



**QPR SOFTWARE**

**HALF YEAR  
FINANCIAL REPORT**

**JANUARY – JUNE 2022**

# QPR Software Half Year Financial Report 2022: SaaS revenue increased by 24%, total revenue decreased, and the company completed a successful financing round

QPR SOFTWARE PLC

STOCK EXCHANGE RELEASE

August 3, 2022, AT 9.00 AM

**QPR Software Plc's January-June report 2022: SaaS revenue grew clearly, unique process mining technology was launched on the market, and QPR is investing in future growth supported by a successful financing round. New sales of software licenses fell clearly compared to the exceptional comparison period. Investments in growth continued.**

## FINANCIAL DEVELOPMENT

### April-June 2022 highlights

- | SaaS software business grew +38%
- | Net sales amounted to EUR 2,012 thousand and decreased 6% (April-June 2021: 2,138)
- | EBITDA amounted to EUR -270 thousand (3)
- | Operating result (EBIT) amounted to EUR -515 thousand (-275)
- | Result before taxes EUR -526 thousand (-283)
- | Quarter's result EUR -629 thousand (-231)

### January-June 2022 highlights

- | SaaS software business grew +24%
- | Net sales amounted to EUR 4,213 thousand, a decrease of 16% (April-June 2021: 5,042)
- | EBITDA to EUR -471 thousand (569)
- | Operating result (EBIT) amounted to EUR -988 thousand (11)
- | Result before taxes EUR -1,009 thousand (-78)
- | Result EUR -1,009 thousand (-231)

## OUTLOOK FOR 2022 (unchanged)

On a general level, the increased uncertainty of the operating environment in Europe due to the war in Ukraine and inflation in the aftermath of the coronavirus pandemic continue to create uncertainty in acquiring new customers. However, QPR's solutions that enable operational efficiency and cost savings are an opportunity for our customers to renew themselves and react to market changes faster than the competition.

Based on the increased sales offer base, continuous customer revenues, and the booking rate of consulting, QPR estimates that its turnover will increase in 2022 (2021: EUR 9,140 thousand) supported by the growth of SaaS turnover.

## CEO JUSSI VASAMA COMMENTS ON JANUARY–JUNE 2022:

The implementation of QPR's new strategy has progressed well, which can be seen in the clear increase in SaaS revenue compared to the comparison period. SaaS revenue growth accelerated to 38% in the second quarter exceeding the long-term strategic target level. The recurring revenue items of the software business, SaaS and maintenance revenues, grew by 14% in the second quarter and by 9% in

January–June compared to the comparison period. The share of recurring profits in turnover increased to 45% in the second quarter, as compared to 37% a year earlier.

Net sales in the second quarter decreased from the comparison period, but the decrease clearly slowed down as compared to the first quarter. In the entire comparison period, the figures were affected by the exceptionally large one-time license sales in the first quarter of 2021. In the second quarter, the sale of new software licenses was at the level of the comparison period.

Revenue from the consulting business was 15% lower in the first half of the year compared to the previous year. This is primarily due to demand fluctuations in the consulting services of the Finnish public sector, and partly also a reflection of the challenge of quickly hiring consulting expertise that meets the market's demand.

During the monitoring period, we focused on renewing the company's strategic focus, structure, and operating models. We have strengthened our foundation to enable growth and strengthened our offering as a leading process intelligence SaaS service provider.

In the second quarter, the company launched a unique solution developed for the process mining market. The solution enables a customer-oriented SaaS software business based on scalable process intelligence. It is the first and only flexibly scalable and quickly deployable solution on the market, that organizations can use without compromising on the amount of data, data integrity, and process data integrity.

With the launched solution, QPR enables customers to make their operations more efficient and save on costs. We do this by combining a deep understanding of the customer's business processes with real-time process transparency, ready-made dashboards, and market-leading Data Cloud technology. Snowflake was selected as the modern technology provider. QPR's solution, built on top of the Snowflake data cloud, is thus the only process mining software on the market to run natively and securely in the Snowflake data cloud. Additionally, QPR signed a partnership agreement with Snowflake, making us the only Process Mining Powered by Snowflake partner globally. In addition to increasing product development investments, the company increased investment in marketing, sales, and strengthening its partnership network.

In line with the company strategy, the focus lies on strong and continuous SaaS revenue growth. In the medium term, this affects the overall growth of the company, especially regarding to the gradual decrease in new sales of software licenses. For the rest of the year, the company will continue to invest heavily in marketing, sales, and product development in accordance with its strategy. This will consequently weaken profitability in the near future.

As the company previously announced, QPR's rights issue from May 27 to June 10, 2022, was oversubscribed. The goal of the share issue was to strengthen the company's financial conditions to implement the company's growth strategy. The rights issue would enable investments in the growth of the international SaaS business by focusing on QPR's scalable process mining offering and our capabilities. I am very satisfied with the result of the rights issue, where the company raised approximately EUR 2.9 million in net assets. This is a strong indication of investors' trust and faith in the new strategy and in QPR itself as the leading software and service company in our industry.

I am happy that the renewal of the company's structure and operations has progressed quickly. After the company's reorganization, two new people started in the executive management team. In the second quarter, we announced the strengthening of the company's executive management team with the appointment of a new CRO, CFO, and Head of People and Culture. The appointments support the implementation of QPR's new growth strategy. We have also increased investments in personnel well-being and strengthened our recruitment process. I am very satisfied with QPR's ability to function as an international and multicultural organization, and I believe this will be a significant competitive advantage for the company as an employer in the future.

On a general level, increased uncertainty of the operating environment and the increase in cost levels may affect investments of some customer industries. However, QPR's solutions, which enable operational efficiency and cost savings, are an opportunity for our customers to renew themselves and to react to market changes.

Jussi Vasama

Chief Executive Officer

## KEY FIGURES

| EUR in thousands,<br>unless otherwise<br>indicated | April-<br>June,<br>2022 | April-June,<br>2021 | Change,<br>% | Jan-<br>June,<br>2022 | Jan-<br>June,<br>2021 | Change,<br>% | Jan-<br>Dec,<br>2021 |
|--|-------------------------|---------------------|--------------|-----------------------|-----------------------|--------------|----------------------|
| Net sales  | 2,012                   | 2,138               | -6           | 4,213                 | 5,042                 | -16          | 9,140                |
| EBITDA   | -270                    | 3                   | -10,164      | -471                  | 569                   | -183         | 241                  |
| % of net sales                                     | -13.4                   | 0.1                 |              | -11.2                 | 11.3                  |              | 2.6                  |
| Operating result                                   | -515                    | -275                | -87          | -988                  | 11                    | -9,494       | -1,248               |
| % of net sales                                     | -25.6                   | -12.9               |              | -23.4                 | 0.2                   |              | -13.7                |
| Result before tax                                  | -526                    | -283                | -86          | -1,009                | -78                   | -1,201       | -1,356               |
| Result for the period                              | -629                    | -231                | -172         | -1,009                | -61                   | -1,556       | -1,356               |
| % of net sales                                     | -31.3                   | -10.8               |              | -23.9                 | -1.2                  |              | -14.8                |
| Earnings per share, EUR<br>(basic and diluted)     | -0.039                  | -0.019              | -103         | -0.082                | -0.005                | -1,138       | -0.113               |
| Equity per share, EUR                              | 0.149                   | 0.159               | -6           | 0.149                 | 0.159                 | -6           | 0.035                |

|                                     |        |       |        |        |       |        |        |
|-------------------------------------|--------|-------|--------|--------|-------|--------|--------|
| Cash flow from operating activities | -664   | 305   | -318   | -623   | 1,211 | -151   | 692    |
| Cash and cash equivalents           | 1,918  | 878   | 119    | 1,918  | 878   | 118    | 441    |
| Net borrowings                      | -322   | -23   | -1,033 | -322   | -23   | -1,300 | 1,682  |
| Gearing, %                          | -10.9  | -1.2  | -832   | -13.5  | -1.2  | -1,054 | 288.5  |
| Equity ratio, %                     | 40.5   | 39.9  | 1      | 40.5   | 39.9  | 14     | 8.3    |
| Return on equity, %                 | -178.4 | -44.4 | -302   | -286.2 | -6.1  | -4,592 | -111.4 |
| Return on investment, %             | -49.3  | -18.7 | -164   | -89.8  | 0.7   | 12,929 | -49.3  |

## REPORTING

QPR Software innovates, develops, sells, and delivers software and services in international markets aimed at facilitating operational development in organizations. QPR Software reports one operating segment: Operational development of organizations. In addition to this, the Company reports revenue from products and services as follows: Software licenses, Renewable software licenses, Software maintenance services, SaaS (Software-as-a-service,) and Consulting.

Recurring revenue reported by the Company consists of SaaS net sales, Renewable software licenses, and Software maintenance services. Software licenses are sold to customers for perpetual use or for an agreed, limited period. Renewable software licenses are sold to customers as a user right with an indefinite duration. These contracts are automatically renewed at the end of the agreed period, usually one year, unless the agreement is terminated within the notice period. Renewable license revenue is recognized at one point in time, at the beginning of the invoicing period.

Geographical areas reported are Finland, the rest of Europe (including Turkey), and the rest of the world. Net sales are reported according to the customer's headquarters location. The company has closed its business and partnerships in Russia for the time being.

## NET SALES DEVELOPMENT

### NET SALES BY PRODUCT GROUP

| EUR in thousands              | April-<br>June,<br>2022 | April-<br>June,<br>2021 | Change,<br>% | Jan-<br>June,<br>2022 | Jan-<br>June,<br>2021 | Change,<br>% | Jan-<br>Dec,<br>2021 |
|-------------------------------|-------------------------|-------------------------|--------------|-----------------------|-----------------------|--------------|----------------------|
| Software licenses             | 169                     | 133                     | 27           | 301                   | 866                   | -65          | 1,317                |
| Renewable software licenses   | 41                      | 81                      | -49          | 429                   | 524                   | -18          | 797                  |
| Software maintenance services | 471                     | 481                     | -2           | 933                   | 939                   | -1           | 2,034                |
| SaaS                          | 436                     | 317                     | 38           | 786                   | 635                   | 24           | 1,283                |
| Consulting                    | 895                     | 1,126                   | -21          | 1,763                 | 2,078                 | -15          | 3,709                |
| Total                         | 2,012                   | 2,138                   | -6           | 4,213                 | 5,042                 | -16          | 9,140                |

### NET SALES BY GEOGRAPHIC AREA

| EUR in thousands    | April-<br>June,<br>2022 | April-<br>June,<br>2021 | Change,<br>% | Jan-<br>June,<br>2022 | Jan-<br>June,<br>2021 | Change,<br>% | Jan-<br>Dec,<br>2021 |
|---------------------|-------------------------|-------------------------|--------------|-----------------------|-----------------------|--------------|----------------------|
| Finland             | 957                     | 1,145                   | -16          | 2,118                 | 2,593                 | -18          | 4,614                |
| Europe incl. Turkey | 661                     | 545                     | 21           | 1,338                 | 1,232                 | 9            | 2,689                |
| Rest of the world   | 394                     | 448                     | -12          | 757                   | 1,217                 | -38          | 1,837                |
| Total               | 2,012                   | 2,138                   | -6           | 4,213                 | 5,042                 | -16          | 9,140                |

### April-June 2022

Net sales in the second quarter amounted to EUR 2,012 thousand (2,138). Recurring revenue accounted for 45% (37) of net sales.

New software license net sales amounted to EUR 169 thousand (133), increased 27%. Renewable software license net sales decreased to EUR 41 thousand (81) due to the decrease in sales in Finland and the international retail channel.

Software maintenance net sales were EUR 471 thousand (481), which decreased 2% mainly due to lower international channel maintenance net sales.

SaaS revenue increased EUR 436 thousand (317). At the end of the quarter, the entire offer backlog was more than EUR 8 million (Q1;

over EUR 7 million) and the annual estimate of the SaaS offer backlog for the next 12 months over EUR 1,5 million (Q1; over EUR 1.6 million).

Consulting and software deliveries revenue was EUR 895 thousand (1,126) and decreased by 21%. This is primarily due to demand fluctuations in the consulting services of the Finnish public sector, and partly also as a challenge to quickly hire consulting expertise that meets the demand from the market.

Net sales in Finland decreased by 16% but international net sales increased by 6%. Of the Group net sales, 47% (54) derived from Finland, 33% (25) from the rest of Europe (including Turkey) and 20% (21) from the rest of the world.

### ***January - June 2022***

Net sales in January – June amounted to EUR 4,213 thousand (5,042) and decreased by 16%. The share of recurring revenue was 41% of net sales (31).

Of the Group net sales, 50% (51) derived from Finland, 32% (24) from the rest of Europe (including Turkey) and 18% (24) from the rest of the world.

## **FINANCIAL PERFORMANCE**

### ***April - June 2022***

The Group's EBITDA amounted to -270 thousand (3) and operating result (EBIT) to EUR -515 thousand (-275). Net Sales that decreased operating result. Operating expenses were almost on the same level as in the previous year.

The result for the period was EUR -629 thousand (-231). Earnings per share were EUR -0.039 (-0.019).

### ***January - June 2022***

The Group's EBITDA amounted to EUR -471 thousand (569) and an operating result (EBIT) amounted to EUR -988 thousand (11). Net Sales that decreased operating result. Operating expenses were almost on the same level as the in previous year (+5%).

The Group's fixed costs were EUR 4,465 thousand (4,397) in the reporting period. Credit losses, included in fixed costs, were EUR 37 thousand (24).

The result before taxes was EUR -1,009 thousand (-78) and result for the period was EUR -1,009 thousand (-61). Earnings per share were EUR -0.082 (-0.005).

## **FINANCE AND INVESTMENTS**

Cash flow from operating activities in January-June decreased to EUR 623 thousand (1,211). mainly due to decreased financial results. Cash and cash equivalents at the end of the reporting period were EUR 1,918 thousand (878). The net effect of the share issue organized in the second quarter on cash and cash equivalents was 2.9 million euros.

Net financial expenses were EUR 21 thousand (88). The expenses of the comparison period include a one-time guarantee payment related to the finished project, which the company paid in January 2021.

Investments in January - June totaled EUR 783 thousand (379). Investments were mainly related to product development expenditure.

The Company's financial position is good. Cash and cash equivalents at the end of the reporting period were EUR 1,918 thousand (878), and in addition, the Group has access to EUR 1.0 million in other short-term financial instruments. At the end of the period, the Group had a short-term bank loan of EUR 1,500 thousand and no long-term interest-bearing bank loans. The gearing ratio was -13.5% (-1). At the end of the reporting period, the equity ratio was 40.5 (40).

## **PRODUCT DEVELOPMENT**

QPR innovates and develops software products that analyze, measure, and model operations in organizations. The Company develops the following software products: QPR ProcessAnalyzer, QPR EnterpriseArchitect, QPR ProcessDesigner, and QPR Metrics.

In the first half of the year, product development expenses were EUR 1,431 thousand (956). Product development expenses worth EUR 674 thousand (358) were capitalized. The amortization of capitalized product development expenses was EUR 326 thousand (346). The amortization period for capitalized product development expenses is four years.

## **PERSONNEL**

At the end of the reporting period, the Group employed a total of 81 persons (79). The average number of personnel during the period was 78 (75).

The average age of employees was 44 (43.7) years. Women account for 24% (25) of employees, and men for 76% (75). Of all personnel, 18% (18) work in sales and marketing, 44% (42) in consulting and customer care, 31% (31) in product development, and 7% (9) in administration.

The company announced three new executive management team appointments during Q2. Eric Allart was appointed QPR's CRO to be responsible for global direct sales from June 1, 2022. Johanna Lähde was appointed as the company's Head of People and Culture on August 1, 2022, and her responsibility is the development of the company's operating culture and personnel. Mervi Kerkelä-Hiltunen has been appointed as the new Chief Financial Officer (CFO) of QPR Software and a member of the executive management team as of August 4, 2022. Strengthening the executive management team with new positions, to which strong professionals in their own areas of expertise have been appointed, supports the implementation of QPR's new growth strategy.

For incentive purposes, the Company has a bonus program that covers all employees. Short-term remuneration of the top management consists of salary, fringe benefits, and a possible annual bonus, mainly based on the net sales performance of the Group and business units. Furthermore, the Company has a key employee stock option plan in use.

## SHARES AND SHAREHOLDER

| Trading of shares          | Jan-June,<br>2022 | Jan-June,<br>2021 | Change,<br>% | Jan-Dec,<br>2021 |
|----------------------------|-------------------|-------------------|--------------|------------------|
| Shares traded, pcs         | 1,287,534         | 1,298,011         | -1           | 3,323,915        |
| Volume, EUR                | 1,677,990         | 2,776,234         | -40          | 6,255,379        |
| % of shares                | 8.0               | 10.8              |              | 27.7             |
| Average trading price, EUR | 1.30              | 2.14              | -39          | 1.88             |

| Shares and market capitalization                 | June 30,<br>2022 | June 30,<br>2021 | Change,<br>% | Dec 31,<br>2021 |
|--|------------------|------------------|--------------|-----------------|
| Total number of shares, pcs                      | 16,455,321       | 12,444,863       | -            | 12,444,863      |
| Treasury shares, pcs                             | 413,487          | 457,009          | -            | 457,009         |
| Book counter value, EUR                          | 0.11             | 0.11             | -            | 0.11            |
| Outstanding shares, pcs                          | 16,041,834       | 11,987,854       | -            | 11,987,854      |
| Number of shareholders                           | 1,653            | 1,408            | 17           | 1,509           |
| Closing price, EUR                               | 0.86             | 2.06             | -58          | 1.85            |
| Market capitalization, EUR                       | 13,795,977       | 24,694,979       | -44          | 22,177,530      |
| Book counter value of all treasury shares, EUR   | 45,484           | 50,271           | -            | 50,271          |
| Total purchase value of all treasury shares, EUR | 405,726          | 439,307          | -            | 439,307         |
| Treasury shares, % of all shares                 | 2.5              | 3.7              | -            | 3.7             |

On April 6, 2022, the Annual General Meeting authorized the company's Board of Directors to decide on the share issue. On April 22, 2022, the company announced in a separate release that it had begun preparations for the rights issue during the second quarter to enable the necessary growth investments to be made.

On May 19, 2022, with the authorization granted by the Annual General Meeting on 6 April 2022, the Board of Directors of the Company decided on a rights offering and published the terms and conditions of the offering where the Company issued up to 4,010,458 new shares in the Company.

On June 13, 2022, the Company announced the preliminary result of its oversubscribed rights offering, and on June 15, 2022, [The final result of its oversubscribed rights offering and amendments to the terms and conditions of the stock options 2019 as a result of the offering.](#)

On June 17, 2022, [the Company announced, that new shares issued in the rights offering have been registered with the trade register.](#)

All the related stock exchange releases can be found in the Investors section of the Company's website: <https://www.qpr.com/investors/stock-exchange-and-press-releases>

## GOVERNANCE

In March 2022, the Board of Directors gave notice to the shareholders of QPR Software Plc that the Annual General Meeting will be held on Wednesday, April 6, 2022. The Board of Directors of the Company resolved on extraordinary measures pursuant to the temporary legislation approved by the Finnish Parliament. In order to prevent the spread of the Covid-19 pandemic, the Annual General Meeting was held without shareholders' presence at the Meeting venue. Participation and exercise of shareholder rights in the Meeting was possible only by way of proxy representation, by submitting counterproposals, and by asking questions in advance.

The Annual General Meeting approved the Board's proposal that no dividend be paid for the financial year 2021. The Annual General Meeting made an advisory decision on the Remuneration Report and decided to approve the presented Remuneration Report. The Annual General

Meeting resolved that the number of Board Members is four (4) and elected Pertti Ervi, Matti Heikkonen, Antti Koskela, and Jukka Tapaninen members of the Company's Board of Directors. The term of office of the members of the Board of Directors expires at the end of the next Annual General Meeting. At its organizing meeting, the Board of Directors elected Pertti Ervi as its Chairman.

The Annual General Meeting elected Authorized Public Accountants KPMG Oy Ab as QPR Software's auditor with Miika Karkulahti, Authorized Public Accountant, acting as principal auditor. The term of office of the auditor expires at the end of the next Annual General Meeting. The Annual General Meeting decided to authorize the Board of Directors to decide on the conveyance of the own shares held by the Company (share issue) either on one or on several occasions. The share issue can be carried out as a share issue against payment or without consideration on terms to be determined by the Board of Directors.

All authorizations of the Board and other decisions made by the previous Annual General Meeting are available in their entirety in the stock exchange release published by the Company on April 6, 2022.

The release can be found in the Investors section of the Company's website.

## **EVENTS AFTER THE REVIEW PERIOD**

No significant events after the review period.

## **SHORT-TERM RISKS AND UNCERTAINTIES**

Internal control and risk management at QPR Software aim to ensure that the Company operates efficiently and effectively, distributes reliable information, complies with regulations and operational principles, reaches its strategic goals, reacts to changes in the market and operational environment, and ensures the continuity of its business. QPR has identified the following three groups of risks related to its operations: risks related to business operations (country, customer, personnel, legal), risks related to information and products (QPR products, IPR, data security), and risks related to financing (foreign currency, short-term cash flow).

The Company has an insurance policy covering property, operational, and liability risks. Financial risks include reasonable credit risk concerning individual business partners, which is characteristic of any international business. QPR seeks to limit this credit risk by continuously monitoring standard payment terms, receivables, and credit limits.

Approximately 58% of the Group's trade receivables were in euro at the end of the quarter (58%). At the end of the quarter, the Company had not hedged its non-euro trade receivables.

Risks and risk management practices related to the Company's business are further described in the Annual Report 2021, pages 23-24.

## **FINANCIAL INFORMATION**

In 2022 QPR Software Plc will publish its financial information, in Finnish and English, as follows:

Interim Report January – September: Friday, October 21, 2022

## **QPR SOFTWARE PLC**

### **BOARD OF DIRECTORS**

#### **For further information:**

Jussi Vasama  
Chief Executive Officer  
QPR Software Plc  
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#### **About QPR Software**

QPR Software Plc (Nasdaq Helsinki) provides process mining, performance management, and enterprise architecture solutions for digital transformation, strategy execution, and business process improvement in over 50 countries. QPR software allows customers to gain valuable insights for informed decisions that make a difference.

Dare to improve.

[www.qpr.com](http://www.qpr.com)

## DISTRIBUTION

Nasdaq Helsinki

Key medias

[www.qpr.com](http://www.qpr.com)

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

| EUR in thousands, unless otherwise indicated   | April-June, 2022 | April-June, 2021 | Change, % | Jan-June, 2022 | Jan-June, 2021 | Change, % | Jan-Dec, 2021 |
|--|------------------|------------------|-----------|----------------|----------------|-----------|---------------|
| Net sales  | 2,012            | 2,138            | -6        | 4,213          | 5,042          | -16       | 9,140         |
| Other operating income   |                  |                  |           |                |                |           |               |
| Materials and services   | 407              | 297              | 37        | 735            | 634            | 16        | 1,106         |
| Employee benefit expenses  | 1,740            | 1,692            | 3         | 3,551          | 3,464          | 3         | 6,824         |
| Other operating expenses   | 135              | 146              | -8        | 397            | 375            | 6         | 968           |
| EBITDA   | -270             | 3                | 10,164    | -471           | 569            | -183      | 241           |
| Depreciation and amortization  | 245              | 278              | -12       | 517            | 558            | -7        | 1,489         |
| Operating result   | -515             | -275             | -87       | -988           | 11             | 9,494     | -1,248        |
| Financial income and expenses  | -11              | -8               | -38       | -21            | -88            | -76       | -108          |
| Result before tax  | -526             | -283             | -86       | -1,009         | -78            | -1,201    | -1,356        |
| Income taxes   | -103             | 52               | -298      | 0              | 17             | -100      | 0             |
| Result for the period  | -629             | -231             | -172      | -1,009         | -61            | -1,556    | -1,356        |
| Earnings per share, EUR (basic and diluted)  | -0.039           | -0.019           | 103       | -0.082         | -0.005         | -1,138    | -0.113        |
| Consolidated statement of comprehensive income:  |                  |                  |           |                |                |           |               |
| Result for the period  | -629             | -231             | 172       | -1,009         | -61            | -1,556    | -1,356        |
| Other items in comprehensive income that may be reclassified subsequently to profit or loss: |                  |                  |           |                |                |           |               |
| Exchange differences on translating foreign operations                                       | 0                | 0                |           | 1              | 1              |           | -3            |
| Total comprehensive income   | -629             | -231             | 172       | -1,008         | -60            | -1,582    | -1,359        |

## CONDENSED CONSOLIDATED BALANCE SHEET

| EUR in thousands    | June 30, 2022 | June 30, 2021 | Change, % | Dec 31, 2021 |
|---------------------|---------------|---------------|-----------|--------------|
| Assets              |               |               |           |              |
| Non-current assets: |               |               |           |              |
| Intangible assets   | 2,067         | 2,033         | 2         | 1,711        |
| Goodwill            | 358           | 513           | -30       | 358          |



|                                 |              |              |           |              |
|---------------------------------|--------------|--------------|-----------|--------------|
| Tangible assets                 | 168          | 153          | 10        | 172          |
| Right-of-use assets             | 62           | 122          | -49       | 148          |
| Other non-current assets        | 281          | 306          | -8        | 277          |
| <b>Total non-current assets</b> | <b>2,936</b> | <b>3,126</b> | <b>-6</b> | <b>2,666</b> |
| Current assets:                 |              |              |           |              |
| Trade and other receivables     | 2,205        | 1,950        | 13        | 2,694        |
| Cash and cash equivalents       | 1,918        | 878          | 118       | 441          |
| <b>Total current assets</b>     | <b>4,123</b> | <b>2,828</b> | <b>50</b> | <b>3,135</b> |
| <b>Total assets</b>             | <b>7,059</b> | <b>5,954</b> | <b>19</b> | <b>5,800</b> |

#### Equity and liabilities

|   |              |              |           |              |
|---|--------------|--------------|-----------|--------------|
| Equity:   |              |              |           |              |
| Share capital   | 1,359        | 1,359        | 0         | 1,359        |
| Other funds   | 21           | 21           | 0         | 21           |
| Treasury shares   | -406         | -439         | -8        | -439         |
| Translation differences                                   | -66          | -68          | -2        | -68          |
| Invested non-restricted equity fund                       | 2,938        | 5            | 54840     | 5            |
| Retained earnings   | -1,456       | 1,099        | -233      | -448         |
| Equity attributable to shareholders of the parent company | 2,390        | 1,977        | 21        | 430          |
| Current liabilities:                                      |              |              |           |              |
| Interest-bearing liabilities                              | 1,500        | 700          |           | 1,600        |
| Interest-bearing lease liabilities                        | 96           | 155          | -38       | 82           |
| Advances received   | 1,163        | 1,003        | 16        | 627          |
| Accrued expenses and prepaid income                       | 1,298        | 1,648        | -21       | 2,293        |
| Trade and other payables                                  | 613          | 472          | 30        | 768          |
| <b>Total current liabilities</b>                          | <b>4,669</b> | <b>3,977</b> | <b>17</b> | <b>5,370</b> |
| <b>Total liabilities</b>                                  | <b>4,669</b> | <b>3,977</b> | <b>17</b> | <b>5,370</b> |
| <b>Total equity and liabilities</b>                       | <b>7,059</b> | <b>5,954</b> | <b>19</b> | <b>5,800</b> |

#### CONSOLIDATED CONDENSED CASH FLOW STATEMENT

| Thousand euros                               | 4-<br>6/2022 | 4-<br>6/2021 | Change<br>% | 1-<br>6/2022 | 1-<br>6/2021 | Change<br>% | 1-<br>12/2021 |
|--|--------------|--------------|-------------|--------------|--------------|-------------|---------------|
| Cash flow from operating activities:         |              |              |             |              |              |             |               |
| Result for the period                        | -629         | -231         | 172         | -1,009       | -61          | -1,554      | -1,356        |
| Adjustments to the result                    | 246          | 391          | -37         | 517          | 593          | -13         | 1,518         |
| Working capital changes                      | -269         | 217          | -224        | -109         | 896          | -112        | 713           |
| Interest and other financial expenses paid   | -12          | -88          | 86          | -21          | -230         | 91          | -164          |
| Interest and other financial income received | 0            | 0            | 0           | 0            | 2            | 100         | 3             |
| Income taxes paid                            | 0            | 17           | -100        | 0            | 11           | 100         | -22           |
| <b>Net cash from operating activities</b>    | <b>-664</b>  | <b>305</b>   | <b>-318</b> | <b>-623</b>  | <b>1,211</b> | <b>-151</b> | <b>692</b>    |
| Cash flow from investing activities:         |              |              |             |              |              |             |               |
| Purchases of tangible and intangible assets  | -391         | -222         | 76          | -734         | -379         | 94          | -942          |
| <b>Net cash used in investing activities</b> | <b>-391</b>  | <b>-222</b>  | <b>76</b>   | <b>-734</b>  | <b>-379</b>  | <b>94</b>   | <b>-942</b>   |

|   |       |     |        |       |      |       |      |
|---|-------|-----|--------|-------|------|-------|------|
| Cash flow from financing activities:                          |       |     |        |       |      |       |      |
| Proceeds from short term borrowings                           | 0     | 0   |        | 0     | 700  | -100  | 1500 |
| Repayments of short term borrowings                           | 0     | 0   | 0      | 0     | -700 | -100  | -991 |
|   |       |     |        | -     | -    |       |      |
| Payment of lease liabilities                                  | 57    | -49 | 16     | 135   | 138  |       | 0    |
| Sales of own shares   | 34    |     |        | 0     | 34   | 0     | 0    |
| Share issue net   | 2,933 | 0   | 0      | 2,933 | 0    |       | 0    |
| Net cash used in financing activities                         | 2,909 | -49 | -6026  | 2,831 | -138 | -2145 | 509  |
| Net change in cash and cash equivalents                       | 1,854 | 34  | -5,354 | 1,474 | 694  | 113   | 258  |
| Cash and cash equivalents at the beginning of the period      | 61    | 857 | -93    | 441   | 185  | 138   | 185  |
| Effects of exchange rate changes on cash and cash equivalents | 2     | -13 | -118   | 3     | -1   |       | -2   |
| Cash and cash equivalents at the end of the period            | 1,918 | 878 | 118    | 1,918 | 878  | 118   | 441  |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR in thousands       | Share capital | Other funds | Translation differences | Treasury shares | Invested non-restricted equity fund | Retained earnings | Total  |
|------------------------|---------------|-------------|-------------------------|-----------------|-------------------------------------|-------------------|--------|
| Equity Jan 1, 2021     | 1 359         | 21          | -69                     | -439            | 5                                   | 1,126             | 2,004  |
| Stock option scheme    |               |             |                         |                 |                                     | 33                | 33     |
| Comprehensive income   |               |             | 1                       |                 |                                     | -61               | -59    |
| Equity June 30, 2021   | 1 359         | 21          | -68                     | -439            | 5                                   | 1,098             | 1,978  |
| Stock option scheme    |               |             |                         |                 |                                     | 26                | 26     |
| Comprehensive income   |               |             |                         |                 |                                     | -1,572            | -1,572 |
| Equity Dec 31, 2021    | 1 359         | 21          | -68                     | -439            | 5                                   | -448              | 430    |
| Stock option scheme    |               |             |                         |                 |                                     | 2                 | 2      |
| Disposal of own shares |               |             |                         | 34              |                                     |                   | 34     |
| Share issue ,net       |               |             |                         |                 | 2,933                               |                   | 2,933  |
| Comprehensive income   |               |             | 1                       |                 |                                     | -1,009            | -1,008 |
| Equity June 30, 2022   | 1 359         | 21          | -67                     | -406            | 2,938                               | -1,455            | 2,390  |

## NOTES TO INTERIM FINANCIAL STATEMENTS

### ACCOUNTING PRINCIPLES

This report complies with requirements of IAS 34 "Interim Financial Reporting". Starting from the beginning of 2022, the Group has applied certain new or revised IFRS standards and IFRIC interpretations, as described in the Consolidated Financial Statements 2021. The implementation of these new and revised requirements has not impacted the reported figures. For all other parts, the accounting principles and methods are the same as they were in the 2021 financial statements.

When preparing the consolidated financial statements, management is required to make estimates and assumptions regarding the future and to consider the appropriate application of accounting principles, which means that actual results may differ from those estimated.

All amounts presented in this report are consolidated figures, unless otherwise noted. The amounts presented in the report are rounded, so the sum of individual figures may differ from the sum reported. This report is unaudited.

### INTANGIBLE AND TANGIBLE ASSETS

| EUR in thousands               | Jan-June,<br>2022 | Jan-June,<br>2021 | Jan-Dec,<br>2021 |
|--------------------------------|-------------------|-------------------|------------------|
| Increase in intangible assets: |                   |                   |                  |
| Acquisition cost Jan 1         | 12,846            | 11,987            | 11,987           |
| Increase                       | 685               | 358               | 859              |
| Increase in tangible assets:   |                   |                   |                  |
| Acquisition cost Jan 1         | 2,705             | 2,869             | 2,622            |
| Increase                       | 49                | 21                | 83               |

## CHANGE IN INTEREST-BEARING LIABILITIES

| EUR in thousands                            | Jan-June,<br>2022 | Jan-June,<br>2021 | Jan-Dec,<br>2021 |
|---|-------------------|-------------------|------------------|
| Interest-bearing liabilities Jan 1          | 1,682             | 947               | 947              |
| Proceeds from short term borrowings         | 0                 | 700               | 1,500            |
| Repayments                                  | 86                | 792               | 765              |
| Interest-bearing liabilities June 30/Dec 31 | 1,596             | 855               | 1,682            |

## PLEDGES AND COMMITMENTS

| EUR in thousands                                  | Jan-June,<br>2022 | Jan-June,<br>2021 | Dec 31,<br>2021 | Change,<br>% |
|---|-------------------|-------------------|-----------------|--------------|
| Business mortgages (held by the Company)          | 2,384             | 2,387             | 2,386           | 0            |
| Minimum lease payments based on lease agreements: |                   |                   |                 |              |
| Maturing in less than one year                    | 20                | 7                 | 23              | -13          |
| Maturing in 1-5 years                             | 15                | 3                 | 23              | -35          |
| Total   | 35                | 12                | 46              | -24          |
| Total pledges and commitments                     | 2,419             | 2,398             | 2,432           | -1           |

## CONSOLIDATED INCOME STATEMENT BY QUARTER

| EUR in thousands              | Q2<br>2021 | Q1<br>2021 | Q4<br>2020 | Q3<br>2020 | Q2<br>2020 | Q1<br>2020 |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| Net sales                     | 2,012      | 2,201      | 2,054      | 2,043      | 2,138      | 2,904      |
| Other operating income        | 0          | 0          | 0          | 0          | 0          | 0          |
| Materials and services        | 407        | 328        | 224        | 248        | 297        | 337        |
| Employee benefit expenses     | 1,740      | 1,811      | 1,925      | 1,434      | 1,692      | 1,772      |
| Other operating expenses      | 135        | 263        | 335        | 259        | 146        | 228        |
| EBITDA                        | -270       | -201       | -430       | 103        | 3          | 566        |
| Depreciation and amortization | 245        | 271        | 620        | 311        | 278        | 280        |
| Operating result              | -515       | -472       | -1,050     | -208       | -275       | 286        |
| Financial income and expenses | -11        | -10        | -15        | -5         | -8         | -80        |
| Result before tax             | -526       | -483       | -1,065     | -213       | -283       | 206        |

|                       |      |      |        |      |      |     |
|-----------------------|------|------|--------|------|------|-----|
| Income taxes          | -103 | 103  | -66    | 49   | 52   | -35 |
| Result for the period | -629 | -380 | -1,131 | -165 | -231 | 170 |

## GROUP KEY FIGURES

| EUR in thousands, unless otherwise indicated | Jan-June or June 30, 2022 | Jan-June or June30, 2021 | Jan-Dec or Dec 31, 2021 |
|--|---------------------------|--------------------------|-------------------------|
| Net sales                                    | 4,213                     | 5,042                    | 9,140                   |
| Net sales growth, %                          | -16.4                     | 4.4                      | 1.9                     |
| EBITDA                                       | -471                      | 569                      | 241                     |
| % of net sales                               | -11.2                     | 11.3                     | 2.6                     |
| Operating result                             | -988                      | 11                       | -1,248                  |
| % of net sales                               | -23.4                     | 0.2                      | -13.7                   |
| Result before tax                            | -1,009                    | -78                      | -1,356                  |
| % of net sales                               | -23.9                     | -1.5                     | -14.8                   |
| Result for the period                        | -1,009                    | -61                      | -1,356                  |
| % of net sales                               | -23.9                     | -1.2                     | -14.8                   |
| Return on equity (per annum), %              | -286.2                    | -6.1                     | -111.4                  |
| Return on investment (per annum), %          | -89.88                    | 0.7                      | -49.3                   |
| Cash and cash equivalents                    | 1,918                     | 878                      | 441                     |
| Net borrowings                               | -322                      | -23                      | 1,682                   |
| Equity                                       | 2,390                     | 1,977                    | 430                     |
| Gearing, %                                   | -13.5                     | -1.2                     | 288.5                   |
| Equity ratio, %                              | 40.5                      | 39.9                     | 8.3                     |
| Total balance sheet                          | 7,059                     | 5,954                    | 5,800                   |
| Investments in non-current assets            | 783                       | 425                      | 942                     |
| % of net sales                               | 18.6                      | 8.4                      | 10.3                    |
| Product development expenses                 | 1,431                     | 956                      | 2,115                   |
| % of net sales                               | 34.0                      | 19.0                     | 23.1                    |
| Average number of personnel                  | 78                        | 82                       | 80                      |
| Personnel at the beginning of period         | 80                        | 88                       | 88                      |
| Personnel at the end of period               | 81                        | 82                       | 80                      |
| Earnings per share, EUR (basic and diluted)  | -0.082                    | -0.019                   | -0.113                  |
| Equity per share, EUR                        | 0.149                     | 0.159                    | 0.035                   |