12 219 684.67</b>	<b>9 404 594.96</b>
Interest and other financial costs paid	-46 364.66	-16 429.49
Interests received	3 413.88	7 252.86
Income taxes paid	-947 887.16	-1 888 595.31
<b>Cash flow from operating activities (A)</b>	<b>11 228 846.73</b>	<b>7 506 823.02</b>
<b>Cash flow from investing activities:</b>		
Investments to tangible and intangible assets	-58 585.99	-82 582.21
Proceeds from investments to tangible and intangible assets	0.00	61 354.84
Investments in shares and business acquisitions	-1 951 152.56	-6 473 520.98
Sold businesses	50 000.00	0.00
Acquired businesses	-549 909.49	0.00
<b>Cash flow from investing activities (B)</b>	<b>-2 509 648.04</b>	<b>-6 494 748.35</b>
<b>Cash flow from financing activities:</b>		
Paid dividends and other profit distribution	-4 481 911.97	-3 515 943.60
<b>Cash flow from financing activities (C)</b>	<b>-4 481 911.97</b>	<b>-3 515 943.60</b>
<b>Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)</b>	<b>4 237 286.72</b>	<b>-2 503 868.93</b>
Cash and cash equivalents at the beginning of the financial year	13 817 998.44	16 321 867.37
Cash and cash equivalents at the end of the financial year	18 055 285.16	13 817 998.44
<b>Change in cash and cash equivalents</b>	<b>4 237 286.72</b>	<b>-2 503 868.93</b>

## Notes relating to group consolidated financial statements

### Accounting principles for group consolidated financial statements

- The group consolidated financial statements have been prepared in accordance with Finnish Accounting Standards (FAS).
- Intra-group transactions, mutual receivables and liabilities as well as internal profit distribution have been eliminated.
- The group consolidated financial statements have been prepared using the acquisition cost method. The price paid for the subsidiary's shares in excess of equity is presented as consolidated goodwill, which is scheduled to be amortized over five to ten years.
- The minority interest is separated from the Group's equity and profit and is presented as a separate item in the consolidated balance sheet and income statement.

### Group structure

- Admicom Oyj acquired 83.47% of Aitio Finland Oy's share capital through a share exchange on December 22, 2021. The total purchase price was EUR 5,312,964.40, which was carried out through a directed share issue. The acquisition generated goodwill of EUR 4,964,425.79, which will be amortized over 10 years.
- Admicom Finland Oy acquired 100% of Hillava Oy's share capital on December 22, 2021. The purchase price totaled EUR 2,531,000 and was paid in cash. The acquisition generated goodwill of EUR 2,544 522.43, which will be amortized over 10 years.

Group companies	Holding %
Admicom Finland Oy, Jyväskylä	100
Tocoman Oy, Helsinki	100
Aitio Finland Oy, Jyväskylä	83.47
Hillava Oy, Jyväskylä	100

Aitio Finland Oy and Hillava Oy have been merged with the Group as of December 22, 2021.

### Valuation principles and methods

- Fixed assets have been valued into the acquisition cost with depreciations according to the plan.
- Sales receivables, outstanding loans and other receivables have been valued to their nominal value or a lower probable value.
- Debts have been valued to their nominal value.

### Methods for depreciation and amortisation according to plan

The acquisition cost of the company's non-current assets will be eliminated in accordance with a pre-prepared plan. Assets with a probable economic life of less than three years and small acquisitions are recognised in full as an expense for the acquisition account period. There have been no changes in depreciation policies.

Asset	Depreciation	Method
Intangible rights	5 y	Straight-line depreciation
Development costs	5-10 y	Straight-line depreciation
Goodwill	5 y	Straight-line depreciation
Other long-term expenses	5 y	Straight-line depreciation
Consolidated goodwill	5-10 y	Straight-line depreciation
Machinery and equipment	25 %	Declining-balance depreciation

### Revenue accrual principles

- A company's recurrent invoicing will be entered as income on a monthly basis based on contracts in effect.
- Contractual charges contain a balancing component that is based on the actual revenue of customer companies over their accounting periods. Before the financial statements of customer companies have been completed, estimating the size of this batch contains substantive uncertainty, as a result of which the balancing invoices will only be recorded as the company's income on a prudent basis only after the financial statements of the customer companies are completed and the balancing sum is actually invoiced/ compensated. The share of balancing invoices was EUR 973,272.07 of the company's revenue over the accounting period of 2021, and EUR 1,084,563.84 over the accounting period of 2020.

## Notes relating to group consolidated financial statements

### Notes to non-current assets on balance sheet

Intangible and tangible assets

Group	Development costs	Intangible rights	Goodwill	Other long-term expenses	Machinery and equipment	Consolidated goodwill	Total
<b>Book value 31.12.2020</b>	379 114.14	134 191.86		4 870.90	250 922.03	9 486 491.13	10 255 590.06
Additions	126 862.88	41 088.00	574 400.00		29 734.02	7 508 948.22	8 281 033.12
Disposals							
<b>Acquisition cost 31.12.2021</b>	<b>505 977.02</b>	<b>175 279.86</b>	<b>574 400.00</b>	<b>4 870.90</b>	<b>280 656.05</b>	<b>16 995 439.35</b>	<b>18 536 623.18</b>
Accumulated depreciation 1.1.2021	-1 516 457.08	-1 077 329.80		-3 479.10	-398 729.58	-1 104 202.11	-4 100 197.67
Depreciation during the financial year	-191 404.36	-81 474.34	-47 866.65	-2 783.28	-67 213.88	-1 097 137.95	-1 487 880.46
Accumulated depreciation 31.12.2021	<b>-1 707 861.44</b>	<b>-1 158 804.14</b>	<b>-47 866.65</b>	<b>-6 262.38</b>	<b>-465 943.46</b>	<b>-2 201 340.06</b>	<b>-5 588 078.13</b>
<b>Book value 31.12.2021</b>	<b>314 572.66</b>	<b>93 805.52</b>	<b>526 533.35</b>	<b>2 087.62</b>	<b>213 442.17</b>	<b>15 898 301.40</b>	<b>17 048 742.72</b>

## Notes relating to group consolidated financial statements

### Goodwill

Admicom Finland Oy acquired the business operations of Lakeus Tilitoimisto Oy on 1 August 2021. This sale of business operations generated EUR 574,400 of goodwill. This goodwill will be depreciated with straight-line depreciations during its useful life within five years.

### Development costs

Development costs consist of development costs related to products developed for the commercial use of the Group's software. The increase in development costs for the financial year 2021 consists of the development costs capitalised by the company in the financial year 2021 in connection with the acquisition of Hillava Oy, totalling EUR 157,520.

### Material items of prepayments and accrued income

	2021	2020
Prepaid expenses	98 743.57	74 800.88
Income tax receivables	0.00	13 722.15
<b>Total</b>	<b>98 743.57</b>	<b>88 523.03</b>

### Notes to liabilities on the balance sheet

#### Notes to directed share issue

Admicom Oyj's Board of Directors decided on December 22, 2021 on a directed share issue based on the authorisation given to it by the Annual General Meeting on February 19, 2021, in which the company offered a total of 61,287 new shares to Rouhee Group Oy and Toni Paloniemi for subscription, contrary to the shareholders' subscription right. There was a weighty financial reason for directing the share issue referred to in Chapter 9, Section 4, Subsection 1 of the Finnish Limited Liability Companies Act, as the share issue ensures an effective implementation of mergers and acquisitions in accordance with the company's growth strategy. The subscription price of the share was EUR 86.69, which corresponded to the average price of the company's share on Nasdaq First North Growth Market Finland (October 1–December 21, 2021) and was recorded in full in the company's reserve for invested unrestricted equity. The subscription and payment period for the shares was December 22, 2021.

### Changes in equity

	2021	2020
<b>EQUITY</b>		
Share capital at the beginning of the financial year	106 000.15	106 000.15
Total share capital	106 000.15	106 000.15
<b>Total restricted equity</b>	<b>106 000.15</b>	<b>106 000.15</b>
Reserve for invested non-restricted equity at the beginning of the financial year	12 488 565.99	9 488 556.11
Special issue related to company acquisition	5 312 964.40	3 000 009.88
<b>Total unrestricted equity reserve</b>	<b>17 801 530.39</b>	<b>12 488 565.99</b>
Retained earnings/losses	9 915 798.07	6 732 260.44
Dividend distribution during the financial year	-4 481 911.97	-3 515 943.60
<b>Total retained earnings/losses</b>	<b>5 433 886.10</b>	<b>3 216 316.84</b>
Profit for the financial year	8 054 221.44	6 699 481.23
Total non-restricted equity	31 289 637.93	22 404 364.06
<b>TOTAL EQUITY</b>	<b>31 395 638.08</b>	<b>22 510 364.22</b>
<b>Minority interests</b>	<b>111 681.45</b>	<b>0.00</b>

### Material items of accrued liabilities

	2021	2020
Personnel expenses	1 713 219.86	1 240 077.01
Expense accruals	208 683.91	67 717.59
Income tax liabilities	1 560 577.89	190 403.93
Preliminary invoicing	1 713 973.86	1 460 112.36
<b>Total</b>	<b>5 196 455.52</b>	<b>2 958 310.89</b>

## Notes relating to group consolidated financial statements

### Notes to income statement

#### Other proceeds of business operations

Other proceeds of business operations include the proceeds of the sale of business operations that occurred on 1 September 2021 amounting to EUR 50,000.

#### Other operating expenses

	2021	2020
Rent of business premises	759 450.29	736 548.51
Other administrative services	303 470.84	330 163.32
Advertising and marketing	348 027.02	169 437.67
Staff training	177 812.03	139 433.88
Purchases of machinery and equipment	112 976.74	127 831.08
Other operating expenses	952 582.46	1 195 928.70
<b>Total (VAT 0 %)</b>	<b>2 654 319.38</b>	<b>2 699 343.16</b>

### Issued collateral, off-balance sheet liabilities and arrangements, and pension liabilities

#### Rental security deposits for business premises

	2021	2020
Rental deposit accounts	60 691.60	92 077.12
<b>Total (VAT 0 %)</b>	<b>60 691.60</b>	<b>92 077.12</b>

#### Off-balance sheet rental liabilities for business premises

	2021	2020
Payable the next financial year	739 672.57	575 418.14
Payable later	2 348 798.65	2 187 777.07
<b>Total (VAT 0 %)</b>	<b>3 088 471.22</b>	<b>2 763 195.21</b>

#### Guarantees on behalf of group companies

	2021	2020
Rental guarantees	55 082.36	0.00

#### Pension commitments

Company's pension liabilities are insured with external pension insurance companies.

#### Leasing commitments

	2021	2020
Payable the next financial year	13 655.60	0.00
Payable later	37 465.90	0.00
<b>Total (VAT 0 %)</b>	<b>51 121.50</b>	<b>0.00</b>

## Notes relating to group consolidated financial statements

### Notes to Auditor's fees

	2021	2020
Audit fees	25 400.00	19 150.00
Other fees	900.00	0.00
Statutory auditor 's opinions	5 450.00	2 375.00
<b>Total (VAT 0 %)</b>	<b>31 750.00</b>	<b>21 525.00</b>

### Related party transactions

- Admicom Finland Oy has granted Admicom Oyj a monetary loan of EUR 2,900,000. The loan period is at most 12 months. The loan period can be extended in segments of 3 months by mutual agreement, provided that there is a written agreement in place before the current period ends. The interest of the loan is 3 %. The interest is charged at the end of the year, and the remainder when the loan matures.
- During the financial year, Admicom Finland Oy has paid EUR 412,287.78 in rent for the premises to a company that is partially owned by the Chairman of the Board. The paid rent sum is based on average square metre rents of the region and the rent is paid according to conventional commercial terms.
- During the financial year, the Group companies had sales to related parties totaling EUR 81,250.14 and purchases from related parties totaling EUR 175,046.12. Transactions terms with related parties correspond to transactions with unrelated parties.

### Notes to personnel and members of institutions

#### Number of employees on average during the financial year

	2021	2020
Number of employees on average	180	172

#### Management compensation

	2021	2020
CEO and members of the board of directors	214 182.19	109 407.08

The company only pays board member compensation to board members from outside of the company. For the financial period 1.1. – 31.12.2021, the company paid board member compensation to six (6) persons.

#### Relevant events after the ending of the reporting period

No material events.

# Financial statements, parent company

## Income statement, parent company (FAS)

	1.1. - 31.12.2021	1.1. - 31.12.2020
<b>REVENUE</b>	<b>451 168.00</b>	<b>1 270 970.44</b>
Other operating income	0.00	-1 717.00
<b>Materials and services</b>		
<b>Materials and supplies</b>		
Purchases during the financial year	0.00	-267.53
<b>Total materials and services</b>	<b>0.00</b>	<b>-267.53</b>
<b>Personnel expenses</b>		
Wages and salaries	-479 635.61	-791 356.35
<b>Social security expenses</b>		
Pension expenses	-66 618.97	-112 749.88
Other social security expenses	-5 324.52	-20 211.97
<b>Total personnel expenses</b>	<b>-551 579.10</b>	<b>-924 318.20</b>
Other operating expenses	-269 046.37	-257 683.70
<b>OPERATING PROFIT/LOSS</b>	<b>-369 457.47</b>	<b>86 984.01</b>
<b>Financial income and expenses</b>		
Income from shares in group companies	7 756 839.47	2 763 266.00
Other interest and financial income	196.09	1 025.09
Interest expenses and other financial expenses	-112 520.11	-108 262.90
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>	<b>7 275 057.98</b>	<b>2 743 012.20</b>
<b>Appropriations</b>		
Group contributions received	500 000.00	0.00
Income taxes	1.55	45.71
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>7 775 059.53</b>	<b>2 743 057.91</b>

## Balance sheet, parent company (FAS)

	31.12.2021	31.12.2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Investments</b>		
Shares in group companies	20 613 640.99	15 100 176.84
<b>Total investments</b>	<b>20 613 640.99</b>	<b>15 100 176.84</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>20 613 640.99</b>	<b>15 100 176.84</b>
<b>CURRENT ASSETS</b>		
<b>Short-term receivables</b>		
Receivables from group companies	501 450.39	11 791.16
Other receivables	39 856.06	0.00
Prepayments and accrued income	5 064.50	24 008.77
<b>Total short-term receivables</b>	<b>546 370.95</b>	<b>35 799.93</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	7 984 885.77	5 267 030.50
<b>TOTAL CURRENT ASSETS</b>	<b>8 531 256.72</b>	<b>5 302 830.43</b>
<b>TOTAL ASSETS</b>	<b>29 144 897.71</b>	<b>20 403 007.27</b>

	31.12.2021	31.12.2020
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital and other corresponding capital	106 000.15	106 000.15
Reserve for invested unrestricted equity	17 801 429.59	12 488 465.19
Retained earnings/loss	155 111.60	1 896 258.87
Profit for the financial year	7 775 059.53	2 743 057.91
<b>TOTAL EQUITY</b>	<b>25 837 600.87</b>	<b>17 233 782.12</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	11 321.20	10 679.01
Payables to group companies	2 980 436.94	2 900 000.00
Other payables	96 412.80	77 217.29
Accruals	219 125.90	181 328.85
<b>Total current liabilities</b>	<b>3 307 296.84</b>	<b>3 169 225.15</b>
<b>TOTAL LIABILITIES</b>	<b>3 307 296.84</b>	<b>3 169 225.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29 144 897.71</b>	<b>20 403 007.27</b>

## Cash flow statement, parent company

	1.1. - 31.12.2021	1.1. - 31.12.2020
<b>Cash flow from operating activities:</b>		
Profit before appropriations and taxes	7 275 057.98	2 743 012.20
Adjustments:		
Financial income and expenses	-7 644 515.45	-2 656 028.19
<b>Cash flow before changes in working capital</b>	<b>-369 457.47</b>	<b>86 984.01</b>
<b>Changes in working capital:</b>		
Increase (-)/decrease (+) in trade and other receivables	-24 293.17	-2 903.09
Increase (+)/decrease (-) in trade and other payables	-58 097.73	-13 183.80
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-451 848.37</b>	<b>70 897.12</b>
Interest and other financial costs paid	-112 520.11	-108 262.90
Interests received	196.09	1 025.09
Tax refunds received	13 723.70	567 121.43
<b>Cash flow from operating activities (A)</b>	<b>-550 448.69</b>	<b>530 780.74</b>
<b>Cash flow from investing activities:</b>		
Acquisition of a subsidiary	-4 330.33	-7 457 112.72
Dividends received from investments	7 756 839.47	2 763 266.00
Received group contributions, which have been paid	0.00	2 900 000.00
<b>Cash flow from investing activities (B)</b>	<b>7 752 509.14</b>	<b>-1 793 846.72</b>
<b>Cash flow from financing activities:</b>		
Repayment of current loans	0.00	-301 710.70
Paid dividends and other profit distribution	-4 484 205.18	-3 517 758.00
<b>Cash flow from financing activities (C)</b>	<b>-4 484 205.18</b>	<b>-3 819 468.70</b>
<b>Change in cash and cash equivalents (A+B+C) increase (+)/decrease (-)</b>	<b>2 717 855.27</b>	<b>-5 082 534.68</b>
Cash and cash equivalents at the beginning of the financial year	5 267 030.50	10 349 565.18
Cash and cash equivalents at the end of the financial year	7 984 885.77	5 267 030.50
<b>Change in cash and cash equivalents</b>	<b>2 717 855.27</b>	<b>-5 082 534.68</b>

## Notes relating to parent company

### Accounting principles for financial statements

- Fixed assets have been valued into the acquisition cost with depreciations according to the plan.
- Sales receivables, outstanding loans and other receivables have been valued to their nominal value or a lower probable value.
- Debts have been valued to their nominal value.

### Notes to the assets on the balance sheet

#### Material items of prepayments and accrued income

	2021	2020
Prepaid expenses	5 064.50	10 286.62
Income tax receivables	0.00	13 722.15
<b>Total</b>	<b>5 064.50</b>	<b>24 008.77</b>

#### Receivables from group companies

	2021	2020
Current receivables		
Group trade receivables	1 450.39	11 791.16
Group contributions received	500 000.00	0.00
<b>Total</b>	<b>501 450.39</b>	<b>11 791.16</b>

### Notes to the liabilities on the balance sheet

#### Notes to directed share issue

Admicom Oyj's Board of Directors decided on December 22, 2021 on a directed share issue based on the authorisation given to it by the Annual General Meeting on February 19, 2021, in which the company offered a total of 61,287 new shares to Rouhee Group Oy and Toni Paloniemi for subscription, contrary to the shareholders' subscription right. There was a weighty financial reason for directing the share issue referred to in Chapter 9, Section 4, Subsection 1 of the Finnish Limited Liability Companies Act, as the share issue ensures an effective implementation of mergers and acquisitions in accordance with the company's growth strategy. The subscription price of the share was EUR 86.69, which corresponded to the average price of the company's share on Nasdaq First North Growth Market Finland (October 1 –December 21, 2021) and was recorded in full in the company's reserve for invested unrestricted equity. The subscription and payment period for the shares was December 22, 2021.

#### Changes in equity

	2021	2020
<b>EQUITY</b>		
Share capital at the beginning of the financial year	106 000.15	106 000.15
Total share capital	106 000.15	106 000.15
<b>Total restricted equity</b>	<b>106 000.15</b>	<b>106 000.15</b>
Reserve for invested non-restricted equity at the beginning of the financial year	12 488 465.19	9 488 455.31
Directed share issue related to company acquisition	5 312 964.40	3 000 009.88
<b>Total unrestricted equity reserve</b>	<b>17 801 429.59</b>	<b>12 488 465.19</b>
Retained earnings/losses	4 639 316.78	5 414 016.87
Dividend distribution during the financial year	-4 484 205.18	-3 517 758.00
<b>Total retained earnings/losses</b>	<b>155 111.60</b>	<b>1 896 258.87</b>
Profit for the financial year	7 775 059.53	2 743 057.91
Total non-restricted equity	<b>25 731 600.72</b>	17 127 781.97
<b>TOTAL EQUITY</b>	<b>25 837 600.87</b>	<b>17 233 782.12</b>

## Notes relating to parent company

### Distributable non-restricted equity

	2021	2020
Reserve of invested non-restricted equity	17 801 429.59	12 488 465.19
Retained earnings/losses	155 111.60	1 896 258.87
Profit for the financial year	7 775 059.53	2 743 057.91
<b>Total</b>	<b>25 731 600.72</b>	<b>17 127 781.97</b>

### Material items of accrued liabilities

	2021	2020
Personnel expenses	78 106.23	179 168.85
Expense accruals	141 019.67	2 160.00
<b>Total</b>	<b>219 125.90</b>	<b>181 328.85</b>

### Payables to group companies

	2021	2020
Short-term payables		
Trade payables	80 436.94	0.00
Other payables	2 900 000.00	2 900 000.00
<b>Total</b>	<b>2 980 436.94</b>	<b>2 900 000.00</b>

### Other operating expenses

	2021	2020
Other administrative services	187 139.57	146 802.55
Other operating expenses	81 906.80	110 881.15
<b>Total</b>	<b>269 046.37</b>	<b>257 683.70</b>

### Issued collateral, off-balance sheet liabilities and arrangements, and pension liabilities

#### Guarantees on behalf on group companies

	2021	2020
Rental guarantees	55 082.36	0.00

#### Pension commitments

Company's pension liabilities are insured with external pension insurance companies.

#### Notes to Auditor's fees

	2021	2020
Audit fees	13 000.00	10 800.00
Statutory auditor 's opinions	5 450.00	2 375.00
<b>Total (VAT 0 %)</b>	<b>18 450.00</b>	<b>13 175.00</b>

#### Related party transactions

- Admicom Finland Oy has granted Admicom Oyj a monetary loan of EUR 2,900,000. The loan period is at most 12 months. The loan period can be extended in segments of 3 months by mutual agreement, provided that there is a written agreement in place before the current period ends. The interest of the loan is 3 %. The interest is charged at the end of the year, and the remainder when the loan matures.
- During the financial year, the companies had purchases from related parties totaling EUR 103,680.00. Transactions terms with related parties correspond to transactions with unrelated parties.

## Notes relating to parent company

### Notes to personnel and members of institutions

	2021	2020
Number of employees on average	8	16

### Management compensation

	2021	2020
CEO and members of the board of directors	214 182.19	109 407.80

The company only pays board member compensation to board members from outside of the company. For the financial period 1.1. – 31.12.2021, the company paid board member compensation to six (6) persons.

### Company's shares

- The Company has 4,927,698 shares.
- Admicom Finland Oy controlled 2,520 pcs of Admicom Oyj stock, which were acquired as the employment relationship of an employee concluded in 2018. The sale price of the stocks was EUR 3,503.50.

### Group companies

During the financial year, the company acquired 83.47% of Aitio Finland Oy's share capital (December 22, 2021)

Group companies	Holding %
Admicom Finland Oy, Jyväskylä	100
Tocoman Oy, Helsinki	100
Aitio Finland Oy, Jyväskylä	83.47

## Accounting materials

### List of accounting books

Accounting book	Storage
Financial statements	in electronic form
Balance sheet specifications	in electronic form
Journal ledger	in electronic form
General ledger	in electronic form

### Journal types

No	Journal type	Storage
100	Sales invoices	in electronic form
105	Sales credit notes	in electronic form
150	Remittances from bank statements	in electronic form
200	Purchase invoices	in electronic form
205	Purchase credit notes	in electronic form
250	Payments from bank statements	in electronic form
300	Memo journals	in electronic form
310	Recurring events	in electronic form
340	Bank statement receipts	in electronic form
350	Correction receipts	in electronic form
351	Correction transfers	in electronic form
390	Internal accounting	in electronic form
399	Financial statements	in electronic form
400	VAT calculation	in electronic form
500	Wages	in electronic form
811	Stocktaking	in electronic form
990	Receipts of notes	in electronic form

### Storage of accounting material

Specifications	Storage
Purchase ledger specifications	in electronic form
Sales ledger specifications	in electronic form
Stock accounting specifications	in electronic form

## Signatures to the financial statements

Jyväskylä, January 20, 2022

**Timo Häll**  
Chairman of the board of directors

**Petri Aho**  
CEO

**Pasi Aaltola**  
Member of the board of directors

**Sami Kettunen**  
Member of the board of directors

**Jarmo Suonpää**  
Member of the board of directors

**Olli Nokso-Koivisto**  
Member of the board of directors

**Kyösti Moisio**  
Member of the board of directors

## Auditor's note

An auditor's report has been issued today.

Jyväskylä, January 20, 2022

**KPMG Oy Ab**  
Audit firm

**Anna-Riikka Maunula**  
APA

# Auditor's report

*This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.*

To the Annual General Meeting of Admicom Oyj

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Admicom Oyj (business identity code 2800085-4) for the year ended 31 December, 2021. 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 and comply with statutory requirements. The Board of Directors and the Managing 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 a 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 about 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 the 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, or the 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.

# Auditor's report

## Other Reporting Requirements

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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. 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, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Jyväskylä, January 20, 2022

KPMG OY AB

**ANNA-RIIKKA MAUNULA**

*Authorised Public Accountant, KHT*

# Governance

## the Board of Directors

### TIMO HÄLL

Chairman of the board  
b. 1971  
Master of Science in Economics and Business Administration, MBA

### PASI AALTOLA

Member of the board (Vice Chairman)  
b. 1976  
PhD

### JARMO SUONPÄÄ

Member of the board  
b. 1958,  
Reserve judge

### SAMI KETTUNEN

Member of the board  
b. 1969  
Master of Science in Economics and Business Administration

### OLLI NOKSO-KOIVISTO

Member of the board  
b. 1984  
Undergraduate Student of science

### KYÖSTI MOISIO

Member of the board  
b. 1966  
Reserve judge

## Executive Team



### PETRI AHO

Interim CEO, CFO  
Admicom Oyj  
b. 1977  
MSc. Finance and economics



### ANNA-MAIJA IJÄS

CEO  
Admicom Finland Oy  
b. 1984  
eMBA (2019-)  
Vocational Qualification in Business and Administration (Financial administration)



### MIIKKA ENKOVAARA

CEO  
Tocoman Oy  
b. 1988  
M.Sc. (Econ.)



# admicom

[www.admicom.fi](http://www.admicom.fi)



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00620 Helsinki

**TAMPERE**  
Biokatu 10  
33520 Tampere

**OULU**  
Asemakatu 37  
90100 Oulu

**SEINÄJOKI**  
Puurtajantie 16  
60100 Seinäjoki

**TURKU**  
Puutarhakatu 45  
20100 Turku