

Talenom Plc business review January-September 2021

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TALENOM
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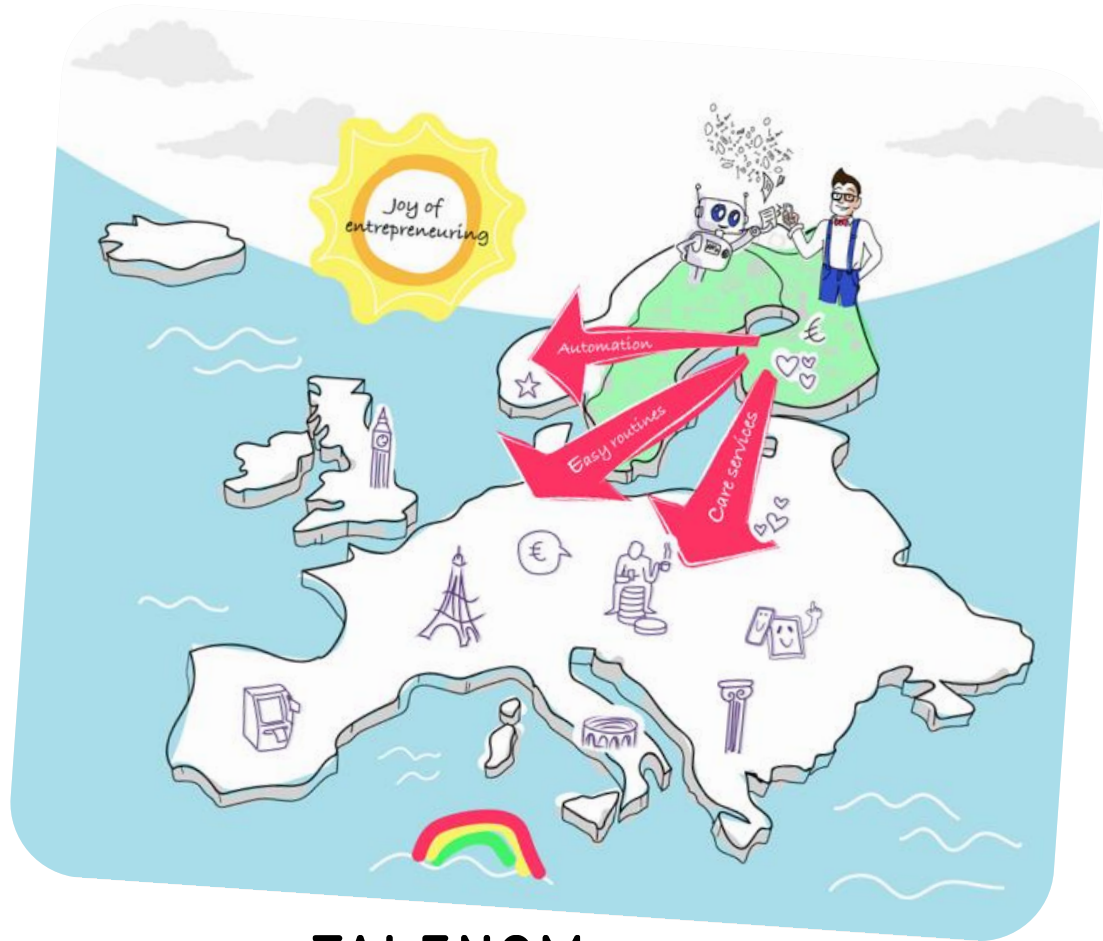


PRESENTATION CONTENT

- STRATEGY PROGRESS DURING THE REVIEW PERIOD
- GROUP FINANCIAL DEVELOPMENT
- COUNTRY-SPECIFIC FINANCIAL DEVELOPMENT
- INVESTMENTS
- SUMMARY AND FUTURE



**OUR VISION IS
TO PROVIDE
UNBEATABLE ACCOUNTING
AND BANKING SERVICES
FOR SMES**



TALENOM

grittämisen iloa

STRATEGY PROGRESS Q3/2021

1. GROWTH ORGANICALLY AND THROUGH ACQUISITIONS

- 1/3 of growth organic, 2/3 from acquisitions
- three acquisitions

2. INTERNATIONALISATION

- Expansion into Spain in July

3. AUTOMATION DEVELOPMENT

- Preparations to use own software started in Sweden, implementation target autumn 2022

4. TILIJASKA AND TALENOM LIGHT ENTREPRENEUR

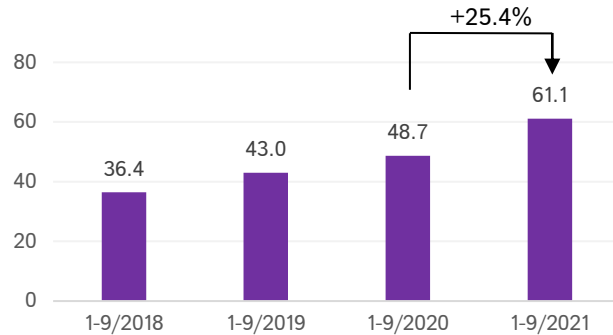
- digital sales channel proved its functionality

5. ACCOUNTS, CARDS AND FINANCIAL SERVICES ADD VALUE TO CUSTOMERS

- good reception from customers for current accounts and payment cards
- financial services pilot demonstrated the importance of customers' real-time financial data in financing

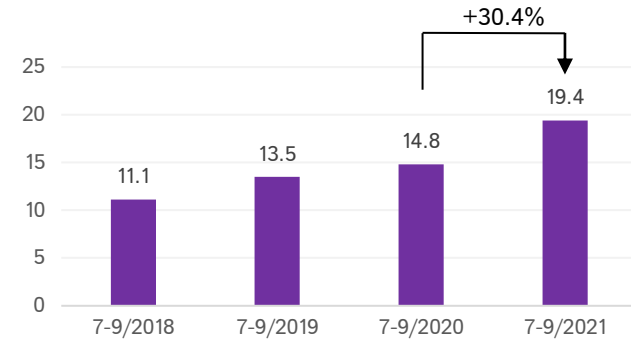
NET SALES GROWTH ACCELERATED

Net sales January-September (EUR million)



- 2/3 of growth from acquisitions and 1/3 organic
- 14 acquisitions in Finland, Sweden and Spain
- COVID pandemic had no significant impact

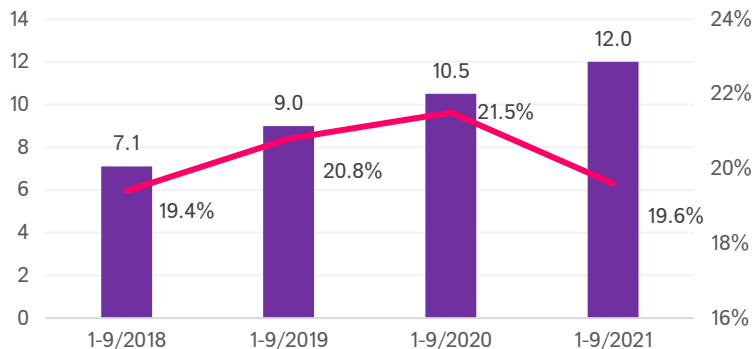
Net sales July-September (EUR million)



- 2/3 of growth from acquisitions and 1/3 organic
- Three acquisitions in Finland, Sweden and Spain

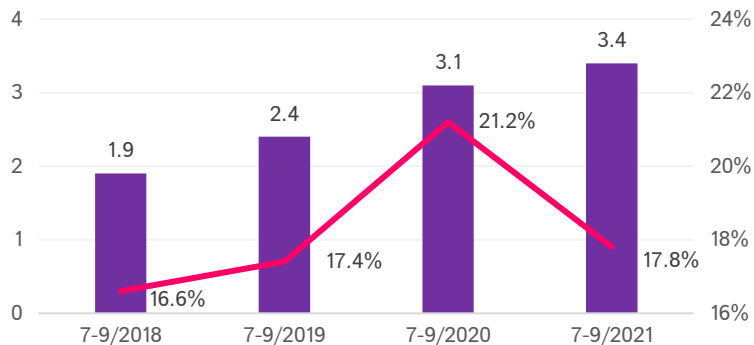
PROFITABILITY WAS EXCELLENT

Operating profit January-September



Operating profit, EUR million Operating profit, % of net sales

Operating profit July-September

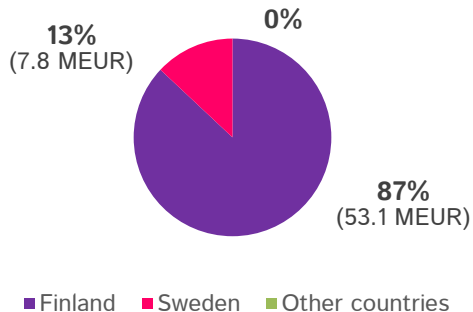


Operating profit, EUR million Operating profit, % of net sales

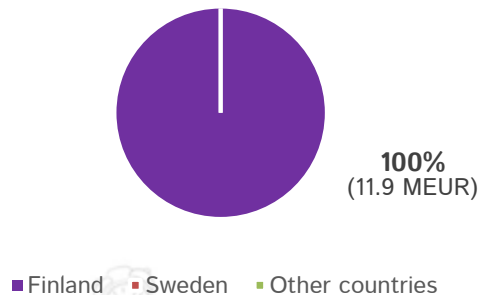
- Automation progressing had positive impact
- Growth structure had negative impact
- In Finland, it takes about three years to increase the profitability of the acquisition targets to the level of the core business

COUNTRY-SPECIFIC REPORTING

Net sales distribution in January-September 2021



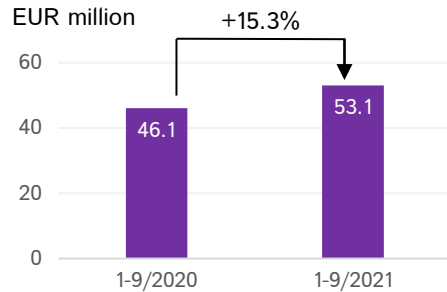
Operating profit distribution in January-September 2021



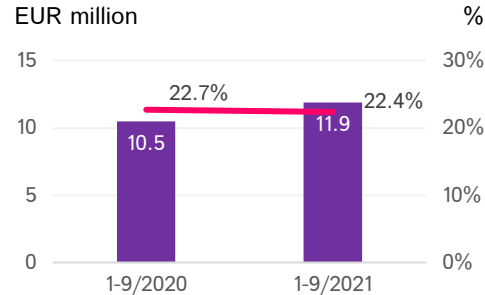
- In future we report country-specific key figures for countries whose annual net sales exceeds EUR 10 million and countries that fall short of this target as one group
- The key figures to be reported are net sales, EBITDA and operating profit
- Currently, Finland is in a mature phase, Sweden in a growth and development phase and Spain in an early development stage
- The Group's operating profit came almost entirely from Finland in January-September 2021
- Sweden's profitability is slightly in black and other countries (Spain) are slightly in red
- Finnish figures give an indication of the development potential we aim for on international markets

BUSINESS DEVELOPMENT IN FINLAND AND SWEDEN 1-9/2021

Net sales development, Finland

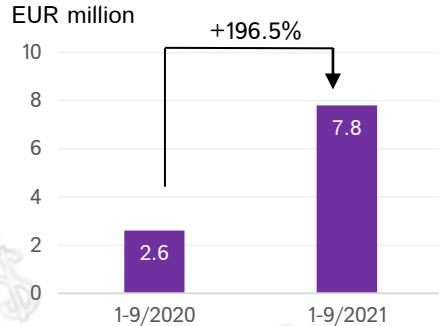


Operating profit development, Finland

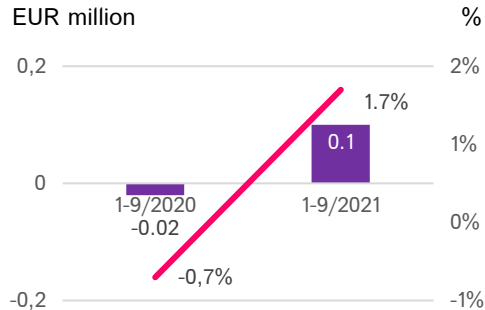


- Growth in net sales 1/2 organic, 1/2 from acquisitions
- The development of automation had a positive and acquisitions a negative impact on profitability

Net sales development, Sweden



Operating profit development, Sweden

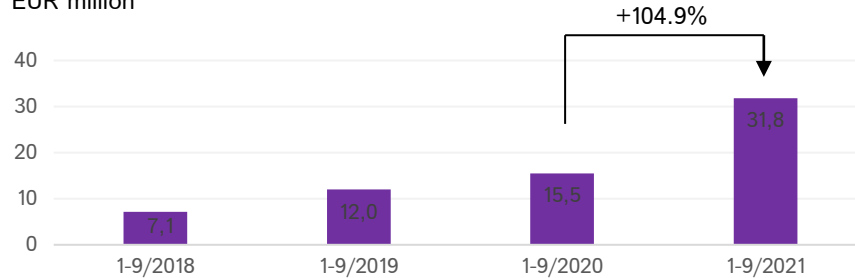


- Net sales growth mainly from acquisitions
- Measured by EBITDA, profitability at a typical level of the industry before implementation of own software
- With growth, the relative share of sales investments and development measures in net sales has decreased, which explains the positive profitability development from the comparison period

GROWTH REQUIRES A HIGHER LEVEL OF INVESTMENT

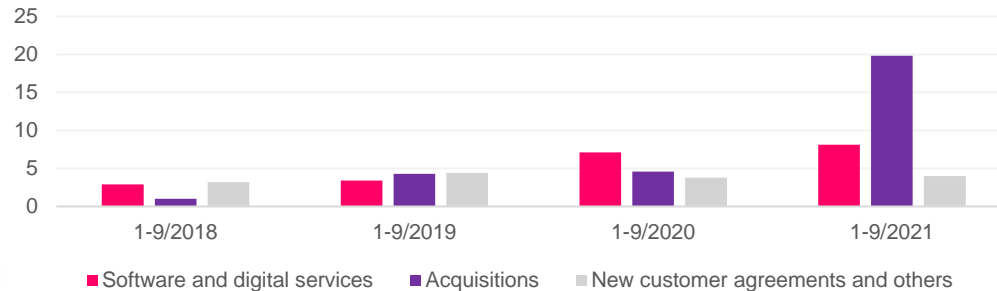
Overall development of net investments

EUR million



Investment development by sector

EUR million



- We have accelerated growth in line with our strategy, which requires a higher investment level in software and M&A transactions
- The digital transformation of our industry is progressing right now, and with the investments we want to strengthen and expand our market position and ensure continued development of our competitive product
- Strong growth in investments will increase the relative share of depreciation in net sales

SUMMARY

GUIDANCE FOR 2021 UNCHANGED

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

GROWTH PROSPECTS STRENGTHENED AND WE BELIEVE PROFITABILITY REMAINS EXCELLENT ALSO IN THE FUTURE

- We expanded to Spain and are constantly looking at new countries.
- We invest in software and business acquisitions because we want to utilise the digital transformation of our industry in full.
- In the small customer segment, the TiliJaska small customer concept and the Talenom light entrepreneur enable efficient sales of our digital services and to a wider customer base than before.
- Talenom's company accounts and payment cards make customers' routines easier and automate our own processes.



DISCLAIMER

Certain statements in this presentation contain declarations on the future and are based on the company's and management's views at the time of their issue. They therefore involve risks and uncertainties. Future development may also change if there are significant changes in the general economic situation or in the company's operating environment.

*Talenom offers its customers payment services (Talenom accounts and cards) as an agent of PPS EU SA. PPS EU SA is an electronic money institution supervised by the Belgian Central Bank. The payment services included in the current service portfolio are not banking services provided under the Credit Institutions Act. However, during the strategy period, Talenom can apply for authorisation for independent operation and expansion both in Finland and other markets.

Appendix 1. Key figures for January-September and July-September

Group	1-9/2021	1-9/2020	Change
Net sales, EUR 1,000	61,052	48,698	12,354
Net sales growth, %	25.4%	13.1%	12.2 percentage points
EBITDA, EUR 1,000	21,077	18,231	2,846
EBITDA of net sales, %	34.5%	37.4%	-2.9 percentage points
Operating profit, EUR 1,000	11,996	10,456	1,540
Operating profit of net sales, %	19.6%	21.5%	-1.8 percentage points
Return on investment (ROI), % (rolling 12 months)	17.8%	18.5%	-0.6 percentage points
Liquid assets, EUR 1,000	8,625	7,681	945
Earnings per share, EUR	0.21	0.18	0.02
Net profit, EUR 1,000	8,941	7,776	1,164

Group	7-9/2021	7-9/2020	Change
Net sales, EUR 1,000	19,364	14,845	4,519
Net sales growth, %	30.4%	10.0%	20.5 percentage points
EBITDA, EUR 1,000	6,679	5,799	880
EBITDA of net sales, %	34.5%	39.1%	-4.6 percentage points
Operating profit, EUR 1,000	3,445	3,144	301
Operating profit of net sales, %	17.8%	21.2%	-3.4 percentage points
Return on investment (ROI), % (rolling 12 months)	17.8%	18.5%	-0.6 percentage points
Liquid assets, EUR 1,000	8,625	7,681	945
Earnings per share, EUR	0.06	0.05	0.00
Net profit, EUR 1,000	2,530	2,320	210