

**TALENOM PLC BUSINESS REVIEW JANUARY–MARCH 2021  
(UNAUDITED): AN EXCELLENT START TO THE FINANCIAL YEAR,  
OPERATING PROFIT WAS 21.7% AND NET SALES  
GROWTH 17.0% – STRONGER PRECONDITIONS FOR GROWTH**

1 January – 31 March 2021

*Talenom is an agile and progressive accounting firm established in 1972. Our business idea is to make day-to-day life easier for entrepreneurs with the easiest-to-use digital tools on the market and highly automated services. In addition to comprehensive accounting services, we support our customers' business with a wide range of expert services as well as financing and banking services. Our vision is to provide unbeatable accounting and banking services for SMEs.*

*Talenom has a history of strong growth – the average annual increase in net sales was approximately 15.5% between 2005 and 2020. At the end of March 2021, Talenom had 932 employees in Finland and Sweden, at a total of 55 locations. Talenom's share is quoted on the main list of the Helsinki Stock Exchange.*



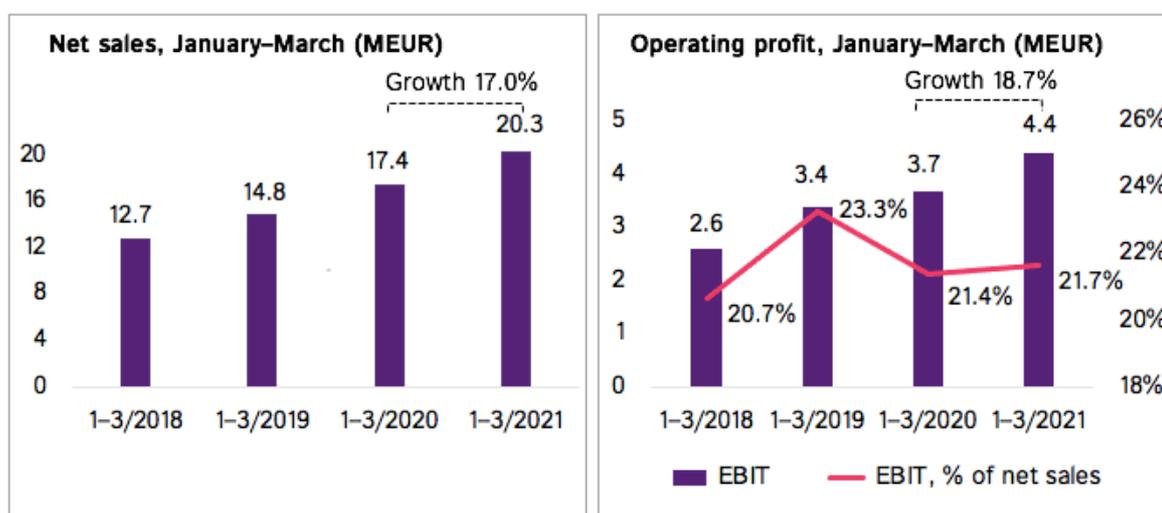
**TALENOM**

*yrittämisen iloa*

# TALENOM PLC BUSINESS REVIEW JANUARY–MARCH 2021 (UNAUDITED): AN EXCELLENT START TO THE FINANCIAL YEAR, OPERATING PROFIT WAS 21.7% AND NET SALES GROWTH 17.0% – STRONGER PRECONDITIONS FOR GROWTH

## JANUARY–MARCH 2021 IN BRIEF:

- Net sales 20.3 (17.4) million euros, increase 17.0% (17.4%)
- Operating profit (EBIT) 4.4 (3.7) million euros, 21.7% (21.4%) of net sales
- Net profit 3.3 (2.8) million euros
- Earnings per share 0.08 (0.07) euros
- On 15 April 2021, Talenom raised its guidance for 2021 regarding net sales. Net sales for 2021 are expected to amount to 80–84 million euros and operating profit is expected to be 14–16 million euros.



Group	1-3/2021	1-3/2020	Change
Net sales, thousands of euro	20,307	17,350	2,958
Net sales, increase %	17.0%	17.4%	-0.3 percentage points
Operating profit (EBIT), thousands of euro	4,412	3,718	694
Operating profit (EBIT), as % of net sales	21.7%	21.4%	0.3 percentage points
Return on investment (ROI), % (rolling 12 months)	19.9%	19.7%	0.2 percentage points
Liquid assets, thousands of euro	10,265	5,268	4,997
Earnings per share, euro	0.08	0.07	0.01
Net profit, thousands of euro	3,348	2,806	542

*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.*

## **GUIDANCE FOR 2021**

On 15 April 2021, due to the acquisition of Balance-Team Oy, Talenom revised its financial outlook and raised its guidance for 2021 regarding net sales.

Guidance for 2021: Net sales for 2021 are expected to amount to 80–84 million euros and operating profit is expected to be 14–16 million euros.

## CEO OTTO-PEKKA HUHTALA

In the first quarter of the year, we continued to resolutely drive the implementation of our strategy of strong and profitable growth. We were particularly delighted by our accounting business in Finland – the development of both its organic growth and profitability without the effect of acquisitions was once again excellent. We also continued to grow through acquisitions, and the integrations of the acquirees proceeded according to plan. The Finnish accounting business is an important cornerstone for us. It creates the preconditions for successful development of the company and international growth.

In Sweden, we expanded to new locations through acquisitions. At the same time, the completion of the acquisitions strengthened our country management in Sweden. The project to localise the KontoKalle service – equivalent to our TiliJaska service for the small customer segment in Finland – has progressed as planned in Sweden. Our aim is that the first pilot customers can start using the service in the summer, in line with the original schedule. The deployment of KontoKalle is the first step in the introduction of Talenom's own bookkeeping system in Sweden.

In Finland, we deployed bank accounts and cards in TiliJaska service for the first small entrepreneur customers in March, as planned. At the same time, we took a significant step towards our vision: unbeatable accounting and banking services for SMEs. We are a competitive new challenger in banking services for SMEs. We can open a bank account for a customer in minutes and offer savings on banking service fees with free banking services for the smallest companies. With own accounts and cards, the TiliJaska service is transferring into full production. Our goal is to offer banking services also to Talenom's current customers during the present year.

Net sales for January–March grew by 17.0% and operating profit improved by 18.7%. In addition to organic growth, net sales grew due to several acquisitions in Finland and Sweden. Operating profit grew especially due to the increase in the degree of automation in our Finnish accounting business. As expected, our relative profitability was weighed down by the weaker profitability of acquired businesses. Our experience of acquisitions and integrations has shown that, on average, the profitability of acquired businesses improves to the level of our core business within around three years. The coronavirus pandemic had a minor impact during the review period.

In April, after the end of the review period, we strengthened our position as a significant provider of financial management services for nonprofit organisations in Finland by acquiring Balance-Team Oy. At the same time, we once again raised our guidance for 2021 regarding net sales: net sales for 2021 are expected to amount to 80–84 million euros and operating profit is expected to be 14–16 million euros. Our focus is even more strongly on growth. Many accounting firm entrepreneurs feel that the digital transformation of the accounting business and increasing regulation are leading to a situation in which professionals in this field should join forces.

Thanks to the favourable development of our business in Finland, we are also well poised to pursue international growth. Our experiences in Sweden have encouraged us to explore opportunities to expand into new countries, and our goal is to export our services to other European countries, too. Providing accounting and banking services under the same roof is the key to our success, both now and in the future.

## FINANCIAL DEVELOPMENT

### KEY FIGURES

Group	1-3/2021	1-3/2020	Change
Net sales, thousands of euro	20,307	17,350	2,958
Net sales, increase %	17.0%	17.4%	-0.3 percentage points
Operating profit (EBIT), thousands of euro	4,412	3,718	694
Operating profit (EBIT), as % of net sales	21.7%	21.4%	0.3 percentage points
Return on investment (ROI), % (rolling 12 months)	19.9%	19.7%	0.2 percentage points
Interest-bearing net liabilities, thousands of euro	35,643	31,771	3,872
Net gearing ratio, %	115%	142%	-27 percentage points
Equity ratio, %	32.3%	31.1%	1.2 percentage points
Working capital, thousands of euro	-6,564	-4,609	-1,955
Net investments, thousands of euro	9,784	4,059	5,725
Liquid assets, thousands of euro	10,265	5,268	4,997
Earnings per share, euro	0.08	0.07	0.01
Weighted average number of shares during the period	43,195,636	41,871,790	1,323,846
Net profit, thousands of euro	3,348	2,806	542

### NET SALES, PROFITABILITY AND FINANCIAL PERFORMANCE – JANUARY–MARCH 2021

During the period from January to March, Talenom's net sales increased by 17.0% (17.4%) year-on-year. Amounting to 20.3 (17.4) million euros, net sales grew by around 3.0 (2.6) million euros. Net sales grew due to organic growth and an increase in the number of accounting service customers as well as acquisitions in Finland and Sweden. About two-thirds of growth was generated by acquisitions and one-third by proactive new customer acquisition efforts. Net sales growth in the review period was slowed down by lower invoicing of transaction-based products and a slowdown in new customer acquisition due to coronavirus pandemic-related restrictions. However, the coronavirus pandemic had a minor impact during the review period.

In the review period, personnel expenses amounted to 10.8 (8.6) million euros, 53.2% (49.5%) of net sales.

Other operating expenses, including materials and services, totalled 2.4 (2.6) million euros, accounting for 11.7% (14.9%) of net sales.

During the review period, operating profit (EBIT) was 4.4 (3.7) million euros, 21.7% (21.4%) of net sales. Net profit was 3.3 (2.8) million euros. Operating profit improved by 18.7%. Development of the degree of automation in the Finnish accounting business and savings on fixed costs had a favourable impact on relative profitability. As Talenom's growth is based on acquisitions to a greater extent than before, the weaker profitability of the acquirees and integration costs burdened relative profitability. The profitability of businesses acquired by Talenom has typically been lower than that

of other operations for around three years after the acquisition date on average, after which it has risen to the level of other units.

## **BALANCE SHEET, FINANCING AND INVESTMENTS**

On 31 March 2021, the consolidated balance sheet total was 96.3 (72.2) million euros. The Group's equity ratio was 32.3% (31.1%) and the net gearing ratio was 115% (142%).

The Group's interest-bearing financial loans at the end of the review period were 37.0 (28.0) million euros, excluding instalment debts. Other non-current interest-bearing liabilities (instalment debts) were 0.3 (0.2) million euros and other current interest-bearing liabilities (instalment debts) were 0.2 (0.2) million euros.

In accordance with IFRS 16 Leases, as of 1 January 2019, the Group recognises leases of business premises in the balance sheet mainly as assets and liabilities. In accordance with IFRS 16, non-current lease liabilities stood at 6.0 (6.6) million euros and current lease liabilities at 2.5 (2.0) million euros.

The Group recognises the costs of new customer contracts, such as costs of obtaining and fulfilling a contract, as investments as specified in IFRS 15. These costs are presented in the balance sheet under "capitalised contract costs". Furthermore, the Group recognises a part of the development costs related to software and digital services as investments according to the requirements outlined in IAS 38. These costs are presented in the balance sheet under "other intangible assets". Investments stemming from new customer contracts amounted to 0.9 (1.1) million euros in the review period. Investments concerning software and digital services amounted to 2.8 (2.4) million euros.

During the review period, Talenom carried out several acquisitions in Finland and Sweden, in Sweden as share transactions and in Finland as asset deals. The purchase prices of the share transactions carried out in Sweden during the review period totalled 4.4 million euros, including the recognition of additional purchase prices, and the purchase prices of asset deals in Finland amounted to 1.2 million euros, including recognition of additional purchase prices. In acquisitions, part of the purchase price was paid with new Talenom Plc shares subscribed for in a directed issue. Acquisitions accounted for 5.5 (0.3) million euros of Talenom's net investments. More information on acquisitions is presented under "Significant events in the review period".

The company's total net investments in the review period 1 January–31 March 2021 were 9.8 (4.1) million euros.

Talenom's liquid assets at 31 March 2021 were 10.3 (5.3) million euros. In addition, the company had unused overdraft limits of 3.0 (1.0) million euros at the end of the review period.

## PERSONNEL AND MANAGEMENT

The average number of personnel during the review period 1 January–31 March 2021 was 929 (831). During the review period, the members of the company's Executive Board were Otto-Pekka Huhtala (CEO), Antti Aho (CFO and CHRO), Tuomas Iivanainen (Director, International Business), Juho Aho (Director, Accounting Services) and Juha Jutila (Director, Business Development). There were no changes in the composition of the Executive Board during the review period.

## SHARES AND SHAREHOLDERS

On 31 March 2021, Talenom Plc had a total of 43,366,337 (42,757,526) shares entered in the Trade Register. The company held 150,600 treasury shares (0.35% of the total number of shares and votes) at the end of the review period. On 31 March 2021, Talenom had a total of 7,986 (5,194) shareholders, representing an increase of 2,792 shareholders, year on year.

There were 62 trading days in the review period 1 January–31 March 2021. A total of 3,785,336 shares were traded during this period, and the value of the shares traded was 45,587,017 euros. The highest price of the share was 15.25 euros and the lowest price was 10.6 euros. The volume weighted average price was 12.04 euros and the closing price at the end of the review period (31 March 2021) was 10.7 euros. In accordance with the closing price, the combined market value of the shares was approximately 464.0 million euros.

## FLAGGING NOTIFICATIONS

During the review period, Talenom received one notification of changes in holdings in accordance with Chapter 9, Section 10 of the Securities Markets Act.

According to a notification received on 10 February 2021, the number of Talenom Plc shares owned by Harri Tahkola decreased below the 20% limit of all Talenom Plc shares due to share transactions.

## SIGNIFICANT EVENTS IN THE REVIEW PERIOD

- Talenom carried out several acquisitions in Finland and Sweden during the review period. In Finland, Talenom acquired the accounting business of Balance Systems Oy in Kemi and the business entity formed by Laskentalinja Oy and Lapinlahden Yrityspalvelu Oy in Kuopio in February as well as the accounting business of Tilipalvelu Pirkko Kempainen Oy in Ivalo in March.

Through acquisitions in Sweden, Talenom expanded its operations to new locations: Växjö, Östersund and Åre. The accounting firms of Ekonomianalys KL AB and Persson & Thorin AB in Järfälla and Växjö were transferred to Talenom on 4 January 2021. The transactions had been agreed upon in December 2020. In March, Talenom agreed to acquire Crescendo AB's accounting firm in Nacka and ProgreDO AB's accounting firm in Östersund and Åre. These acquired businesses were transferred to Talenom after the end of the review period 1 April 2021 onwards, and are thus not included in the figures in the table below.

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

Thousand euro	Share transactions (Sweden)	Asset deals (Finland)
Purchase prices, total	2,879	800
Maximum additional purchase price	2,280	410
12-month net sales at the time of acquisition, total	3,458	1,426
12-month operating profit at the time of acquisition, total	325	333

In the acquisitions, part of the purchase price was paid with new Talenom Plc shares subscribed for in a directed issue. A total of 136,807 shares were subscribed for in directed share issues related to acquisitions during the review period.

- Talenom Plc's Annual General Meeting was held on 3 March 2021 in Helsinki. The Annual General Meeting was organised in accordance with an exceptional procedure based on the temporary legislative act to limit the spread of the Covid-19 pandemic approved by the Finnish Parliament. Shareholders and their proxy representatives could participate in the Annual General Meeting only by voting and submitting counterproposals in advance.

The Annual General Meeting decided to issue a dividend of 0.15 euros per share for the financial period 1 January–31 December 2020. The dividend was paid to shareholders on 12 March 2021.

The Annual General Meeting authorised the Board of Directors to resolve on the repurchase of a maximum of 150,000 own shares in the company in one or several tranches using the company's unrestricted shareholders' equity. The shares will be repurchased otherwise than in proportion to the shareholdings of the shareholders in public trading arranged by Nasdaq Helsinki Ltd for the market price at the moment of purchase. The authorisation remains valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2022. The authorisation replaces the previous authorisation to repurchase own shares granted by the Annual General Meeting on 25 February 2020.

The Annual General Meeting authorised the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act in one or several tranches, either against payment or without payment. The aggregate amount of shares to be issued, including the shares to be received based on special rights, must not exceed 2,100,000 shares. The authorisation is used for the purposes of paying purchase prices of corporate acquisitions, share issues directed to personnel or share award schemes or to issue share options or for other purposes decided by the Board of Directors. The authorisation remains valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2022. The authorisation revokes all previous unused authorisations to resolve on the issuance of shares, option rights and other special rights entitling to shares.

The Annual General Meeting elected Harri Tahkola, Mikko Siuruainen, Olli Hyyppä, Johannes Karjula and Sampsa Laine as the members of the Board of Directors for a new term of office and elected Elina Tourunen as a new member of the Board of Directors. In its organisational meeting held after the Annual General Meeting, the Board of Directors elected Harri Tahkola as Chairman of the Board of Directors. The Annual General Meeting re-elected the auditing

firm KPMG Ltd, authorised public accountant organisation, as the auditor, with Juho Rautio, authorised public accountant, as the principal auditor.

- 14,750 new Talenom Plc shares subscribed with stock options 2016C were entered in the Trade Register on 8 March 2021. The total subscription price, 11,652.50 euros, was fully recorded in the company's invested unrestricted equity fund.
- On 18 March 2021, due to the acquisition of Crescendo AB and Progredo AB, Talenom revised its financial outlook and raised its guidance for 2021 regarding net sales. The new guidance for 2021 issued on 18 March 2021 was: Net sales for 2021 are expected to amount to 78–82 million euros and operating profit is expected to be 14–16 million euros. According to the previous guidance that was published in the Financial Statement Bulletin 2020 on 8 February 2021, net sales for 2021 were expected to amount to 75–80 million euros and operating profit was expected to be 14–16 million euros. Talenom has later, on 15 April 2021, updated its guidance again. For more information, see the section "Guidance for 2021".

## **EVENTS AFTER THE REVIEW PERIOD**

- In its Business Review for January–September 2020, Talenom announced that it will expand its offering to banking services, including both physical and virtual payment cards, an IBAN account, SEPA payments, and electronic bank account statements integrated into bookkeeping. On 1 April 2021, Talenom announced that after successful testing, its banking services had went into production and were successfully deployed for the first customers. The company is starting the deployment of banking services for customers in the TiliJaska service for small customers. Talenom aims to make the banking services available to its current customers in 2021.
- In accordance with acquisition agreed upon on 18 March 2021, the acquired businesses of Crescendo AB and Progredo AB were transferred to Talenom 1 April 2021 onwards. The purchase price was 2.2 million euros. The 99,285 new shares subscribed for in the directed share issue related to the acquisition were registered in the Trade Register on 8 April 2021.
- On 1 April 2021, Talenom acquired Frivolous Oy's accounting firm operations under the auxiliary company name AC-Tilit in Espoo and accounting firm operations of Tilitoimisto Reijo Mäki Oy in Hämeenlinna. The combined net sales of the acquired businesses transferred to Talenom amount to about 0.6 million euros. In the short term, the business acquisitions will not have any significant impact on Talenom's financial position or future outlook.
- In April, Talenom acquired the Helsinki-based Balance-Team Oy, which specialises in financial management for associations. Talenom already has a business unit focused on associations and foundations, and with the acquisition of Balance-Team Oy Talenom is a significant provider of financial management services for nonprofit organisations in Finland. The share capital of Balance-Team Oy was transferred to Talenom on 15 April 2021. The acquired company was formed on 1 April 2021 in a demerger in which non-accounting activities and assets were separated from the company. Net sales of the transferred accounting business for the financial year ended 31 December 2020 were 2.7 million euros (31 December 2019: 2.8 million euros) and EBITDA was 1.0 million euros (31 December 2019: 1.0 million euros).

As a result of the acquisition, Talenom revised its financial outlook on 15 April 2021 and raised its guidance for 2021 regarding net sales: Net sales for 2021 are expected to amount to 80–84 million euros and operating profit is expected to be 14–16 million euros. For more information, see the section “Guidance for 2021”.

## **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, 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.

## **FINANCIAL REPORTING IN 2021**

Talenom’s publication schedule for financial reports in 2021 is:

- Half-year report for January–June 2021 on Monday, 2 August 2021 at around 13:30
- Business Review for January–September 2021 on Monday, 1 November 2021 at around 13:30

The reports will be available on the company’s website at [www.talenom.fi/en/investors](http://www.talenom.fi/en/investors) immediately after publication.

## TABLES

### CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Thousand euro	1-3/2021	1-3/2020	1-12/2020
<b>Net sales</b>	<b>20,307</b>	<b>17,350</b>	<b>65,161</b>
Other operating income	53	54	121
Materials and services	-505	-1,030	-2,466
Employee benefit expenses	-10,795	-8,582	-33,947
Depreciation and amortisations	-2,784	-2,527	-10,398
Other operating expenses	-1,864	-1,547	-5,589
<b>Operating profit</b>	<b>4,412</b>	<b>3,718</b>	<b>12,881</b>
Financial income	44	22	82
Financial expenses	-210	-230	-939
<b>Net financial expenses</b>	<b>-166</b>	<b>-209</b>	<b>-857</b>
<b>Profit (loss) before taxes</b>	<b>4,247</b>	<b>3,510</b>	<b>12,024</b>
Income taxes	-899	-704	-2,445
<b>Profit (loss) for the financial period</b>	<b>3,348</b>	<b>2,806</b>	<b>9,579</b>
<b>Other items of comprehensive income</b>			
<b>Items that may be subsequently transferred to profit or loss</b>			
Cash flow hedging	0	24	0
Taxes on items that may be subsequently transferred to profit or loss	0	-5	0
<b>Other comprehensive income for the financial period after tax</b>	<b>0</b>	<b>19</b>	<b>0</b>
<b>Total comprehensive income for the financial period</b>	<b>3,348</b>	<b>2,825</b>	<b>9,579</b>

## CONSOLIDATED BALANCE SHEET

Thousand euro	31 Mar. 2021	31 Mar. 2020	31 Dec. 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	27,471	20,728	23,956
Other intangible assets	26,608	16,632	22,921
Right-of-use assets	8,271	8,493	7,965
Property, plant and equipment	2,723	2,633	2,479
Other non-current financial assets	337	237	337
Deferred tax assets	82	84	64
Capitalised contract costs	11,219	10,355	11,033
<b>Total non-current assets</b>	<b>76,712</b>	<b>59,162</b>	<b>68,754</b>
<b>Current assets</b>			
Trade and other receivables	9,352	7,750	7,055
Current tax assets	10	0	10
Cash and cash equivalents	10,265	5,268	9,104
<b>Total current assets</b>	<b>19,627</b>	<b>13,017</b>	<b>16,168</b>
<b>Total assets</b>	<b>96,338</b>	<b>72,179</b>	<b>84,923</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	80	80	80
Reserve for invested unrestricted equity	16,570	12,353	14,818
Fair value reserve	0	-26	0
Retained earnings	14,361	9,962	17,271
<b>Total equity</b>	<b>31,011</b>	<b>22,369</b>	<b>32,169</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities	30,000	28,000	30,000
Trade and other payables	2,382	241	556
Lease liabilities	5,995	6,574	5,859
Other non-current financial liabilities	0	32	0
Deferred tax liabilities	1,154	301	732
<b>Total non-current liabilities</b>	<b>39,530</b>	<b>35,148</b>	<b>37,147</b>
<b>Current liabilities</b>			
Financial liabilities	7,000	0	0
Trade and other payables	15,447	11,838	12,134
Lease liabilities	2,450	2,021	2,280
Current tax liabilities	900	802	1,193
<b>Total current liabilities</b>	<b>25,797</b>	<b>14,662</b>	<b>15,607</b>
<b>Total liabilities</b>	<b>65,328</b>	<b>49,810</b>	<b>52,754</b>
<b>Total equity and liabilities</b>	<b>96,338</b>	<b>72,179</b>	<b>84,923</b>

## 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-interest-bearing current liabilities
Net investments	=	investments in tangible and intangible assets - sales of assets
Earnings per share	=	$\frac{\text{net profit of the review period}}{\text{Weighted average number of shares outstanding during the review period}} \times 100$
Compound annual growth rate (CAGR)	=	$\left( \frac{\text{net sales at the end of the period}}{\text{net sales in the beginning of the period}} \right)^{\frac{1}{\text{number of years}}} - 1$

**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 financing 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.