

Netum Group Plc

Half-year report

January 1 – 30 June 2025

netum



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Netum Group Plc's half-year report

1 January–30 June 2025 (unaudited)

Challenging first half of the year – adjustment of operations laid the foundation for future development

Group's revenue for April–June 2025 decreased by 9.9 % from the comparison period. Comparable EBITA was EUR 0.6 (0.9) million or 5.6 (8.0) % of revenue. The Group's revenue for January–June 2025 decreased by 6.0 % from the comparison period. Comparable EBITA was EUR 1.7 (2.3) million or 7.8 (10.1) % of revenue.

Unless otherwise stated, the figures in brackets refer to the comparison period and are in the same unit as the figures for the review period. The figures for 2025 included in this half-year report are unaudited.

April–June 2025 in brief

- Revenue decreased by 9.9 % from the comparison period and was EUR 10.2 (11.3) million
- EBITDA was EUR 0.5 (0.9) million or 4.9 (8.2) % of revenue
- EBITA was EUR 0.5 (0.9) million or 4.8 (7.9) % of revenue
- Comparable EBITA was EUR 0.6 (0.9) million or 5.6 (8.0) % of revenue. All costs affecting comparability, EUR 0.1 million, were restructuring costs arising from change negotiations.
- Operating profit was EUR -0.3 (0.1) million or -3.4 (0.7) % of revenue
- Result for the period was EUR -0.6 (-0.3) million or -5.5 (-2.6) % of revenue

January–June 2025 in brief

- Revenue decreased by 6.0 % from the comparison period and was EUR 21.4 (22.8) million
- EBITDA was EUR 1.6 (2.4) million or 7.5 (10.5) % of revenue
- EBITA was EUR 1.6 (2.3) million or 7.4 (10.2) % of revenue
- Comparable EBITA was EUR 1.7 (2.3) million or 7.8 (10.1) % of revenue
- Operating profit was EUR -0.1 (0.7) million or -0.4 (3.0) % of revenue
- Result for the period was EUR -0.6 (-0.2) million or -2.9 (-0.8) % of revenue
- Earnings per share were EUR -0.05 (-0.01)
- Number of personnel at the end of the period was 386 (407)

Group key figures

EUR thousand unless otherwise stated	4–6/2025	4–6/2024	Change	1–6/2025	1–6/2024	Change	1–12/2024
Revenue	10,226	11,346	-9.9%	21,401	22,775	-6.0%	43,953
Revenue growth, per cent	-9.9%	31.0%		-6.0%	33.1%		18.6%
Organic growth, per cent	-9.9%	4.9%		-6.0%	6.0%		2.8%
EBITDA	503	935	-46.2%	1,607	2,388	-32.7%	4,607
EBITDA, % of revenue	4.9%	8.2%		7.5%	10.5%		10.5%
Operating profit excluding goodwill amortisation (EBITA)	488	901	-45.8%	1,578	2,324	-32.1%	4,477
EBITA, % of revenue	4.8%	7.9%		7.4%	10.2%		10.2%
Comparable EBITA ¹⁾	577	913	-37.2%	1,667	2,303	-27.8%	4,560
Comparable EBITA, % of revenue	5.6%	8.0%		7.8%	10.1%		10.4%
Operating profit (-loss)	-343	84	-507.2%	-77	693	-111.2%	1,137
Operating profit (-loss), % of revenue	-3.4%	0.7%		-0.4%	3.0%		2.6%
Result for the reporting period	-562	-293	-92.2%	-625	-180	-248.1%	-456
Result for the reporting period, % of revenue	-5.5%	-2.6%		-2.9%	-0.8%		-1.0%
Earnings per share, EUR				-0.05	-0.01		-0.04
Return on equity, %				-5.4%	-1.4%		-3.6%
Equity ratio, %				42.9%	40.0%		43.2%
Number of employees, at the end of the period				386	407		394
Overall capacity, own personnel (FTE), at the end of the period				378	N/A ²⁾		379

¹⁾ Items affecting comparability are presented in the table Comparable EBITA.

²⁾ Overall capacity, own personnel (FTE), has been reported for the first time in connection with the Financial Statements Release 2024. The value of the comparison period is not available.

Guidance for 2025 (changed 18 August 2025)

Netum estimates its revenue in the financial year 2025 to be in the range of EUR 37–41 million and comparable EBITA to be 4–7% of revenue.

Previous guidance:

Netum estimates its revenue in the financial year 2025 to be in the range of EUR 41–46 million and comparable EBITA to be 7–10% of revenue.

The changed guidance is based on the very unclear market situation, slower than expected wins of sales and delayed project starts, which have not been able to compensate for the previously anticipated completion of a few large projects at the end of the summer. The changes in the Group apply especially to Netum Oy and Buutti Oy.

Netum estimates that the demand for IT in public service will remain stable, but the fierce price competition will weaken the profitability of the projects. In the private sector, the opportunities are good if uncertainty eases, and investments pick up. The outlook remains unclear, and we will assess the necessary operational and structural changes during the autumn.

CEO's statement



"The first half of the year was challenging for our business. Falling short of the sales targets for the first half of the year was reflected in both revenue and profit. Our revenue in January–June was EUR 21.4 (22.8) million and comparable EBITA was EUR 1.7 (2.3) million, or 7.8% (10.1%). The continued uncertainty in the market and the slowdown in investments have forced us to take several measures to safeguard profitability. We will monitor the adequacy of the measures and strengthen our resilience with determination.

During the first half of the year, Netum Ltd carried out change negotiations, which ended on 18 June 2025. The measures implemented as a result of the negotiations will improve our cost efficiency and adapt our operations to the market situation. The personnel reductions are estimated to result in about EUR 1.9 million of permanent savings on an annual basis, but their impact will not be fully visible until 2026. EUR 0.1 million of the costs of implementing the change negotiations has been taken into account in the

comparable EBITA for the second quarter, and the remaining EUR 0.2 million will be allocated to the third quarter of the year.

At the same time, we have secured new customers and projects that will start in the autumn and support our future growth. During the summer, the largest tenders won were the construction and maintenance of the farm relief system for the Farmers' Social Insurance Institution of Finland (Mela) (estimated at EUR 4 million, 7 years) and expert services for the development of railway information systems for the Finnish Transport Infrastructure Agency (estimated at EUR 1.6 million, 3 + 2 years).

During the first half of the year, Buutti's business in particular clearly fell short of its targets, which had the most significant impact on our revenue and profit. Studyo's business was in line with the targets.

Despite Netum Ltd's add-on sales and profits from new projects, we are still behind our sales target for this year. It is of primary importance for us to continue to be successful in tenders in the near future in order to compensate for the decline in our revenue and profitability caused by significant ending projects. For example, the transfer of employment services from the central government to municipalities required extensive development projects and the parallel use of systems. We played a significant role in the project, both in system development and production. Following successful deployments in the first half of the year, we will continue as the vendor in the same roles, but with a smaller volume during the rest of the year.

I have met several of our customers from different sectors. The meetings have highlighted confidence in our ability to implement business-critical solutions even in an uncertain market. Our customers particularly appreciate the high level of expertise of our experts and the transparency of our solutions - these factors set us apart in the intense competition.

Our people have demonstrated excellent commitment and flexibility in the midst of change. I would like to thank everyone at Netum for their high-quality work and for building our future competitiveness. I wish all the best to those who were involved in the change negotiations and believe that there is a shared understanding of the company's situation. Competence development and the wellbeing of our personnel will continue to be the foundation of our long-term success.

Our strategically important AI project is progressing as planned, and we have seen a growing demand for AI solutions that reform processes. In line with our Wise Changemaker mindset, we help

customers to leverage AI in existing systems and build new digital capabilities, strengthening our position as a responsible and long-term IT partner.

Our sustainability programme and the preparation of the CSRD project are progressing according to schedule. For us, sustainability is about practical actions and transparent communication that support the sustainable growth of our customers and stakeholders.

We estimate that the demand for IT services will continue at the current level, but the fierce price competition will continue to challenge sufficient margin levels. The fast-paced nature of Buutti Oy's expert services may have a faster impact for the numbers of the rest of the year than Netum Ltd's business model. The current market environment requires close monitoring and flexibility. We are prepared to take the necessary measures if the market situation changes substantially or if the start of projects deviates from the current forecast. We will continue our determined work on profitability and growth in Finland and in accordance with our strategy in the Nordic countries.

I would like to express my warmest thanks to our customers, employees and other stakeholders.”

Repe Harmanen
CEO

Significant events during the reporting period

Netum Group Plc's new CEO Repe Harmanen started in his position on 10 January 2025.

27 March 2025 The Board of Directors of Netum Group Plc resolved to establish a share-based incentive plan for the company's management based on the authorisation granted by the Annual General Meeting of the company on 25 March 2025. The content of the share-based incentive plan is described in the section Share-based incentive plans.

On 13 May 2025, the subsidiary Netum Ltd started change negotiations involving 235 people from all of the company's business units, except for the Cyber Security Services unit, the Integration Services team and the sales organisation. The negotiations adjusted the company's resources to respond to the decreasing project volume and the prolonged uncertainty of customer demand. Before the start of the negotiations, Netum estimated that any measures to be taken after the change negotiations may lead to laying off a maximum of 50 people and the termination of a maximum of 25 positions. In addition, Netum estimated that the possible permanent measures, if fully implemented, would result in annual savings of approximately EUR 1.9 million. As a result of the negotiations, 37 persons were laid off and the employment relationships of 24 persons ended. Regarding the layoffs, 15 were fixed-term and 22 were valid until further notice. On an annual basis, the personnel reductions mean permanent savings of EUR 1.9 million for the company.

Financial review 1 January–30 June 2025

Revenue and profitability

April–June 2025

Revenue for April–June decreased by 9.9 % from the comparison period and was EUR 10.2 (11.3) million.

EBITDA was EUR 0.5 (0.9) million or 4.9 (8.2) % of revenue, and EBITA was EUR 0.5 (0.9) million or 4.8 (7.9) % of revenue. Comparable EBITA was EUR 0.6 (0.9) million or 5.6 (8.0) % of revenue. Operating profit was EUR -0.3 (0.1) million or -3.4 (0.7) % of revenue. Result for the reporting period was EUR -0.6 (-0.3) million or -5.5 (-2.6) % of revenue.

January–June 2025

Revenue for January–June decreased by 6.0 % from the comparison period and was EUR 21.4 (22.8) million.

EBITDA was EUR 1.6 (2.4) million or 7.5 (10.5) % of revenue, and EBITA was EUR 1.6 (2.3) million or 7.4 (10.2) % of revenue. Comparable EBITA was EUR 1.7 (2.3) million or 7.8 (10.1) % of revenue. Operating profit was EUR -0.1 (0.7) million or -0.4 (3.0) % of revenue. Result for the reporting period was EUR -0.6 (-0.2) million or -2.9 (-0.8) % of revenue.

Balance sheet, financing and cash flow

The Group's balance sheet total on 30 June 2025 was EUR 25.6 (31.5) million. The Group's equity at the end of the reporting period was EUR 11.0 (12.6) million. Liabilities at the end of the period amounted to EUR 14.6 (18.9) million.

The Group's long-term interest-bearing liabilities amounted to EUR 6.2 (7.9) million. Current interest-bearing liabilities amounted to EUR 0.8 (0.8) million. Interest-bearing liabilities consisted of bank loans.

At the end of June 2025, the company's financial situation was satisfactory. The equity ratio at the end of the period was 42.9 (40.0) %. Group's cash and cash equivalents were 0.3 (0.3) million, of which cash and cash equivalents were EUR 0.1 (0.1) million and financial securities EUR 0.2 (0.2) million.

In January–June 2025, cash flow from operating activities was EUR 1.3 (2.4) million and cash flow from investments EUR -1.5 (-1.9) million. Cash flow from investing activities consisted of the payment of the last additional purchase price instalment related to the acquisition of Studyo Oy.

Cash flow from financing activities was EUR -1.6 (-0.7) million, and it consisted of loan repayments, dividend distribution and repurchases of own shares.

Investments

No significant investments were made during January–June 2025.

Research and development

During January–June 2025, no research or development expenses were capitalised.

Corporate transactions

In March 2025, Netum paid the last additional purchase price instalment of EUR 1.5 million related to the acquisition of Studyo Oy.

In June 2025, the group companies Netum Ltd and Studyo Oy signed an agreement on the transfer of the Truugo business to Studyo. Truugo is a testing and documentation platform for electronic documents. As of July 1, 2025, all Group's software products will be centralized in Studyo, whose core business is the development and sales of SaaS products.

Group structure

On 30 June 2025, Netum Group consisted of the parent company Netum Group Plc and its 100 per cent owned subsidiaries Netum Ltd, Studyo Oy, Buutti Oy and Buutti Consulting Ab. Buutti Consulting Ab currently has no business operations.

Personnel

On 30 June 2025, the Group employed 386 (407) people. Personnel expenses 1 January–30 June 2025 were EUR 15.3 (15.9) million.

Changes in management

Netum Group Plc's CEO Repe Harmanen started in his position on 10 January 2025. At the same time, he stepped down from his role on Netum Group's Board of Directors.

Liisa Rusanen was appointed CEO of the subsidiary Studyo Oy and a member of Netum Group Plc's Management Team as of 23 April 2025. Lauri Stigell left his position in the Management Team on 23 April 2025.

19.6.2025 Netum announced that it will reduce the size and streamline the work of its Management Team. Since the beginning of July 2025, the composition of the Management Team has been seven members instead of the previous nine. Kimmo Koivisto, Director of IT and Security, and Juha-Pekka Leskinen, Director of Strategy and Partnerships, left the Management Team as of 1 July 2025.

Corporate responsibility

Netum's goal is to support its customers' sustainable development goals by offering digital solutions that support the environment, serve customers and employees and promote the well-being of the entire society.

Social impact and responsibility

One of the key objectives of our sustainability work is to make a positive contribution to society through the services provided by Netum. In spring 2025, we completed the largest information system reform in the history of the government in Finland, TE-Digi, the core purpose of which is to support the improvement of the employment rate. The modernisation of employment services will make the everyday life of thousands of employment officials and up to half a million jobseekers significantly easier, bringing smoothness, efficiency and meaningfulness from the perspective of both the individual and society.

The Group's companies support the needs of a changing society with high-quality digital solutions, be they critical infrastructure, education systems or major IT projects for private companies. Our customer satisfaction continues to be excellent. The Net Promoter Score (NPS) of our survey respondents in the first half of 2025 was +53 (on a scale of -100 to +100).

Netum's social significance is emphasised not only in its customer relationships but also in its active cooperation with educational institutions and organisations. In the challenging labour market situation in the IT sector, we consider cooperation to be extremely important for building talent paths and supporting future working life skills. During spring 2025, our company organised company visits, actively participated in student fairs and recruitment events, and made it possible for several students in the field to complete their internships and theses in a practical working environment. In addition, we recruited a total of 11 summer employees for the Group's business functions for the summer. Through the CodeMatch recruitment service offered by Netum Buut, many companies have also found motivated juniors skilled in programming to support their growth. For our part, we want to take responsibility for the smooth transition of future experts to working life, while supporting the well-being of society.

Professional and well-being community

Our significant strengths include employees with a high level of professional competence and well-being. We strive to build an everyday life in which it is good for Netum employees to work. Flexible working hours, remote work opportunities, good tools and comprehensive employee benefits are the norm at Netum. Small and large joint events organised during the spring to counter remote work and hybrid working culture have strengthened the team spirit, built professional networks and supported the well-being and coping of both individuals and the entire work community. We measure employee engagement and satisfaction regularly with the eNPS index. In January 2025, the Group-wide eNPS score was 20 (on a scale of -100 to +100).

Competence development plays a critical role in both the professional growth of personnel and the preservation of competitiveness. We encourage our personnel to systematically develop their skills and seek training. All of our experts can use part of their working time to develop and deepen their professional skills. In addition, we organised several joint training packages for our personnel in the spring on topics such as artificial intelligence and IT service management. With the Group-wide AI development programme, the strengthening of AI expertise and the sharing of up-to-date information and expertise has become an increasingly deep part of Netum's culture. During the spring, part of the Group underwent change negotiations with the aim of ensuring the companies' sustainability and ability to operate in the coming years. In the negotiations, we aimed to have an open dialogue with the personnel and shop stewards and to minimise the impact of the stressful process on employees by offering support in the form of retraining and change security packages, for example.

Safe and responsible practices

We continuously develop our operating methods to ensure safety and responsibility in everything we do. The importance of information security risk management is particularly emphasised in the challenging and ever-changing cyber environment. Early in the year, we also announced the national corporate security certificate issued to Netum, which verifies that the company is a reliable partner for the storage and processing of the authorities' classified information. In addition, our information security management system based on the ISO 27001 standard passed an external audit in June 2025 without a single significant deviation. The ISO 27001 standard, which has been Netum's risk management tool since 2007, is an impressive demonstration of our long-term commitment to a high level of information security. Many of our customers process critical and confidential information, such as healthcare, ICT and application services as well as public services. We have also continued to develop our sustainability reporting as planned. Next spring, we will publish our first CSRD-aligned sustainability report, which will provide a comprehensive picture of how we contribute to sustainable development. However, for us, sustainability is not just about reporting – it is part of our day-to-day operations and decision-making. During the autumn, we will also revise, develop and harmonise the goals and metrics of our Group-wide sustainability programme.

Annual General Meeting 2025

The Annual General Meeting of Netum Group Plc held on 25 March 2025 adopted the financial statements for 2024 and discharged the members of the Board of Directors and the CEO from liability for the financial year ending 31 December 2024.

Distribution of dividend

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that a dividend of EUR 0.05 per share be paid for the financial year 2024 from the company's distributable funds. The dividend payment date was 7 April 2025. In addition, the Annual General Meeting authorized the Board, at its discretion, to resolve on the distribution of an additional dividend up to a maximum of EUR 0.03 per share of the retained earnings. The authorization is valid until 1 December 2025.

Election and remuneration of the Board members

The number of members of the Board of Directors remained unchanged at five (5) members. The Board members Olavi Kõngäs, Marja-Liisa Permikangas, Kirsi Mettälä and Jarmo Puputti were re-elected and Matti Mujanen was elected as a new member. The members of the Board of Directors were elected for a term ending at the end of the next Annual General Meeting.

The Annual General Meeting decided on the following fees to the members of the Board of Directors: EUR 2,200 per month for the Chairman of the Board (previously EUR 2,000 per month) and EUR 1,700 per month for each other member of the Board (previously EUR 1,500 per month). Board members shall be paid meeting fees for each committee meeting as follows: the Chairman of the committee EUR 600 for a meeting and the other members of the committee EUR 400 for a meeting. In addition, the members of the Board shall be paid reasonable travel expenses arising from the meetings.

Election of the auditor and the auditor's fee

The General Meeting elected the audit firm Oy Tuokko Ltd as the company's auditor for a term ending at the end of the next Annual General Meeting following the election. Audit firm Oy Tuokko Ltd has notified that Tuija Siuko, APA, will be the principal auditor. The auditor's fees shall be paid in accordance with an invoice approved by the company.

Board authorizations

The General Meeting authorized the Board of Directors to decide on the issuance of shares as well as the issuance of option rights and other special rights entitling to shares in one or more instalments, either against payment or free of charge. The number of shares to be issued may amount to a maximum of 2,000,000 shares in total. Of this amount, a maximum of 300,000 shares have been reserved for the incentive plans for the CEO and personnel. Under the authorization, both new shares and shares held by the company may be issued. The authorization will be valid until the end of the next Annual General Meeting, but no later than 31 March 2026. The authorization revokes the previous authorization granted to the Board of Directors.

In addition, the General Meeting authorized the Board of Directors to decide on the repurchase of a maximum of 500,000 of the company's own shares otherwise than in proportion to the shareholders' holdings, in one or several instalments, using the company's unrestricted equity. The authorization is valid until 31 March 2026 and revokes the previous unused authorizations to repurchase the company's own shares.

Share-based incentive plans

Netum Group Plc has two separate share-based incentive plans; Performance Share Plan for the company's management and CEO's option plan.

Performance Share Plan

In March 2025, the Board of Directors of Netum Group Plc resolved to establish a share-based incentive plan for the company's management based on the authorization granted by the Annual General Meeting of the company on 25 March 2025. The aim is to align the objectives of the shareholders and the management in order to increase the value of the company in the long-term, to retain the key employees at the company, and to offer them a competitive reward plan that is based on earning and accumulating the company's shares.

The new share-based incentive plan has two performance periods: the financial years 2025–2026 and 2027–2028. The company's Board of Directors determines the performance measures and their target levels as well as the employees covered by the incentive plan at the beginning of each earning period. Within the performance periods, the achievement of targets is reviewed separately on an annual basis, and the maximum reward for the performance period is divided equally between the years of the performance period. The potential rewards will be paid after the adoption of the financial statements for each financial year, but no later than by the end of May 2026, 2027, 2028 and 2029.

For the first performance period (financial years 2025–2026) a maximum amount of 184,000 Netum Group Plc's shares can be paid as reward to the key employees. The reward criteria set for the performance period are based on the profitability of Netum Group's business. The target group for the performance period 2025–2026 includes all members of the Management Team, including the CEO, as well as other selected key employees. The target group consists of a total of 11 people.

CEO's option plan

In November 2024, the Board of Directors of Netum Group Plc's decided to launch a stock option plan for the CEO based on the authorization granted by the Annual General Meeting of the Company on 27 March 2024. The purpose of the stock options is to merge the objectives of the company's shareholders and the CEO in order to increase the value of the company, to engage the CEO to the company and to offer him a competitive remuneration system.

The maximum total number of stock options issued is 70,000 and they entitle the CEO to subscribe for a maximum total of 70,000 new shares in the company if predetermined conditions are met. Of the stock options, 10,000 are marked with the symbol 2024A, 30,000 are marked with the symbol 2024B and 30,000 are marked with the symbol 2024C. The Board of Directors has the right to transfer options in possession of the Company, from one option scheme to another. The stock options are issued gratuitously.

The subscription price of a share subscribed for with an option right 2024A, 2024B and 2024C is EUR 2.51 per share. The subscription price is based on the trade volume weighted average price of the company's share on Nasdaq Helsinki Ltd from 4 to 31 October 2024, from which 10% has been deducted.

The share subscription price will be credited to the reserve for the company's invested unrestricted equity. As a result of the share subscriptions with option rights, the number of shares in the company may increase by a maximum of 70,000 shares, and this maximum amount corresponds to approximately 0.5 per cent of all shares and votes in the company after any share subscriptions on the date of the release.

The share subscription period, for stock options 2024A, is 15 March 2026–30 March 2028, for stock options 2024B 15 March 2027–30 March 2028, and for stock options 2024C, 15 March 2028–30 March 2028.

The right of the option holder to exercise the options arises as follows:

- the right to exercise the 2024A option rights arises on 15 March 2026 if the targets set by the company's Board of Directors for the financial year 2025 are met; The target is met if the EBITA for the financial year 2025 is at least 11 per cent and the operational target set in January 2025 is achieved. The EBITA target weight is 70% and the operational target is 30%.
- the right to exercise the 2024B option rights arises on 15 March 2027 if the targets set by the company's Board of Directors for the financial year 2026 are met; The target is met if the EBITA for the financial year 2026 is at least 12 per cent and the operational target set in January 2026 is achieved. The EBITA target weight is 70% and the operational target is 30%.
- the right to exercise option rights 2024C arises on 15 March 2028 if the targets set by the company's Board of Directors for the financial year 2027 are met. The target is met if the EBITA for the financial year 2027 is at least 12 per cent and the operational target set in January 2027 is achieved. The EBITA target weight is 70% and the operational target is 30%.

Each financial year, the company's Board of Directors assesses the achievement of the objectives for each financial year of the strategy confirmed by the company's Board of Directors for the strategy period 2025–2027. If, in the opinion of the Board of Directors, the objectives in question have not been met for the financial year under review, the option rights expire in this respect.

Shares and trading in shares

The company has one series of shares, and all shares have equal rights. On 30 June 2025, Netum Group Plc's share capital consisted of 12,786,351 (12,786,351) registered shares, and the company held 166,100 (156,216) treasury shares, which corresponded to 1.30 (1.22) % of all shares.

The company's shares are traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd. During the reporting period, the highest share price was EUR 2.96 (3.08) and the lowest price EUR 1.83 (2.40). The weighted average price of the share during the review period was EUR 2.14 (2.68). The closing price on 30 June 2025 was EUR 1.89 (2.80). The market value of the share capital at the closing price of the review period was EUR 23,852,274 (35,364,378) without the treasury shares held by the company.

Treasury shares

On 13 February 2025, a total of 43,514 treasury shares held by Netum Group Plc transferred to the participants of the personnel offering in accordance with the terms and conditions of the matching share plan 2022. In the matching share plan, the participant was able to earn time-based matching shares for each share subject to the share ownership requirement after the end of the approximately two-year vesting period.

In May 2025, the Board of Directors decided to exercise the authorization granted by the Annual General Meeting 2025 to repurchase the company's own shares and started repurchases of maximum 100,000 own shares. The share buyback programme started on 30 May 2025 and ended on 11 August 2025. The purpose of the repurchase of the company's own shares is to use the shares as part of the company's share-based incentive plans, acquisitions or for other purposes decided by the Board of Directors. By the end of June 2025, Netum had repurchased a total of 53,398 own shares. On 30 June 2025, the company held 166,100 (156,216) treasury shares, which corresponded to 1.30 (1.22) % of all shares.

Change in the number of treasury shares during the review period

Treasury shares	1–6/2025
Treasury shares at the beginning of the period	156,216
Repurchase of own shares	53,398
Transfers of treasury shares	-43,514
Treasury shares at the end of the period	166,100

Shareholders

On 30 June 2025, Netum Group Plc had 2,782 (3,023) shareholders. The number of nominee registered shares was 24,062 (49,822), representing 0.2 (0.4) % of the total number of shares. At the end of June 2025, the members of the Board of Directors, CEO and their related parties held a total of 3,657,502 (3,601,741) shares, i.e. 28.6 (28.2) % of the company's share capital. Netum Group did not receive any flagging notifications during January–June 2025. A list of the company's largest shareholders as well as management ownership and transactions are available on the company's website at netum.fi/en/investors/shareholders.

Near-term risks and business uncertainties

Netum's key operational risks are related to customer acquisition, cost control, success in tenders and project deliveries, and responding to technological changes such as the development of artificial intelligence. The risks related to information security, considering the company's business operations, are also subject to continuous monitoring. To ensure information security in operations and to manage information security risks, the company has an ISO 27001 certified Information Security Management System. All Group companies are instructed to comply with the principles of the system.

The company has hedged against the risks of damage by assessing from the point of view of risk management its business assets, processes and the responsibilities resulting from the delivery of the company's services. Insurances are intended to cover all risks that make sense for financial or other reasons to be covered by insurance. The risks of external financing are hedged by interest rate hedging.

There are no litigations pending, and there are no other legal risks relating to the company's operations known to the Board of Directors that would have a significant impact on the company's operating result.

The increased geopolitical uncertainty causes strong effects on the global economy, on the general cost level and on the companies' willingness to invest.

Netum Group Plc's Board of Directors assesses the risks regularly as part of the strategy and business planning process.

Strategy

The strategy supports Netum's goal of profitable growth and leads the company towards its vision of being the most trusted partner and preferred work community in the industry in responsible and secure digital transformation. We aim for profitable growth in the IT service and product market, both organically and through acquisitions.

Our growth strategy:

- we seek further growth from public service efficiency improvement projects and corporate customers
- we expand and develop our service offering to both existing and new customers, especially those in the social welfare and healthcare, security and industrial sectors
- we invest in utilising AI in our services
- we expand our business to the Nordic countries

In developing our service offering, we are investing heavily in the use of artificial intelligence in the services we offer our customers. We recognise the potential of AI to create significant added value for our customers, improve our operational efficiency and support sustainable growth. The deeper integration of AI into our business operations is therefore a central part of our strategy and will be an essential part of our culture in the future.

Our sustainable operating methods are also reflected in our strategy. The main themes of our sustainability programme cover services, the work community, the environment, and business operations.

We want to act as a pioneer in sustainable digitalisation and offer new kinds of solutions that benefit us all: the environment, our customers, our personnel, our business, and the surrounding society.

During the strategy period 2025–2027, we will start building the Group's international business. Our goal is to expand our business to the Nordic countries.

Cornerstones of our strategy:

- maintaining a high level of customer confidence and satisfaction
- a top work community that attracts competent experts
- systematic development of competence and effective recruitment
- a flat organisational structure
- a people-centric management approach that supports continuous learning and self-direction
- active cooperation with our partner network and developing partnerships
- strengthening our brand and renewing our brand strategy
- a uniform, goal-oriented management model

Medium-term financial targets

Netum's Board of Directors has set the following medium-term financial targets:

- Growth: Our goal is to grow organically by 30 per cent in the strategy period 2025–2027. In addition, we will strengthen our expertise and service offering through acquisitions.
- Profitability: Our goal is to achieve profitable growth and an annual operating profit of at least 12 per cent (EBITA).
- Dividend policy: Our dividend policy takes into account the investment and financing needs required to achieve our financial objectives. The company intends to distribute approximately 40 per cent of its annual operating profit before goodwill amortisation (EBITA) if its financial standing allows it.

Events after the end of the financial period

On 18 August 2025, Netum issued a negative profit warning and lowered its guidance for 2025.

Financial reporting in 2025

In 2025, Netum Group Plc will publish the following financial reports:

- business review for January–September 2025 on Tuesday 4 November 2025

Tables

Accounting principles for the half-year report

This half-year report has been prepared in accordance with Finnish Accounting Standards (FAS). The figures presented are rounded from the exact figures. Due to rounding, the sum of the individual figures may differ from the amount shown. The financial figures 2024 in this half-year report are audited.

The company presents commonly used alternative performance measures to describe the economic development of its businesses and to improve comparability between different reporting periods. Alternative indicators provide significant additional information to the company's management, investors, and other parties.

The alternative key figures used by the company are EBITDA, EBITA and comparable EBITA. The calculation of the alternative indicators is presented in the section 'Reconciliation of alternative performance measures'. The principles for calculating key figures and alternative key figures are presented in the section 'Calculation of key figures'.

Consolidated income statement

EUR 1,000	1-6/2025	1-6/2024	Change	1-12/2024
Revenue	21,401	22,775	-6.0%	43,953
Other operating income	3	34	-92.5%	64
Materials and services	-2,091	-2,078	0.6%	-4,176
Personnel expenses	-15,298	-15,932	-4.0%	-30,391
Depreciation and amortisation	-1,685	-1,695	-0.6%	-3,470
Other operating expenses	-2,407	-2,411	-0.2%	-4,843
Operating profit/loss	-77	693	-111.2%	1,137
Financing income and expenses	-204	-468	-56.4%	-819
Profit/loss before tax	-282	225	-225.4%	318
Income tax expenses	-344	-404	-15.0%	-774
Profit/loss for the period	-625	-180	-248.1%	-456

Consolidated balance sheet

EUR 1,000	30 Jun 2025	30 Jun 2024	31 Dec 2024
Assets			
Non-current assets			
Intangible assets			
Development expenses	26	83	41
Intangible rights			
Goodwill	147	238	193
Consolidated goodwill	18,761	21,610	20,346
Total intangible assets	18,934	21,931	20,580
Tangible assets			
Machinery and equipment	28	38	32
Other tangible assets	31	51	40
Total tangible assets	60	88	72
Investments			
Participating interests		537	
Other shares and investments	155	25	155
Total investments	155	562	155
Total non-current assets	19,149	22,581	20,808
Current assets			
Receivables			
Long-term receivables			
Receivables from participating interests		52	
Loan receivables		37	33
Other receivables	133	78	131
Total long-term receivables	133	167	164
Short-term receivables			
Account receivables	4,974	7,053	4,845
Receivables from participating interests		112	
Loan receivables	27	25	
Other receivables	10	26	14
Prepayments and accrued income	1,013	1,283	679
Total short-term receivables	6,024	8,498	5,538
Total receivables	6,157	8,665	5,703
Investments in total	193	201	201
Cash in hand and at banks	89	84	1,873
Total current assets	6,439	8,950	7,776
Total assets	25,588	31,532	28,584

EUR 1,000	30 Jun 2025	30 Jun 2024	31 Dec 2024
Equity and liabilities			
Equity			
Share capital	80	80	80
Reserve for invested unrestricted equity	15,390	15,390	15,390
Retained earnings gain (loss)	-3,865	-2,674	-2,674
Profit (loss) for the financial year	-625	-180	-456
Total equity	10,980	12,617	12,340
Provisions			
Liabilities			
Non-current liabilities			
Loans from credit institutions	6,227	7,900	6,227
Prepayments	5	12	5
Other creditors			
Total non-current liabilities	6,232	7,912	6,232
Current liabilities			
Loans from credit institutions	837	837	1,673
Prepayments	717	462	627
Account payables	354	1,093	591
Amounts owed to participating interests		15	
Other creditors	1,511	3,183	2,197
Accruals and deferred income	4,957	5,414	4,924
Total current liabilities	8,377	11,003	10,012
Total liabilities	14,609	18,915	16,244
Total equity and liabilities	25,588	31,532	28,584

Consolidated statement of cash flows

EUR 1,000	1-6/2025	1-6/2024	1-12/2024
Cash flow from operations			
Profit (+) / loss (-) before appropriations	-282	225	318
Adjustments (+/-)			
Depreciation and amortisation	1,685	1,695	3,470
Other income and expenses without payments	-8	0	95
Financial income and expenses	204	468	819
Cash flow before change in working capital	1,599	2,388	4,702
Change in working capital			
Current receivables increase (-) / decrease (+)	-289	-470	2,502
Interest-free current liabilities increase (-) / decrease (+)	576	858	-1,066
Cash flow before financial items and taxes	1,886	2,776	6,137
Interests paid	-207	-211	-496
Interests received	2	1	7
Income tax paid	-378	-199	-817
Cash flow from operations	1,304	2,367	4,832
Cash flow from investing activities			
Investments in tangible and intangible assets (-)	-2	-22	-29
Investments in other shares and investments			-239
Proceeds from investments			185
Investments in subsidiary shares (-)	-1,524	-1,621	-1,621
Investments in participating interest shares (-)		-239	
Cash flow from investing activities	-1,526	-1,881	-1,703
Cash flow from financing activities			
Repurchase of own shares (-)	-97		
Non-current receivables, increase (-) / decrease (+)	-2	-3	-14
Non-current interest-free liabilities, increase (+) / decrease (-)			-7
Withdrawals of current loans	500		
Repayments of current loans (-)	-1,337	-684	-1,521
Dividend paid (-)	-633		
Cash flow from financing activities	-1,569	-687	-1,541
Change in cash, increase (+) / decrease (-)	-1,792	-201	1,587
Cash at the beginning of the financial period	2,074	486	486
Cash at the end of the financial period	282	285	2,074

Consolidated statement of changes in equity

EUR 1,000	1-6/2025	1-6/2024	1-12/2024
Restricted equity			
Share capital at beginning of the reporting period	80	80	80
Increase of share capital			
Total restricted equity	80	80	80
Unrestricted equity			
Unrestricted equity reserve at beginning of the reporting period	15,390	15,390	15,390
Increase of share capital			
Share issue			
Unrestricted equity reserve at end of the reporting period	15,390	15,390	15,390
Retained earnings (loss) at beginning of the reporting period	-2,674	-1,599	-1,599
Profit (loss) for the previous financial year	-456	-1,075	-1,075
Dividend paid	-633		
Purchases of own shares	-101		
Sales of own shares			
Retained earnings at end of the reporting period	-3,865	-2,674	-2,674
Profit for the period	-625	-180	-456
Total unrestricted equity	10,900	12,537	12,260
Equity total	10,980	12,617	12,340

Commitments and contingent liabilities

EUR 1,000	1-6/2025	1-6/2024	1-12/2024
Lease liabilities for business premises			
Lease liabilities for business premises	400	707	490
Total	400	707	490
Leasing liabilities			
Equipment rental liabilities	1,478	1,512	1,698
Total	1,478	1,512	1,698
Business credit cards			
Used amount	33	35	13
Limit	232	230	200
Total	265	265	213
Credit account limit			
Unused limit	1,200	1,200	1,200
Total	1,200	1,200	1,200

Reconciliation of alternative performance measures

EBITA and EBITDA

EUR 1,000	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Operating profit (-loss)	-343	84	-77	693	1,137
Consolidated goodwill amortisation	808	794	1,609	1,586	3,249
Goodwill amortisation	23	23	46	46	91
EBITA	488	901	1,578	2,324	4,477
Depreciation and amortisation	15	33	29	64	130
EBITDA	503	935	1,607	2,388	4,607

Comparable EBITA

EUR 1,000	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
EBITA	488		1,578	2,324	4,477
Items affecting comparability					
Loss of investment (Optimo Systems Oy)					95
Proceeds for equipment sales/leaseback		4		9	17
Change negotiations ¹⁾	89		89	13	13
Items affecting comparability of salaries				-59	-59
Double materiality assesment		8		16	18
Items affecting comparability in operating profit total	89	12	89	-21	84
Comparable EBITA	577	913	1,667	2,303	4,560

¹⁾ This figure includes the wage costs and social security expenses of dismissed persons for the period of notice, which did not include an obligation to work. In addition, the figure takes into account legal, change security and retraining costs related to the implementation of the change negotiations.

Calculation of key figures

EBITDA	= Operating profit + consolidated goodwill amortisation + goodwill amortisation + depreciation and amortisation
EBITA	= Operating profit + consolidated goodwill amortisation + goodwill amortisation
Comparable EBITA	= Operating profit + consolidated goodwill amortisation + goodwill amortisation + items affecting comparability in operating profit
Earnings per share	= Result for the reporting period / Average number of shares outstanding during the period (average of beginning and end of period)
Equity ratio, %	= (Equity total + non-current capital loan + current capital loan) / Total equity and liabilities
Return on equity, %	= Result for the reporting period / Average equity
Number of employees, at the end of the period	Number of employees at the end of the review period
Overall capacity, own personnel (FTE)	The Overall Capacity, FTE (Full Time Equivalent) figure shows the overall capacity of the Group's personnel, converted into a value corresponding to the number of full-time employees. The figure includes the entire personnel, regardless of their role. The figure is not affected by annual leave, overtime leave, sick leave or other short-term absences. Part-time agreements and other long-term deviations from normal working hours reduce the amount of overall capacity in comparison with the total number of employees. The capacity of acquired companies' personnel has been considered as of the acquisition date.

In Helsinki, 19 August 2025

Netum Group Plc
Board of Directors

Further information:

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